

THE WHITE HOUSE

WASHINGTON

November 13, 1970



MEMORANDUM FOR BUD KROGH

FROM:

Ed Harper *EH*

SUBJECT:

Role of Federal Highway Funds in State Politics

Last Friday I met with the Executive Directors of the Area Planning and Development Commissions which cover the State of Georgia. In our discussion of planning and economic development in the State of Georgia, the role of the Georgia State Highway Department came up.

Because I had heard from officials in other states that often the Governor had a hard time controlling the actions of the Director of the State Highway Department, I asked those present, who included a state legislator, if that historically the governors of Georgia had had any difficulty in controlling the actions of the State Highway Director. My question was greeted with resounding laughter and the comment that the State Highway Director in Georgia is a second governor. They said that his power was in effect granted him by the Federal Highway Administration through the ABC Program. The ABC funds for which there are no Federally-established criteria *fund* in effect give the Highway Director a large pool of discretionary funds-- a slush-- which can be used strategically to influence elections around the State and to garner tremendous political power for the State Highway Department.

If we are serious about giving nonhighway modes a real chance and if we are serious about strengthening the role of the Governor in state government, perhaps we would want to make some effort to diminish the tremendous power which State Highway Directors now have over state government and politics.

One thing which you would of course run into is the fact that in many states the State Highway Director has aligned himself with the Governor and provided the Governor a slush fund for political purposes.

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The expectation that road builders with big state contracts will make substantial contributions to the right politician's campaign is an accepted way of life in many states.

That is to say there are going to be strong political feelings about this no matter what one does or doesn't do.

