

Revenue Sharing

How It Works, What It Means To Columbians

You make \$10,000 a year and have just received a \$270 bonus. There are rumors your company will eliminate some fringe benefits. What do you do with the bonus?

The bonus problem now faces the Columbia city government. The city received \$410,524 in federal revenue sharing money in the last two months to supplement its \$15.3 million budget. Now there are rumors of cuts in federally subsidized social welfare programs.

There have been many suggestions for spending the federal funds, and the City Council is in the process of considering them. At a public hearing on Jan. 2 Columbians made suggestions ranging from the hiring of a city ombudsman to purchasing new collection boxes for city buses. City Manager Don Allard asked councilmen to submit their suggestions.

Spending Is Limited

CITY OFFICIALS ARE LIMITED, however, in how they may allocate the money. A directive from the federal government accompanying the revenue sharing checks allows local governments to spend the money in two ways.

The first is "ordinary and necessary maintenance and operating expenses" of city government, which include public safety (includes law enforcement, fire protection and building code enforcement) environmental protection (includes sewage disposal,

This article on Columbia's plans to use federal revenue sharing funds was written by Dennis Herzog, Jerry Yadamec and Tom Womack, three members of a Missourian reportorial team specializing in governmental affairs. This team is one of six special units assigned to in-depth reporting by Missourian editors.

sanitation and pollution abatement), public transportation (includes transit systems, streets and roads), health, recreation, libraries, social services for the poor or aged and financial administration.

The second is "ordinary and necessary capital expenditures authorized by law." No categories are mentioned, but Charles Hargrove, assistant city manager, said capital expenditures "include any tangible object that you purchase, or it could be public improvement projects, such as street improvement or park development."

Programs prohibited in the legislation are those receiving matching federal grants-in-aid and programs that discriminate on the basis of race, color, sex or national origin.

While officials are required by law to abide by the regulations established in the directive, they also are keeping in mind possible cutbacks in domestic social programs called for in President Nixon's federal budget for fiscal 1974. It still is uncertain how far Congress will go in approving the administration's plans for reducing these wide-reaching programs, but it could have serious effects in Columbia.

Agencies to Seek Aid

SEVERAL LOCAL AGENCIES are expecting decreases in federal funding and are looking to revenue sharing to supplement their budgets.

Dwain Hovis, executive director of the Columbia Housing Authority, said that under new department of housing guidelines, housing authorities will lose part of their federal funds.

"If we're going to keep operating public housing as is — with low income families occupying our units — we're going to have to find different funds," Hovis said. Hovis did not request revenue sharing money to maintain public housing this year. He said, however, he has discussed the possibility of future requests with Hargrove.

The Daniel Boone Regional Library already has had its funds curtailed. Gene Martin, library director, said he does not anticipate any more federal funds for the purchase of books. He has requested \$55,000 in revenue sharing money from the Council.

"We have gone through every other source," Martin said. "This sum would allow the purchase of 14,000 books."

Programs Face Cuts

MISS RITA NICHOLSON, Columbia commodity foods director, said she is not sure if her agency's federal funds will be cut. She did warn city officials at the Jan. 2 hearing to keep federally subsidized agencies in mind when they allocate the money.

"Many agencies are being told that their budgets are being cut and it will be up to local government for money to make up for what they (agencies' budgets) will be cut. This money has been called revenue sharing, but a more proper name would be cost sharing," Miss Nicholson said.

"People are beginning to believe that this money is a... sort of Christmas bonus, and I really don't think that's the case at all," she told the Council.

When allocating the money, councilmen must consider how long the program will last. The initial legislation is for a five-year period, but no one knows if it will be renewed. "We will resist programs that get us involved with permanent arrangements," Allard said.

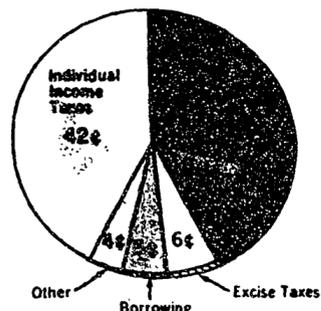
With all these complexities in mind, councilmen are in the process of submitting their spending proposals to the city manager.

Second Ward Councilman Rodney Smith says of the abundance of spending proposals: "We could get ourselves piecemealed into some of these projects — and they're all good — and never get anything done."

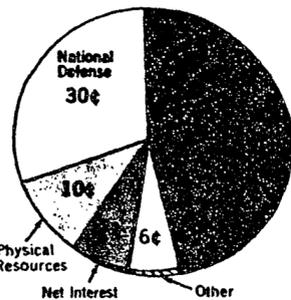
First Ward Councilman Richard Knipp agrees that there are many worthwhile ideas. "I don't know if we have enough money to go around to satisfy everyone."

(Continued on Page 14)

Where it comes from...



Where it goes...



The budget dollar: Fiscal year 1974 estimate. (UPI Chart)

No Tax Hike

Nixon Challenges Congress With Tight 1974 Budget

WASHINGTON (UPI) — President Nixon Monday proposed a \$268.7 billion budget and at least a two-year moratorium on tax increases, and challenged Congress to stay within those limits or take full blame for inflation and higher taxation.

Some Democratic lawmakers immediately attacked the President's fiscal priorities, claiming they would sacrifice the well-being of "the common man" to big business and the military-industrial complex. Most Republicans hailed it as the tight purse-tending the nation needs.

Nixon's budget for the 1974 fiscal year beginning July 1 would slash the federal deficit by nearly half, to \$12.7 billion — mostly by cutting back or abolishing much of a decade of Democratic social welfare programs declared to be costly failures.

Among the casualties would be the Office of Economic Opportunity, the showcase antipoverty agency of President Lyndon B. Johnson's "Great Society." But at the same time, Nixon set an austerity example by reducing the White House payroll by 60 per cent and dropping his own pet project for welfare reform, the longstalled guaranteed income for needy families.

House Speaker Carl Albert, D-Okla., contending that the President would end the "humanitarian government" dating back to New Deal days, said in a statement: "It is a big -business budget that leaves the common

man out."

"Once again," said Sen. Edward M. Kennedy, D-Mass., "we have a Nixon budget that means good news for the big defense contractors and bad news for the average citizen."

County's Share Of Taxes Set

Boone County's share of the federal budget sent to Congress this week is \$100.5 million, according to a Missouri Public Expenditure survey released Monday.

This sum, based on Boone County's proportion of personal income in Missouri, is less than 2 per cent of the \$5.8 billion which will have to be provided by Missouri taxpayers.

Total federal revenues are estimated at \$256 billion, for the fiscal year beginning July 1, the survey reported. Expenditures are estimated at \$268.7 billion, leaving a deficit of \$12.7 billion.

A budget deficit has occurred in each of the last five years, the survey indicated. The deficit for the five-year period will total \$86.5 billion and the federal debt will total \$505 billion on June 30, 1974.

UMW Rejects True Davis' Bid for Bank

By Alan Wax
Washington Reporting Program

WASHINGTON — Missouri native True Davis said Monday he was disappointed by the United Mine Workers' (UMW) decision to decline his offer to buy the union-owned National Bank of Washington. Davis resigned in December as the bank's chairman and president.

"They're (the union) the owners, they've got the shares and that's their decision," said Davis.

Arnold R. Miller, newly elected to the UMW presidency after a bitter campaign against W. A. (Tony) Boyle, said during the campaign he would seek to oust Davis from the \$142,292 a year bank post and make the bank more responsive to miners. Davis resigned Dec. 20 with an offer to buy the union's 74 per cent controlling interest in Washington's third largest and oldest bank.

Bernard Aronson, the union's new press officer, said Monday, "We're not going to sell."

The union's shareholdings in the bank have a book value of about \$34 million. About 1 million outstanding shares are distributed among 1,000

stockholders.

The 53-year-old banker said Monday he had no plans for the future.

BEFORE HIS APPOINTMENT to the bank in late 1969, Davis was assistant secretary of the treasury, head of a pharmaceutical company, police commissioner of St. Joseph and ambassador to Switzerland.

During the 1972 presidential campaign, Davis admitted to being columnist Jack Anderson's source for information about Sen. Thomas Eagleton, D-Mo., then the Democratic candidate for vice president.

Ted B. Newton, the bank's public relations director, characterized Davis as "pretty much an individualist." Newton said Davis was upset with the staid condition of the bank and Washington banking in general when he took over the bank's reins. Davis then called upon his marketing department to develop a modern marketing plan.

Davis's campaign was considered the most aggressive marketing campaign ever conducted

Pratt Arrested At Atlanta Bank

By John McCurdy
Missourian Staff Writer

A leading suspect in a series of thefts at the University beginning in December was arrested Friday in Atlanta by Fulton County (Georgia) sheriff's investigators and FBI agents.

Harold Laverne Pratt, 26, a former University graduate student in chemical engineering, was arrested at a branch office of the Citizen's Southern Bank in Atlanta and served with a federal fugitive warrant charging him with flight to avoid prosecution.

Pratt, a prime suspect in the Jan. 2 burglaries at the University that netted about \$35,000 in cash, stamps and securities, was wanted in Columbia on a Jan. 3 warrant charging him with burglaries at the Veterinary Research Building. The federal fugitive warrant was issued Jan. 19 after Pratt failed to appear in Boone County Magistrate Court Jan. 10 to answer charges for a Dec. 15 arrest.

Don Spence, a Fulton County (Georgia) vice squad investigator and arresting officer, told The Missourian Monday he had been on the case since Jan. 16. He said Maj. Gordon Gear of the University police contacted him Jan. 16 about an attempt by Pratt to cash a money order at the Citizen's Southern Bank.

Spence said the bank wanted to clear the order

for \$1,823.17 through First National Bank and Trust Co. in Columbia and asked Pratt to return later for payment.

A stake-out was placed at the bank, and when Pratt appeared between 1 and 1:30 p.m. Friday he was arrested and served with the fugitive warrant.

He then was turned over to the two FBI agents who were present during the arrest. Pratt's vehicle, a 1967 Volkswagen, was searched on a warrant issued by the Fulton County Court.

Spence said, "We found between \$3,000 and \$4,000 in the vehicle." In addition, Spence said "he (Pratt) had three University IBM checks for \$250 each made payable to Harold Pratt and two government checks issued in 1971 he hadn't cashed yet."

Police found Pratt's wife Donna in a shop next door to the bank. Spence said she accompanied Pratt to jail, but was released later.

Pratt was arraigned at 9:30 a.m. Monday in Federal Magistrate Court in Atlanta on a charge of unlawful flight to avoid prosecution, Spence said.

Spence told The Missourian he expects a representative of the University police in Atlanta today to begin extradition proceedings.

When contacted Monday, University Police Chief Ron Mason refused to discuss the case. Boone County Pros. Atty. Mill Harper was in Harrisonville and unavailable for comment.

KOMU Newsmen Testify About Local 45 Coverage

By Mary Maher
Missourian Staff Writer

Four KOMU newsmen who were subpoenaed last week appeared in Boone County Circuit Court Monday to testify about their coverage of the Local 45 strike in November.

The newsmen were among 21 witnesses called by University attorney Larry Woods in connection with contempt charges brought against Local 45.

BRIAN DAMPIER, one of the newsmen, testified he had been filming pickets on the morning of Nov. 7 when he was told to leave by the strikers. Dampier said he then changed positions and continued filming. He was joined

later by Joe Lesem, a cameraman for KOMU with sound equipment, and they filed footage for KOMU until 4 p.m.

Scott Wright, counsel for the Union, questioned Dampier about the editing of the film for television. Dampier said he had not seen the film after editing and said he assumed the deleted portions have been thrown out, which is standard procedure.

Dampier said he did not see anyone knocked down by a car, but that he had seen the car in question, a Volkswagen van driven by J. T. Jones, assistant foreman at the University, who had been trying to drive through picket lines that day. Jones earlier had denied hitting a picketer.

Woods asserted Dampier's intentions in (Continued on Page 14)

County Hospital Costs, Patient Services Grow

Boone County Hospital's financial picture is one of increasing costs and services in the face of a decrease in revenue from patients, James Dack, hospital administrator, said Monday.

Addressing the hospital's board of trustees, Dack said that although net revenue from patients was up nearly \$90,000 for the month of December, it was down nearly \$300,000 for the

year just ended.

All operating expenses were up over 1971, he said, with the biggest jump in the category of professional care, which rose by over \$400,000. Administrative and general costs increased more than \$100,000, Dack said.

The administrator said services provided to patients have increased significantly although actual days of patient care remained nearly the same as last year.

Such care includes X rays, physical therapy and laboratory examinations, all of which contribute to the rising costs, he said.

Carl Haynie, assistant hospital administrator, said hospital construction is ahead of schedule. Frame work has begun on the third deck of the hospital addition, he said. Masonry and steam and water pipes are being installed in its basement.

Although the contract for the construction will end in December 1974, Haynie said the addition will be finished by October of that year.

In other business, the trustees approved purchase of a cardiac arrest cart and a volume ventilator. Both items were budgeted and together will cost about \$6,000.

The board also disclosed a \$1,576 bequest by Thomas Brown, a former hospital board trustee, which was added to the hospital memorial fund.

Happy Birthday

Wynard Aslin, Dorsey Bass, Carleton Berk, Philip Berk, Mrs. Eunice Bonderer, Rosa Christensen, Oline Cogdill, Ronny Ferguson, Mrs. Pearl Gaskill, Miss Ann Groves, Lisle Jeffrey, Mrs. Clara E. Johnson, Cathy Larson, Joe C. Lee, Mrs. Leo Lewis, Waldo Palmer, Mrs. Jacob O. Sines, Robert R. Turner, Riley Wade, Mrs. F. E. Watson.

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Rodney Smith



Jesse Grindstaff



Gary Belis

Smith, Grindstaff, Belis File

Filing for the City Council race continued Monday as three more candidates filed nominating petitions.

Rodney Smith, Second Ward councilman, will run for Third Ward councilman in the April election. Jesse Carson Grindstaff, 36, of 4606 Rice Road, also filed from the Third Ward. University student Gary Belis, 20, of 621 B Hudson Hall, filed from the Fifth Ward.

SMITH SAID HIS LONG-RANGE PLANS for the Third Ward were related to his concerns for

the city. "We have to think of the city rather than the ward," Smith said. "What's good for the city ought to be good for my ward also."

In defending the City Council dinner meetings, Smith said the meetings were primarily held to informally acquaint Council members with the agenda. He denied that city policy was formed during the off-the-record dinner sessions.

In a Jan. 15 Council dinner session and meeting, the managing editor of the Columbia Daily Tribune attacked the Council policy of (Continued on Page 14)