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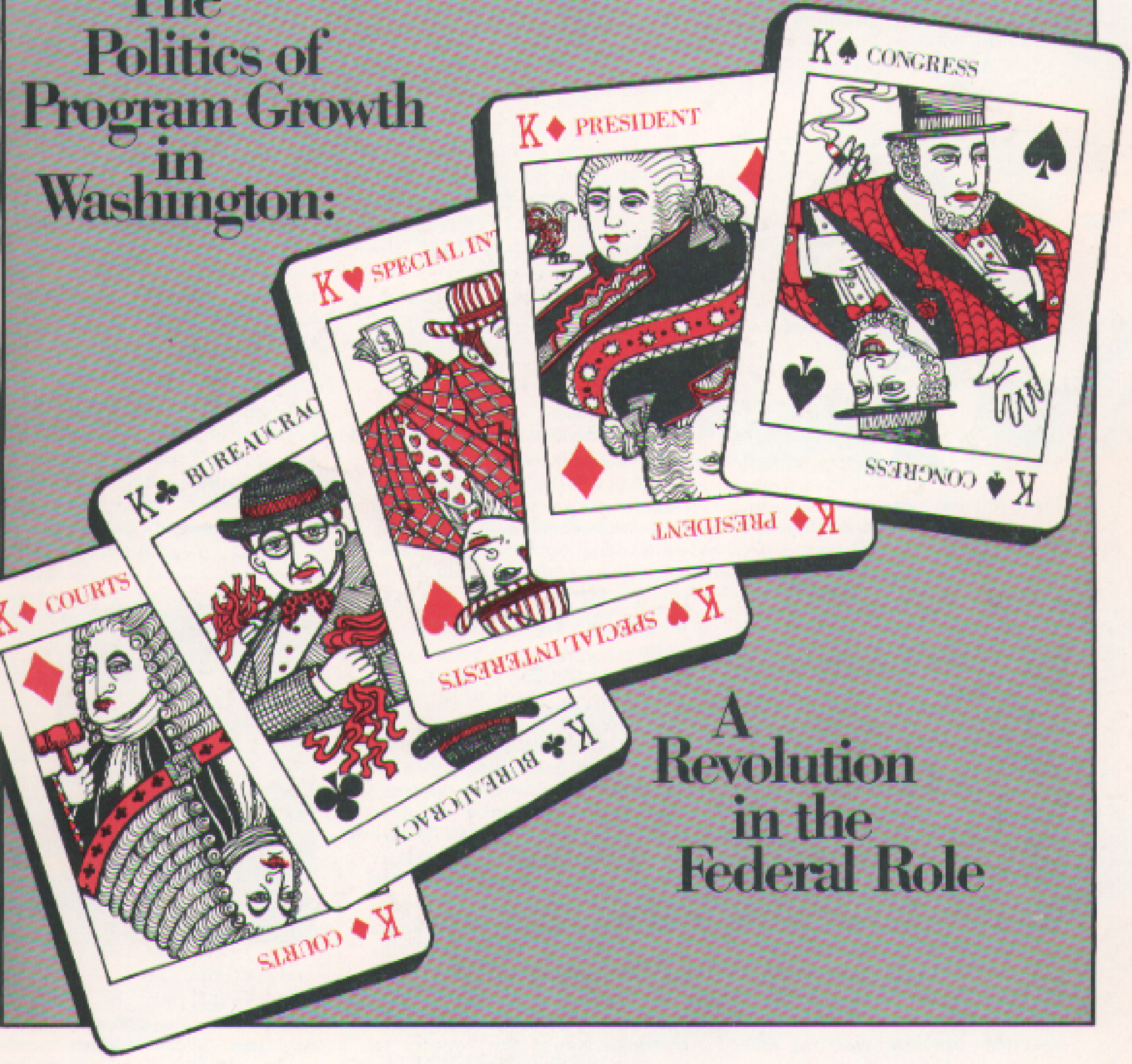
The Politics of Program Growth in Washington:



A Revolution in the Federal Role

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Note: ***In light of considerable interest of two members of the Commission in the topic of federal role, this "View from the Commission" will feature the two views on this key area. The views express differing approaches not to defining the problem but to solving it—and what ACIR's proper role might be.***

Views From The Commission

Gov. Bruce Babbitt

Dear Reader:

I am delighted to have this opportunity to describe my views on the important issue of the *federal role in the federal system* and to share the spotlight with fellow Governor Richard Snelling of Vermont. I have been particularly pleased that the Advisory Commission on Intergovernmental Relations is looking into this key subject since I think it gets to the heart of the major problem now confronting contemporary intergovernmental relations.

The federal system is disappearing. I believe that if left adrift in the swift current we're now in, states and localities will be finished in 30 to 40 years. The work done by the Commission staff corroborates what many of us at the state and local level have known for some time: The real power in this country has dramatically shifted to Washington. The federal presence is in nearly every field, and I think the time has come when Washington should get out of some of these fields and be restrained in some way from getting into certain others.

Trying to cope with this overload of our intergovernmental system through economic and administrative approaches is insufficient. What we need is a new political conceptualiza-

(Continued on Page 23)

Dear Reader:

I too am pleased to share this forum with Governor Babbitt and to have an opportunity to present my views on what to do about what is referred to in this issue of *Perspective* as the federal Leviathan.

It is undeniable that the federal presence has grown immensely over the past few decades. The mark of Washington is seen in nearly every governmental arena and the work done by the ACIR staff—including the articles in this issue of *Perspective*—provides startling and numerous illustrations of how the federal government got into areas not clearly federal in nature.

Where I begin to disagree with my fellow Governor from Arizona is what to do about the situation. He draws an extremely bleak picture of the future of our intergovernmental system—predicting the demise of state and local government in the not too distant future if we continue along as we're going. He proposes a radical change—where someone—ACIR in point of fact—would redesign our federal system and fashion an "ideal" sorting out of functions.

I can't help but feel that such a design would run counter to our whole American heritage

Gov. Richard A. Snelling

and purpose. In a democracy, any change must be in accordance with the consent of the governed. Short of recommend-

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Intergovernmental PERSPECTIVE

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In this issue, two Commission members, Governors Bruce Babbitt and Richard Snelling, discuss the importance of ACIR's study of the federal role in the federal system and outline alternative routes the Commission might take in its recommendations in this key area.

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Intergovernmental Focus

Mandating, Fiscal Note Legislation Considered at State, Federal Levels

ACIR recommendations that states alleviate difficulties in mandating of local expenditures by defining and cataloging new and existing mandates and providing full or partial reimbursement based upon costs set out in a fiscal note have recently been considered and/or adopted in a number of states.

The **Michigan** legislature, under a time limit imposed by a constitutional amendment, passed a state mandates bill that requires the state to catalog all state mandates on the books with ten statutory exceptions. Future legislation imposing state mandates must contain funds to cover the cost of the mandates.

Tennessee enacted legislation to implement a constitutional amendment requiring that cities and counties be reimbursed for state mandates. The Tennessee legislature provided, however, that funds returned to counties and municipalities as part of state-shared taxes would be used to help pay the state costs of mandates.

Rhode Island law calls for towns and cities to be reimbursed for the cost of state mandates. State mandates were defined to include state statutory or executive actions, and state actions taken to achieve compliance with federal statutes, regulations, or court orders, but which exceed in force, the underlying federal statute, regulation, or court order. Mandates also include requirements imposed upon local governments when discretionary federal statutes, regulations, or court orders are made mandatory by the state. The state budget officer must annually include as a line item in the state budget the statewide costs of state mandates as reported by the Department of Community Affairs.

A state mandates bill, closely patterned after ACIR's model state legislation, was vetoed in **Illinois**.

A number of state legislatures are expected to consider the mandating issue in the next session. In the meantime, some states are attempting to find out what has already been mandated. For example, the **Massachusetts** General Assembly set up a special committee to review and catalog all mandates in three functional areas. The committee has cataloged the mandates, filed the information on computer, and has now proposed state mandates legislation.

The Commission has also recommended that states include with all major state legislation and proposed administrative regulations affecting local governments, an explicit note setting out the fiscal impact on those local governments of legislation or regulations. Generally, fiscal notes add a new dimension to the legislative process by making legislators more aware of both the benefits and the costs of programs. Although few states require that fiscal notes be attached to proposed rules or regulations, 26 states have enacted such a procedure for legislation. Of these states, ten require the procedure as a matter of statutory law while most of the other fiscal note procedures are required by joint legislative rules.

New Hampshire decided to enact such a statute during its last session. A special committee was organized to review ACIR's model bill, as well as the legislation in other states. During the numerous committee meetings held early this spring, the special committee reviewed the cost and personnel needs of such a system of fiscal review and invited officials from **Maryland** and **Rhode Island** to discuss fiscal notes in their states. After the committee and the legislature reviewed options on how to keep costs within reason while making the fiscal note sufficiently detailed, the bill was enacted and became effective in July.

Fiscal note and mandating legislation is also under consideration at the federal level:

- ☐ H.R. 3697, introduced by Rep. Elizabeth Holtzman (NY), would require an assessment of costs to state and local governments for all bills and resolutions reported by the House and Senate.
- ☐ H.R. 2842, introduced by Rep. John Burton (CA), would permit the assessment of costs for state and local governments resulting from proposed federal programs. Additionally, the Burton proposal would prohibit further consideration of the legislation until additional federal funds are authorized to alleviate the new cost burdens.

Both bills are now in the House Rules Committee, but neither has been the subject of hearings, as yet.

Grant Reform Hearings Concluded, Rural Efforts Show Promise

On October 3, the Senate Subcommittee on Intergovernmental Relations concluded its series of hearings on federal aid system reform. The hearings focused on two omnibus grant reform proposals, S. 878, the "Federal Assistance Reform Act," and S. 904, the "Federal Assistance Reform and Small Community Act of 1979." Subcommittee markup of these bills is expected soon.

These two bills contain a range of improvements intended to simplify and reduce the cost of grants management, including a grant consolidation process, the standardization of national policy requirements, renewal of the **Joint Funding Simplification Act of 1974**, auditing improvement, and procedures to give special attention to the nation's smaller communities. Both bills have received bipartisan support in the Senate, and companion legislation to S. 878 is in the House as H.R. 4504.

Throughout the three days of hearings, grant consolidation was selected repeatedly as the most needed and desirable step toward improved grant administration. Title II of both S. 878 and S. 904 would establish a process whereby the President could send consolidation plans, containing programs in the same functional area, to the

Congress for its review. Within 90 days, the Congress would be required to pass judgment on the proposed consolidation plan. Under current procedure, consolidation proposals frequently languish in subcommittee without ever being given a fair assessment. While the proposed reform would not suggest specific consolidations, it would assure that proposals in Congress would receive a substantive review.

On the final day of testimony:

- Sen. Carl Levin (MI) expressed strong support for the consolidation process, noting in particular the discretion it would provide for program administrators.
- The Comptroller General of the United States, Elmer B. Staats, reinforced this support, pointing to the fact that the GAO has issued at least 15 reports in the last several years highlighting the complexity and confusion in the federal aid system resulting from overuse and improper use of categorical grants.
- Dr. John P. White, Deputy Director of OMB, assured strong administration backing for grant consolidation and described OMB's ongoing efforts to formulate the consolidation plans which are most desirable from both the policy and political standpoints.

On earlier hearing days, ACIR Vice Chair Lynn Cutler, Supervisor of Black Hawk County (IA), and representatives from most of the major public interest groups urged grant consolidation as the preeminent reform approach. Each of these witnesses described his or her particular frustrations with the existing grant system. They reaffirmed the point made a year ago by the National Governors' Association and the National Conference of State Legislatures, that the flexibility and cost savings afforded by grant consolidation is a fair and justifiable exchange for the expected cutbacks in federal grant-in-aid funds.

Other titles of the two bills, including those dealing with the simplification of national policy requirements, auditing improvement, and joint funding simplification, were generally well received. Several witnesses, however, underscored the need to redraft some aspects of these titles in the course of markup.

The joint funding concept was lent its strongest support by Kentucky Gov. Julian M. Carroll. Kentucky has had a very favorable experience with joint funding, using it as a tool to cut administrative costs sharply in the management of federal programs. As a result, Kentucky estimates that joint funding saves up to $1.2 million annually in the federal program planning area alone. Subcommittee Chairman James Sasser, from Governor Carroll's neighboring state of Tennessee, has taken a strong interest in the renewal of the 1974 joint funding legislation. On September 28, 1979, Sen. Sasser introduced his own **Joint Funding Simplification Act** renewal proposal as S. 1835. This bill is cosponsored by Senators Muskie (ME), Chiles (FL), Glenn (OH), and Durenberger (MN).

Senate subcommittee markup of S. 878 and S. 904 is scheduled for completion well before the close of this Congressional session. As yet, however, no hearings are scheduled in the House for the companion legislation.

As the grant reform proposals pass through the Congress, the President is moving forward with a series of administrative reform initiatives, including the simplification of the regulatory process, paperwork reduction, certain urban policy changes, improved planning requirements, and upgrading of the Federal Regional Councils. Some of these strategies have enjoyed only uneven success. As the ACIR Federal Assistance Monitoring Project revealed, for example, some of the regulatory simplification and paperwork reduction steps, while endorsed at the policy level, have become misdirected or have been implemented in conflicting ways at the program administration level.

One set of these administrative actions which shows great promise, however, is the rural development initiative. This approach, first announced in 1978, is designed to better target existing funds to the rural communities exhibiting the greatest need and to foster agency cooperation at the federal level in the distribution of funds and administration of programs. The six program areas selected for this innovative approach to service delivery were water and sewer, communications, energy, transportation, housing, and health.

The health initiative is particularly interesting because the special health problems of rural populations are compounded by the serious shortage of health professionals in these areas. The foundation of the rural health initiative is an agreement between the Department of Health, Education, and Welfare (HEW) and the U.S. Department of Agriculture (USDA) that provides for loans to construct the needed health care facilities for people in the medically underserved rural areas. Under this agreement the Farmers Home Administration (FmHA) provides loans to build, expand, or better equip nonprofit health care units in the selected areas. The Bureau of Community Health Services (BCHS) in HEW makes certain that these facilities are appropriately staffed and the operating expenses are available for the life of the loan. The BCHS effort seeks to overcome current trends toward specialization and sophisticated technology, neither of which meets the needs of rural populations. The emphasis instead is on reemphasizing the importance of primary health care disciplines and encouraging individuals with this background to locate in rural areas.

The Creation, Care and Feeding of Leviathan: Who and What Makes Government Grow

By Cynthia Cates Colella

History tells us that on a rainy evening 163 years ago, Lord Byron, Percy Bysshe Shelley, and Mary Wollstonecraft Shelley each determined to devise the ultimate horror story. The challenge, constructed in the form of a contest among the renowned trio, was successfully met by Mary and it is testament to her literary and horrific abilities that these many years later no one has surpassed her classic tale of the well-meaning young physicist, Victor Frankenstein, and his misbegotten creation, Clerval. Without doubt, Shelley had created *the* monster.

The enduring significance of Shelley's work, however, owes little to the appalling deeds of a man-made freak or to the gross appearance, years later, of the Karloff-style brute (both the author and her latter-day Hollywood interpreters have been surpassed in luridness many times over). Rather, the novel's staying power lies in its pathos and universal theme: honorable intentions often deteriorate into shameful consequences; the singular good often evolves into plural abominations.

In the past several years, the size, continued growth, and apparent incomprehensibility of government have come under increasing criticism. Indeed, growing numbers of people contend that government has become a monster of excessively pervasive and inordinately complex proportions. In this view, the proliferation of regulations and programs and the extreme **intergovernmentalization** of implementation have created a largely uncontrolled and unaccountable system—"Leviathan" run amuck. Yet, just as the most adverse effects of Dr. Frankenstein's creation were born of neither malice nor evil intent, so the most maligned aspects of modern government were not purposely manufactured. And, if at its birth the creature was not a monster, neither initially is there any such thing as an unneeded or oversized program. The "best laid plans" of fictional physicists and real-world policy actors may unfold in the most unexpected ways.

For over two years, the staff of the Advisory Commission on Intergovernmental Relations has been studying the almost continual addition to, and expansion of, the federal government's now myriad functional roles—roles which have become not only bigger from the standpoint of expenditures, but broader in their operational inclusiveness and deeper in their intergovernmental intrusiveness. The bulk of this work has focused on a series of case studies examining public assistance (both categorical cash programs and food stamps), elementary and secondary education, higher education, environment, unemployment, libraries, and fire protection. While these functional areas comprise only a fraction (albeit a substantial fraction) of the federal government's current business, they nonetheless provide insight into a wide and representative range of governmental endeavors from the massive to the relatively minute. Each of these case studies was designed to illustrate the overall dynamics of the policy process and thus to determine the forces responsible for the creation, care, and feeding of "Leviathan."

Two broad types of policy producing and shaping variables—policy actors and environmental influences—were examined in the case studies. For our purposes, the policy actors include traditional institutional entities such as Congress, the President, the bureaucracy, the courts, and interest groups as well as external entities such as the press, public opinion, elections, and political parties. Socio-demographic trends and dislocations (war and economic aberrations) constitute the environmental influences or forces. If, as some claim, government has gone awry; if the "enumerated powers" of 1789 have become the immeasurable activities of 1979; if the sublime idea has become, to public and office-holder alike, a subliminal nightmare; if the worthy experiment has matured in monstrous form, these actors and forces are —to a greater or lesser extent— responsible.

Who Makes Government Grow: The Policy Actors

The realm of policymaking as revealed in the Commission's case studies is distinguished by its complexity. Unidimensional or single actor explanations of program development and growth are both inadequate and misleading. The many, not the few, have created Leviathan. (See *Table I.*) Yet, if all are responsible, some are more responsible than others. And, if one actor can receive star billing, that actor is Congress.

The Congressional Policy Role

It has been said in jest that the mitigating effects of air conditioning on that otherwise insufferable environmental travesty known as a Washington summer has had two unfortunate side effects: energy costs are increasingly outrageous and it keeps Congress in session for the better part of the season. If one views the seemingly unrestrained growth of government as a major problem, the second half of the statement may appear more valid than the first.

In each of the seven program areas examined, only Congress played a consistently crucial role, a role which is particularly significant in the originating phase of the policy process, for in the initiation of programs, no other actor eclipses the individual Congressional entrepreneur or issue activist. The near universal existence of such policy entrepreneurs in the case studies belies the notion that Congress acts as a great rubber stamp for Presidential, bureaucratic, or interest group initiatives. In fact, in many instances the opposite would be far closer to the truth.

In the cases of the environment, food stamps, unemployment, elementary and secondary education, higher education, and fire protection, no actor was more vividly responsible in the long run for principal portions of policy initiation than the Congressional activist. Even in the case of libraries, where Congressional entrepreneurs played a somewhat secondary role to an organized interest, activist promoters on Capitol Hill were exceedingly important. Only in the case of categorical cash public assistance have there been no discernible Congressional entrepreneurs, although Congress as a whole has been the "bedrock" of welfare policymaking.

The issue activist role in Congress may manifest itself in a number of ways, running the gamut from a simple persistent one person struggle for pet program acceptance to a more complex multi-entrepreneurial policy battle. The first case, the persistent one person struggle, is exemplified by the ten-year endeavor of Congresswoman Leonor K. Sullivan to achieve a food stamp program, a legislative dream finally realized with a certain amount of Presidential backing, a classic and well executed bit of logrolling,

Table I
MAJOR ACTORS AND FORCES IN POLICY DEVELOPMENT AND GROWTH

	Functional Fields—ACIR Case Studies						
	Public Assistance	Elementary & Secondary Education	Higher Education	Environment	Unemployment	Libraries	Fire Protection
Internal Policy Actors							
Congress	x	x	x	x	x	x	x
President		x			x		
Interest Groups		x		x		x	x[2]
Bureaucracy				x	x		x
Courts		x		x			
External Policy Actors							
Public Opinion	x[1]			x			
Elections							
Political Parties					x		
Press	x[1]			x			
Environmental Influences							
Demographic & Social Trends	x	x	x				
Dislocations (War, Depression)	x		x		x		

[1]Food stamps only.
[2]Interest groups were crucial in the creation of the U.S. Fire Administration only.
Source: Advisory Commission on Intergovernmental Relations.

and a heavy dose of clever parliamentary maneuvering (a term generally known by program opponents in its synonymous form, deception). The second, and more extreme case, the multi-entrepreneurial policy battle, is illustrated by post-1969 environmental policy. In this instance, antipollution policy, long the purview of Edmund S. Muskie in the Senate, became an enormous programmatic asset—a political plum well worth fighting for—primarily due to enormous press and public interest. At that point, a kind of "policy one-upmanship," including several additional members of Congress and an active White House promotional role, replaced the simple entrepreneurial model. The resulting legislation was both nonincremental and voluminous.

Even in the single case where virtually no strong Congressional entrepreneur emerged, categorical cash public assistance—Aid to Families with Dependent Children (AFDC) and the components of Supplemental Security Income (SSI)—Congress as a whole played the preeminent role in guiding policy growth and maturation. Thus, following the 1935 introduction of the **Social Security Act** by the Roosevelt Administration, welfare became a Congressional policy, albeit one riddled with ambiguity. While Congressional interest in welfare is seldom individually or collectively keen, it has been highly resistant to Presidential pleas for decreased spending and proposals for welfare reform. Moreover, Congress has only occasionally been reluctant to increase federal matching or adjust benefits as a means of providing fiscal relief to the states.

Based upon the case studies, it is no exaggeration to assert that the Congressional role in the creation of policy and the programmatic growth of government has been paramount. Yet, as aesthetically and intellectually compelling as the simple one variable answer is, it fails to offer more than a partial explanation. Congress may be chief among those who make government grow, but it has been well (often profoundly) supplemented by other policy actors.

Government Growth and the Significant Others

To a certain extent, all of the actors examined in the case studies contributed to the present size and scope of the federal government. Some, however, merit more attention than others either because they were more or less significant than the existing policy literature would suggest or because they have affected the growth of government in a different manner than suspected. This is the case with the most visible and central of all actors in the political arena, the occupants of the Oval Office.

If the case studies revealed a surprising amount of Congressional activism, they also showed a surprising lack of sustained Presidential importance in the policy process. In fact, so variable has Presidential significance been that of all the actors and influences examined, the President's role has been the most difficult to demonstrate or define.

Part of this confusion stems from the President's automatic role in the policy process (after all, somebody's got to sign all those bills) and from his immense public visibility. A Congressional entrepreneur may toil for years in order to achieve programmatic success with little or no attention from the press, while a single Presidential policy statement will quite often be embossed in front page headlines. The President's "star" status, then, may lead to a distortion of his role, attributing to him more interest in, or knowledge of, a particular issue than he actually possesses.

Needless to say, all of this is not meant to imply that the President contributes little or nothing to the policy process or government growth. Quite the opposite is true. However, the Presidential policy contribution tends to be unsustained and in a sense, idiosyncratic. Hence, over certain issues and resulting programs, the President may play an initially strong entrepreneurial role. Franklin Roosevelt's part in the origin and passage of the **Social Security Act** and Lyndon Johnson's role in the **Economic Opportunity Act** and the **Elementary and Secondary Education Act** were clear examples of a crucial executive role in policy determination.

In other issue areas, even passing White House interest may imbue a potential program—initiated in Congress or elsewhere—with enough added importance or salience to aid in its passage. This sort of fortuitous Presidential boost occurred with Kennedy's support of food stamps and area development legislation and Johnson's advocacy of libraries and fire protection.

Finally, a lack of Presidential support or unsustained support may affect program development and growth. In the case of a successful veto, the most drastic form of Presidential nonsupport, the temporary effect on policy development could hardly be more evident. Nevertheless, Presidential "negativism" may also take shape in unsuccessful vetoes, active lobbying efforts, pre- or post-passage statements of disapproval, or mere indifference. In such cases, effect is difficult, if not impossible, to determine. For example, beginning as early as the Roosevelt Administration, Presidents have taken every opportunity and employed every mode and format to condemn the costly growth of public assistance. Yet, over time, public assistance has grown by leaps and bounds.

Lack of sustained policy interest on the part of the Chief Executive is also best illustrated in the area of public assistance. Strong promotion of welfare reform by both Presidents Nixon and Carter—reform which would potentially increase the federal welfare role—waned in the face of Congressional recalcitrance and forthcoming elections. Whether or not this ebbing of Presidential enthusiasm is causally linked to the failure of fundamental welfare reform is impossible to resolve. It is, however, safe to assume that the two factors are connected, indirectly if not decisively.

A slightly less variable, though no less unexpected, role generally has been played by interest groups. Hence, the significance of such groups lies not in their greatly exaggerated abilities to create or successfully advocate brand new policies but rather in the ability of policies to generate new interest groups. And, once established, a group will inevitably work to sustain the policy which gave it life. If policy is primarily "created" by Congress, to interest groups—the "offspring" of policy—accrues the "care and feeding."

Over time—indeed, since 1862!—higher education provides the most cogent example of this sort of resultant interest. The **Morrill Act** establishing the land-grant colleges also spawned a substantial and theretofore nonexistent vested interest, concerned with perpetuating the land-grant system. Similarly, the so-called higher education lobby blossomed in the late 1960s and early 1970s primarily as a response to—and sometimes a defense against—Congressional policy initiatives.

Though less sequentially clear than higher education, environmental policy also created a number of resultant interests. For instance, the **National Environmental Policy Act of 1969** (NEPA) was almost completely unattended (even unusually so) by any concerted lobbying. Yet, NEPA helped to engender an intense environmental concern which spawned a number of new-style environmental interest groups. These groups, in turn, were responsible for much of the litigation subsequently brought under NEPA.

Thus, while exceptions do exist, such as the instigation of a federal library role by the American Library Association, a common scenario observes the formation of a policy niche into which resultant, usually beneficiary, groups are pulled. And, once groups are created, they will, quite rationally, act to perpetuate and enlarge programs which give them a clear advantage. In a society which can create a "need" for Halston blue jeans, any legitimate advantage quickly becomes a necessity, and necessities are seldom relinquished without a struggle.

The Democratic Dilemma: Is Government Really For and By the People?

A common and certainly enduring complaint asserts that popularly elected officials, particularly Representatives and Senators, are not responsive to the people they claim to represent. In fact, however, an entirely opposite argument could be made: an argument which holds that far from being underresponsive, Congress responds often, to everyone,

> **"A slightly less variable, though no less unexpected, role generally has been played by interest groups."**

and with a vigor heretofore known only to exist among the offensive linemen of the Pittsburgh Steelers. The very quantity and topical scope of legislation which has emanated from the halls of Congress, at least since the mid-1960s, suggests that **hyper**-responsiveness is the Congressional rule, **hypo**-responsiveness the exception. The problem then shifts from responsiveness per se to the object or objects of that responsiveness. In other words, have "the people" gotten what they wanted?

Very loosely construed, four variables or political entities may be alleged to measure or organize popular desires. These entities, the external policy actors, include elections, political parties, the press, and public opinion—the traditional and modern expressions of majority will.

Of the four, it was most difficult to determine the effects of elections, perhaps because the case studies themselves were not designed to do so. Nonetheless, of the seven policy areas examined, little in the way of a direct link could be found between voter preference and the enactment of any given program. Elections, therefore, appeared to be important only in as much as they were perceived as broad action mandates or as they brought into office people with a proclivity to act, especially on issues of low public visibility and interest such as fire protection and libraries. Notable examples are the 1932, 1934, 1936, 1958, and 1964 elections.

Nearly as difficult to link to program creation and development as elections were the political parties. Only in the functional area of unemployment did the Democratic Party *qua* party affect long-term policy development. Party linkage in the other cases occurred primarily through Congressional entrepreneurs, most (but not all) of whom were Democrats and through the two most activist administrations, Roosevelt's and Johnson's. However, even where a Democrat acted as initiator, subsequent policy development often elicited bipartisan support.

In two cases, the environment and the food stamps component of public assistance, the press and public opinion, acting somewhat in conjunction, had a profound effect on consequent policy development. Hence, if NEPA and the entrepreneurs responsible for it, acted as something of a "seed" for the new environmentalism, it was detailed press coverage of environmental disasters and concerns, a mass demonstration known as Earth Day, and the almost unprecedented rise of the environment as the major popular anxiety recorded in public opinion polls which forced the environment to the top of the legislative agenda for several years in the early 1970s. Similarly, though less dramatic, television and printed press coverage of hunger in America in the late 1960s elicited an outpouring of public sentiment which proved to be at least partially responsible for the enlargement of the food stamp program.

To this sort of vocal public opinion may be added the rather amorphous popular support for federal involvement in general policy areas found in public opinion polls. Thus, polled opinion has been supportive of, though not always decisive in, sustaining or increasing the federal role in education, unemployment, the environment, and, until quite recently, public assistance. In the two other cases examined, libraries and fire protection, the question of federal involvement either has never been posed (as in fire protection) or was posed only once and in such a way as to make interpretation difficult (as in libraries).

Has the "popular will," then, contributed to the growth of government? The answer, despite the rather ambiguous picture just painted, is yes. In both 1932 and 1964, the President and Congress **perceived** a particular type of mandate and acted accordingly. Whether or not the perception was valid, policymakers thought they were responding. Moreover, in spite of the waning influence of political parties, the Democratic Party, often incorrectly, has long, and with much publicity, been labeled the spending party and people continue to elect Democrats.

Yet an even stronger link can be made between government growth and the less traditional modes of determining that most ethereal of policy determinants, the "will of the majority." General dissatisfaction with government more often than not fails to evince itself in majority dissatisfaction with individual government program endeavors. In a more extreme and visible instance, the broad and vocal middle class concern over environmental deterioration, Congress responded forcefully and immensely. On still another level, exemplified by rural fire protection and the initiation of the food stamp program, specific members of Congress responded to constituent needs—precisely the function that Congress is supposed to perform. The problem may well be one of perception or, more likely, one of accountability. It is certainly, however, not one of responsiveness.

What Makes Government Grow: The Policy Environment

Without Wonderland, Alice would have been a decidedly dull child. And, without a "policy environment" many of the more potent spurts in government growth would not have occurred. As a singularly unusual rabbit hole and a rather exceptional tea party added to the adventures of a bored little girl, so certain environmental elements have been critical in determining the shape and scope of modern government.

Obviously, the day-to-day policy environment—particularly the environment in which established policies are sustained or enlarged—tends toward the mundane. The **Congressional Record** contains few of the elements of Wonderland. Yet, some of the more dramatic components of the environment have contributed significantly to the growth of government. As identified in the case studies, these include demographic and social trends and dislocations.

The term dislocations may encompass any number of critical events, the most notable of which have been the Great Depression and World War II. Each—but particularly the Depression—had general ramifications for the growth of government in that they legitimized a greater national presence in previously state and local and private sector activities. In addition, however, each had functionally specific consequences. Both the federal role in public assistance and unemployment stand as obvious and imposing examples of Depression-instigated first generation federal policy roles, while the perceived need to educate veterans returning from World War II helped to increase the federal role in higher education.

Other less profound dislocations—perhaps more aptly termed surprises—have also contributed to an increased national presence. For example, an advanced Soviet space technology, made visibly apparent in the form of Sputnik, prompted a much larger federal role in education as a means of closing the Cold War knowledge gap. And, the 1968 riots, engulfing portions of major cities in the flames of frustration, helped to foster legislation in fire protection.

Finally, the discovery of what might be termed segmental dislocations within periods of general normalcy have motivated increased national involvement. One such discovery is exemplified by the 1960s War on Poverty. Thus, Michael Harrington's **The Other America** and John Kenneth Galbraith's **The Affluent Society** detailed the existence of previously ignored poverty in a nation which, on the whole, was more prosperous than ever. The books apparently had an enormous impact on President Kennedy whose subsequent determination to inaugurate a poverty program amidst the unprecedented plenty of the middle class was successfully launched by his successor.

In a sense, it can be said that social, economic, technologic, and demographic trends affect nearly every policy area. From a broad historical perspective, the Leviathan state is both a response to, and a part of, the dilemmas of an advanced, industrialized, private-enterprise economy. On the other hand, a shorter-run or more telescopic appraisal sometimes finds little evidence of a one-to-one correspondence between such trends and governmental change. Environmental protection moved to the top of the

"Certain environmental elements have been critical in determining the shape and scope of modern government."

political agenda around 1970, not because pollution was so much worse—the real "killer smogs" occurred in the 1940s and 1950s—but because of the popularization of scientific evidence illustrating the adverse effects of pollution and because there was a growing perception that government could and should do something about the problem.

In a few cases, demographic and social trends have lead to substantial programmatic growth. This most evidently has been the case with public assistance whose open-ended appropriation makes it somewhat more sensitive than other programs to social and demographic shifts. Hence, ironically, the 1935 public assistance program was designed primarily to aid the aged poor whose productive years had not been covered by old age insurance. In time, it was felt, social insurance would cover almost everyone and aid to the bulk of the poor, the aged as well as the Depression unemployed, would all but "wither away." Aid to Dependent Children (now Aid to Families with Dependent Children or AFDC—one of the largest federal aid programs) was designed to benefit a relatively few destitute widows and was given only the most cursory attention by President Roosevelt and the 74th Congress.

But poverty changed. Unanticipated, and for a long time unnoticed, poverty became urban and compacted, young and familial, and itself productive of successive generations of poverty, often because of the terms of AFDC. Furthermore, the arbitrary poverty that was typical of the Depression gave way to (or was finally recognized as) more selective poverty. That is, it disproportionately attacked members of those segments of the population—Blacks, Hispanics, and women—who were the least likely to find and retain socially insured jobs because of pervasive discrimination, a lack of education and training, and/or the provisions of AFDC which made it unwise or even illegal to pursue gainful supplementary employment. In addition, the social advances prompted by the civil rights movement fostered a sense of awareness among minorities which made them less reticent to demand assistance often, though subtly, withheld from them in the past because of race.

Demography has also played a major, though less dramatic, role in education policy. The classroom crunch of the 1950s occasioned by a veritable army of baby boom tots arriving en masse at unprepared school house doors brought discussion of federal aid to education to the fore of the legislative agenda. Such aid was significantly, though belatedly, realized in the **Elementary and Secondary Education Act of 1965**, part of whose rationale rested upon another demographic variable, the need for assistance to local areas with high concentrations of disadvantaged students. Moreover, antidiscrimination regulations reflecting the growing importance of women and minorities have greatly increased the federal role both in elementary and secondary education and in higher education.

Conclusion

In policy development, there are no prototypes, only parallels. The parallels may be striking, even powerful, but the drawing of composite pictures based on the sum of similarities tends to imbue policymaking with a simplicity that it does not possess. The case studies indicate that Congressional entrepreneurs are preeminent, but they are usually helped and occasionally superseded by other actors, most notably the President in the enactment phase and interest groups in the phase marked by program maturation and enhancement. Moreover, the visible involvement of even these actors does not preclude the involvement of others not mentioned in these pages: the bureaucracy and the judiciary, while seldom decisive programmatic factors, have not been mere passive observers. And, the popular will, while often characterized by its opacity, has been "responded" to, if only in the abstract. Finally, the immediate environment in which policies are created and grow encompasses the adversity of the 1930s as surely as it does the prosperity of the 1960s. Hence, in the policy arena there is no one determinative factor. Instead, there are only the constant responses of "political actors"—to each other and to the forces that define their environment.

The growth of the federal Leviathan or Clerval can be neither credited to nor blamed on any one force or actor. Nor, perhaps, is growth the variable upon which so much animosity should be focused. Largeness alone does not a monstrosity make. No horror was attached to Frankenstein's Clerval because he grew (he was, after all, born an adult, if of questionable breeding and dubious maturity) but rather, because only his essence was planned, while his effect was uncharted. And neither was the creature a monster in his initial simplicity; only the complexity of his environment and the multiplicity of his contacts turned the worthy experiment into the incomprehensible failure.

So, in practice, the bigness of government, in and of itself, may be less a problem than the almost unintelligible complexity which results from the "super-marbleization" of that bigness. The extreme intergovernmentalization of nearly every public endeavor—and not necessarily the size of the endeavor—may, in fact, be the policy component which works to transform an over-responsive system into an under-accountable morass; which, in the end, may turn the creation, care, and feeding of worthy experiments into the futile maintenance of incomprehensible failures.

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The Accidental Leviathan: Was the Growth of Government A Mistake?

By David R. Beam

Twenty years ago, just as now, many social commentators were concerned with explaining the size of the public sector. The problem—to quote the title of one influential article—was "why the government budget is *too small* in a democracy."[1] Discussions of the same basic question have reappeared prominently in recent journals, books, and periodicals. But there is a difference: now the problem, it seems almost universally agreed, is explaining why the government has grown *too large*.

Conclusions vary widely: nothing approaching a consensus has emerged in the social science literature. Yet, although the specifics do differ, much of this analysis does employ an essentially **deterministic** perspective. Government has grown, we are told, because it had to. For example, a number of writers believe that an expanded public sector and a stronger national government are essential concommitants of the developmental processes of urbanization and industrialization. The preeminent expression of this philosophical certitude was provided by Adolph Wagner, the 19th century German economist who postulated the "Law" bearing his name. Governmental expenditures, Wagner believed, always tend to increase more rapidly than the general level of economic activity. Many economists and political scientists still regard an expanding public sector (in both fiscal and regulatory terms) as an inexorable unfolding of a natural historical process.

Other analysts find the inexorable driving force in the political, rather than the economic, arena. Many of these interpretations verge on the conspiratorial, attributing governmental growth to the "maximizing" behavior of bureaucrats, to the self-seeking of special interest lobbies, or to the interaction of politicians, political parties and the electorate. One recent commentary echoes Cassius' complaint, "The fault, dear Brutus, is not in our stars, but in ourselves. . . ." According to Meltzer and Richard, the public itself is responsible: "government grows in every society where the majority remains free to express its will."[2]

The work of ACIR indicates that none of these perspectives can be dismissed entirely. The causes of governmental growth are multitudinous and various, and nearly every word written on the subject contains at least some truth. However, many of the ACIR case studies point up the importance of a factor that is often neglected: that of accident. Simply put, many of the larger and more controversial federal programs were adopted initially without much consideration of their long-run significance. In numerous instances, program costs have soared beyond the expectations of the public officials who voted for them. For this reason, the construction of the contemporary Leviathan state must be judged in part to be simply a mistake. It is a consequence of misunderstanding as well as intention, of chance as much as necessity.

The relevant "costs" to be considered are of two types. Some are fiscal or budgetary. Others, certainly no less important, are the administrative and financial costs which regulatory standards impose on state and local governments, private sector institutions, and individuals. Each of these will be examined separately.

[1]Anthony Downs, "Why the Government Budget is Too Small in a Democracy," **World Politics**, July 7, 1960, pp. 541-63.

[2]Allan H. Meltzer and Scott F. Richard, "Why Government Grows (and Grows) in a Democracy," **The Public Interest** 52, Summer 1978, p. 110.

Fiscal Overruns

Cost overruns are legendary on defense projects. Indeed, it seems to be nearly universal that major weapons systems and other exotic military hardware end up costing far more than their Pentagon planners anticipated at the outset.[3] While much less widely noted, the same can be said of many activities on the domestic side of government. The interstate highway system, to cite one case, was originally estimated to cost $28 billion but has in fact carried with it a $110 billion price tag over its 22-year period of construction.[4]

Welfare

Public assistance programs are a prominent source of several other examples. The backbone of the federal welfare system is Aid to Families With Dependent Children (AFDC), adopted in 1935 as Title IV-A of the omnibus **Social Security Act** (SSA). What is surprising is that this monumental program was adopted initially without the slightest awareness of its long-term importance. Political attention in 1935 was focused largely on the old-age assistance provisions of the SSA. AFDC was the "who cares" title. As a leading participant observed,

> There was little interest in Congress in the aid to dependent children. It is my belief that nothing would have been done on this subject if it had not been included in the report of the Committee on Economic Security.[5]

Welfare expert Gilbert Y. Steiner has pointed out that public assistance was expected to "wither away" with improvements in the economy and the gradual expansion of social insurance. Acting at a time when the aged poor and Depression unemployed were the most visible victims of poverty—and widows, rather than the unmarried or divorced, were the mothers of most dependent children—legislators failed to foresee demographic and social changes which would create an entirely new strata of destitution. They worked for the moment, not for the next generation.

As every citizen and taxpayer knows, these assumptions have proven to be quite erroneous. Welfare outlays grew slowly but steadily after the Second World War and then experienced a real "cost explosion" in the 1960s. Now, AFDC payments—at a federal cost of $6.7 billion—are providing for the support of one of every eight children under age 18 in the nation. Because AFDC grants have always been offered on an open-ended matching basis, state decisions, rather than those of the Congress, determine the amount of federal welfare outlays. Little could be done to stem the welfare tide without fundamental changes in the character of the basic legislation. These have never been made.

Amendments to the AFDC legislation in the 1960s, though aimed at reducing welfare costs, in two instances opened new "loopholes" which had precisely the opposite effect. In 1962, the President and Congress created a comprehensive program of social services, on the theory that these might help welfare mothers move into productive employment and become economically self-sufficient. Yet this hope proved erroneous. Instead, social services spending—also on an "open-ended" basis—rose from $354 million to a projected $4.7 billion between 1969 and 1973, with no commensurate decline in the welfare population. Indeed, research studies indicate that the growing federal outlays did not even increase the volume of social services markedly, let alone accomplish their more basic policy objective. State and local budgeteers simply substituted federal dollars for their own tax funds, transferring program costs without improving services. The program became, in the words of former Congressman Wilbur Mills, a form of "back door revenue sharing"—"the worst loophole that has even been written into the law on the financing of government."[6]

The 1967 AFDC amendments, aimed at encouraging work by welfare mothers, also opened a loophole which permitted payments to some mothers earning $8,000 to $12,000 a year, or even more. Committee reports accompanying the work incentive bill provided erroneous information, with the result that Congress misunderstood the law it was passing. The net effect was that welfare recipients were able to deduct a very broad range of "work-related" expenses, including grooming, transportation, and extra food. There was considerable potential for abuse in these provisions, and the new law actually discriminated against nonwelfare working mothers and fathers. Furthermore, during the year in which the new rules took effect, the AFDC rolls expanded by 25%—faster than ever before. In seeking to reduce dependency, Congress had actually increased it.[7]

Health

Federal health outlays, now amounting to some $50 billion annually, have also grown much more rapidly than expected and have even contributed to the general economic inflation of recent times. The restraint of health costs and federal health outlays is now a major objective of national policy, spawning a substantial array of regulatory and reform measures—indeed, a whole "alphabet soup" of new organizations, plans, and procedures.

The key event in modern health policy was the

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[3]J. Ronald Fox, **Arming America: How the U.S. Buys Weapons**, Boston, MA, Harvard University Graduate School of Business Administration, 1974.

[4]Douglas B. Feaver, "The Long and Costly Road," **The Washington Post,** October 29, 1978, p. A1

[5]Edwin E. Witte, **The Development of the Social Security Act**, Madison, WI, University of Wisconsin Press, 1962, p. 164.

[6]Quoted in Martha Derthick, **Uncontrollable Spending for Social Services Grants**, Washington, DC, The Brookings Institution, 1975, pp. 3-4.

[7]V. J. Burke and V. Burke, **Nixon's Good Deed: Welfare Reform**, New York, NY, Columbia University Press, 1974, pp. 26-30.

passage in 1965 of Medicare and Medicaid as amendments to the **Social Security Act.** Medicare—the first national health insurance program, though one limited to the elderly—was debated hotly for decades: it cannot be said that it received insufficient political attention. Yet, despite this, a case can be made that many important features of the program were ill-considered. According to one analyst, Medicare was "a model of unintended consequences" which "incorporated features which no one had fully foreseen" and left many important issues unaddressed.[8] The result was that, almost immediately, administrative and fiscal problems emerged that had not been much discussed at the time of passage.[9]

As with AFDC, seemingly minor program amendments have sometimes proven to be unexpectedly and astonishingly expensive. For example, the cost of the decision to add renal dialysis treatment to Medicare coverage—which was made without committee hearings or a staff review—turned out to be substantial: $300 million in 1976[10]

The Medicaid program, a system of health benefits for the poor, is a different case entirely. Medicaid was adopted almost as an afterthought in the struggle for Medicare. While attention was on other issues, it "emerged rather suddenly and was accepted uncritically and perhaps unwittingly . . . as a mere consolidation of medical vendor payments."[11] Projected costs were quite modest—just $240 million in its first year of operation. These were the actual costs in 1966, but only six states were then participating. With estimated outlays of $12.4 billion in FY 1980, Medicaid is now by far the largest of all federal grant-in-aid programs; indeed, it is nearly **twice** as expensive as the nearest contenders. It also is far more costly than either its opponents or supporters supposed in 1965.

Other Cases

Two other cases provide further illustrations of an inability of federal officials to foresee the full costs of new programs, or the impact of seemingly minor legislative amendments.

Sponsors of the disability insurance passed by Congress in 1956 predicted that the future costs would be modest: about $860 million in benefits to 1 million workers in 1980.[12] In fact, these levels were surpassed in the mid-1960s, while in the 1970s the program mushroomed. Costs quadrupled between 1970 and 1978 to about $13 billion, and as many as 5.4 million beneficiaries were projected for 1980. Disability insurance, HEW Secretary Joseph Califano declared in 1978, had

> drifted into crisis. Plagued by unexpected and unexplained costs, pockmarked by controversy, the Social Security Disability Insurance program is in urgent need of fundamental reassessment and substantial overhaul.[13]

More startling still was the 70-fold increase in the Small Business Administration's disaster loan program in a single year, 1977. Budgeted at just $20 million, federal outlays grew to some $1.4 billion in a period of a few months. This result was neither desired nor expected. It was, instead, a consequence of seemingly minor legislative amendments making farmers (in addition to small businessmen) eligible for disaster loans, and cutting the interest rate in half (to 3%). Neither the floor debate in Congress nor a Congressional Budget Office study indicated that these moves were potentially very expensive ones. But, following a severe drought, a great many farmers applied for the newly available low-cost loans. By December 2, 1979, over 15,000 applications had been received, nearly 8,000 of them from a single state.[14] Under the law, SBA was required to grant loans to all those eligible.

Carelessness? Probably "yes." Profligacy or greed? Almost certainly "no." A lack of foresight, of information, and especially of careful, thorough, thoughtful deliberation, lay behind these cases of explosive rises in federal expenditures. A rather substantial new category could be added to the U.S. budget: dollars spent by mistake.

The Regulatory Morass

A dozen years ago, governmental regulation could easily be called the "forgotten side" of government. Public attention was generally on the issues of expenditure and taxation, and the grant-in-aid had clearly come into its own as the paramount instrument of federal domestic policy. Regulation was a comparatively uninteresting side-show, and most federal regulation was of the traditional "entry-and-rate" variety operated by independent regulatory commissions.

This no longer is the case. In the late 1960s and the 1970s, there was an explosion of regulatory legislation paralleling the grants explosion begun in the middle of the decade. Most of these statutes, generally described as the "new social regulation," have been concerned with the issues of civil rights, consumer protection, health and safety, and the quality of the environment. With the addition of "across-the-board" regulatory standards,[15] and frequently,

[8]Theodore J. Marmor, **The Politics of Medicare**, Chicago, IL, Aldine Publishing Company, 1973, p. 78.

[9]*Ibid.*, p. 85.

[10]Eli Ginzberg, **The Limits of Health Reform: The Search for Realism,** New York, NY, Basic Books, Inc., 1977, pp. 125-26.

[11]Sar A. Levitan and Robert Taggart, ***The Promise of Greatness***, Cambridge, MA, Harvard University Press, 1976, p. 89.

[12]Spencer Rich, "Social Security Disability Rolls: Startling Rise in Two Decades," **The Washington Post,** December 27, 1977, p. A2.

[13]Remarks of Secretary Joseph A. Califano, Jr., Department of Health, Education, and Welfare, before the Economic Club of Chicago, Chicago, IL, April 20, 1978, p. 8

[14]Joel Havemann, "Congress Opens Floodgates in the SBA's Disaster Loan Program," **National Journal,** December 31, 1977, pp. 2001-2003.

[15]Advisory Commission on Intergovernmental Relations, **Categorical Grants: Their Role and Design,** A-52, Washington, DC, U.S. Government Printing Office, 1978, Chap. VII.

tougher program regulations, many grants-in-aid have become far more intrusive into state and local decisionmaking than in the past. One consequence is that intergovernmental relations are shifting from a "cooperative" to an antagonistic partnership.

Though these regulatory programs—like the major spending programs—address important national problems, many were given extremely cursory consideration at the time of their initial enactment. Like the fiscal cases, they illustrate the emergence of an "accidental Leviathan."

Citizen Participation

The requirement for "maximum feasible participation" in community action programs is a famous case study, described in the book **Maximum Feasible Misunderstanding** by now-Senator Daniel P. Moynihan, a Labor Department official during the Kennedy and Johnson years.[16] This statutory phrase, which had the effect of permitting the poor themselves to design and operate community action programs in many cities—encouraging overt and even radical political activity in some—was not written with this end in view. None of the principal participants had anticipated the turmoil which resulted. Moynihan comments:

> Neither the White House, nor the Executive Office of the President, had expected anything like the situation then developing. Neither had the Shriver task force that conceived the (poverty program). . . . As Yarmolinsky later stated, there was no intention of getting the poor "to think of themselves as a political force." It did not, he continued, "occur to us, and it didn't occur to any of the highly professional politicians we consulted."[17]

Moynihan adds that the Congressional debates also were devoid of discussion about the meaning of the participation clause:

> The Administration was not calling attention to the point, and no one else noticed it. This was not a matter of Congressional quiescence. The issue of whether parochial schools would receive federal aid under the proposed act became a matter of intense discussion. It was simply that no one in authority at either end of Pennsylvania Avenue regarded the participation clause as noteworthy.[18]

Environment

Much like the instance of community action, a poorly understood regulatory requirement contained in the **National Environmental Policy Act** (NEPA) had far-reaching effects on the ultimate evolution of a whole field of domestic policymaking. The passage in 1969 of NEPA—which created the "environmental impact statement" and established the Council on Environmental Quality—was of major significance. Yet NEPA was unattended in its formative period by much public attention or even a great deal of special interest lobbying. The concerned parties were mostly members of Congress, and they were concerned as much about jurisdictional disputes as fundamental policy issues. Few were well informed about the policy implications of the law they were adopting and, according to a Congressional staff aide, "If Congress had appreciated what the law would do, it would not have passed."[19]

The adoption of other federal environmental policies provides an example of what political scientist Charles O. Jones terms "speculative augmentation, . . . the escalation of proposals leading to the enactment of law admittedly beyond the immediate capabilities to apply."[20] In enacting the **Clean Air Act Amendments of 1970**, the Congress imposed auto emission standards well beyond the capability of the auto industry to produce. It legislated a nonexistent technology. Economic and administrative limits on the effectiveness of new federal policies were ignored in a game of "political oneupmanship" among a number of policy entrepreneurs.

Antidiscrimination

This enthusiastic carelessness seems characteristic of the handling of the new social regulation. Although a commitment to equal opportunity has become an irreversible objective of national policy, the full implications of many important antidiscrimination statutes also were poorly understood at the time of their adoption. Over and over again, close observers have noted broad statutory language coupled to limited debate and limited comprehension.

Restrictions on sex discrimination were added fortuitously to the antijob discrimination provisions in Title VII of the **1964 Civil Rights Act.** During debate on the House floor, southern opponents of the legislation sponsored an amendment to prohibit sex discrimination simply as a strategic ploy. By loading the bill with "objectionable" features, these opponents intended to create political divisions among its supporters. Their amendment was, in fact, opposed by a number of liberal and women's groups. Yet, it survived to be enacted into law because of a combination of "historical accident and coattail riding."[21] Even after the bill was enacted, it was not taken seriously by the Equal Employment Opportunity Commission, which was responsible for enforcing it. The EEOC's director had a broad mandate and limited resources, and its director regarded the sex

[16]Daniel P. Moynihan, **Maximum Feasible Misunderstanding: Community Action in the War on Poverty,** New York, NY, The Free Press, 1970.

[17]*Ibid.*, pp. 146-47.

[18]*Ibid.*, p. 91.

[19]Richard A. Liroff, **A National Policy for the Environment: NEPA and Its Aftermath,** Bloomington, IN, Indiana University Press, 1976, p. 35.

[20]Charles O. Jones, **Clean Air: The Policies and Politics of Pollution,** Pittsburgh, PA, The University of Pittsburgh Press, 1975, p. 176.

[21]Jo Freeman, **The Politics of Women's Liberation,** New York, NY, Longman-McKay, 1975, p. 178.

discrimination provision as a "fluke," "born out of wedlock."[22]

Several other instances might be cited. When Congress adopted Title IX of the **Education Amendments of 1972**—which prohibits sex discrimination by educational institutions receiving federal funds—

> it was voting for a general principle of equality; the specific implications of the law were understood by few members of Congress. . . . Congress made no attempt to provide a clear and complete definition of what constituted sex discrimination in education.[23]

Similarly, Section 504 of the **1973 Rehabilitation Act** declared that "no otherwise qualified handicapped individual . . . shall . . . be excluded from participation in . . . any program or activity receiving federal financial assistance." Again, however, just what constitutes unlawful discrimination was not specified precisely:

> What did Congress mean? No one can say because the lawmakers carelessly adopted "Section 504" with zero hearings, zero debate. The provision's author, Representative Charles Vanik, D-OH, now says: "We never had any concept that it would involve such tremendous costs."[24]

The **Age Discrimination Act of 1975** was also adopted without hearings and with little record of Congressional intentions. The bill was slipped into the **Older Americans Act Amendments of 1975** on the House floor and received much consideration only in conference committee. As a consequence, HEW officials wrestle largely alone with such issues as whether driver's licenses can be given to 18-year olds but denied to 17-year olds, or whether flu shots may be given first to the very young and elderly, because of their greater susceptibility to disease.[25]

Higher Education

Colleges and universities, like state and local governments, are affected by a variety of regulations attached to federal grants and contracts: anti-discrimination provisions, occupational health and safety, environmental protection standards, and so forth. Yet, higher education officials believe that many of these raise special but poorly considered issues when they are applied to academic rather than governmental or business institutions. (Objections are particularly vociferous from some of the smaller schools which receive little or no federal funds, but come under national surveillance because of the various student aid programs.)

One cause of widespread concern is the **Family Educational Rights and Privacy Act of 1974** (FERPA), more commonly known as the "Buckley Amendment" after its sponsor, former Senator James L. Buckley of New York. FERPA requires all educational institutions which receive federal funds to provide full student and parental access to educational records and also limits the disclosure of such records to others. Critics believe that the law has had a chilling effect on student evaluations and references and that, because it applies to all university programs, whether federally aided or not, raises important philosophical and even Constitutional issues.[26]

None of these questions was given much consideration at the time of enactment. The Buckley Amendment was introduced onto the Senate floor during debate over the **General Education Provisions Act of 1974.** It was adopted there and was subsequently retained by the House-Senate Conference. It had been subject to no hearings and had no major input from educators during its drafting and, indeed, very few were aware of it. Intended primarily to address problems in elementary and secondary education, higher education was added "as an afterthought," apparently on the assumption that the problems of elementary and college education are similar and that the same principles should apply equally to both. This assumption was clearly erroneous. As initially adopted, the bill had major defects and had to be revised almost immediately. Higher education groups remain very dissatisfied with both the costs imposed and the unusual federal intrusion into their administrative procedures.

The politics of the new social regulation, like the expenditure cases cited, indicates the importance of accident and happenstance in the creation of Leviathan. Too often, the government simply did not recognize the full significance of what it was undertaking. Indeed, there seems to be something in the politics of regulatory enactment which mitigates against careful deliberation. Congress often seems to view regulatory proposals as one-sided moral issues or opportunities for "position-taking," rather than as major policy enactments with important operational and economic implications. Now, because of high inflation and the morass of red tape that some of these programs have engendered, there is widespread concern that the federal government failed to consider adequately the costs as well as potential benefits of its newest regulatory policies. The real political process of deliberation and compromise among interests and objectives has just begun—and it may have begun too late.

A Government As Good As Its People?

As these cases show, many of the decisions that have led to governmental growth in America—and

[22]*Ibid.*, p. 54.

[23]See Andrew Fishel and Janice Potter, **National Politics and Sex Discrimination in Education,** Lexington, MA, Lexington Books, 1977, p. 132.

[24]See Neal R. Peirce, "Offending the Wheelchair Lobby," **Public Administration Times,** January 1, 1979, pp. 2, 12.

[25]See Rochelle Stanfield, "Age Discrimination Regulations—They're Turning the Rule Makers Gray," **National Journal,** December 30, 1978, pp. 2066-70.

[26]See "The Federal Conditional Spending Power: A Search for Limits," **Northwestern University Law Review,** May-June 1975, pp. 293-330.

to the radical alteration of the traditional patterns of federalism—have been of a rather happenstance character. Deterministic theories are of little use in explaining such short-term social processes.[27] Instead, close observers of public policymaking are coming to recognize that

> students must settle for incomplete explanatory schemes. Luck, chance, and randomness must be given their due. Causal networks are tenuous, ruptured by unanticipated results, interaction effects, mixed motives, and conflicting values.[28]

As government grows, this process is compounded by a kind of feedback mechanism: the opportunities for further errors become more numerous, more serious, and more costly. Given the scope of contemporary government, it is little wonder that many state and local officials, businessmen, and citizens—and, indeed, many in Washington itself—now look on Big Government as a bull in the china shop of social and economic affairs. Lumbering here, blindsided there, forever charging off toward red flags regardless of the dangers—too often, that is exactly what it is.

The result is that, over the past 20 years especially, the traditional alignment of functions, funds, and powers in the national-state-local system has been drastically and probably irreversibly altered, as much by inadvertence as design. Fundamental questions of federalism have been ignored in the rush of business.

A Realignment of Functions

Two final cases illustrate this point. Under the **Rural Development Act of 1972,** the national government entered the business of local fire protection—traditionally regarded as the "most local" of all public services—almost entirely by accident. Fire protection problems never emerged as a major concern in either Presidential or Congressional investigations of rural development needs, and no representatives of the fire services testified at the extensive hearings held in both the House and Senate in 1971 and 1972. Far more attention was focused on the questions of farm credit, water and sewer facilities, housing, and health services. There was no great political "pressure" for a new federal program: no one, other than the Forest Service and a number of state foresters, took a real interest in the question, and it is not clear that they had much influence on the legislative outcome. Yet, the Congress still determined, by lopsided majorities, that

> inadequate fire protection and the resultant threat of substantial losses of life and property is a significant deterrent to the investment of the labor and capital needed to help revitalize rural America, and that well organized, equipped, and trained firefighting forces are needed in many rural areas to encourage and safeguard public and private investments in the improvement and development of areas of rural America where organized protection against losses from wildfire is lacking or inadequate.[29]

In the same year the Congress enacted the first truly national guaranteed income program, though one limited to the aged, blind, and disabled. Unlike most of the programs of the past two decades, Supplemental Security Income (SSI) provided for federal administration and uniform benefit standards. Yet this matter shift in the assignment of functions also received little attention:

> When the historic law was enacted, politicians ignored it and most newspapers failed to report it. It is probable that many members of Congress who voted for it did not realize what they had accomplished. . . . Except for the few persons who engineered it and for Governors, who anticipated savings from its federally paid floor for the aged, blind, and disabled, few knew what was in Title III of H.R. 1.[30]

These cases provide a striking counterpoint to the usual patterns of American politics. Throughout most of American history, proposals for the expansion of the federal role have excited raging controversy. The enactment of federal aid to elementary and secondary education, for example, took many decades, as did the creation of a national health insurance program, Medicare. But there was no similar outcry when Congress entered the field of rural fire protection or established the nation's first guaranteed income program. Few knew, few were looking, few cared, either way.

Evidence of Overload

Perhaps it has always been that way. Fundamental social changes are difficult to perceive, even by those who are involved in them most intimately. Foreign policy analyst Roger Hilsman has observed that no government decides to inaugurate the Nuclear Age, but rather tries only to build a big bomb before its enemy does.[31] And anthropologist Marvin Harris, surveying the vast realm of cultural change considered by that discipline, comments that "it is clear that the major transformations of human social life have never corresponded to the consciously held objectives of the historical participants."[32]

Still, after this catalog of political misadventures,

[27] Lester C. Thurow, "Economics 1977," **Daedalus** 106, Fall 1977, p. 86.

[28] Aaron Wildavsky, **Speaking Truth to Power: The Art and Craft of Policy Analysis,** Boston, MA, Little, Brown and Company, 1979, pp. 91-92.

[29] **Rural Development Act of 1972,** P.L. 92-419, Title IV, Sec. 401.

[30] Burke and Burke, *op. cit.*, pp. 195-97.

[31] Roger Hilsman, "U.S. Policy on the Opening to the Left: The Role of the President's Advisers," **Eurocommunism: The Italian Case,** eds. Austin Ranney and Giovanni Sartori, Washington, DC, American Enterprise Institute for Public Policy Research, 1978, p. 12.

[32] Marvin Harris, **Cannibals and Kings: The Origins of Cultures,** New York, NY, Vintage Books, 1977, p. 288.

many might conclude that the American people have not gotten good government. As one skilled Washington staffer was overheard to say, "if you really thought about the Congress, you couldn't do your job." Similar despair may be found among close observers of the White House, the bureaucracy, the judiciary, the political parties, and also even the electorate. (Indeed, there may be a general tendency to put one's faith for democratic competence in whatever institution one knows the least about.)

Still, it is difficult to assign blame or fix responsibilities for these shortcomings. Any living system—from the single cell to complex society—performs poorly under conditions of information input overload. Behavioral scientist James Grier Miller has stated the general rule:

> As the amounts of information per unit time . . . that are input to living systems at different levels increase, we have found they respond in comparable ways. As information inputs impinge more and more rapidly on a system, they eventually overload its capacity to transmit information. Ultimately breakdown of efficient information processing occurs, just as children playing "musical chairs" finally end up in confusion as the music plays faster and faster.[33]

In our time, many social institutions appear to be overloaded beyond their effective operating capacity. Surely this is true of government and many of its key components. The immense range, complexity, and pace of federal activity have created unmanageable pressures, doing damage in every corner of the federal establishment. "Error rates" have increased accordingly.

Evidence of systemic overload is everywhere in Washington (and across the nation). The days when Capitol Hill housed the "world's greatest deliberative body" are long gone. Few measures receive more than superficial consideration on the floor or, increasingly, in the committee rooms, where the "real work" of Congress is said to be done. Dr. Delphis C. Goldberg, a veteran Congressional staffer, recalls:

> In the early 1960s, when the level of federal aid was $7 billion rather than close to $85 billion, and the scope of regulatory involvement much more limited, there was ample opportunity in the Congress to discuss legislative proposals and their implications. There was far less reason for members to go to the floor or to their committees and vote on the basis of how "the rest of my delegation is voting, how many people have called me, and the number of telegrams I received." Generally, there was an extensive discussion of program issues; this has ceased to be the case. It is not unusual today to see programs costing $100 million and more brought up in the House under the suspension-of-the-rules procedure which limits debate to 40 minutes but requires a two-thirds vote for passage. Nevertheless, if the skids have been greased and the interest groups have done their lobbying, there is neither the opportunity nor the inclination in that brief time to consider even the big issues. Unless the number of programs and their complexity can be reduced, it is inevitable that the future will bring even less carefully considered legislation, together with ill-defined program purposes and unintended effects.[34]

Source: Federal Times, June 25, 1979, p. 9.

Pressures of these kinds have created widespread dissatisfaction with the Congress among its own membership. It has received, according to one recent commentary, a grade of "F" for "frustration."[35]

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[33]James Grier Miller, **Living Systems,** New York, NY, McGraw-Hill Book Company, 1978, p. 121.

[34]Remarks at a "thinkers' session" in the ACIR office, December 13, 1978.

[35]Richard E. Cohen, "A Report Card for Congress—An 'F' for Frustration," **National Journal,** August 11, 1979, pp. 1326-30.

At the other end of Pennsylvania Avenue, one finds further evidence of institutional overload. The Presidency, in the view of columnist Joseph Kraft, is in a state of decline. "The salient features," he says, "are high expectations amidst an increasingly intractable atmosphere. The last four presidents have all tried to resolve the dilemma in different ways—and come to grief."[36] The erosion of federalism has imposed new burdens on the White House, too: just as Congress has become city council to the nation, so Presidents have, in the words of historian Henry F. Graff,

> come to act like Mayors. They take on the meanest housekeeping concerns of daily existence, matters for which there are no ready answers and in which there is no political paydirt. These concerns were not the business of the President historically, and grappling with them today quickly stains every Administration before it settles into place. . . . The White House has become the dumping ground of last resort for society's unsolved and unsolvable technological, social and economic issues—most of them so complex that they would tax the mind of a polymath.[37]

The same is true in state houses, municipal buildings, and polling places throughout the land. There is a clear tendency, as John Gardner has said, for the national government "to export its own chaos on down the line." Federal policies, which formerly "penetrated" only to the states and largest cities in a few major functions, to big business, and to specific groups of citizens, have become quite pervasive in their impact. Local and state officials find it nearly impossible to exercise coherent policy or administrative control over the array of federal programs in which they participate.

Worse, perhaps, is the monumental gap which has arisen in a nation which prides itself on town-meeting traditions and the reality of popular participation in governmental decisionmaking. For if members of the Congress and Executive Branch are poorly informed about the matters which come before them, how many of their constituents can be said to have more than the vaguest notion of the multifarious business being conducted in their name? Under conditions of great economic, social, and programmatic complexity—such as those which prevail in the provision of health care, or energy policy, for example—who can even know for sure where his or her self-interest lies, let alone the broader public good?

The root of this dilemma, then, appears to reside less in the failure of any particular component of the system than in its overloading as a whole, and the real constraints are imposed more by the limited capacities of human intelligence than by any fault in governmental structure or procedure. As Nobel Laureate Herbert A. Simon indicates, the ultimate "scarce resource" is **mind itself.** A student of human decisionmaking in the public and private sectors, Simon has applied this perspective to the operation of government:

> For many purposes, a modern government can be regarded as a parallel computing device. While one part of its capability for rational problem solving is directed to fire protection, another is directed to paving highways, and another to collecting refuse. For other important purposes, a government, like a human being, is a serial processing system, capable of attending to only one thing at a time. When important new policies must be formulated, public and official attention must be focused on one or a few matters. Other concerns, no matter how pressing, must wait their turn on the agenda. When the agenda becomes crowded, public life begins to appear more and more as a success of cries. When problems become interrelated, . . . there is the constant danger that attention directed to a single facet of the web will spawn solutions that disregard vital consequences for the other facets.[38]

If Simon is right—and ACIR's work suggests that he may well be—governmental growth itself has, quite perversely, been in part its own cause. Like a dog, it circles round, evermore chasing its own tail. The Leviathan state, then, is in good part a mistake—and one we are quite apt to go on making.

David R. Beam is a senior analyst in ACIR's Structures and Functions Section. He has been examining the federal role in the federal system for two years.

[36] Joseph Kraft, "Presidency in Decline," **The Washington Post,** August 12, 1979, p. B7.

[37] Henry F. Graff, "Presidents Are Now Mayors," **New York Times,** July 18, 1979, A-23.

[38] Herbert A Simon, "Rationality as Process and as Product of Thought," **American Economic Review** 68, May 1978, p. 13.

ACIR News

ACIR Meeting Rescheduled For December 6-7

The ACIR meeting scheduled for October 4-5 has been rescheduled for December 6-7 in Washington, DC.

The December 6 session will begin with a dinner meeting at a place to be determined. The place for the December 7 session will be announced shortly.

Agenda items for the meeting will include consideration of a report on State and Local Pension Systems and the Federal Regulation Issues, and Restraining the Federal Budget. In addition, the Commission will hear progress reports on the study underway on the Federal Role in the Federal System and the study of Federal Payments-in-Lieu of Taxes to States and Local Governments.

The Special Committee established to review ACIR's work program, budget, and staffing, chaired by ACIR Vice Chair Lynn Cutler, will meet prior to the full Commission meeting on December 6.

Oregon Senate President Named to Commission

Jason Boe, President of the Oregon State Senate, was named to the ACIR in October.

Sen. Boe has served in the Oregon State Senate since 1970; he has been its president since 1973. Prior to that, he was a Reedsport, OR, city councilman from 1958-62 and member of the State House of Representatives from 1962-70. In the Oregon Legislature, he was closely identified with education and property tax issues.

He has held several national offices, most recently serving as president of the National Conference of State Legislatures in 1978-79.

Sen. Boe was selected by President Carter from nominees submitted by the National Conference of State Legislatures. He will serve a two-year term.

ACIR Schedules Conference On Federal Grant Law

The Advisory Commission on Intergovernmental Relations will sponsor a one-day seminar on federal grant law on Wednesday, December 12, in Washington, DC.

The session will feature both lawyers and nonlawyers discussing the impact of the body of federal grant law on federal, state, and local policymakers receiving and administering federal grants.

Federal grant law is an area that, by and large, has been left to the legal community, yet judges hearing grant-related suits and lawyers trying them frequently have little knowledge of, and interest in, the working of the federal system. Similarly, federal, state, and local officials dealing directly with federal grants are often unaware of judicial decisions affecting the grant-in-aid system.

In an attempt to bridge the gap between the legal and policy worlds, ACIR has pulled together some of the top thinkers in both realms to discuss such question as:

- ☐ What makes up the body of federal grant law?
- ☐ Where does this law seem to be taking us?
- ☐ What are the implications of this law for our intergovernmental system?
- ☐ What is the status and what are the implications of recent litigation involving two major block grants—LEAA and Community Development?
- ☐ Are there legal options available to local officials who feel that cross-cutting regulations are unreasonable and burdensome?

The audience will be limited to 150 federal, state, and local elected officials and staffs. A fee of $50 will be charged to cover the costs of the session. ACIR will produce a publication based on the proceedings of the day which will be distributed widely.

Further information on the conference may be obtained from ACIR, 1111 20th St., NW, Washington, DC 20575.

ACIR Vice Chair Testifies on Grant Reform Legislation

In testimony before the Senate Intergovernmental Relations Subcommittee September 6, ACIR Vice Chair Lynn G. Cutler, Supervisor of Black Hawk County (IA) urged the Senate to enact legislation to achieve fundamental improvements in the management of federal grants-in-aid.

Specific bills under consideration by the subcommittee are S. 878, the "Federal Assistance Reform Act," and S. 904, the "Federal Assistance Reform and Small Community Act of 1979."

"This legislation deals with the concept of balance in our federal systems," she said, "A concept which too often in recent years has received only passing consideration in the rush to create new, or authorize old, federal programs. Largely because the proper role and authority of each partner in the federal system is not a criterion in the policymaking process, we are confronted now with a federal aid system which was constructed incrementally and with precious little forethought.

"In general, these bills would make the intergovernmental grant system more cost-effective and accountable and would begin to restore policymaking authority to state and local officials."

One important element of the legislation deals with grant consolidation which Cutler called "the fundamental structural reform that will assure continual review of existing grant programs and will help reestablish the balance in our federal systems."

Other key elements of the grant reform bills call for simplification of cross-cutting requirements on federal grants, a strengthened joint funding simplification process whereby recipients can administratively group grants used for the same project, the encouragement of greater use of advance funding, provision of more complete information on federal funds available, creation of a standard maintenance of effort requirement, and a strengthened single state agency waiver provision.

These measures, said Cutler, "move beyond merely incremental managerial 'tidying up' to confronting the 'tunnel vision' tendencies and moral arrogance of a range of interests now residing in Washington."

Enactment of grant reform legislation would implement a number of recommendations made by ACIR as part of its four-year study of the intergovernmental grant system. The ACIR staff has also worked closely with Congressional staff in drafting and revising the proposed legislation. Subcommittee markup of the bills is expected soon.

Indicators Show Increased State Efforts to Assist Localities

Efforts to revamp state aid programs to assist needy urban and rural areas are underway in a number of states, according to a recent report prepared for HUD by the Advisory Commission on Intergovernmental Relations and the National Academy of Public Administration.

The latest work is a followup to recent ACIR research embodied in ACIR's **State Community Assistance Initiatives**, published in May.

To understand the role states are playing to aid their distressed communities, the latest ACIR study developed a listing of 20 programs in five broad categories which were considered by a panel of urban experts to be the most significant actions states can take in assisting localities in meeting their needs. The five broad categories were: housing, economic development, community development, fiscal assistance, and structural reforms.

Efforts in the 50 states were then examined to develop state-by-state and summary information on the extent and form of state aid to distressed communities.

Among findings of the study were:

- ☐ In the housing area, states are making demonstrable progress toward improving housing opportunities for low and moderate income individuals.
- ☐ Economic development indicators confirm earlier ACIR findings that the states have sought to improve local economies by attempting to provide significant financial inducements for private commercial and industrial expansion.
- ☐ States have granted considerable authority to their localities in the community development field. Forty eight states have empowered their local jurisdictions to create local redevelopment or renewal agencies; most of these possess broad bonding, planning, and eminent domain powers.
- ☐ Fiscal reform indicators suggest that state efforts to equalize interlocal fiscal disparities have been mildly successful.
- ☐ Structural reform indicators suggest that states have made considerable progress toward enacting reforms such as residual powers home rule which have enhanced local abilities to address decline problems.

While these findings do indicate that states have improved considerably in their efforts to assist localities over the past few years, many of the programs which target aid to declining or distressed communities are still in the formative stages and the efforts are far from uniform in quality and depth across the states.

Regional variations were notable in several areas. The states in the northeast had the most interest in targeting functional aid programs to distressed communities, particularly in the areas of home rehabilitation and economic development. New England and mid-Atlantic states have been the least likely to take action to reduce local fiscal burdens. The southern, western, and midwestern states have taken the lead to broaden local taxing capabilities and to distribute revenue sharing funds and education aid to assist needier jurisdictions.

The draft report is being circulated to key state and local officials for review and comment. Copies of the final report will be available later in the fall.

ACIR Initiates Study of A-102 Compliance

In the next year the ACIR, in cooperation with HUD's Office of Policy Development and Research, will examine federal and state agency efforts to comply with OMB Circular A-102, a document specifying application, performance, and financial reporting requirements associated with federal grant funds passed through state governments.

At various points in this pass-through process, requirements beyond those stipulated in the A-102 document are imposed upon the potential recipients at the local level. Representatives of local governments participating in projects such as HUD's National Financial Management Conference, and the ACIR Federal Assistance Monitoring Project have identified these additional requirements as an important, but frequently burdensome, task for local governments. As yet, however, no group has identified the specific sources of, or reasons for, the addition of these requirements, and they remain a fundamental point of friction in our intergovernmental system.

The primary goals of this A-102 project will be to verify whether or not a problem does exist, assess the nature of any problem so identified, and develop a set of pertinent recommendations. Officials from a limited, but representative, sample of programs and jurisdictions will respond to a questionnaire developed and administered by the project staff. A panel of federal, state, and local practitioners from the program areas and localities included in the survey will advise ACIR staff throughout the course of the project.

At the completion of the project in September 1980, ACIR will issue a report containing the study's findings including recommendations dealing with A-102 compliance.

And Briefly: Books

The first two publications are recent reports of the Advisory Commission on Intergovernmental Relations, Washington, DC 20575. Single copies are free.

Changing Public Attitudes on Governments and Taxes (S-8).

This is the eighth annual survey of public attitudes on major intergovernmental fiscal issues. The survey, again conducted by Opinion Research Corporation, revealed some changes from last year's results. The federal income tax has now replaced the local property tax as the "wors" tax. Moreover, local government has now replaced the federal government in providing "the most for your money." These changes are attributed to the post-Proposition 13 attempts at property tax relief enacted by several state legislatures and the fact that inflation has pushed many taxpayers into higher income tax brackets. The survey also found that although the number of respondents supporting the general revenue sharing program had dropped, a majority still favor the program.

Detailed results of this year's poll are organized in tables with explanatory text. The results of previous polls are presented in appendix tables.

In Brief—Citizen Participation in the American Federal System (B-3).

This report highlights the findings of an upcoming Commission report on citizen participation. The Commission found that citizens expect to have many opportunities to participate in governmental affairs, although they may not take advantage of them. Citizens also expect to have a greater influence on governmental activities than they actually have. The Commission concluded that citizen participation as a requirement of federal aid programs is important and that governments at all levels should provide adequate opportunities and resources for citizen participation in all activities including the budget process.

The following publications are available directly from the publishers cited. They are not available from ACIR.

Federal and State Mandating on Local Governments: An Exploration of Issues and Impacts, Graduate School of Administration, University of California, Riverside, CA 92512.

Rural Development: An Overview, prepared by the Congressional Research Service, Library of Congress, for the Senate Committee on Agriculture, Nutrition and Forestry, Subcommittee on Rural Development, U.S. Government Printing Office, Washington, DC 20402.

Fiscal Entrenchment and Urban Policy, edited by John P. Blair and David Nachmias, Sage Publications, 275 South Beverly Drive, Beverly Hills, CA 90212. $8.95 paper.

Federal Grant Law—1979, Section of Public Contract Law, American Bar Association, 1800 M Street, NW, Washington, DC 20036. $25.

Policymaking for Social Security, by Martha Derthick, The Brookings Institution, 1775 Massachusetts Avenue, NW, Washington, DC 20036. $6.95 paper.

Interstate Compacts and Agencies (1979 edition), Council of State Governments, Iron Works Pike, Lexington, KY 40578. $5.00.

Intergovernmental Fiscal Impact of Mortgage Revenue Bonds, hearing before the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, U.S. Senate, July 18, 1979, U.S. Government Printing Office, Washington, DC 20402.

Proposition 13—How California Governments Coped With a $6 Billion Revenue Loss, U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, NW, Washington, DC 20548.

Funding of State and Local Government Pension Plans: A National Problem, U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, NW, Washington, DC 20548.

Politics in State and Communities, by Thomas R. Dye, 3rd edition, Prentice-Hall, Inc., Englewood Cliffs, NJ 07632. $15.95.

Braddock's Federal-State-Local Government Directory 1980, Braddock Publications, Department A, 1001 Connecticut Avenue, NW, Washington, DC 20036. $19.95 for a two-volume set.

Issuing Municipal Bonds: A Primer for Local Officials, Agriculture Information *Bulletin* No. 429, by the U.S. Department of Agriculture, Economics, Statistics, and Cooperative Service in cooperation with the Department of Agricultural and Applied Economics, University of Minnesota, U.S. Government Printing Office, Washington, DC 20402.

The Practice of American Federalism, Center for the Study of Federalism, Temple University, Gladfelter Hall, Philadelphia, PA 19122. $4.50.

State Roles in Local Government Financial Management, by John E. Petersen, C. Wayne Stallings, and Catherine Lavigne Spain, Municipal Finance Officers Association, 180 N. Michigan Ave., Suite 800, Chicago, IL 60601. $8.

State Taxation and Economic Development, by Roger J. Vaughan, Council of State Planning Agencies, Hall of the States, 444 N. Capitol Street, Washington, DC 20001. $9.95.

Eonomic Development: The Challenge of the 1980s, by Neal R. Peirce, Jerry Hagstrom, and Carol Steinbach, Council of State Planning Agencies, Hall of the States, 444 N. Capitol Street, Washington, DC 20001. $9.95.

(Continued from Page 2)
tion of intergovernmental roles, a new theory of federalism as the basis for intergovernmental reform. We must have a philosophical wedge to explain why the federal government shouldn't be in certain areas that are innately or most appropriately state and local functions. We must set up criteria and make value judgments as to why welfare is a federal function and why fire protection should never be. We need to provide some "thou shalt nots."

ACIR is the best equipped body I know to formulate these value judgments. The work we've done illustrates general principles that can be further fleshed out into some type of criteria and tradeoff proposals. From its work, ACIR should be able to construct the model of what an ideal federal system should look like. We have to change this supermarbleized system under which everybody does everything. We cannot make sense of it as it is now.

This issue of *Intergovernmental Perspective* highlights some of the reasons behind the federal expansion into numerous new functional areas and, perhaps more importantly, spotlights the cases where through mistakes, miscalculations, or simple naivete, the federal government has embarked into new functions and programs which later cost the U.S. Treasury millions upon millions of dollars and frequently cost the state and local governments considerably more in terms of loss of power and independence.

My hope is that the work of ACIR through articles like Cynthia Colella's and David Beam's will raise the national consciousness both as to the problem and the consequences of further centralizing drift. What we need is a real public debate on how to divvy up the responsibilities and functions of modern government. I believe such steps are necessary to the retention of a vital federal system which I, for one, am not yet willing to surrender in favor of rule by Washington.

Bruce Babbitt
Governor, State of Arizona

(Continued from Page 2)
ing constraints that would be counter-democratic, we simply cannot have any kind of formal guidelines. Just think of the precedent we'd be setting. We certainly don't want to have a constitutional convention every 30 years to freeze into law the current conception of federalism.

The questions Governor Babbitt wants resolved are rightfully in the purview of elected officials to decide—not the ACIR or any individual or group of self-selected individuals. I think ACIR's role here is to show the consequences of a continuing drift—not to set up standards for some "utopian" federal system.

We cannot—and should not—attempt to set up a new quasi-constitution. We cannot argue from the general—we can only argue from the specific. One of the things that is clear to me from the Commission's work in this area is that there are a great many forces and causes that account for the increase in federal roles—pointing out to me the futility of trying to establish any type of criteria applicable to all programs.

Thus, while I find the ACIR research, including that which is discussed in this issue of *Perspective*, extremely informative and valuable, I think its utility is in providing grist for the mills of our elected officials who must decide what action to take. It is not our role to prescribe in this area—but to define and predict with reasonable assurance where various routes will take us. ACIR's most appropriate contribution would be through its study of particular issues—not in trying to articulate a new theory of federalism.

Richard Snelling
Governor, State of Vermont

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