

# Tim Buckle

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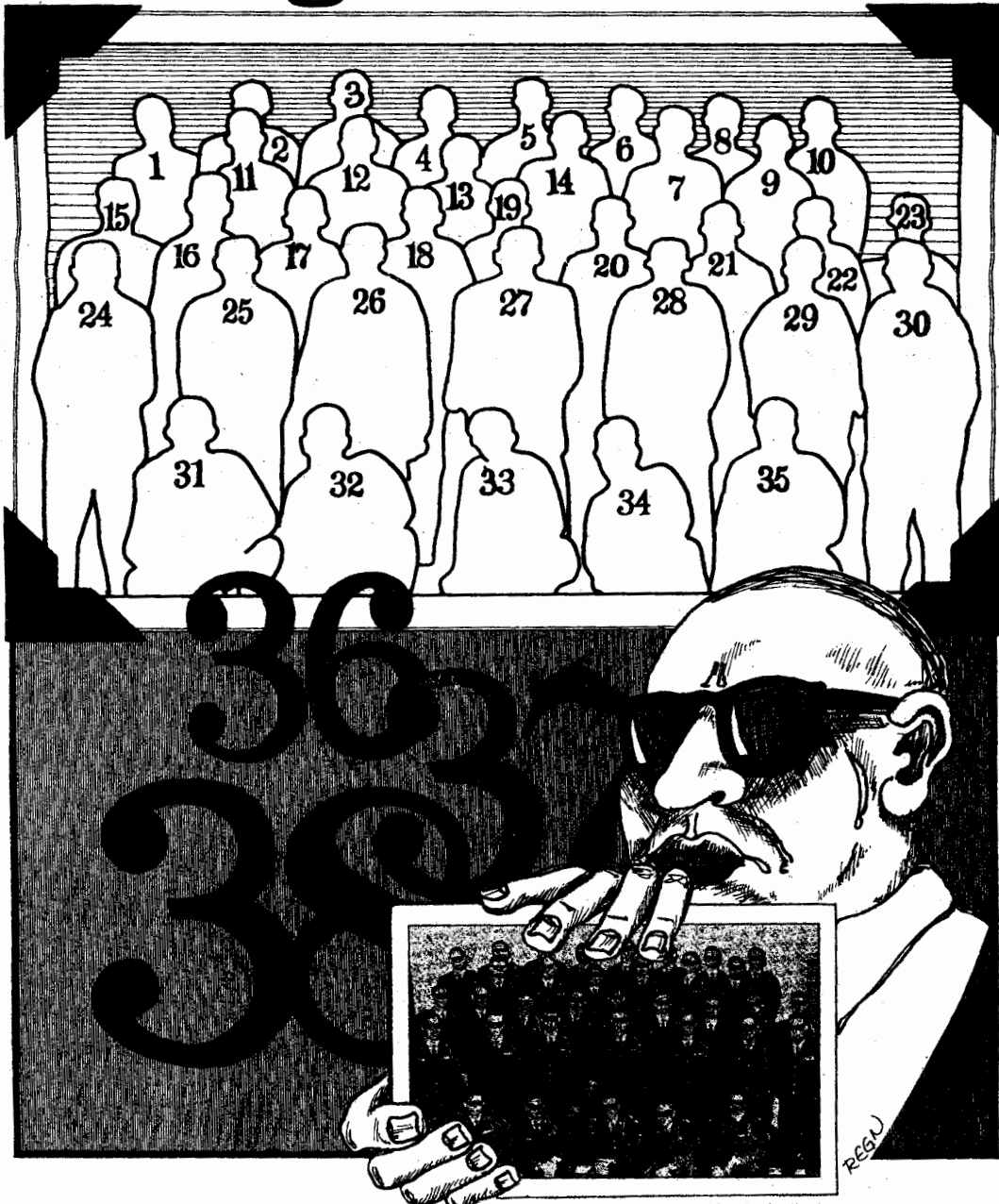
# new times

*File Phoenix 40*

Volume VI Number 31 April 23 - 29, 1975

Phoenix Weekly Newspaper 25 cents

## The Phoenix 40: Filling in the Faces



# Phoenix bond proposal: Can We Live With It, Can We Do Without It?

By Patty Prado Duke

**O**n April 29, Phoenix voters will be asked to approve or disapprove the largest bond proposal in the city's history. Voters will be asked to state their position on a \$256.3 million authorization for such wide-ranging city services as park expansion, storm sewers, libraries, and street improvement.

Why is a bond election necessary now?

City officials and members of the Citizens Bond Committee say unequivocally that the city's needs are crucial. Lyman Davidson, chairman of the Citizens Bond Committee says: "It's extremely important to the future of Phoenix that these proposals pass." He feels that the city's requests for what he considers the most basic areas can't be debated. These basic areas are the proposals relating to streets, sanitary sewers, storm sewers, airport expansion, police and fire protection. Davidson compares these areas to "groceries and rent."

With double-digit unemployment figures in Maricopa County citizens may just not be in the mood to authorize the city to float bonds in the amount of \$256,300,000. However, Davidson says he doesn't believe the economic situation has a great deal of bearing on a citizens decision to vote for or against the bonds. He notes that the citizens committee pared down the city's requests considerably. The city's capital improvement needs study recommended a total bonding proposal of \$338,866,000, but the work of the citizens committee lowered the request to the \$252 million figure. The city council then added 6 million for streets.

Davidson says the bonds will not be issued before July, 1976 and that their sale (and thus their effect on taxes) will be apportioned out over a period of time.

Another part of the "why now" question involves the date of the election. City council members chose the April 29th date instead of placing the proposal on the November election ballot. Critics of the April 29th date point out that bond elections traditionally draw a small turnout of voters. They prefer that the proposals go on the general election ballot where, at least theoretically, a more representative sample of the city's population votes. City officials counter the criticism by saying the bond proposals shouldn't get mixed up in that devil, "politics," and that the need for authorization is crucial.

Who's for and against the bond proposals?

The Phoenix Chamber of Commerce board of directors has unanimously endorsed all 17 proposals and the Paradise Valley Community Council supports 15 proposals, opposing the bonds for sanitary sewers and the governmental mall. Another group, COST, Citizens Outraged at Soaring Taxes, opposes 12 proposals, supports three with qualifications, and is undecided on two proposals. COST supports five department, park, and public transit bonds.

The Phoenix Mountains

Preservation Council endorses the three "open-space" proposals, which includes the bonds for parks, Rio Salado, and the land acquisition of the Phoenix Mountains preserve. Additional endorsements for the entire slate of proposals have come from the Central Phoenix Labor Council and the Building and Trades Council.

Art Kaufman, a local businessman and a perennial critic of the city's administrative and spending policies, is urging citizens to vote "no" on all the proposals, as a protest vote. According to Kaufman, Phoenix residents are still paying for previous bond authorizations. Kaufman fears the city is becoming immersed in debt, and advocates a "pay as you go" policy. In addition, Kaufman says: "The bond proposals should have been brought up in November... the implementation should be done by newly elected city leaders."

Lyman Davidson says Kaufman's charges have "no validity." According to Davidson the city's bond rating is very high, and a primary reason for the good rating is that Phoenix is a long way from approaching the maximum limit on bonded indebtedness. While he acknowledges that taxpayers are still paying for previous bond programs and will eventually have to pay for this one, he feels city services must be expanded and Kaufman is trying to strike a futile protest against government, period.

How much will these proposals eventually cost the citizens?

The municipal bonds proposed in the Phoenix bond issue are both general obligation and revenue bonds.

General obligation bonds are supported by the taxing power of the political subdivision, while revenue bonds are supported by revenues. In the Phoenix proposal, the water and aviation bonds are classified as general obligation bonds for marketing purposes, but will be paid off by revenues from the two departments. The actual amount of tax supported general obligation bonds is \$160,650,000.

If these authorized bonds are not sold until 1976, the first payment on the bonds would be due in 1977-78 (fiscal year).

Estimates from the city show the annual cost per household increasing up to 1979-80 and then going down. For instance, at the highest point of the estimated cost, 1979-80, the additional taxes on the \$20,000 home would be \$14.10 as compared to the additional \$6.90 in 1977-78.

What is proposed in the bond election?

**Proposition 1. Revenue Supported Water Bonds - \$51,120 million** to provide eight new wells, two water storage reservoirs, and to increase capacity for both the Deer Valley Water Treatment Plant and the Squaw Peak Water Treatment Plant.

**Proposition 2. Revenue Supported Airport Bonds - \$7.1 million** is proposed for relocation and land acquisition. Money for the actual expansion

of the airport is available from the 1970 bond proposal. The approval of \$7.1 million locally will assure additional federal monies in the amount of \$13.9 million for land acquisition and \$16 million for actual expansion.

**Proposition 3. Street and Highway User Revenue Bonds - \$43.3 million** is proposed for work on "major street deficiencies." Thirty seven million will go for construction of 24.7 miles of major streets, a railroad overpass at 16th Street and two bridges over the Grand Canal.

## With 10 percent unemployment are citizens in the mood to float a \$256,300 bond issue?

**Proposition 4. Public Transit Bonds - \$5.7 million** proposed. Phoenix might actually have a viable transit system with the implementation of this proposal. If the \$5.7 million is approved locally, federal funds will then be available. These funds, part of the Urban Mass Transit Act, include \$34.4 million for capital expenditures and \$16.8 for operating costs. Among the planned improvements are: 280 new buses, additional waiting stations and passenger shelters, and a dial-a-ride service. The city is promising only a 10 minute wait at any bus stop and complete transfer service.

**Proposition 5. Sanitary Sewers Systems Bonds - \$30 million** to finance a million gallon per day addition to the 91st Avenue Sewage Treatment plant and to relieve overload on many sewer trunk lines and interceptor sewers.

**Proposition 6. Storm Sewer System Bonds - \$43.1 million** is proposed to construct additional storm sewer facilities, particularly in the Maryvale and west Phoenix areas.

**Proposition 7. Solid Waste Disposal Facilities Bonds - \$2.9 million** to be used for acquisition of land and general landfill development.

**Proposition 8. Police Protection Bonds - \$12.4 million** is proposed for four additional police stations in an attempt to decentralize police services. A new police training academy and an air patrol facility to house and maintain police aircraft are also proposed.

The police department is in the midst of implementing a massive computer-based communications and records system. Features of the system include computer aided dispatch, a computer aided records system, and an innovation called mobile digital terminals. Under this system, routine calls to police are taken off radio frequencies and are sent as written communications, much like a computer print-out. In each police car a digital receiver would receive the print-out. Spokesmen for the police department acknowledge that within seconds after sending in a suspect's license number, information on the person is returned en masse. An additional communications facility at South Mountain is needed to implement this proposal.

The police department is also proposing a large increase in their annual budget, and federal funds, received for public service jobs, are going for the hiring of additional police personnel. (for related story see page 17).

**Proposition 9. Fire Department Bonds - \$5.5 million** for new fire department facilities: eight new fire stations, eight pumper trucks and six ladder trucks, with special attention given to outlying areas of the city.

**Proposition 10. Government Mail Bonds - \$13.85 million** for new city office space. The city says it's outgrown the present building and is proposing an additional, larger building across the street. City officials estimate they are spending \$236,000 per year to rent office space and contend that it's financially unsound to continue to pay rent in view of today's spiraling costs.

The Paradise Valley Community Council chose not to endorse this proposal. Their reasoning was that there was a "glut" of downtown office space, which should prevent rental costs from increasing rapidly. City officials counter by saying that office space is indeed available, but that the city can't afford most of it, even at today's costs of \$7.50 per square foot.

**Proposition 11. Maintenance and Service Facilities Bonds - \$6 million** for maintenance and repair centers, particularly a north regional service center.

**Proposition 12. Parks Bonds - \$16.1 million**, with emphasis on park expansion rather than land acquisition. Focusing on "currently underdeveloped parks," the proposal includes such tea-bisquit barrel projects as swimming pools, bicycle paths, golf courses, and recreation buildings.

**Proposition 13. Rio Salado Open Space Bonds - \$1.95 million** is proposed for land acquisition between 7th Street and the new Central Avenue Bridge, and for a park with a ten-acre lake, also at this location.

**Proposition 14. Mountain Open Space Bonds - \$10.4 million** proposed to implement the endorsement of Phoenix voters in 1973, a vote which authorized the city to acquire large-scale mountain preserves. \$9.5 million of this proposal will be used for land acquisition, the remainder for improvements in the Phoenix Mountain and South Mountain preserves.

**Proposition 15. Library Bonds - \$4 million** for expansion purposes, including three new branch libraries, improved bookmobile operations, and additional bookstock purchases.

**Proposition 16. Community Facilities Bonds - \$2 million**, basically for expansion of the services of LEAP, the city's anti-poverty agency. Proposals include construction of a fourth LEAP center, which would provide a wide range of services and a Youth Service Center.

**Proposition 17. Cultural Center Bonds - \$850,000** is proposed, which is 54 percent of the money actually needed. The Executive Committee of the Phoenix Art Museum has pledged the remainder.

**new times**

"... assume that every government is run by liars, until proven otherwise." — I. F. Stone

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**Bookkeeping:** (Phoenix)  
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Copy: Charlotte Cardon, J. Carter, Joyce Ennis, Dol Kret, Tom Miller, Scott Miners, Dave Patison, Carol Sewell, Peter Spielmann

**Art:** Bruce Brdar, Elzie Golden, Dave Gosnell, Charlie Oldham.

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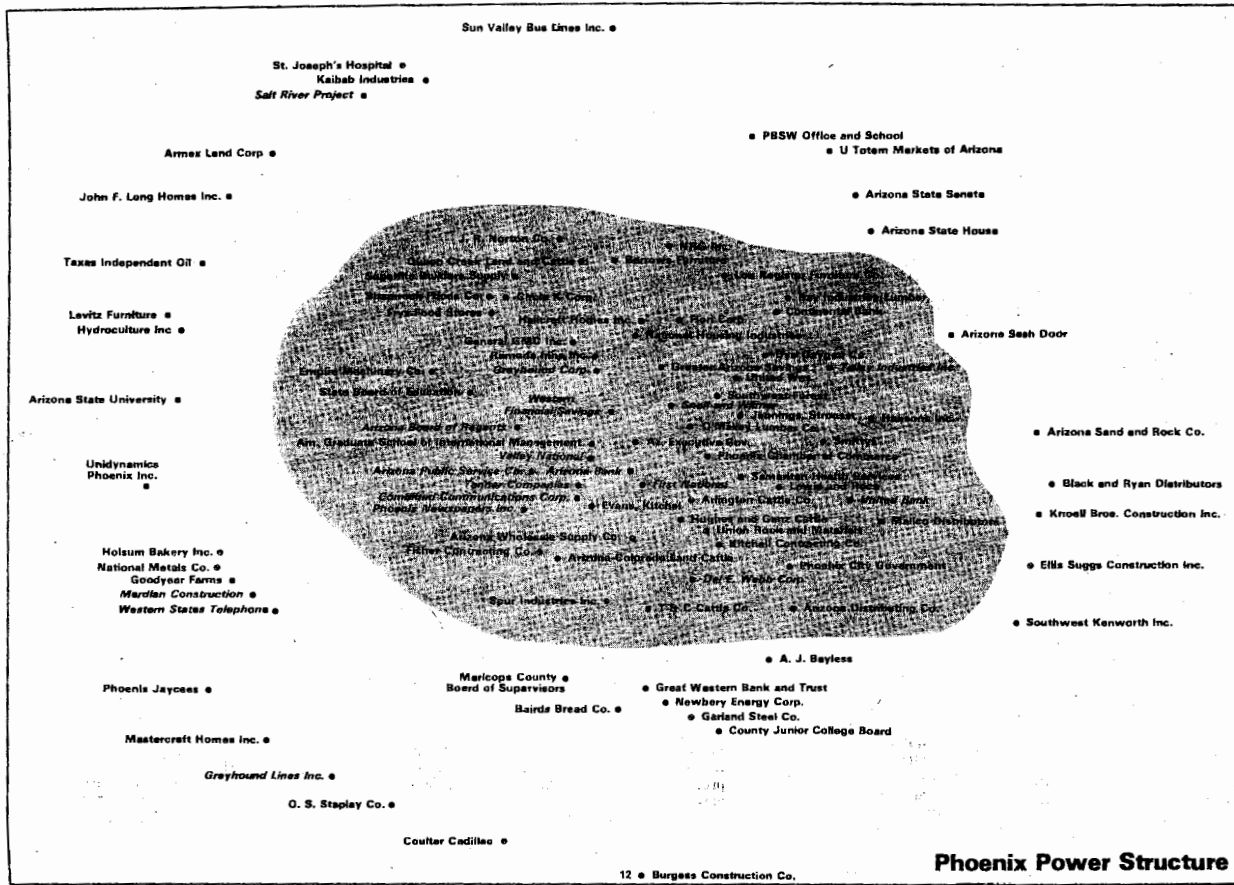
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**Metropolitan Phoenix office:**  
PO Box J,  
Tempe, Az. 85281  
(602) 968-6147

**Tucson office:**  
PO Box 3428,  
Tucson, Az. 85722  
(602) 884-8896

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The chart is intended to show the relationships between the leading industries in the Phoenix area. Some major firms like Motorola are excluded for not being based in Arizona. Such powerful entities as the mines are excluded on the same grounds. Those concerns appearing on the chart were checked using 1973 data for four similarity factors: interlocking directors, interlocking law firms, family ties and club membership. Those appearing in the center displayed the closest relationships to each other. Though economic factors were not dealt with as such, generally those in the center are the most powerful financially. For example, Valley National (Bank) is nearer the center than the newer, smaller Continental Bank. Concerns in italics have representation on the Phoenix 40. Arizona Executive Government stands for the governor, his aides and his appointees.

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# Everything you need to know about who runs Arizona: The History of the Phoenix 40 --- Passing the Torch

By Patty Prado Duke and Ron Ridenhour

In late Autumn 1974, three of the most powerful men in Phoenix (read Arizona), in autumn of their own lives, met to discuss their world. It was sometime in November that Frank Snell, Eugene Pulliam and Tom Chauncey started discussing the leadership of the state. Informally. At the club. They knew that their days were numbered and that they would soon have to "pass the torch of leadership" to the right "young men."

Frank Snell, of the Phoenix law firm of Snell and Wilmer, is considered by many to be the most influential man in Arizona. Eugene Pulliam is the publisher of Phoenix Newspapers, that includes the Arizona Republic and the Phoenix Gazette. He has owned the papers since 1946 and comments on his power and influence are not hard to come by. Tom Chauncey may pale slightly in this light but he is the president of KOOL-TV Radio Inc.

Through December there were informal meetings, some of which were attended by William Shover, director of Public Relations of Phoenix

Newspapers. It was claimed that the three felt that Phoenix seemed to be returning to the ashes. Public apathy was the underlying problem. Everyone thought the crime rates were astronomical and rising. The "quality of life" in Arizona just wasn't what it used to be.

It was said to have been decided that what was called for was a "goals committee." Something like the already established Valley Forward. But something more concerned with statewide problems — Phoenix was no longer quite the alpha and omega of the Copper State. And something with, well, a little more clout. The word on the wind seemed to be "effective." And something with well-defined, albeit "informal," goals: a focus you could sleep with comfortably.

As the story goes, Pulliam commenced to write personal letters to "community leaders" in the Valley. The letters contained few details. As one of those contacted said, "It was just a note from a very important man (he declined to give the signer's name in the first interview) who said that there would be a meeting and that it would be important. When you get a letter like that you just go."

At least that is one version of the story. Richard Mallery remembered things a little differently. He understood that the origins go back at least a little further than last fall.

He said that Bill Reiley, soon to be chairman of the board of APS, and Pat Murphy, editorial page editor for the Arizona Republic, began kicking around the idea of a "goals committee." It has been said that Murphy had been involved in a group in Florida called the Miami 50 before taking the post here.

What still remains is the question of just whose child was it? Most members of the group felt that it was pointless to establish the origins of the group. Steve Levy, senior vice president of Motorola, was somewhat adamant about the point.

"I don't give a damn about people's questions. What we are doing is worthwhile and as long as we are effective what business is it of anyone else. We are a group of private citizens."

Many other members of the group were more cooperative but seemed truly not to un-

derstand the potential importance of the genesis of the group. Was it really the three grand old men of the Arizona elite expressing an informal

**Some people felt that Pulliam was pulling the strings for the last time.**

concern about the legacy they would leave? Was it just one of them, with a program for which he was soliciting such important allies.

Many people felt that Pulliam was pulling the strings for the last time, trying as Shover said, to "pass the torch." It was he who wrote the letters. And even those who saw Murphy as the real organizer confirm Chauncey's version of him, Snell and Pulliam drawing up the lists of who would be invited.

And the lists were drawn up. Few were called and few were chosen. Was there a formal criterion for who would get the nod? Mallery's response was that of several other 40 members.

"I'm not really aware of any standards that were set up for

who would join. There was no formal criterion that I know of. I guess there were some things agreed upon informally. Consideration was given to past involvement in the community. Also to the level of responsibility, for example the number of people of their employ. And most of all people who really cared about the community."

Chauncey puts it in even simpler terms than that. "We wanted people who were available. Who would attend meetings when they were asked to."

Their choices must have been the right ones since Chauncey claims perfect attendance based on the first contact through the Pulliam letter. And as that one top executive said, "When you get a letter like that you just go."

And so on February 4, 1975 they went. Went to the luxurious Talley-owned Billmore Hotel and discussed the future of the state.

As Richard Mallery, put it "there was no definite plan to form a group. At the first

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This look at the Phoenix 40 and its activities has been prepared by Patty Prado Duke, Contributing Editor and Ron Ridenhour, a regular contributor to the New Times who has written for Time magazine, the Washington Post and New Times magazine of New York. The power structure

diagram was provided by Sociologist Mike McLaughlin. A similar configuration first appeared in the Spring 1975 issue of the Insurgent Sociologist. Duke and Ridenhour were assisted in their research by other members of the New Times editorial staff.

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The "Charter Connection"

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# History:

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meeting though, this was generally thought to be a good idea."

Extensive interviews were unable to establish exactly who attended that first meeting.

The name, as well as the conception for the formation of the group, was arrived at during this meeting. Ray Shaffer, president of the Phoenix-based Greyhound Corporation, said that he looked around the room, counted 40 people and said "How about ... the Phoenix 40."

Some people got confused after the groups first press conference when reporters counted 34 names (and some of those were later discovered to be late-comers to the group, having missed the first meeting.) Chauncey said that co-founder Pulliam was unable to attend due to illness. And in fact not all of those contacted

agreed on the number. Some said they had counted 45.

So who else was there and what happened to them? Well let's see. There were no more than 32 of those listed publicly at that February 4 meeting. Also in attendance were Gov. Raul Castro, a representative from Phoenix Mayor Barrow's office, and some of the Maricopa County Board of Supervisors, though no one could remember who. Supervisor Robert Corbin swears he didn't attend until the first publicly acknowledged meeting (March 4).

Michael Hart, the administrative assistant to James B. Mayer, chairman of the board of Valley National Bank and chairman of the Phoenix 40. Others may have brought aides.

At the first meeting, chaired by Snell and Chauncey, it was decided that each man present would write down a list of the four or five Phoenix problems that they felt required special attention. Most people agree that transportation topped the bill when all the votes were in. Some say crime was a close second. Others remember it

being further down the line.

But then, on February 19, Ed Lazar was gunned down in a Phoenix parking garage. A key witness in the Ned Warren land fraud case. It was just too close to home.

No new vote needed to be taken at the second meeting on February 25. Crime had ridden to the top of the list, even without mass transit. It was decided that a Crime Task Force would be formed immediately to explore the situation. (See related story, page 20.)

The Task Force presented its first report at a meeting, again at the Biltmore, on March 4. Two days later the Phoenix 40 went public.

Since then they have met behind closed doors, at least two more times, on March 25 and again on April 12 when they heard a day-long presentation on the up-coming bond elections.

Exactly where they will go from here is anybody's guess and everybody's theory. Other related stories in this issue will trace more history and take a look at the future.

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# Reactions:

continued from page 13

dumb to take care of their own affairs... so the Phoenix 40 will do it for them."

Former city council member Ed Korritk, who first won his seat without CGC backing, but joined the ticket on his second try, says the Phoenix 40 and CGC are full of "intertwined relationships." And he sees the formation of the group as a method of strengthening dwindling citizen support for CGC ticket.

Don Jackson, a public relations executive also active in CGC, disagreed. Jackson admits he suspected the Phoenix 40 to be an extension of CGC, but at the recent CGC meeting, he says "the Phoenix 40 was not mentioned. I don't see any informal or formal

connections between CGC and the Phoenix 40."

Mark Harrison, a local attorney who was vice-chairman of Charter Government Committee in 1973, is doubtful of the impact of the Phoenix 40. "I

**"I don't see any connection between Charter and the 40."**

would have to think that their credibility in the general community is fairly limited. In areas such as governmental reform or electing a slate which require community involvement I would seriously question their credibility."

State Representative Anne Lindemann (R-Phoenix), active in westside city politics, said she believes that organized crime is a real problem and a "legitimate interest for the Phoenix 40." In addition, she said she hopes that the 40 was

"not designed to take over any function which should be rightly performed by elected officials."

Representative Peter Kay (R-Phoenix) says he's sure that the Phoenix 40 are "well-meaning," but notes they're not elected officials and "don't represent a broad spectrum of the people as do we who are elected officials." Kay thinks the Phoenix 40 "may at times represent a parochial view," which can be a nice way of saying that they may suffer from tunnel vision in a few areas. Kay adds that for the Phoenix 40 to get into politics would detract from the group's ostensible purpose — which is to fight crime.

To sum it up, Rep. Art Hamilton says: "These people in the Phoenix 40 are the fellows who've controlled this city while the apathy they're complaining about set in. They're the embodiment of the problems they're complaining about."

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# Crime Rates:

continued from page 8

— "Over 40 percent of crimes revealed to researchers of the institute were not reported to police."

— "The 1968-69 crime rates in Maricopa County were higher than U.S. rates as a whole for 1965 (the only other time comparable studies had been undertaken anywhere). When compared to western U.S., however, Maricopa County rates do not appear to be high. This fact deserves special emphasis because it is widely believed in the MAG area (Maricopa County), that crime has increased substantially since 1965. This belief may well be unfounded."

— "A majority of all crimes takes place in or around the home. Only about 25 percent of the crimes reported occurred in public places. 'Crime in the streets' is relatively less significant than crime in residential areas."

— "Crime rates in Phoenix for crimes against property are higher than comparable rates in other parts of the country, but lower for major crimes against persons. In Maricopa County, crimes against property are far more frequent than crimes against persons."

— "The significant rates of 'consumer fraud' (five times the national average) and the lack of local government involvement with consumer

protection, education, or services raises interesting questions concerning the necessity for local governments to become so engaged."

— "Only 79 percent of Part 1 crimes and 43 percent of Part 2 crimes are reported to police. A 'crime wave' could be generated in Maricopa County merely by encouraging more people to report victimization to police."

Citizens tell all

The Phoenix Police Department operates a number of programs designed to encourage citizens to report crimes to police. "Crime Stop" and "Operation Identification," both named in the ASJPA report, began in April 1968 and December 1971 respectively.

Two similar programs recently activated by the Phoenix police, "Block Watch," started in July 1974, and "Community Radio Watch," started in April 1974, are both "neighborhood intelligence" programs designed to encourage people to report crimes to the police, according to Sergeant Tom Overbey.

A large part of the funding for Crime Stop and its brethren programs comes from LEAA-funded II-A and III-A programs handled through the State Justice Planning Agency. Over \$2.25 million in state and federal monies have been spent on II-A and III-A-funded community relations and concentrated enforcement-prevention programs since the program began in 1970, the year after the Maricopa County Criminal Victimization study was done. Less than half that amount was

ear-marked for the fight against organized crime in the same time frame.

"40" members know

The study was commissioned by a 28 member Criminal Justice Program Review Committee for the Maricopa Association of Governments (MAG).

Three members of the current Phoenix 40, William P. Reilly of

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THE POWER NETWORK IN PHOENIX:  
AN APPLICATION OF SMALLEST SPACE ANALYSIS  
by Edmund M. McLaughlin\*

*Phoenix 40's*

INTRODUCTION

According to one recent account, a complete power network study has four general aspects: 1) Develop the connections of the people and the institutions comprising the supposed network. 2) Analyze the money flows into and out of the network. 3) Analyze the "outputs" (speeches, position papers, etc.) of the people and the institutions making up the network. And 4) Do interviews, attitude surveys, and/or observations of the important people identified by the network. (Domhoff 74)

This paper demonstrates a method by which the first of these steps can be accomplished. It develops the connections of the people and the enterprises comprising what appears to be the power network in the Phoenix metropolitan area, an area of about one million inhabitants. However, the same procedures could be used for constructing networks at the state, regional, and national levels.

The study determines how 125 business, educational, legal, governmental, and charitable organizations in Phoenix are interrelated.

Four types of linkages were used in the analysis: 1) shared officers/directors, 2) shared family officers/directors, 3) shared law firms, and 4) shared club memberships. This linkage information, pairing each enterprise with every other one, was analyzed by a modified version of the Guttman-Lingoes smallest space analysis computer program. (Guttman 70) The resultant display shows, in two dimensional Euclidean space, the relative closeness of each of the 125 enterprises to each and all of the others.

\* Acknowledgement is gratefully extended to James C. M. Johnson, as my project advisor, for theoretical and methodological aid.

### SMALLEST SPACE ANALYSIS

Smallest space analysis is a technique whereby the information in a square symmetric matrix is analyzed, then the marginals are presented in a spatial representation according to distance or similarity. A small example will help explain the technique.

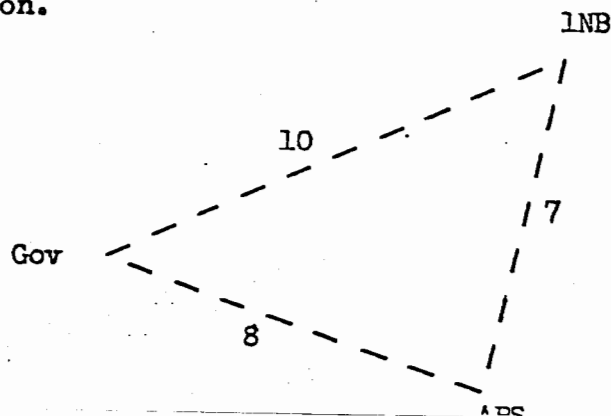
First we can build a 3 by 3 matrix with The First National Bank of Arizona, the Arizona State Government (Executive), and the Arizona Public Service Company on the margins.

	LNB	Gov	APS
LNB	x	0	3
Gov		x	2
APS			x

The numbers in the cells represent the number of men who are shared directors/officers. Since the larger the number in the cell the more similar the two enterprises, we will subtract each number from 10 leaving a distance matrix. The constant is unimportant since the computer program uses only the relative size of the distances.

	LNB	Gov	APS
LNB	x		
Gov	10	x	
APS	7	8	x

Now the smallest space analysis of this matrix yields the two dimensional solution.





The Guttman-Lingoes smallest space analysis technique can use any number of points (up to 125 in our version) and can give the solution in any number of dimensions. The perfect solution to any particular matrix will always be found in two dimensions less than the total number of points. However phi is given to indicate the extent to which any solution fits into the particular number of dimensions. The larger the phi the poorer the fit. All the calculations and plotting can be done by hand. But the work increases exponentially with each added point so the computer is very helpful.

The method of using interlocks to show distance and similarity of enterprises (Levine 72, Allen 74) is one of the most useful for studying power structures. While the Guttman-Lingoes program (Guttman 73) has been used in existing methodology, coupling its use with a combination of four types of interlocks is a new approach.

#### DATA COLLECTION

The data collection procedure involves several steps. The first type of data is the names and sizes of the largest enterprises in the area. The boundaries on the area are the Phoenix Standard Metropolitan Statistical Area, so all the outlying communities around the city are included. The categories included are 1) agriculture; 2) banking; 3) construction; 4) charity; 5) chambers of commerce; 6) educational institutions; 7) city, county, and state governments; 8) holding companies; 9) hospitals; 10) hotels; 11) newspapers and broadcasting; 12) law firms; 13) manufacturing; 14) real estate; 15) retail sales; 16) savings and loans; 17) transportation; 18) utilities; and 19) wholesale sales.

Several directories (Phoenix Chamber of Commerce 73, Arizona Department of Education 73, Dun & Bradstreet 73, Phoenix Newspapers 73) were used to get an accounting of all the enterprises in the area. For the thousands of enterprises concerned with business, there were several criteria to determine if they would be included in the study. 1) Every business has a net worth of \$1 million or over. 2) Every business had at least \$5 million in sales during January to December 1972. 3) Each business also had at least 14 employees. These three criteria for inclusion narrowed the number of businesses to 92.

The following enterprises were added to the list of businesses: All the banks in the area because they met the net worth and employee criteria; the two largest savings and loan companies; The United Fund, with over two million in collections, was the single largest charity; The University Foundation, a group of business men who acquire land for the area's university; The Chamber of Commerce and the Jaycees were believed to contain economic elites; The County- and State Boards of Education as well as the most important colleges and the university because of their control over millions of dollars of tax funds. The city council and mayor, the county board of supervisors, the two branches of the state legislature, and the governor with his forty appointed officials, the four largest law firms- with from 30 to 44 members each, the area's two energy companies and the telephone company rounded the list to 125.

The second type of data is the names of the top group of executives from each enterprise. The officers and directors were used for businesses of the corporate form. For the remaining enterprises



the top group of officials which most closely paralleled the officer/director status were used. Each of the enterprises had varying numbers of top officials; the number ranging from 2 to 121. All the officers/directors of the 125 enterprises totaled 1848 positions, or names. All names came from data sources of continuing reliability. (Arizona Department of Education 73, Dun & Bradstreet 73, Marquis 73, Martindale-Hubbel 73, Moody 73, Walker 73) The year ending December 1972 is the time period in which all the information and data was in effect.

Each person's full name, position, family- when available, and club affiliation was first collected on data sheets. Then all the information was transferred to 80-column punched cards for easy sorting and manipulation. The counter-sorter was used extensively to get the cards in the various numerical and alphabetical configurations; so straight interlocks, family interlocks, law firm interlocks, and club memberships could be counted and tallied.

#### ANALYSIS AND INTERPRETATION

All the gathered data was used to construct four individual matrices; one for each of the categories of interlock. Each matrix has the 125 enterprises on its two axes. Finally, any cell in an individual matrix tells the number of that particular kind of interlock between the two intersecting enterprises.

There are 137 individuals whose names appear on the list of officers/directors only two times. These show up on the straight interlock matrix as one interlock per pair. The following list is the names of the people representing three or more enterprises, thus constituting multiple interlocks in this first matrix.

31 MULTIPLE INTERLOCKERS

<u>NAME</u>	<u>MAJOR POSITION</u>
<b>FOUR INTERLOCKS:</b>	
O'Malley, Edward V.	Chairman of the Board, O'Malley Lumber Co.
<b>THREE INTERLOCKS:</b>	
Eller, Karl	Vice President, KTAR Broadcasting
Nicks, Jess	Executive Vice President, Armour and Co.
O'Malley, Edward V. Jr.	Vice President, Arizona Bank
Patrick, James E.	Vice President, Valley National Bank
Snell, Frank L.	Senior Partner, Snell and Wilmer Law Firm
Speer, James G.	Vice President, Hallcraft Homes
Tanner, Maurice R.	Chairman of the Board, Tanner Companies
Trautman, Gerald H.	Chairman of the Board, Greyhound Corp.
<b>TWO INTERLOCKS:</b>	
Bimson, Walter R.	Chairman of the Board, Valley National Bank
Cowden, E. Ray	Vice President, Valley National Bank
Duensing, David L.	President, Armour-Dial
Garland, William T.	Chairman of the Board, Garland Steel
Harris, Richard	Superintendent of County Schools
Hazeltine, Sherman	Chairman of the Board, First National Bank
Hughes, James H.	Vice President, Hughes & Ganz Cattle
Lucking, Walter T.	Vice President, Valley National Bank
Melczer, Joseph T. Jr.	Vice President, Valley National Bank
Miller, W. James	Executive Vice President, Del E. Webb Corp.
Moore, A. Lee	Vice President, Arizona Public Service Co.
Ong, Walter	Vice President, N R G, Inc.
Shofstall, Weldon P.	Superintendent of Public Instruction
Simmons, James P.	President, United Bank/Financial
Singer, Paul L.	Secretary, Board of Regents
Snell, Richard	Vice President, Hallcraft Homes
Stapley, Glen O.	Vice President, O. S. Stapley Co.
Stofft, Fred R.	Vice President, P B S W Corp.
Talley, Franz G.	Chairman of the Board, General Time
Williams, Jack	Governor of Arizona
Williams, Robert D.	President, First National Bank
Worthington, Leslie B.	Vice President, Greyhound Corp.

These 31 people probably make up the core of the power network in the area. They represent 25 of the 30 largest and most important enterprises, as measured by net worth, sales or control of funds, and number of employees. Also 18 of these people belong to the Paradise Valley Country Club and 10 belong to the Phoenix Country Club.

The second matrix is constructed from 36 different family names. Sixteen of these family names appear only two times each on the officers/directors list. Twenty of them, however appear three or more times. These family names, along with the enterprises they are associated with, are as follows:

<u>FAMILY NAME</u>	<u>NUMBER OF MEMBERS</u>	<u>ENTERPRISE TYPES AND NUMBER OF CONNECTIONS</u>
Bimson	3	Bank-3, Philanthropy-1, College-1, Hospital-1
Campbell	2	Law Firm-1, Manufacturing-1, Wholesale Sales-1
Driggs	6	City Government-1, State Government-1, Savings & Loan-6
Fisher	2	Construction-2, Utility-1
Hazeltine	3	Bank-3, Philanthropy-1, College-1
Isbel	2	Hotel-2, 2nd Hotel-3
Kitchell	3	Construction-1, State Government-1, Hospital-1, Law Firm-2
Lassen	3	Bank-1, Philanthropy-1, State Government-1
Lentz	2	Bank-1, Board of Regents-1, Manufacturing-1
Lewis	2	Hospital-1, Law Firm-2, Manufacturing-1
Louis	3	College-1, Broadcasting-2, 2nd Broadcasting-1
Mardian	4	Bank-1, Construction-3, Chamber of Commerce-1
O'Malley	7	Bank-1, 2nd Bank-1, Construction-1, Chamber of Commerce-1, College-1, Hospital-1, Retail Sales-6, Utility-1, Wholesale Sales-2
Shapiro	3	Construction-2, Wholesale Sales-3
Simmons	2	Bank-1, Philanthropy-1, Chamber of Commerce-1, Hospital-1
Snell	2	Construction-1, 2nd Construction-1, College-1, Broadcasting-1, Law Firm-2, Utility-2
Stapley	6	County Government-1, Savings & Loan-1, Wholesale Sales-6
Tanner	4	Construction-3, Manufacturing-4, Savings & Loan-1, Utility-1
Turley	2	Philanthropy-1, State House-1, Utility-1

The individuals represented by the family names here were confirmed by Who's Who volumes and by reliable informants, including a bank vice president. Also the vast majority of these families are on the third generation here, which is "old" for Phoenix. The more enterprises a family is connected with, the more interlocks they constitute. For example there are six Driggs represented here but they are only in three different enterprises and they constitute 11 family interlocks. They are seven O'Malleys involved in eight different enterprises and they constitute 67 family interlocks.

The family interlocks constituting this second matrix generally supplement and intensify the core of the power network established in the first- straight interlock- matrix. Not only the patriarchs but also the "old" families are generally connected with the biggest enterprises in the area. With the exceptions of Trautman of Greyhound and Isbel of Ramada Inns, the interlockers are long-time locals. The top positions are occupied by Bimson and Hazeltine in the two largest banks, Driggs in the largest savings and loan, Mardian in construction, O'Malley in wholesale and retail construction materials, Eller in broadcasting, Snell in law, Nicks in meat packing, and Talley in light industry.

The third type of interlock is when two enterprises have the same law firm representing them. The Martindale-Hubbel (73) Law Directory lists all the law firms in the area as well as their institutional clients. There are 46 law firms with virtually thousands of clients. Each time a law firm lists 2 of the 125 enterprises as their clients, this counts as one interlock on the third matrix. Some firms

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account for several interlocks. The law firm of Snell and Wilmer, for example, in some capacity represents 14 enterprises on the list. All together there were 167 law firm interlocks.

The fourth and last type of interlock is when two enterprises each have an officer/director who is a member of the same club. It has been documented (Moore 62, Domhoff 70) that membership in clubs affords opportunities for individuals to serve their own as well as their employer's interests.

My informants told about the clubs in the area and got the membership lists. The four clubs are 1) The Paradise Valley Country Club, 2) The Phoenix Country Club, 3) The Junior League, and 4) The Arizona Country Club. This matrix building scheme can best be explained with an example. Among the officers/directors of The Valley National Bank there are 13 memberships in the Paradise Valley Country Club. And among the ranking officials of the state executive government there are 14 memberships in the Paradise Valley Country Club. Multiplying these two figures gives 182 as the theoretical interaction factor of one group with the other. One was subtracted from this because one of the memberships of both the bank and the government is the same person. The remaining 181 is now divided by 987, the total listed membership of the club, giving 0.183. The adjusted product of the club memberships is divided by the total club membership in order to compensate for the size of the club. That is, interaction possibilities are greater in a small club than in a larger one. Even though the membership lists for the Junior League are the wives and daughters of the officers and directors in question, the same arithmetic procedure was used for the Junior League as for the first and the two remaining clubs, arriving at three more figures. The four figures are then added giving 0.427 as the total for the appropriate cell of the fourth matrix.

At this point the composite matrix was constructed by summing the contents of the four individual matrices. It is a square symmetric matrix containing 15,625 cells. A computer program was devised that merged all the input data from the four matrices and printed out the results. Each of the five types of interlock was given a weight. A straight- same person- interlock counts as one. A family relationship interlock counts as one-half. A law firm interlock counts as a quarter. And the club membership interlocks count as 1/987, 1/195, 1/686, or 1/812 respectively. The weights are estimates of the relative importance of the various kinds of interlocks. They could be changed as further research provided a rationale for assigning different weights to each type of interlock. As it stands, direct interests are the most important link.

Over 85% (107 out of 125) of the large enterprises in Phoenix are linked by one or more of the four types of interlocks. All banks, law firms and industries are linked, directly or indirectly, to each other as well as to educational, charitable, and governmental institutions. Of the 18 enterprises that are unconnected, two are in construction, two in manufacturing, six in real estate, five in retail sales, and three are in wholesale sales. The real estate-firms not linked represent three quarters of the real estate firms in the sample.

The interim program not only printed out the final matrix but also it punched out the 428 data input cards for the smallest space analysis program. This program (G-L SSA-I) was slightly modified to handle our data and to be compatible with our computer (Univac 1110). The resulting plot has a phi of 0.0192. This means a good fit in two dimensions.



The plot, on the following page, presents the structure of the Phoenix power network. There is immediately visible a good tight circle of heavily interlocked enterprises. All the banks, all the law firms, and the two savings and loan associations are part of this inner circle, along with the city government and the executive of the state government. Around this center are 32 closely-related enterprises, with another 32 around the periphery. The eighteen enterprises having no interlocks do not appear on the display at all. They cannot be presumed to be any particular distance from the 107 or from each other. Further research and analysis is needed to see why these eighteen enterprises are not interlocked.

#### CONCLUSION

We have demonstrated an improved interlock and smallest space analysis methodology. And we have given data on the power structure cohesiveness in Phoenix. While the main emphasis has been methodological, some tentative conclusions are possible. All the financial, legal, and communications enterprises are in the center along with the executive branch of the state government. Also the city government is nearly central because of the mayor's interlock with Western Financial\*. In addition, the enterprises in the center have a mean annual sales of \$222 million (not including banks and law firms) while those on the periphery have a mean annual sales of only \$53 million. Tentatively, the Phoenix area can best be characterized by the monolithic power elite theories.

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\*The current mayor of Phoenix was a director of The Arizona Bank, a director of St. Luke's Hospital, and speaker of the Arizona state house.

LIST OF  
ENTERPRISES

KEY: (\$1m) = annual sales in \$ millions  
 (1m) = number of members  
 (1e) = number of employees

- Salt River Project (\$36m)
- Armed Land Corp. (\$5m)
- John F. Long Homes (\$20m)
- Texas Independent Oil Co. (\$8m)
- Arrows Office & School Pkts. (\$13m)
- U Totem Markets of As. (\$9m)
- State Senate (\$700m-shared)
- House of Representatives (\$700m-shared)
- Levi's Furniture (\$12m)
- Barrows Furniture Co. (\$7m)
- NRG Inc. (\$20m)
- Queen Creek Land & Cattle (\$9m)
- Levi's Register Furniture Co. (\$6m)
- Superlite Builders Supply (\$9m)
- Circle K Corp. (\$161m)
- Fry's Food Stores of As. (\$95m)
- General GHO Inc. (\$20m)
- United-Metro Inc. (\$20m)
- National Housing Industries Flori Corp. (\$30m)
- Greater As. Savings (\$7m)
- United Fund-Pkts., Sotsd. (\$279m)
- Ray Industries/Lumber (\$20m)
- Hallcraft Homes (\$114m)
- Continental Bank (\$110)
- Dye Oxygen Co. (\$8m)
- Talley Industries Inc. (\$8m)
- Empire Machinery Co. (\$150m)
- Greyhound Corp. (\$80e)
- Ranada Inns Inc. (\$150m)
- State Board of Education (\$291.3m)
- Evans, Mitchel Law (\$220m)
- Canada Development Corp. (\$71m)
- General Tims Corp. (\$120m)
- As. Board of Regents (40m)
- Western Financial/Savings (\$700m-shared)
- Jennings, Strouss Law (\$23m)
- Hanson's Inc. (\$38m)
- Valley National Bank (\$3m)
- Thunderbird Graduate School (5030e)
- Arizona Bank (\$188m)
- St. Lukes Hospital (\$138m)
- Phx. Newspapers Inc. (\$35m)
- Combined Communications (\$50m)
- Phx. Chamber of Commerce (\$2.7m)
- Samarian Health Services (\$2.7m)
- Memorial Hospital (\$2.7m)
- United Bank/Financial (350e)
- Mellico Distributors (\$260m)
- Arizona-Colorado Land (\$10m)
- Union Rock & Materials (\$13m)
- Kitchell Construction (\$30m)
- Phx. City Government (\$71m)
- Del E. Webb Development (\$314m)
- Del E. Webb Corp. (\$28m)
- Del E. Webb Industries (\$35m)
- T & C Cattle (\$10m)
- County Board of Supervisors (\$23m)
- Great Western Bank (\$7m)
- Bairds Bread Co. (\$8m)
- Newberry Energy Corp. (\$25m)
- County Junior College Board (\$20m)
- As. Distributing Co. (\$22m)
- A. J. Bayless Markets Inc. (\$127m)
- Fisher Contracting (\$9m)
- Arizona-Colorado Land (\$10m)
- Union Rock & Materials (\$13m)
- Kitchell Construction (\$30m)
- Phx. City Government (\$71m)
- Del E. Webb Corp. (\$28m)
- Del E. Webb Industries (\$35m)
- T & C Cattle (\$10m)
- County Board of Supervisors (\$23m)
- Great Western Bank (\$7m)
- Bairds Bread Co. (\$8m)
- Newberry Energy Corp. (\$25m)
- County Junior College Board (\$20m)
- As. Distributing Co. (\$22m)
- A. J. Bayless Markets Inc. (\$127m)
- Holeos Bakery Inc. (\$5m)
- National Metals Co. (\$8m)
- Goodyear Farms (\$10m)
- Wardian Construction (\$15m)
- Western States Telephone (\$3m)
- Phx. Jaycees (\$32m)
- Mastercraft Homes (\$14m)
- Greyhound Lines Inc. (\$615m)
- O. S. Stapley Co. (\$17m)
- As. Sand & Rock Co. (\$11m)
- Black & Ryan Distribut (\$17m)
- Knoll Bros. Construction (\$12m)
- Ellie Suggs Construction (\$12m)
- Southwest Kenworth Inc. (\$20m)

## DISCUSSION

This study only begins to reveal the possibilities using a smallest space analysis methodology. Several further studies immediately suggest themselves. For example, labor and middle class groups could be added to the data base to see if other cliques appear in the Phoenix network. A reputational study could be done following the suggestions of Kadushin (68), to see if this interview method leads to similar results as the more "objective" method utilized here. Issue analysis or some combination of techniques might corroborate the findings. The prediction is, of course, that the same people and enterprises would turn out to comprise essentially the same power network.

In this study evidence did not emerge that there are countervailing pluralist groups in phoenix. Other structures could have emerged, however, if other types of interlockes were considered. If campaign finance was used as a type of interlock then the state house and senate may have been central instead of the state executive government. If labor groups were included, countervailing power spheres may have emerged.

Using the techniques of this study, various power structure displays might emerge in other cities and regions. There could be displays with several cliques, displays with government separate from any clique (pluralism), or displays with government closer to some cliques than others. Displays of other places could reveal a wide range of possible power networks, showing other power theories to be more tenable in other areas.

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