

Budget Bureau: Do Advisory Panels Have an Industry Bias?

Editor's note: *Vic Reinemer, author of this article on certain little-known but apparently influential advisory committees to the federal Bureau of the Budget, serves as executive secretary on the staff of Senator Lee Metcalf (D-Mont.). Both he and Metcalf believe the shadowy committees have neglected the public good to benefit business and industry. Metcalf has even suggested that the committees might best be abolished. A contrary view of the committees' value is presented on page 39 in a brief rebuttal by Robert P. Mayo, Director of the Bureau of the Budget, which has recently been reorganized as the Office of Management and Budget. Reinemer, a Senate staffer since 1955, has served as associate editor of the Charlotte (N.C.) News and has had articles published in several national magazines. Reinemer and Metcalf coauthored Overcharge, a critical examination of utility regulation (reviewed in the 10 February 1967 issue of Science).*

Early in World War II, many small businessmen appealed to the chairman of the Special Senate Committee to Study Problems of American Small Business. The government, they complained, was sending them too many questionnaires. The chairman introduced a bill, which became the Federal Reports Act of 1942, specifying that information needed by federal agencies would be obtained with a minimum burden upon business, especially small business. The law also empowered the Director of the Bureau of the Budget to coordinate the collection of information from ten or more business firms or persons.

The Budget director asked some of his big-business friends to help him administer the new law. They formed the Advisory Council on Federal Reports. They asked some of their industry friends to help them help the Budget director. Soon they had formed 16 Budget Bureau advisory committees, dealing with banking, broadcasting, chemicals, equal employment, fats and oils, meat packing, natural gas, oil, railroads, trade, and utilities. The cost of the council and its 16 committees is borne entirely by industry. The council terms itself the "official business consultant to the Federal Bureau of the Budget" yet notes that it is "appointed by and is responsible only to the business community."

The advisory committees did not represent small businesses, for whom the law was enacted. The law was not violated, however, since the law said nothing about setting up advisory committees.

The law did say that information was to be collected in a way that would maximize its usefulness to the public. But the public was excluded from the committees. Indeed, the public was unaware of the committees' existence. No separate advisory committees were established for environmental, consumer, small business, labor, or other groups.

The advisory committee system, in effect now for 27 years, gives large industries and their trade associations exceptional advantages. The process of disclosing or withholding information goes to the heart of government decision-making and law enforcement. Members of the committees have a vantage point deep within an extraordinarily powerful agency. They can anticipate and affect government policy. They can better protect their own interests and adversely affect the interests of others. And they do—especially with regard to pollution.

Few people thought or cared much about pollution during the 1950's. In 1960, President Eisenhower vetoed a federal water pollution control bill, terming pollution a "uniquely local blight." Attitudes began to change during the early 1960's.

In June 1964, 17 federal officials, most of them from the Public Health Service (PHS) or the Budget Bureau, met with a 27-man panel from the Budget Bureau's advisory committees to discuss a proposed federal inventory of water-contaminating industrial waste disposal. The PHS was required by law to collect information, develop comprehensive programs for water pollution

abatement, and to initiate regulatory action. Planning and regulation would be difficult if the officials did not know who polluted what, and where. Information on municipal waste disposal had been available for years, but, according to PHS officials, information on industrial waste disposal was inadequate.

All 27 members representing the Budget Bureau's advisory committees at the meeting came from industry—U.S. Steel, Consolidation Coal, American Paper & Pulp, American Electric Power, the American Petroleum Institute, the National Association of Manufacturers (NAM), and others. They objected to the inventory.

The information that the government proposed to collect, they said, would be incomplete and outdated, misused by politicians and the press. They explained that the NAM was already collecting data on this matter but that some companies had not even responded to the NAM request. Those companies would be even more reluctant to respond to another survey—which would be burdensome and might reveal trade secrets. The electric utility spokesman wondered why his industry (which causes thermal pollution) was even included in the proposed inventory.

After 7 hours, the meeting adjourned and the Budget Bureau pigeonholed the proposed inventory.

Blocked Again

The following year, the question of the inventory was raised again, and again it was blocked by industry. At a conference on pollution of Lake Erie and its tributaries, eight major industries said they would provide data on discharged waste water to federal and state agencies. Acting on this indication of cooperation, Chairman Robert E. Jones (D-Ala.) of the House Subcommittee on Natural Resources and Power urged the Budget director and the new Secretary of Health, Education, and Welfare (HEW) to approve the nationwide inventory. They replied that perhaps a pilot study should be made around Lake Erie; a study was made but produced little information.

The next year (1966) federal responsibility for water pollution abatement was shifted from PHS, in HEW, to the new Federal Water Pollution Control Administration (FWPCA) in the Department of the Interior. The Clean Water Restoration Act approved in 1966 called for comprehensive studies by the Inter-

ior Department of the cost of controlling industrial pollution and of possible economic incentives to induce industry to abate pollution. In 1967 the House subcommittee again pressed the Budget Bureau to approve the inventory. But the Bureau recommended delay.

"We believe," wrote the Bureau, "that once data is [*sic*] available from the cost and incentives studies, we will have a much better idea about what types of data are available from industry and how best to structure any potential questionnaire for the industrial inventory." The Bureau did not want to collect information until it had information!

In contrast, the Interior Department held that the egg must come before the chicken—before it could count the cost of industrial pollution it would have to have an inventory.

In the summer of 1968, the Budget Bureau advisory panel again considered the proposed inventory. The 26 advisory participants represented most of the companies and trade associations that had been at the 1964 meeting and included several of the same individuals. None of the 13 federal participants had attended the 1964 meeting. At the meeting, FWPCA officials reported that the need for adequate and accurate data on industrial water pollution was becoming more and more acute at both the state and the federal levels. The advisory committee members reiterated the argument that they had previously made to other federal officials. After 4 hours of discussion, the meeting adjourned and the Budget Bureau again returned the inventory to the pigeonhole.

And that is where it remains today. The new FWPCA commissioner, David D. Dominick, blames the Budget Bureau for halting the inventory. But he is not pushing it, having retreated to industry's position that the information should be collected at the state level, where it is unlikely ever to be collected. And so the federal government marches back down the hill, which is still securely held by industry and its advisory committees.

Air pollution control has also been slowed by a Budget Bureau advisory committee. In March 1968 the National Air Pollution Control Administration (NAPCA) submitted a proposed Air Contaminant Emissions Survey to the Budget Bureau. The advisory committee objected to disclosure of data relating to specific plants and set up a negotiation team, including representatives from the NAM, U.S. Chamber of Commerce,

American Paper Institute, American Petroleum Institute, National Coal Association, and Manufacturing Chemists Association. At the industries' urging, NAPCA submitted weaker, general drafts. Last year the survey was finally innocuous enough to obtain industry approval, and the Budget Bureau cleared the form.

Nevertheless, NAPCA added further restrictions on the use of the information it would collect, according to the Task Force Report on Air Pollution issued late this spring by the Center for Study of Responsive Law (Nader's Raiders). The Chattanooga Manufacturers Association urged its members to withhold information sought through the emissions survey. NAPCA Commissioner John T. Middleton thereupon promised the Chattanooga manufacturers that the data they disclosed would never be made public, even in administrative or judicial proceedings. Government, said the Task Force Report, was indeed a junior partner to industry.

Other Information Withheld

Pollution is but one of the areas in which Budget Bureau advisory committees foil collection of information on which enforcement and legislation are based. In 1963 the Federal Trade Commission submitted to the Budget Bureau a questionnaire designed to obtain information on ownership and interlocks of the nation's 1000 leading corporations. The advisory committees strongly objected, then carried their inside information to Capitol Hill, where they obtained prohibition of expenditures on the survey. Electric and gas utilities used the advisory committees to weaken Federal Power Commission (FPC) attempts to obtain more information on utilities' expenditures for professional services, including payment made to law firms, advertising, public relations, and lobbying.

The budget of the advisory committees' parent organization, the Advisory Council on Federal Reports, is approximately \$60,000 a year. This cost is borne by the American Society of Association Executives, the National Association of Manufacturers, the U.S. Chamber of Commerce, the American Retail Federation, the Financial Executives Institute, and a few individual companies. Expenses include a Washington office (1001 Connecticut Avenue, N.W.) and occasional picnics and dinners honoring the Budget Bureau officials who work with the advisers.

Many advisory committee members have served with the same Budget Bureau career officials for years. The Budget Bureau staffers are usually at grade 14 or 15 (\$19,643 to \$29,752 per year); some junior members may be as low as grade 9 (\$9,881 to \$12,842 per year). They could be awed by association with prestigious industry officials who serve on the committees—for instance, Robert S. Quig, vice president of Ebasco Services, Inc., a utility service organization. Quig has chaired the three electric and gas utility advisory committees for years and also serves on the parent Advisory Council on Federal Reports.

Camaraderie between industry and government blooms into soft policy. One Budget Bureau official eased industry anxieties by reminding them of the policy on corporate disclosure that he had laid down 7 years earlier:

When you are in doubt, resolve the doubt to your own advantage. Even when instructions are implicit there are cases where the reporting requirement may not be consistent with the manner in which some of you maintain your records. In that case report the data you have—in most cases it will be acceptable.

Until recently, the advisory council and committees have enjoyed anonymity. A long-standing advisory committee "principle" has prohibited publication of "recommendations which have been made to the Bureau of the Budget but on which action by the Bureau has not yet been taken." Outsiders have thus been prevented from obtaining information until it was too late to act on it. Until a few months ago, the Budget Bureau's limited circulation "yellow sheet"—a daily list of reporting forms and plans received for approval—was marked "Not for Publication." Congressional inquiry as to the reason for confidentiality prompted removal of the restriction.

Representatives of nonindustry organizations, who only recently have attended advisory committee meetings as observers, have not felt welcome. Last year, when an advisory committee began consideration of FPC forms relating to plant pollution control at steam-electric generating plants, entry was sought by the National Wildlife Federation. It represents the interests of state and local affiliates throughout the country and is deeply interested in water quality standards. Louis S. Clapper, conservation director of the National Wildlife Federation, described the experience of his or-

ganization's representative in these words from his 3 December 1969 letter to Budget Director Robert P. Mayo:

On Nov. 18, 1969, a member of our staff, Gerald W. Winegrad, an attorney, was told by Mr. Harry B. Sheftel of your

office that he would have to clear attendance at this Public Utilities Committee meeting with a Mr. Dana Barbour, Acting Director for Clearance Operations of the Bureau of the Budget. Mr. Winegrad on calling Mr. Barbour was advised that "we just can't have any more people,"

that there was no more seating room. Mr. Winegrad advised him that he would stand during the meeting but was still told he could not attend. Mr. Barbour advised Mr. Winegrad that he would send him a copy of FPC Form 67 in lieu of his attending the meeting. At the meeting which

Student-Student Polarization Plagues U.S. Campuses

The national press this spring has focused on the increasing distrust and confrontation between students and those in authority—police, university administrators, and faculty members. But politization on campuses has bred polarization not only between students and their elders but also between students and students.

When radical students wanted to take over or vandalize university buildings this spring, they were often voted down, blocked, or physically fought by more conservative students. With campus grievances and the Vietnam war setting the stage, politically divided student bodies, by their very existence, can generate a series of ugly scenarios. This sharpening student-student polarization portends a relatively new source of campus disorders, which may catch university communities by surprise.

One reason for the increasing student polarization is that the radical movement can no longer mobilize non-radical support as effectively as it has done in the past. This failure in leadership can be traced to the split that divided the radical Students for a Democratic Society (SDS) into two bitterly opposed factions last summer. One faction consists of two allied radical groups—the Worker-Student Alliance and Progressive Labor—whose names are indicative of their ideology. They often wear their hair short and oppose any tactic that they feel would alienate workers, such as rioting and breaking windows of small family-owned stores. They prefer a long-term political perspective. The other radical faction, formerly known as the New Left, is more interested in following a gut impulse to fight in the streets immediately for a revolution. Physical confrontations between these two factions are not uncommon.

This spring, President Nixon's announcement of the Cambodian invasion, and the killing of four Kent State students, provided ample ignition to activate students holding a wide range of political views. But there were sharp disagreements among students over the tactics to be used in the attempt to end the Vietnam war. Those disagreements heightened the intensity of student-student polarization. On hundreds of campuses, radical students tended to press for a strike directed against their universities, which they consider tools of American imperialism. Nonradical students who wanted to work against the war insisted that the strike be directed outward, toward canvassing the public and lobbying in Congress.

Ohio State provides a relatively mild example of increasing student polarization. This university, which closed from 7 to 19 May, had a strike in process prior to Nixon's announcement of the Cambodia invasion. When the protests escalated in May, a group of conservative students and parents brought a lawsuit against

campus radicals. In early June, the suing group won a court order enjoining the radical defendants from a number of actions, including making speeches or distributing pamphlets that might incite violence.

Stanford University shows one of the most clear-cut cases of student-student polarization. In January 1969, before building takeovers came into vogue in the East, the conservative Young Americans for Freedom successfully blocked a planned building takeover by SDS. The incident ended without violence.

However, when Stanford had the two most bloody nights in its history, on 29 and 30 April of this year, hospitals treated 65 persons (45 police and 20 students). According to both radical students and administration sources, half of the students who were treated were injured by other students, not by police.

Polarization at Stanford is so sharply defined, that this spring a conservative group of Stanford students, faculty, and staff began utilizing floodlights and cameras to give the police unrequested assistance in taking demonstration photographs.

At Harvard, polarization between radicals and other students has been dramatically displayed. On 7 May of this year, an SDS attempt to take over the ROTC building failed when 350 students opposing the takeover stopped 200 SDS'ers one block away from the building. The 350 students, who had decided to block SDS non-violently, chanted "Go Home" while barricading the street. Nevertheless, as SDS approached the massed group of nonradicals, some students on both sides literally began picking bricks from the cobbled sidewalks and gathering rocks.

An SDS speaker who wanted to break the student barricade shouted through a bullhorn, "There are more of them than there are of us. But that doesn't mean they're right." Other radicals disagreed: "If we fight the students, the movement is dead." Eventually, those on both sides who wanted to fight were shouted down by their colleagues.

Harvard government professor Michael Walzer, head of the faculty's liberal caucus, said in referring to the polarization among Harvard students, "Any sustained political activity makes those divisions deeper. We now have a lot of students who are politically experienced and who have a new understanding of what it means to have political enemies."

Will student-student polarization next year increase even more or will the trend toward student infighting somehow stop? Harvard professor Seymour Martin Lipset, an expert on student movements, said that the degree of next year's polarization will depend mostly on the state of the Vietnam war.—SAMUEL Z. GOLDBERGER

Mr. Winegrad did attend, there were no less than 14 empty chairs in the room at all times.

Mr. Sheftel made a point of stressing to Mr. Winegrad on the phone that "no policy was being considered" and asked: "What is your interest?" and "How did you know of the meeting?"

However, the Budget Bureau's assistant director for statistical policy, Julius Shishkin, says that under recently adopted policies there will be plenty of seats for all interested parties at advisory committee meetings and that "any American—including Rap Brown" will be welcome. (Shishkin later said use of this quote, by singling out one controversial individual, inaccurately reflected his attitude.)

Revision of the Budget Bureau advisory committee system was suggested last year by Senator Lee Metcalf (D-Mont.). His bill (S. 3067) would require consumer, labor, and small business representation on the committees and "timely, conspicuous public notice" of their meetings. In March Senator Metcalf told the House Government Operations Special Studies Subcommittee that the public interest might best be served by abolition of the committees.

The Budget Bureau opposes the Metcalf bill. Discomfited by the attention given its advisory committees, the Budget Bureau now emphasizes "the need for agency consultations with user and other interested groups" prior to submittal of agency requests to the Bureau. The disadvantage to the public in that approach is the same as the one it has with the Budget Bureau committees—"user and other interested groups" do not have the entree with agencies that industries have. Edison Electric Institute (EEI), trade association of the investor-owned electric utilities, quietly planned a meeting in March of this year with the FPC staff. The EEI wanted to discuss, privately, the plant pollution control data reports, which had interested the National Wildlife Federation last winter. Only after congressional and press comment on the closed nature of the planned meeting with industry did the FPC invite the outsiders who had sat in on last winter's discussion.

The Budget Bureau has specifically refused to include on its advisory committees representatives of the Consumer Federation of America. Instead, the Bureau has invited Virginia Knauer, special assistant to the President for consumer affairs, to send staff members to some advisory committee meetings. Mrs. Knauer's small staff has neither the expertise nor the zeal to offset the rep-

resentatives of large industries and their trade associations.

On 9 April, President Nixon announced still another committee through which businessmen can "communicate regularly with the President, the Council on Environmental Quality, and other government officials and private organizations which are working to improve the quality of the environment." The new committee, the National Industrial Pollution Control Council, is composed of board chairmen or presidents of major oil, automobile, electric utility, mining, timber, coal, airline, and manufacturing companies plus presidents of the U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Industrial Conference Board. (The Administration recently contracted with the National Industrial Conference Board to make a selective study—electric utilities are not to be

included—of industrial pollution costs.)

The President's choice for chairman of the council is Bert Cross, board chairman of Minnesota Mining and Manufacturing. His company still has not complied with a 1966 state order in Wisconsin to stop discharging sulfurous waste into municipal sewers.

The Presidential council headed by Cross is composed exclusively of polluters. Informed ecologists, old-fashioned conservationists, vocal students, or silent majorities are not represented, nor do they have separate advisory councils. They are excluded, at the Presidential and the Budget Bureau levels. They can get their information from industries' anti-pollution advertisements. Meanwhile, inside the White House and the red brick executive office building of the Bureau of the Budget, the rabbits guard the wilting lettuce.

—VIC REINEMER

The Budget Director Responds . . .

We appreciate the generous offer to reply to your article on the Bureau of the Budget, but there is so much half-truth carefully interwoven through the article that you leave us with almost no rebuttal except to say the article is unfair and misleading. Furthermore, it is in large part ancient and not very accurate history.

First, here is the situation as it exists today. Meetings with committees and panel of the Advisory Council on Federal Reports are open to all interested parties, without exception. Anyone who wishes to receive advance notice of these meetings may simply request that his name be placed on our mailing list. Write to Office of Statistical Policy, Bureau of the Budget, Federal Office Building No. 7, Washington, D.C. 20503.

The important point your article misses, I feel, is that it is only in the last year or two that the Bureau has been receiving for review an increasing number of forms and reporting requirements involving complex and controversial socioeconomic issues, such as consumer protection, pollution, civil rights, equal employment opportunity, and so forth. We were responsive to the need for broadening consultation with groups wishing to present their views.

The Advisory Council on Federal Reports provides a channel through which various segments of the business community advise and consult with the Budget Bureau on reporting problems attendant to requests of government agencies for information from business.

You make the point that small business has not been represented. The National Small Business Association has been a member of the Council for the last 10 or 15 years. Furthermore, the U.S. Chamber of Commerce has been a full-fledged member since the inception of the Advisory Council, and the majority of the Chamber's membership is comprised of small business.

The Bureau, now reorganized as the Office of Management and Budget, is composed of dedicated public servants with a long tradition of dealing fairly with all who are claimants on the national resources. As for the annual banquets, Budget directors and some of their aides have attended them, as did President Truman and President Johnson. To suggest an official of the Bureau could be corrupted by a meal is surely beneath the dignity of so fine a publication as *Science*.—ROBERT P. MAYO, *director, Bureau of the Budget*.