

POLITICS & GOVERNMENT

economist. Uncle Sam owns half of the West's land, including 86 percent of Nevada and 47 percent of California. Federal largess built the dams, aqueducts, and superhighways that sustain the West. In return for Washington's dollars, the Western states tacitly consented to federal control over much of what went on within their borders.

But this arrangement began to fray during the late 1970s. The 1976 Federal Land Policy and Management Act and other new Washington legislation—backed by environmentalists and by Eastern and Midwestern industrialists and labor unions aggrieved over “disproportionate” subsidies to the West—angered Westerners by limiting grazing, logging, and mining on public lands and by restricting the availability of cheap water and electric power. Such restrictions threatened to snuff out a regional economic boom.

To many Westerners, Washington's subsidies seemed to bring more trouble than they were worth. In 1979, Nevada's state legislators kicked things off by passing the “Sagebrush Rebellion Act,” which “flatly declared the public domain lands in Nevada to be the property of the state” (a claim that has no prospect of legal recognition). Within a year, Utah, Arizona, New Mexico, and Wyoming passed similar laws.

Almost before the ink was dry on these laws, the states began to have second thoughts. Maintaining federal lands could cost a state up to \$25 million annually. Miners and ranchers realized that the states would not continue Washington's practice of leasing them land at below-market rates. Finally, the Reagan administration appeased the Sagebrushers. Some 360,000 acres of federally owned Western land have passed into state hands since 1981—a tiny fraction of all federal lands, but an important token.

But the chief explanation for the Sagebrush Rebellion's early demise, Nelson believes, is that it lacked an intellectual rationale that could explain why state ownership was worth the increased price and would “serve the broad national interest.”

A Bureaucratic Identity Crisis

“From Analyst to Negotiator: The OMB's New Role” by Bruce E. Johnson, in *Journal of Policy Analysis and Management* (Summer 1984), Subscription Dept., John Wiley and Sons, 605 Third Ave., New York, N.Y. 10158.

Top flight, important, but dull. That was the reputation of the White House's Office of Management and Budget (OMB) before Bert Lance and David Stockman came along. Today, the agency has more glamour, but it also faces an identity crisis of sorts.

Traditionally, the OMB has ridden herd on the federal bureaucracy on the president's behalf, pruning and shaping agency budgets into the unified federal budget submitted by the White House to Congress every January. Staffed by career civil servants and led by only a few political appointees, the agency was noted for its “neutral competence,” writes Johnson, an OMB staff member from 1977 to 1982. In recent years,

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however, OMB officials have spent more and more time on Capitol Hill, trying to push the president's budget through Congress—and thus more time in the news.

The change stems partly from Congress's overhaul of its own budget procedures. The Congressional Budget Impoundment and Control Act of 1974, for example, compelled the OMB to report to Congress frequently. It also created House and Senate budget committees and a Congressional Budget Office, all of which naturally developed ties to the OMB.

But the biggest change came after Ronald Reagan's election. Convinced that federal bureaucrats would resist deep budget cuts, Reagan gave his OMB director, David Stockman, increased authority within the executive branch. Stockman's four years as a Congressman schooled him in the ways of Capitol Hill and made him a valuable White House lobbyist there. The result, says Johnson, was an unprecedented centralization of power in OMB's hands—enough, he adds, to undercut the "iron triangles" of congressional subcommittees, federal agencies, and interest groups that had long shaped the budget-making process.

Today, the OMB faces a conflict "between its new role as 'packager' and 'seller' of the budget and its traditional role as overseer of the bureaucracy," according to Johnson. As senior OMB officials spend more time lobbying for the White House on Capitol Hill, they have less time to do their homework. The result: "Staff members are less able to brief the president accurately about . . . programs and to [draft] well-conceived proposals for him." This is the price of OMB's broader powers. Johnson suggests that there is no turning back now; Washington needs a centralized budget authority. Even after Stockman departs, OMB is likely to be home to more forceful political operatives and fewer flinty-eyed accountants.

FOREIGN POLICY & DEFENSE

*Understanding
Central America*

"How to Understand Central America"
by Mark Falcoff, in *Commentary* (Sept.
1984), 165 East 56th St., New York, N.Y.
10022.

Americans' misperceptions of Central America are numerous. Among them is the notion that the region's seven nations are all economically stagnant "banana republics," and that this is the cause of their political and economic woes.

In fact, writes Falcoff, a Fellow at the American Enterprise Institute, "between 1950 and 1978, the Central American republics registered a 5.3 percent annual rate of economic growth, during which time real income per capita doubled, exports diversified, and there was a significant growth in manufacturing." Between 1960 and 1977, the literacy rate jumped from 44 to 77 percent of the population, and the number of