

the truly gamy headlines of Watergate. On the other hand, the CSC allegations take on an added significance in the light of widespread evidence of mismanagement, and no little evidence of outright corruption, within the SBA.

In 1973 and 1974, the now-defunct subcommittee on small business of the House Banking and Currency Committee made an extensive investigation of the SBA's affairs. The record of its hearings is replete with accounts of questionable and sometimes illegal practices.

For instance, in some SBA districts the loan officers were under pressure to meet ambitious quotas. As a result, many bad loans were made, with some borrowers perpetrating gross frauds. During 1973 and 1974 a number of SBA employees were terminated or suspended by the agency for misfeasance, and some cases were referred to the Department of Justice for prosecution. In addition, Kleppe has given Congress assurances about administrative improvements and reforms, both as to personnel matters and lending programs. Representative Robert G. Stevens, Jr. (D-Ga.), who chaired the small business subcommittee, is said to believe that Kleppe has performed creditably in a difficult job.

But certain others on the subcommittee have viewed Kleppe's performance less charitably. At one point in the hearings, Representative Lawrence G. Williams (R-Pa.), who died recently, observed that a subcommittee staff investigator had uncovered more in 4 or 5 days about scandalous conditions in the SBA office in Richmond, Virginia, than the SBA headquarters had uncovered in 3 or 4 years. A number of comments of like tenor were made by Representative Frank Annunzio (D-Ill.), and, speaking out in exasperation during a 1973 hearing, he summed up the testimony:

"We have heard charges of coverups, possible kickbacks on loans, loans made by one bank to bail out a bad loan at another bank, loans recommended by insurance salesmen so that the borrower can pay insurance premiums due the salesmen, more than \$1 million worth of SBA assistance made or promised to the brother-in-law of an SBA district director, the attempt by the White House or SBA to cover up the investigation of a supporter of the President—even to the extent of seeing if the SBA investigator would be willing to destroy his files on the investigations, and an assortment of other charges of maladministration.

"Prior to these hearings," Annunzio added, "I had always thought the initials SBA stood for the Small Business Administration. But now I believe that the initials stand for 'Superior Bagman Agency.'"

Whatever may be said about Kleppe's performance at the SBA, it is not at all clear why the President would want him as his Secretary of the Interior. One can only surmise as to the President's reasons, but they probably include these:

- Kleppe is a conservative Republican from a western state, and, as such, is no doubt calculated to be acceptable both to westerners and to the conservative wing of the Republican party.

- As a congressman from 1966 through 1970, Kleppe served in the House with Ford, who was then minority leader, and with Secretary of Commerce Rogers Morton, an influential figure at the White House who only recently left Interior after more than 4 years as Secretary there. Known for his geniality, Kleppe was no doubt as well liked by Ford and Morton as he was by many of his other colleagues.

- Kleppe, who was a successful businessman before he came to Washington, is clearly development-oriented and could be counted on by the White House to press on with the leasing of outer continental shelf oil tracts and the development of coal on public lands in the West—presidential objectives of high priority.

That much said, there does not appear to be much more to say. While in Congress, Kleppe, like other members from the West, no doubt had repeated contacts with the Department of the Interior and its various agencies. But he was not a member of the House Interior Committee and, thus, gained no special familiarity with Interior's problems and potentialities.

In fact, his principal interest while in Congress lay with agriculture, and he served on the Agriculture Committee during both of his two terms in the House. Along with the two senators from North Dakota, Kleppe strongly supported the big—and now controversial—"Garrison Diversion" project of Interior's Bureau of Reclamation. If completed, this project would permit the irrigation of about 1 million acres, allowing the production of such higher-value crops as sugar beets and corn in a region now largely dependent on dry-land wheat farming.

In 1970, at the urging of the Nixon White House, Kleppe made a try for the Senate, running against Quinten N. Burdick, the Democratic incumbent. Although richly financed, his campaign ultimately proved a wretched failure. Stan Moore, president of the North Dakota Farmers Union, gives his perception of it: "I don't think Kleppe ran that campaign. I think it was run by the J. Walter Thompson [advertising] agency from the White House. . . . He stopped being Tom Kleppe and became some kind of fictitious charac-

ter dominated by President Nixon. He was victimized by his own campaign."

Shortly after his unsuccessful Senate race, Kleppe was given the job at the SBA. For all the SBA's problems, there are some Washington insiders to the study of bureaucratic behavior who say that there are other agencies where conditions have been worse, with one in particular said to have been virtually wired into the patronage system of the Nixon White House. At the SBA, on the other hand, such political favoritism as there was (and there apparently was plenty), is said to have been mitigated by a concern for merit principles. Or, to put it another way, the White House was asked to please not send over any turkeys.

One insider, who cannot be named, speaks of Kleppe and his fitness for higher office in these terms: "I'm sure in my own mind that he did some things that were wrong. But in [certain other agencies] there have been some systematic, wholesale, malevolent administrative crooks. I've seen no direct evidence that Tom Kleppe is not qualified for a Cabinet-level job."

—LUTHER J. CARTER

APPOINTMENTS

William E. Gordon, dean, Rice University School of Natural Sciences, to vice president, International Union of Radio Science. . . . **Gerald M. Friedman**, professor, geology, Rensselaer Polytechnic Institute, to president, International Association of Sedimentologists. . . . **John H. Morrison**, chairman, health sciences and biology, Cleveland State University, to dean, School of Related Health Sciences, the Chicago Medical School. . . . **Edward A. Tyler**, associate dean, Northwestern University, to assistant dean for student affairs, the Chicago Medical School. . . . **Walter Bashuk**, professor, plant science department, University of Manitoba, Winnipeg, to president-elect, American Association of Cereal Chemists. . . . **Charles Polk**, chairman, electrical engineering department, University of Rhode Island, to head, electrical sciences and analysis, National Science Foundation. . . . **John L. Kice**, professor, chemistry department, Texas Tech University, to chairman, at the university. . . . **Joel C. Kleinman**, research associate, Harvard School of Public Health, to service fellow, division of analysis, at the school. . . . **Richmond T. Prehn**, professor, pathology, University of Pennsylvania School of Medicine, to senior member, Institute for Cancer Research, Philadelphia.