

Originally Processed With FOIA(s):

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Aarhus, Carol, Files
Subseries: Alpha File, 1990-1992

OA/ID Number: 13865
Folder ID Number: 13865-007

Folder Title:
Pork Barrel

Stack:	Row:	Section:	Shelf:	Position:
G	19	2	5	6

THE WHITE HOUSE
WASHINGTON

Date: _____

8/21

TO:

Research

FROM:

JOHN S. GARDNER

**Special Assistant to the President
and Assistant Staff Secretary**

Some good material here.



THE HERITAGE LECTURES

402

**A Congressional
Priesthood**

By Ralph Kinney Bennett



The Heritage Foundation was established in 1973 as a non partisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and strong national defense. The Foundation's research and study programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

Heritage publishes its research in a variety of formats for the benefit of policy makers; the communications media; the academic, business, and financial communities; and the public at large. Over the past five years alone The Heritage Foundation has published some 1,500 books, monographs, and studies, ranging in size from the 927-page government blueprint, *Mandate for Leadership III: Policy Strategies for the 1990's*, to the more frequent "Critical Issues" monographs and the topical "Backgrounders," "Issue Bulletins," and "Talking Points" papers. Heritage's other regular publications include the *SDI Report*, *Business/Education Insider*, *Mexico Watch*, and *Policy Review*, a quarterly journal of analysis and opinion.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a continuing series of seminars, lectures, debated, briefings, and conferences.

Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002-4999
U.S.A.
202/546-4400

A Congressional Priesthood

By Ralph Kinney Bennett

Andrews Air Force Base is just a short limousine ride from Capitol Hill, just outside the Beltway and about as far into real America, it seems, as our isolated Congress would like to go. Andrews is far enough away from the Hill that the nation's legislators can escape the legislative grind but still be well shielded from the prying eyes of the general public, so that they can act, well, like themselves. While a "reform" spirit continues to sweep the Hill and perks keep dropping, at least temporarily, by the wayside, it's useful to recall something which happened at Andrews Air Force Base last fall: the Congressional Golf Tournament held on the base course.

There, you could see well-tanned senators and congressmen dressed in gaudy golf clothes gathered at the base officer's club. Imagine, if you will, mighty legislators with tiny whales and anchors and other little devices embroidered on their kelly-green pants coming in from their day on the course. As they indulged in food, drink, and camaraderie, they were able to contemplate a veritable tumulus of consumer goods, very expensive ones, piled before them: VCRs, crystal, electronic gadgets, clothing, liquor, magnums of champagne. All this vast pile, provided, by the way, by lobbyists, was to be handed out as prizes for various feats on the golf course that day. The august lawmakers eyed this mass of goods in such an anxious way that it was clear their \$125,000 a year salaries had not inured them from intense freebie lust.

Somehow it was decided that the idea of awarding prizes would be dispensed with. Everyone could take what they wanted. Whatever decorum there may have been quickly evaporated. Elbowing each other aside the men, all of whom had been provided with \$400 leather golf bags courtesy of some lobbyist, began stuffing items into these handy containers in what a participant described later to the *Wall Street Journal* as a "feeding frenzy."

A World Apart. Such sordid scenes remain largely hidden from public knowledge because Congress truly does live in a world apart. It's not just the perks and salaries; it's much more. We're seeing all that go by the wayside for the moment under the glare of publicity: the fixed parking tickets, the free first class upgrades, the junkets, the numerous slush funds disguised as furniture allowances and stationery expenditures, et cetera, et cetera, et cetera. But there's something else that sets the Congress apart, something of which the perks are just a symptom. It's a wilful elitism which has become institutionalized and manifests itself in the very texture of life on the Hill. Congress, by and large, sees itself not working for the people as public servants, but governing them. It does what it wants and it takes what it wants.

The House check kiting scandal is an obvious example. Go back to the early days when it was first revealed that the House bank, staffed by patronage employees, was allowing overdrafts to float for months and even years. As the dimensions of the scandal first became apparent, the lawmakers instinctively tried to cover up what was going on.

Read the newspaper accounts of those early days and see the character of the immediate reaction of the Congress to that scandal. A reporter tried to find out whether the House Ways and Means

Ralph Kinney Bennett, a Senior Staff Editor of *The Reader's Digest* in its Washington Bureau, has reported from Washington since 1966.

He spoke at The Heritage Foundation's Annual Board Meeting and Public Policy Seminar, Kiawah Island, South Carolina, on April 11, 1992.

ISSN 0272-1155. © 1992 by The Heritage Foundation.

Committee chairman, Dan Rostenkowski, had bounced any checks. One of the congressman's key aides confronted the journalist and said, "Aren't you ashamed? This is none of your business." Representative Barney Frank embellished that and just said, "It's none of your damn business." Gus Savage replied, "Call back when you have a serious question."

As public outrage grew, we noticed that the House fell back on its favorite defense, assuring the public that it would have the matter investigated—by, of course, the House Ethics Committee, a body whose chief purpose is as a staple of stand-up comedy. But my favorite moment, I think, was when a spokesman for Speaker Foley reminded the press that these overdrafts were paid out of members' bank balances and therefore no "public funds" were ever used. It never occurred to the staffer that every dollar of the House bank overhead and salary of staff, every dollar in its accounts, was *our* money. *We*, the people, pay these solons their ill-gotten salaries.

Watch congressmen and -women on the Hill and you see a separate race of public figures carefully coiffed, clothed, considerably pancaked for the television cameras, moving about on private elevators, cordoned from staring tourists by sycophantic doormen and their own police force. They have slipped the bonds of being public servants and assumed the mantle of governing in their own right. While burdening the people with massive regulations, they have, of course, exempted themselves routinely from all of them. Congress is totally exempt from such strictures as the Equal Employment Opportunity Act, the Occupational Safety and Health Act, the Fair Labor Standards Act, the Freedom of Information Act, the Wage and Hour Act, the Americans With Disabilities Act, all of the Civil Rights Acts.

Fancying themselves "in touch with the people" and fooling many voters through the technological trickery of such things as computerized letters to answer constituent mail with replies tailored to every issue, our senators and representatives basically listen only to each other and to the special interest lobbyists, many of whom are ex-congressional staffers or government bureaucrats. They hear what they want to hear in endless rounds of hearings, receptions, and junkets, disguised as fact-finding trips.

Spenders Listening to Spenders. Read the excellent work which Jim Payne¹ has done showing how this congressional culture thrives on itself and how its budget planning is nothing but spenders listening to spenders in carefully orchestrated hearings. Look, too — if you believe that Congress might somehow be taught to hold the line on national spending — at what Congress spends on itself. In fiscal 1991, while businesses were cutting back, holding the line, offering three and four percent salary increases, an expansionist Congress increased its spending 14.2 percent to over \$2.5 billion for its offices, its burgeoning staffs, its police, its trappings, and perquisites.

In fiscal 1992, Congress's spending on itself will jump 17.5 percent to over \$3 billion. This reflects not only the pay increases for the legislators themselves, but many other costs. There are now 20 committees and 87 subcommittees in the Senate, 27 committees and 155 subcommittees in the House; 37,000 employees on Capitol Hill. Five times the level from 1970.

This is all part of a phenomenon that really should give us pause. There was a survey done by the Kettering Foundation that didn't get much notice last year. Called "Citizens and Politics as Viewed From Main Street America," it shows that despite the conventional wisdom that Americans are apathetic about national politics, the real problem lies elsewhere, on Capitol Hill. The Foundation concluded that "citizens do care about politics but they no longer believe they can have an effect. They feel politically impotent." Why? Because the study finds they feel they have been cut off

1 James L. Payne, *The Culture of Spending: Why Congress Lives Beyond Our Means* (San Francisco: ICS Press, 1991).

from most policy issues due to the way these issues are framed and talked about in Washington. They are cut off by arcane procedures, and a foreign insider language that is alien to them.

I have seen this problem close up on Capitol Hill, and as I have interviewed congressmen and staff people, I've come to realize more than ever that Congress does its business in such a way as to really cut the public out of the loop. It has created elaborate parliamentary and procedural screens behind which it can conduct its business without what it considers interference from the public. Indeed, it has gone to the trouble of creating an ersatz forum of "public input," elaborately, orchestrated through select witnesses and structured hearings. It has created for itself a huge, complex, yet virtually invisible legislative system which goes its own way, forming legislation on its own terms and with input only from those lobbyists and pressure groups which it chooses to hear.

Congress, if you really want to understand it, has become a priesthood, a priesthood of legislators, staff, and lobbyists. It is a priesthood of Byzantine complexities, temples within temples, rites within rites. It employs a variety of obscure procedures, terms of art, et cetera, all designed to create an *illusion of openness*. And the press, in many ways, goes along with this, because the press's position is enhanced by this priesthood. Journalists are privileged to come down onto the steps of the temple and explain to the masses the mysterious rites going on inside.

It is interesting, isn't it, that it took two reporters from the *Philadelphia Inquirer* fifteen months of working day-in and day-out to ferret out the story of how the 1990 tax bill came into being. Think about that! Here was a bill which affected you and me, every American, and yet it took two reporters, working full-time and using every tool of their trade from leaks to Freedom of Information filings to consultations with accountants and lawyers to furtive meetings with staffers who said, "Don't use my name," to find out what was in a tax bill.

Robert Potts, former chief of staff of the Senate Republican Policy Committee and a top senatorial aide for former Senator Bill Armstrong, notes that, "Curiously, all this has been compounding even while the Congress seems to be becoming more open, with C-SPAN coverage of both Houses. But remember, the Congress controls those cameras and most of what is really significant cannot be seen by the average citizen."

Congress's Tricks. There are many ways, of course, by which Congress bypasses or subverts the normal civics class idea of how legislation is produced. One, of course, is the informal session. Before the formal session of the committee (which you may well see on C-SPAN and thus feel you're seeing democracy at work) there has already been an informal meeting of the main committee members in which all the substantive issues have been agreed upon and ironed out. There may well have been agreement in that meeting that no new issues will be brought up during the public session. In some cases, there may not even be this informal session, but merely a series of phone calls between top staffers, extracting prior agreements that no embarrassing amendments or new business will be brought up, and that certain congressmen or senators who have shown a kind of a meddlesome streak will be kept out of the procedures.

Another favorite device is to bypass the conference committee. Instead of the usual meeting of House and Senate conferees to reconcile two bills, a more informal get-together with key members from both sides takes place. We'll never hear about this. There's no conference report. Perhaps not even a complete transcript of the meeting in which the mark-up takes place.

Then there are the so-called "task forces." These are the new ad hoc, get-things-done groups on Capitol Hill. Instead of the full committee meeting on something, task forces are formed excluding certain "difficult" members. And, of course, there's that hoary classic: simply delay the printing of the material from the hearings themselves. The record of the hearings on a bill is often not available in time to be of any use to those considering the pros and cons of the legislation. (In the hearings, the pros far outnumber the cons anyway.) Very often the final bill itself is not prepared or made available in time for the vote. A thousand-page bill is being considered and there is one copy on the

floor for members to come down and peruse. Who is going to read it, let alone understand what is in it?

But my favorite device of all—I love to see this one in action—is the concept that the more important and vital the hearing, the smaller the hearing room. This is a very deeply ingrained and very important matter on the Hill. Committees do not want you to know what goes on when they get together with lobbyists to thrash out legislation. So what is not settled over the telephone or in an informal session is discussed in tiny rooms where access is extremely limited. Go up to Capitol Hill very early in the morning: you will see messengers who have been paid by lobbyists to sit in the hall outside these legislative walk-in closets. They sit in the hall and hold a place in line for various special interest supplicants who will then have a chance to get inside the room where this vital legislation is being “hammered out.”

Now, of course, the advocates of this system, the priests themselves, say that this is a more effective way of doing business. After all, it’s so messy when the public gets involved in these things.

“Just a Citizen.” Bob Potts told me a story that I think best illustrates the way Congress has become a world apart, how even those with the best intentions become imbued with the characteristics of a priesthood:

Senator Armstrong was on the Treasury and Postal Subcommittee of Appropriations, so I would go to all those hearings with him. One morning we had a meeting in which the Secretary of the Treasury was testifying. It was just a small room and there weren’t many people there. While he was testifying, a man and his family, tourists, came into the room. It was just a man and his wife and their kids, kind of thrilled, I guess, to be seeing democracy at work close up.

At one point the Secretary had to leave the room to make a phone call or something and there was a break. This man got up and raised his hand and said, “Mr. Chairman, Mr. Chairman,” very quietly and politely. He said he knew something about the point they were discussing and he had something helpful he would like to say. We all ignored him. I remember the staff people who were there, just regular guys, good down-to-earth people, but suddenly they were part of the different world, the different culture, and we ignored this guy.

Finally some staff guy felt, “Well, I’d better do something,” and he went down and spoke to the man for a minute. He came back and we asked, “What did you tell him?”

He said, “I told the man that if he had anything to say he could sign up to testify and come back in a couple of months.”

Why didn’t we just let this guy say what he had to say? It wouldn’t have hurt anything. But no, we were the Senate and he was just a citizen.



Defeat of Budget Amendment Fans Anti-Deficit Flames

*Proponents already looking to vote on super collider
as test of congressional ability to restrain spending*

The dramatic defeat June 11 of a proposed constitutional amendment requiring a balanced federal budget has set Congress up for a summerlong series of tests of fiscal self-discipline.

Arguing that there is no substitute for political will, Democratic leaders reversed what just weeks before had seemed an unstoppable tide in favor of a balanced-budget amendment.

Budget-cutters in both parties are now hoping that they can turn their defeat into an opportunity for a new assault on the deficit.

The first test will come the week of June 15 when the House votes on the fate of the hyperexpensive superconducting super collider as part of the energy and water appropriations bill (HR 5373). (*Story, p. 1692*)


Almost certain to be at risk is a \$2 billion supplemental spending bill (HR 5132) that started out as an emergency measure to help Los Angeles recover from riots and Chicago from floods. Lawmakers have since attached about \$1.5 billion worth of extra spending that may be put on the cutting block as proof of their will to tackle the deficit. (*Story, p. 1691*)

"There will be a groundswell, and I think it will accomplish what many of us wanted," said David Dreier, R-Calif., an amendment supporter.

"This has been a wake-up call," said Jim Slattery, D-Kan., a strong advocate for spending restraint who opposed the amendment. "There will be a lot of key votes in the next 10 days" as appropriations bills begin to come to the floor.

Barely a week before the vote, passage of the balanced-budget amendment seemed certain. But a combination of hard lobbying by the Democratic leadership and outside interest groups, and a creeping uneasiness about tinkering with the Constitution,

By John R. Cranford



BOXSCORE

Bill: H J Res 290, S J Res 18 — balanced-budget constitutional amendment.

Latest action: House defeated, 280-153, June 11.

Next action: None expected.

Reference: Weekly Report, pp. 1592, 1520, 1325, 1233; 1990 Almanac, p. 174.

gave opponents a relatively comfortable nine-vote victory cushion. The amendment (H J Res 290) was defeated 280-153; it needed 289 votes, two-thirds of those present, to pass. (*Vote 187, p. 1744*)

In a bitter twist for chief sponsor Charles W. Stenholm, D-Texas, 12 cosponsors of his original amendment were persuaded to vote against the final version, three more than his losing margin. (*Defectors, p. 1684*)

In the Senate, where sufficient support for an amendment (S J Res 18) was even less certain, Majority Leader George J. Mitchell, D-Maine, said immediately after the House vote that he would not call the measure up. That effectively killed any chance for the amendment this year.

Though Democratic opponents re-

peatedly stressed during the House debate that it is the president's obligation to provide deficit-cutting leadership, it was widely agreed that the amendment's defeat put Congress in the position of having to prove that it could act without a constitutional mandate.

"We are in danger of doing again what the people are blaming us for, all talk and no action," Stenholm said, in concluding debate on the amendment June 11.

"If you think American people are mad now, just defeat this one ray of hope we have now for reducing the federal deficit, and you will really see a revolt," added Rod Chandler, R-Wash.

In a rare floor speech, House Speaker Thomas S. Foley, D-Wash., urged support for a deficit-cutting bill being crafted by House Budget Committee Chairman Leon E. Panetta, D-Calif.

"If half of the courage expressed in the rhetoric presented here today in support of this amendment will stand behind a proposal, which the Committee on the Budget will shortly produce on the floor, we can establish the process to reduce the deficit," he said.

Panetta's proposal would set new deficit-reduction targets for the rest of the decade, coupled to a new mechanism for automatic spending cuts and tax increases to force compliance if Congress and the president fail to bring down the deficit voluntarily.

Panetta has vowed to bring his bill to the floor in the coming weeks. Although he was a principal obstacle to passage of the constitutional amendment, using what some supporters called scare tactics to defeat it, Stenholm and another key amendment backer, Bill Gradison, R-Ohio, have said they will cooperate with the Budget chairman. (*Panetta's role, p. 1688*)

Both Stenholm and Gradison are on the Budget Committee, and both

Amendment's Fragile Bloc of Backers . . .

With a Mickey Mouse watch on his right wrist and a Rolex on his left, Robin Tallon is a walking contradiction. When he went to the House floor June 11 for the vote on the balanced-budget amendment, he was carrying two speeches in his coat pocket — one in favor and one against.

The South Carolina Democrat was waiting until the last possible moment to decide how he would vote on what was perhaps the most hotly lobbied vote of the year.

There was one problem: He had already pledged his support to Charles W. Stenholm, D-Texas, sponsor of the balanced-budget amendment. As recently as that morning, he had emerged from a White House lobbying session with President Bush saying he was probably going to vote for it.

But as the day wore on, he began to falter under a barrage of lobbying by Democratic leaders and others opposed to the amendment. Finally, his decision made, Tallon chose the appropriate speech and stood in the well of the House: "It would be much easier to be consistent, to not admit I had changed my mind," Tallon said. "All I need to do is get on board this resolution and go home as the champion of fiscal responsibility. But I will not vote for the Stenholm amendment."

With that, Tallon sounded the death knell of the balanced-budget amendment. In a climactic reversal of fortune, 12 Democrats who had attached their names to Stenholm's list of 278 cosponsors changed positions and voted no.

"I never ever agonized on a vote as much as this one," Tallon said in an interview.

The final vote was 280-153. Had nine of the original supporters voted in favor, Stenholm would have had the two-thirds majority necessary to approve a constitutional amendment.

Opposition Accelerated as Vote Neared

The outcome was a testament to the power of Speaker Thomas S. Foley, D-Wash., whom many members were unwilling to cross in such a key test of strength between the Democratic-controlled Congress and the White House. But the result also reflected unease with the remedy, unease that grew as the vote neared. Quite suddenly, members supporting the amendment were confronted with the intense opposition of senior citizens groups and organized labor, who argued that cuts necessary to balance the budget would gut Social Security, Medicare and other cherished programs.

The political pressure to vote "no" heightened on the day of the vote, when undeclared presidential candidate Ross Perot announced on NBC's "Today" show that morning that he was opposed to the constitutional amendment.

12 Democrats Get 'Cold Feet'

As the day wore on, votes began melting away.

Along with Tallon, Stenholm's defectors were Democrats Frank Annunzio, Ill., Albert G. Bustamante, Texas, Joan Kelly Horn, Mo., Tom Lantos, Calif., Gerald D. Kleczka, Wis., Matthew G. Martinez, Calif., Austin J. Murphy, Pa., Richard E. Neal, Mass., Jim Olin, Va., Patricia Schroeder, Colo., and James A. Traficant Jr., Ohio.

Loss of the 12 Democrats was not taken kindly by Stenholm and his supporters. "Obviously I'm very disappointed that many of our cosponsors switched," said Stenholm, adding that "Everybody will know who switched and why. And that's the key."

In a post-vote news conference, Texas Republican Joe L. Barton ran down the full list in an effort to apply political heat to the defectors.

Said Timothy J. Penny, D-Minn., a Stenholm supporter: "Some folks cosponsored the resolution, but did

favor moving ahead with deficit cuts for the coming fiscal year. But they may have significantly different views about how what has come to be called a budget enforcement bill should look.

"I'm going to need to wait now for my chairman on this because I certainly don't want to get out front of him again," Stenholm said with a half-smile. "The key is bipartisanship. . . . I'll be there with Mr. Panetta and Mr. Gradison."

Even if they can get together, however, there will be roadblocks to action elsewhere. President Bush still wants a deficit-reduction measure acted on after — not before — Congress sends a balanced-budget amendment to the states for ratification. In addition, members facing re-election will be chary of any bill that even hints of higher taxes.

"If we don't see [an enforcement

bill], it's because there aren't 50 votes for it," Slattery said.

A Week of Changes . . .

Floor action began June 9, when the House took up a proposed balanced-budget law that was similar to a bill that passed the House in 1990 as an alternative to a constitutional amendment. The bill (HR 5333) would have required the president to submit a balanced budget, and the House and Senate Budget committees to send balanced budgets to the floor of both chambers, beginning for fiscal 1998.

This year's bill died on a 199-220 vote, not winning even a simple majority, much less the two-thirds needed because it was brought up under a special procedure that prevented amendments. (*Vote 174, p. 1740*)

Stenholm cheered the defeat as

proof that "there were no cheap votes."

Sponsor Barbara B. Kennelly, D-Conn., rejected assertions that the bill was introduced to provide political cover for those opposing the constitutional amendment. Of the 189 Democrats who voted for the bill, however, 121 later voted against the amendment.

The following day, Stenholm unveiled a revised version of his balanced-budget amendment, which he had refined in negotiations among House and Senate supporters.

Stenholm's substitute — the version eventually rejected by the House — was intended to provide a compromise that might win support in the Senate without change and thereby avoid a joint House-Senate conference committee that could have been de-

... Undone by Last-Minute Defections

so with a feeling that it was never going to come to a vote. When it did come to a vote, they got cold feet," he said.

For some, the decision to change was a matter of simple politics. Annunzio, a veteran Chicago pol who is retiring from Congress this year, said he changed his mind a week or so before the vote because "you got all the labor groups and senior citizens" opposing the amendment. Annunzio did not bother to take his name off the list of cosponsors, however.

Other lawmakers had reason to worry about their future advancement in the House if they ignored the wishes of Speaker Foley and Majority Leader Richard A. Gephardt, D-Mo., who fought hard against the Stenholm amendment. With the unusually high number of members retiring or being defeated at the polls, dozens of choice committee slots will open up next year. Those who expect to be around know the unspoken rule of the House: If you want the leadership to anoint your bid for a top committee slot, you are expected to side with them on votes like this one.

Among the switchers said to be seeking new committee slots are Kleczka and Traficant, who want to join the Ways and Means Committee. Both denied in interviews or through staff that committee considerations played a role in their votes. Another Democrat who is considering leaving the Banking Committee, Peter Hoagland, D-Neb., voted for the Stenholm amendment.

Bustamante said he decided to switch his position at a meeting of the Texas delegation the day before the vote. It galled him, he said, to hear fellow Texans clamoring to support the measure at the same meeting they were discussing ways to get full federal funding this year



Robin Tallon

for several multibillion-dollar projects that would directly benefit their state. Among them are the superconducting super collider and the space station *Freedom*.

"They're like drug addicts," Bustamante said in an interview. "It's so hypocritical. I tell my friends you want a balanced budget, and you want all these things for your state."

Eleventh-Hour Bush Effort Fails

Bush, in last-minute lobbying before leaving for South America, invited more than a dozen wavering members to the White House for a morning meeting. He continued the lobbying even after take-off. "The president called me this morning from Air Force One, and asked me to vote for a balanced-budget amendment," said Neal. "I said I was going to."

One undecided Democrat said that Foley, Bush and Gephardt all had called him in a span of 4½ hours. It was the third time in four days Foley had urged him to vote against the amendment. Other lawmakers said they had received repeated calls from Cabinet members and other top administration officials urging them to back the president.

But perhaps no one struggled more with the decision than Tallon. At the morning meeting with the White House, Tallon said, he asked Bush for specifics about the programs he would cut if the constitutional amendment became law. Bush handed him a book of options for cutting the deficit. He even autographed it: "Robin," Bush wrote. "Do the right thing. Thanks, George Bush."

"So I did the right thing," said Tallon. "I voted against it."

—David S. Cloud

railed by Democratic opponents in the leadership.

Paul Simon, D-Ill., the prime amendment sponsor in the Senate, embraced the negotiated compromise. But several House supporters abandoned Stenholm over the change.

Patricia Schroeder, D-Colo., who signed on as a cosponsor in February, said she was disturbed by language adopted from Simon's Senate version that would have permitted a waiver of the balanced-budget requirement in times of declared military emergencies. "You don't think there will be an imminent threat to national security every year — from Uruguayan terrorists?" she said, half-facetiously.

... And Heavy Lobbying

As the week progressed, Stenholm backed away from his statement of

two weeks before that he had as many as 305 votes.

By June 10, the first day of floor debate on the amendment, both supporters and opponents said it was too close to call. And for the first time Stenholm hinted that he might not even have a "solid 290" as he had continued to assert.

On the morning of June 11, as the House began to debate four alternative balanced-budget amendments, opponents seemed to have turned the tide.

"Earlier today, I thought it was still doable," said Timothy J. Penny, D-Minn., a key pro-amendment strategist. "We were four short, and there were 12 names to get them from." Though supporters picked up two undecided members, they lost others during the day, he said.

Dave Nagle, D-Iowa, said the

morning of June 11 that the Democratic whip count showed 151 firm no votes. When the final tally was 153 "nays", Nagle said he had forgotten to include Independent Bernard Sanders of Vermont, and had only counted on one Republican, when two — Benjamin A. Gilman and Bill Green, both of New York — voted against the measure.

Nagle said that 10 days earlier there had been only 85 solid no votes. "It's been pretty intense," he said.

Still, a large number of members were undecided throughout the two days of floor action. Some said they made up their minds at the last minute.

Republican Constance A. Morella, who represents the Maryland suburbs of Washington said she ultimately and reluctantly decided to vote for the amendment, despite a strong showing of constituent opposition. Peter

Hoagland, D-Neb., was on the fence until late June 10, and said one contributing factor to his yes vote was the number of senior citizens who, contrary to expectations, called his district office endorsing the amendment.

National senior citizen lobbies — led by the American Association of Retired Persons, the Older Women's League and the National Committee to Preserve Social Security and Medicare — worked actively against the amendment in the final week. The latter group and others issued statements charging that adoption would guarantee big cuts in Social Security, a charge that amendment sponsors strongly denied.

Stenholm complained that "a lot of folks haven't been honest in fighting this. . . . Every member of the House knows we will not gut Social Security." But he acknowledged that Medicare and Medicaid, the federal health-care programs for the elderly and the poor, were facing cuts: "We have to make substantive changes in Medicare and Medicaid to keep them from bankrupting this country," he said.

When Slattery made a reference to Social Security during floor debate, Stenholm was ready with a big red fish, which he placed on a table in the middle of the House chamber. Stenholm later told Slattery that he was tempted to give him "the red herring award."

Lobbyists from labor unions, advocacy groups representing senior citizens and low-income people, religious organizations and the citizens lobby Common Cause crowded the hallway outside the chamber. As the amendment was defeated, a cheer arose first in the chamber and then among the lobbyists.

But it seemed clear that the efforts of Foley, Panetta and most of the rest of the Democratic leadership were more important to the outcome than those of outside lobbyists.

It might have helped, however, that traditional anti-deficit lobbyists such as the Chamber of Commerce of the United States, opposed the amendment (chiefly because they feared it would be used to justify a tax increase). And several members mentioned the opposition of presumed presidential candidate Ross Perot as a factor.

Perot announced his opposition on the NBC "Today" show the morning of the vote. He "became an extra argumentative shield for those who opposed a balanced-budget amend-



Thomas S. Foley

Charles W. Stenholm

ment," said amendment supporter Jim Leach, R-Iowa.

But Charlie Rose, D-N.C., who was undecided until the end, when he voted no, said Perot made a good point. "Ross Perot says we don't need it — we need leadership. That's advice worth listening to."

Some Surprises

The seriousness of the 16 hours of floor debate reflected the widespread sense among members that they were casting a momentous vote.

W. J. "Billy" Tauzin, D-La., invoked his father in support of the amendment: "He never had a credit card. He never signed a mortgage. He never signed a time agreement. . . . He understood something most ordinary Americans understand. . . . The easiest dollar to spend is the one you don't have. . . . Most ordinary Americans would like to put a limit on our credit card."

Richard J. Durbin, D-Ill., offered a catastrophic view in opposition: "This amendment is the direct result of the mismanagement and misguided policies of Presidents Ronald Reagan and George Bush. . . . This amendment is Ronald Reagan's revenge. . . . He left a deficit behind him that is nothing short of a time bomb. . . . It's an act of political desperation that will haunt us for generations."

In the final vote, although most senior Democrats stuck with the leadership, a few surprises stood out: Jamie L. Whitten, D-Miss., and William H. Natcher, D-Ky., the chairman and acting chairman of the Appropriations Committee, voted for the amendment. So did one other Appropriations subcommittee chairman, Tom Bevill, D-Ala. One key member of the House leadership, Steny H. Hoyer, D-Md., who has a new, more conservative district, also voted yes.

Major Amendments

Floor action on the balanced-budget amendment focused on four alter-

natives; the last to be adopted by a majority vote was then submitted to the full House for a final vote, requiring a two-thirds majority. The four alternatives were:

- By Jon Kyl, R-Ariz. His amendment, like the others, would have generally required that all government outlays not exceed total receipts.

But it had two other significant provisions. Total outlays would also have been restricted to 19 percent of the country's total output of goods and services for the year, measured by the gross national product (GNP), and it would have given the president authority to veto all or part of individual provisions of bills that appropriated money or otherwise obligated the Treasury.

Bills resulting in deficits or in outlays in excess of the GNP ceiling would have required support of three-fifths of the total membership of the House and Senate.

Panetta dismissed the outlay ceiling as a "mindless formula." Kyl shot back that "a lot of thought has gone into it. It is not mindless."

The amendment was rejected 170-258; on a nearly party-line vote. (*Vote 183, p. 1744*)

- By Joe L. Barton, R-Texas. This amendment largely tracked Stenholm's, with one significant wrinkle. It would not have allowed government revenues to increase at a rate greater than that of total growth in national income, unless a bill to that effect supported by three-fifths of both chambers was enacted into law.

Barton's amendment won strong Republican support and drew more Democrats than Kyl's, but it was rejected 200-227. One lone Democrat — Slattery — voted for Barton's amendment and voted no on final passage. (*Vote 184, p. 1744*)

- By Richard A. Gephardt, D-Mo. Majority Leader Gephardt adapted his amendment from one proposed several weeks before by two key Appropriations Committee subcommittee chairmen, David R. Obey, D-Wis., and John P. Murtha, D-Pa.

It would have required only a majority of both the House and Senate to permit a deficit. But it would have capped outlays at the level proposed by the president. And it would have excluded Social Security from deficit calculations, which Gephardt contended would have protected that program from cuts.

Some Democratic opponents of

A Winner At Last

Leon Panetta has a history of taking on unpopular causes — and losing.

In his former life as a Republican, he ran the Office for Civil Rights in the Nixon administration. In 1970, at age 31, he was forced out by the White House for being too aggressive.

As a Democrat, he was elected to the House in 1976, served for six years on the Budget Committee and became its chairman in 1989. Since then, he has had to defend the oft-denounced 1990 budget agreement that he helped engineer. He tried — and failed — to dismantle a portion of that agreement earlier this year to shift money from defense to domestic spending. In the past month, he was for a long time a lone soldier trying to halt the juggernaut of the balanced-budget amendment. He tends to laugh a lot at adversity, and lately he's seemed to be having a rollicking good time.

He was asked at one point about Sen. Robert C. Byrd, D-W.Va., who recently began working hard to derail the balanced-budget amendment in the Senate, apparently with success. "He came to life, didn't he," Panetta said, and then guffawed, letting his laughter express his relief.

The Real Test

This time, Panetta won. But it remains to be seen if he can convince his colleagues that they should get serious about cutting the deficit in this election year. Panetta would view that as real success.

Like Bill Gradison of Ohio, ranking Republican on the Budget Committee, Panetta tends toward seriousness; he is rarely without a sheaf of papers under his arm, and he is constantly in motion.

He eschews partisanship when he can, despite the highly partisan job he holds: Presenting the Demo-



R. MICHAEL JENKINS

Panetta is not one to shy from a fight.

crats' budget is anything but a joint effort with the Republicans on the committee. But he does not shy from a fight — whether to defend his party's taxing and spending priorities or to battle against the balanced-budget amendment.

His hardball tactics in the budget amendment fight drew criticism from some Republicans.

The White House accused him of "crying wolf" when he put out what most consider a worst-case scenario for spending cuts and tax increases to yield the \$600 billion in deficit reduction over five years that the Congressional Budget Office says would be needed to balance the budget. (*Weekly Report*, p. 1520)

But he has his bona fides on the subject, and several members paid him respect during the amendment fight.

Panetta almost never left the floor during the two long days. At the end, his principal adversary, Charles W. Stenholm, D-Texas, commended him for his handling of the debate.

He also chided him for his effort earlier in the year to spend money that was to be cut from defense, instead of applying it to the deficit. "Mr. Chairman, you were not with us that day. . . . But you have been with us most of the other times."

Panetta returned the compliment, paying tribute to Stenholm and others for raising the visibility of the deficit issue — and seizing the opportunity to hold members accountable for the next test.

"What we've done here is we've focused attention," Panetta said after the amendment was defeated. "Now we've got to roll up our sleeves and get to work on what I think is the effort that really counts . . . so that we truly exercise the discipline that we have to do if we're serious about getting the deficit in control."

—John R. Cranford

Stenholm were clearly enamored of this version, if only to show their support either for a balanced budget or for Social Security.

"It's the best of a bad lot," said Douglas Applegate, D-Ohio.

But some raised serious questions about ceding power to the president by letting him set a ceiling on outlays. "Not even two-thirds of the House and two-thirds of the Senate are empowered to [spend more than the president proposes]," said Tom Campbell, R-Calif. "For the first time, this would be an absolute veto. . . .

This is very, very dangerous."

The amendment appeared to have the desired effect of muting Democratic support for Stenholm. "The decision to put Gephardt in brought about 35 votes," Nagle said. In all, 47 Democrats voted for Gephardt and against Stenholm; six of them had been Stenholm cosponsors.

The amendment was rejected 103-327, with a significant majority of Democrats and virtually all Republicans opposed. (*Vote 185*, p. 1744)

• By Stenholm. His alternate preserved the basic terms of H J Res 290 as originally introduced — including

three-fifths majorities to permit deficit spending or an increase in the federal debt. But it incorporated the military emergency waiver, a requirement that Congress enforce the amendment by statute and a later effective date of fiscal 1988. The substitute was first adopted by a vote of 279-153. (*Vote 186*, p. 1744)

It then failed on final passage — when a two-thirds majority was required — by 280-153. The difference was that Walter B. Jones, D-N.C., voted no on the substitute and yes on passage, and Foley, who has voted only 14 times this year, voted no on passage. ■

HOUSE VOTES 182, 183, 184, 185, 186, 187

182. Procedural Motion. Approval of the House Journal of Wednesday, June 10. Approved 284-112: R 48-107; D 236-5 (ND 164-5, SD 72-0); I 0-0, June 11, 1992.

183. H J Res 290. Balanced-Budget Constitutional Amendment/Spending Limit and Line-Item Veto. Kyl, R-Ariz., substitute to propose a constitutional amendment that would prohibit total outlays from exceeding total revenues for each fiscal year and prohibit total outlays from exceeding 19 percent of the gross national product for each fiscal year, unless a three-fifths majority in each chamber votes to permit a deficit. It would grant the president line-item veto authority for all spending measures. The spending constraints would take effect the third fiscal year after ratification but not before fiscal 1996. The line-item veto would take effect upon ratification. Rejected 170-258: R 152-13; D 18-244 (ND 6-173, SD 12-71); I 0-1, June 11, 1992. (*Story, p. 1683*)

184. H J Res 290. Balanced-Budget Constitutional Amendment/Tax Increase Limit. Barton, R-Texas, substitute to propose a constitutional amendment that would require the president to submit and Congress to approve a budget in which outlays do not exceed revenues unless a three-fifths majority in each chamber approves a specified deficit; to require that estimated revenues do not grow faster than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority in each chamber approves a tax increase; and provide that the amount of federal public debt on the first day of the second fiscal year beginning after ratification shall become a permanent debt limit unless a three-fifths majority of each chamber passes a bill approving an increase. The amendment would take effect in fiscal 1998 or the second year after ratification, whichever is later. Rejected 200-227: R 155-9; D 45-217 (ND 8-172, SD 37-45); I 0-1, June 11, 1992. (*Story, p. 1683*)

185. H J Res 290. Balanced-Budget Constitutional Amendment/Majority Vote and Social Security Exemption. Gephardt, D-Mo., amendment in the nature of a substitute to propose a constitutional amendment that would require the president to submit and Congress to adopt a balanced budget in the first year after ratification unless there is a declaration of a national urgency by the president that is approved by a majority vote of both chambers of Congress; prohibit Congress from approving higher expenditures than recommended by the president in a fiscal year; and exempt Social Security from deficit calculations. Rejected 103-327: R 2-164; D 101-162 (ND 72-109, SD 29-53); I 0-1, June 11, 1992. (*Story, p. 1683*)

186. H J Res 290. Balanced-Budget Constitutional Amendment/Substitute. Stenholm, D-Texas, amendment in the nature of a substitute to propose a constitutional amendment that would prohibit deficit spending unless a three-fifths majority of both chambers of Congress approve a specific deficit amount or there is a declaration of war or a declaration of national military emergency enacted into law; require the president to submit a balanced budget each fiscal year; and require a three-fifths majority of both chambers of Congress to increase the public debt. The amendment would take effect in fiscal 1998 or the second year after ratification, whichever is later. Adopted 279-153: R 164-2; D 115-150 (ND 52-129, SD 63-21); I 0-1, June 11, 1992. (*Story, p. 1683*)

187. H J Res 290. Balanced-Budget Constitutional Amendment/Passage. Passage of the joint resolution to propose a constitutional amendment that would prohibit deficit spending unless a three-fifths majority of both chambers of Congress approve a specific deficit amount or there is a declaration of war or a declaration of national military emergency enacted into law; require the president to submit a balanced budget each fiscal year; and require a three-fifths majority of both chambers of Congress to increase the public debt. The amendment would take effect in fiscal 1998 or the second year after ratification, whichever is later. Rejected 280-153: R 164-2; D 116-150 (ND 52-130, SD 64-20); I 0-1, June 11, 1992. A two-thirds majority of those present and voting of both chambers (289 in this case) is required to propose an amendment to the Constitution. A "yea" was a vote in support of the president's position. (*Story, p. 1683*)

KEY

- Y Voted for (yea).
- # Paired for.
- + Announced for.
- N Voted against (nay).
- X Paired against.
- Announced against.
- P Voted "present."
- C Voted "present" to avoid possible conflict of interest.
- ? Did not vote or otherwise make a position known.

Democrats Republicans
Independent

182
183
184
185
186
187

42 Rohrabacher	N	Y	Y	N	Y	Y
43 Packard	Y	Y	Y	N	Y	Y
44 Cunningham	Y	Y	Y	N	Y	Y
45 Hunter	?	Y	Y	N	Y	Y

COLORADO

1 Schroeder	N	N	N	Y	N	N
2 Skoggs	Y	N	N	Y	N	N
3 Campbell	?	?	N	Y	Y	Y
4 Allard	N	Y	Y	N	Y	Y
5 Hefley	N	Y	Y	N	Y	Y
6 Schaefer	N	Y	Y	N	Y	Y

CONNECTICUT

1 Kennedy	Y	N	N	N	N	N
2 Gejdenson	Y	N	N	N	N	N
3 DeLouro	Y	N	N	Y	N	N
4 Shays	N	Y	Y	N	Y	Y
5 Franks	N	Y	Y	N	Y	Y
6 Johnson	N	Y	Y	N	Y	Y

DELAWARE

Al Carper	Y	N	Y	N	Y	Y
-----------	---	---	---	---	---	---

FLORIDA

1 Hutto	Y	Y	Y	N	Y	Y
2 Peterson	Y	N	Y	Y	Y	Y
3 Bennett	Y	Y	N	Y	N	Y
4 James	N	Y	Y	N	Y	Y
5 McCollum	Y	Y	Y	N	Y	Y
6 Stoarns	N	Y	Y	N	Y	Y
7 Gibbons	Y	N	Y	N	Y	Y
8 Young	N	Y	Y	N	Y	Y
9 Bilirakis	N	Y	Y	Y	Y	Y
10 Ireland	?	?	?	N	Y	Y
11 Bacchus	Y	Y	Y	Y	Y	Y
12 Lewis	N	Y	Y	N	Y	Y
13 Goss	N	Y	Y	N	Y	Y
14 Johnston	Y	N	N	N	Y	Y
15 Shaw	Y	Y	Y	N	Y	Y
16 Smith	Y	N	N	N	N	N
17 Lehman	?	N	N	N	N	N
18 Ras-Lehtinen	N	Y	Y	N	Y	Y
19 Foscell	Y	N	N	N	N	N

GEORGIA

1 Thomas	Y	N	Y	N	Y	Y
2 Hatcher	Y	N	Y	N	Y	Y
3 Ray	Y	N	Y	N	Y	Y
4 Jones	Y	N	N	N	Y	Y
5 Lewis	Y	N	N	N	N	N
6 Gingrich	N	Y	Y	N	Y	Y
7 Darden	Y	N	Y	N	Y	Y
8 Rowland	Y	N	Y	N	Y	Y
9 Jenkins	Y	N	Y	N	Y	Y
10 Barnard	Y	N	Y	N	Y	Y

HAWAII

1 Abercrombie	Y	N	N	Y	N	N
2 Mink	Y	N	N	Y	N	N

IDAHO

1 LaRocco	Y	N	N	Y	Y	Y
2 Stallings	Y	N	N	Y	Y	Y

ILLINOIS

1 Hayes	Y	N	N	N	N	N
2 Savage	?	N	N	N	N	N
3 Russo	Y	N	N	N	N	N
4 Sangmeister	Y	N	Y	N	Y	Y
5 Lipinski	Y	N	Y	N	Y	Y
6 Hyde	Y	Y	N	Y	Y	Y
7 Collins	Y	N	N	N	N	N
8 Rostenkowski	Y	N	Y	N	Y	N
9 Yates	Y	N	N	N	N	N
10 Porter	N	Y	N	Y	Y	Y
11 Annuzio	Y	N	N	N	N	N
12 Crane	N	Y	N	Y	Y	Y
13 Fawell	N	Y	N	Y	Y	Y
14 Hastert	N	Y	N	Y	Y	Y
15 Ewing	Y	Y	N	Y	Y	Y
16 Cox	Y	N	Y	N	Y	Y
17 Evans	Y	N	N	N	N	N
18 Michel	N	Y	N	Y	Y	Y
19 Bruce	Y	N	Y	N	Y	Y
20 Durbin	Y	N	Y	N	Y	N
21 Costello	Y	N	Y	N	Y	Y
22 Poshard	Y	N	Y	N	Y	Y

INDIANA

1 Visclosky	Y	N	N	N	N	N
2 Sharp	Y	N	N	N	Y	Y
3 Roemer	Y	N	N	Y	Y	Y

182
183
184
185
186
187

ALABAMA

1 Callahan	Y	Y	Y	N	Y	Y
2 Dickinson	N	Y	Y	N	Y	Y
3 Browder	Y	N	Y	Y	Y	Y
4 Beville	Y	N	Y	Y	Y	Y
5 Cramer	Y	N	Y	N	Y	Y
6 Erdreich	Y	Y	Y	N	Y	Y
7 Harris	Y	N	Y	N	Y	Y

ALASKA

Al Young	N	Y	Y	N	Y	Y
----------	---	---	---	---	---	---

ARIZONA

1 Rhodes	Y	Y	Y	N	Y	Y
2 Pastor	Y	N	Y	N	N	N
3 Stump	N	Y	Y	N	Y	Y
4 Kyl	N	Y	Y	N	Y	Y
5 Kolbe	N	Y	Y	N	Y	Y

ARKANSAS

1 Alexander	?	N	N	N	N	N
2 Thornton	Y	N	Y	N	N	N
3 Hammerschmidt	Y	Y	Y	N	Y	Y
4 Anthony	?	?	?	?	Y	Y

CALIFORNIA

1 Riggs	N	Y	Y	N	Y	Y
2 Heger	N	Y	Y	N	Y	Y
3 Matsui	Y	N	N	N	N	N
4 Fazio	Y	N	N	Y	N	N
5 Pelosi	Y	N	N	N	N	N
6 Boxer	Y	N	N	Y	N	N
7 Miller	Y	N	N	N	N	N
8 Dellums	Y	N	N	N	N	N
9 Stark	Y	N	N	N	N	N
10 Edwards	Y	N	N	N	N	N
11 Lantos	Y	N	Y	N	N	N
12 Campbell	N	Y	N	Y	Y	Y
13 Mineta	Y	N	N	N	N	N
14 Doolittle	N	Y	Y	N	Y	Y
15 Condit	Y	Y	Y	N	Y	Y
16 Panetta	Y	N	N	N	N	N
17 Dooley	Y	N	N	N	Y	Y
18 Lehman	Y	N	N	N	N	N
19 Lagomarsino	N	Y	Y	N	Y	Y
20 Thomas	N	Y	Y	N	Y	Y
21 Gallegly	N	Y	Y	N	Y	Y
22 Moorhead	N	Y	Y	N	Y	Y
23 Beilenson	Y	N	N	N	N	N
24 Waxman	Y	N	N	N	N	N
25 Roybal	Y	N	N	N	N	N
26 Berman	Y	N	N	N	N	N
27 Levine	Y	N	N	N	N	N
28 Dixon	?	N	N	N	N	N
29 Waters	?	N	N	N	N	N
30 Martinez	Y	N	N	N	N	N
31 Dymally	Y	N	N	N	N	N
32 Anderson	Y	N	N	N	Y	Y
33 Dreier	Y	Y	Y	N	Y	Y
34 Torres	Y	N	Y	N	N	N
35 Lewis	N	Y	Y	N	Y	Y
36 Brown	Y	N	Y	N	Y	N
37 McCandless	N	Y	N	Y	Y	Y
38 Dornan	?	Y	Y	N	Y	Y
39 Dannemeyer	N	Y	Y	N	Y	Y
40 Cox	?	Y	Y	N	Y	Y
41 Lowery	N	Y	Y	N	Y	Y

ND Northern Democrats SD Southern Democrats

October 29, 1990

MEMORANDUM FOR CHRISS WINSTON
ALL SPEECHWRITERS
ALL RESEARCHERS

FROM: ED McNALLY

SUBJECT: SACRED COW-ABUNGA & THE PORK-BARREL POLKA

Earlier today, you may have heard Mark Lange's classic phrase for what the Lawrence Welk museum represents -- Congress' "Pork Barrel Polka," dancing around the issues.

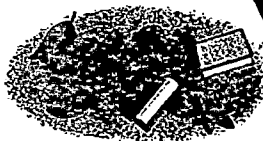
Attached are copies of articles from today's issues of Time and U.S. News and World Report, detailing some of Congress' last minute outrages -- some pork-barrel, some sacred cows.

Two stand out in particular:

- o U.S. News' notes that Congress has recently voted itself a pay raise that now puts them in the very tax bracket that -- under the new budget -- is set to decrease by two percent.
- o The \$375,000 for a facelift of the House beauty parlor -- matched by \$250,000 to study the best placement for T.V. lights on the Senate floor -- rank up there with Lawrence Welk. ("These are cosmetic changes, all smoke and mirrors. But it's going to take more than a beauty parlor facelift and a change in lighting to hide the ugly truth from the American people...")

CALENDAR

The \$15.5 billion publishing industry is counting on history this fall as it unleashes its new books. In past economic slumps, Americans kept buying books, and so far sales this year are up 15 percent over the same period last year. Simon & Schuster was so hot for Ronald Reagan's memoirs that it reportedly paid \$5 million for his speeches plus *An American Life: The Autobiography*, set for release November 5. Steven Spielberg created a \$2 million man by shelling out that sweet sum for movie rights to Michael Crichton's high-tech thriller *Jurassic Park*—available November 20. Bad news in the Persian Gulf is good for publishers. Sales of apocalyptic books at B. Dalton and Barnes & Noble are up nearly 50 percent since August. Religious and prophecy books have also been boosted.

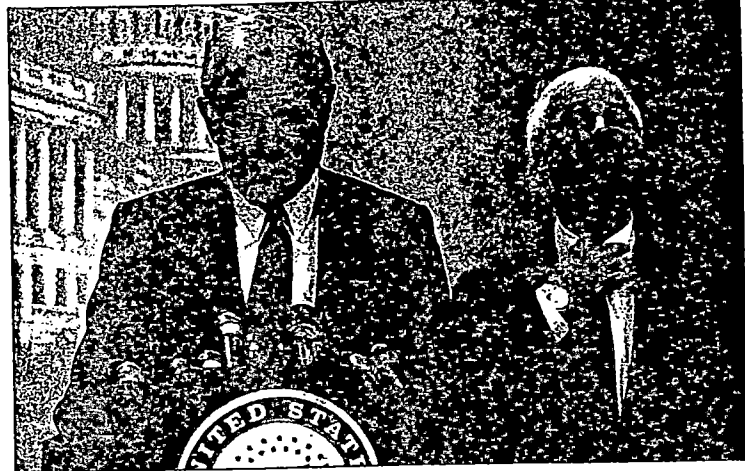


DATABASE

Total books sold (billions)
1989: 2.1 1988: 2.0 1982: 1.9
Percentage that were fiction
last year 10%
Average buys last year, by sex
Men: 10.6 each Women: 12.0
Average hardback price
Fiction: \$18.44 Nonfiction: \$32.46
Breakdown of fiction sold
Mystery books: 17% Romance: 15%
Science fiction: 9%
Occult: 4% Westerns: 3%
All other: 52%
Best-selling authors in 1989
(hardback)
Danielle Steel 2.3 million
Tom Clancy 1.6 million
Stephen King 1.5 million
Time teenagers spend daily
Reading: 1 hour, 48 minutes
Watching TV: 3 hours, 11 minutes
Americans who say reading is
favorite evening pastime
1988: 10% 1938: 21%
Advance reportedly paid to Nancy
Reagan for *My Turn*, \$2 million

BY JO ANN TOOLEY

U.S. NEWS



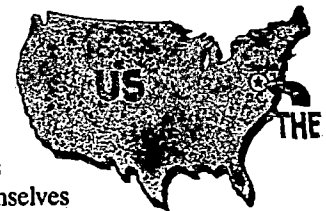
On hold. "Keating Five" Senators Glenn and McCain

FOOLS ON THE HILL

In their haste to get out of Washington after one of their most embarrassing political seasons, the men and women of Capitol Hill did some good, like passing the first clean-air bill for 13 years (see page 28), and a whole lot that was not so good. Members were quick to protect their own, too. The Senate ethics committee conveniently delayed until after elections the most politically charged case it has ever had. Because the so-called Keating Five, five senators under investigation for their dealings with indicted S&L executive Charles Keating, will be kept on hold until after November 6, members of the ethics panel up for re-election can more easily duck questions about how far lawmakers should go to aid constituents like Keating. The committee also refused to release a report by its special counsel that reportedly clears the lone Republican, Arizona's John McCain, as well as Ohio's John Glenn.

More egregious is some of the last-minute pork lawmakers were tucking into several bills. Examples? Nineteen million dollars to study the methane emissions from the flatulence of cows and other barnyard animals, \$375,000 for a facelift for the House beauty parlor and an additional \$250,000 to study the best placement of television lighting on the Senate floor. The biggest beneficiaries of the congressional largess seem to be the members themselves. Having voted themselves raises, legislators will find they are in the very tax bracket now set to decrease by 2 percent. As a result of the cut, lawmakers could pick up a tidy \$1,000 in new tax breaks. With deep deficits and a looming recession, taxpayers will be paying for the pork and pay raises for some time to come. Probably until the ladies and gentlemen of the Congress come up with some more surprises.

America's Two-Party System:



DOWNHILL RUN: U.S.-ISRAELI RELATIONS

The killings at Jerusalem's Temple Mount are doing more damage to already strained U.S.-Israeli relations than was expected. A controversial Israeli report on the incident was published on the heels of a second U.S. vote in the United Nations Security Council supporting criticism of Israel for failing to cooperate with an international investigation of the shootings. Relations between Israeli Prime Minister Yitzhak Shamir and President Bush can hardly get more frosty. And as tensions between Arabs and Jews in Jerusalem worsen, with Israeli soldiers sealing off the city to all Arabs from the West Bank and Gaza, attacks by both sides show no sign of letting up. With no peace process under way, and no dialogue between the two sides, the violence could grow even worse, widening the gulf between Washington and Jerusalem still further.

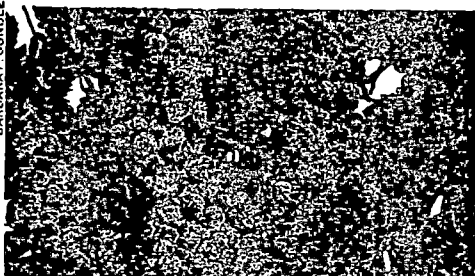
A Little Help for Some Friends

When big contributors need a tax break, Congress can oblige

When Congress took up its deficit-reduction package last week, few of the legislators knew precisely what they were voting for. Buried in the 1,000 or more pages were dozens of mysterious provisions inserted by key lawmakers during closed-door committee sessions. Known euphemistically as "rifle shots," they are lucrative tax breaks for legislators' home-state industries and

campaign contributors. They will cost the Treasury untold millions in lost revenue. In most cases, the provisions are so artfully worded that not even tax experts or congressional aides can determine for certain which companies or industries will benefit from them. Pending eventual publication of all the fine print, word leaked out on a handful of special favors for those who gave.

THE DEVIL IS IN THE DETAILS



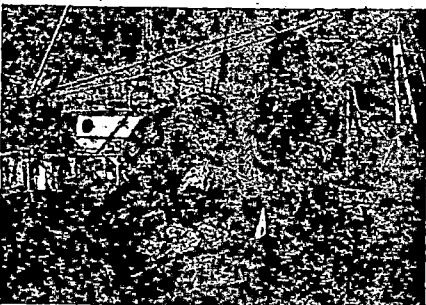
BARBARA F. GUNDEL



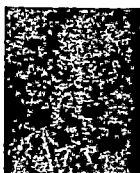
DIANA WALKER

A VINTAGE DEAL

Republican Bob Packwood responded to pleas from the Oregon Winegrowers' Association to fight an 18¢-per-bottle tax increase on wine. Packwood delivered: vineyards that produce less than 150,000 gal. a year will be exempt from the increase, and those that turn out up to 250,000 gal. will be partly spared. Roughly 1,000 of the 1,400 wineries in the nation, including 80 in Oregon, will get the breaks. Packwood has received \$7,000 from the industry's political-action committees (PACs).



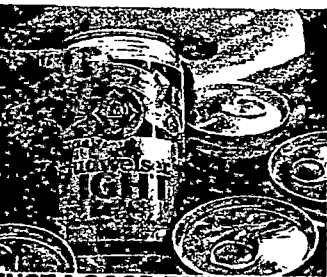
RICK FRIEDMAN—BLACK STAR



RICHARD WATSON

A NICE CATCH

Commercial fishing is important in Democratic Congressman Gerry Studds' Massachusetts district. Starting in 1988, owners of small fishing boats who pay crewmen with a share of the catch were required to withhold income tax and Social Security fees. Studds arranged to restore the crews' previous immunity from withholding, which means they may not fully pay their taxes. He has collected \$10,475 from fishing PACs.



TONY FERRARO—PHOTOGRAPHIC RESOURCES



TERRY ASHE

JUST A GOOD BUD-DY

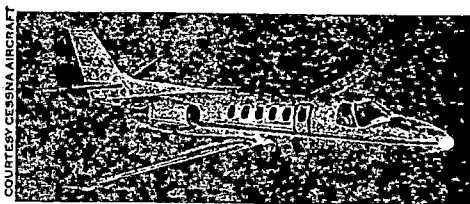
House Democratic leader Dick Gephardt is a defender of Joe Six-Pack, who would have been stung by a Republican proposal to raise the excise tax on beer to 32¢ a pack. But Gephardt has another reason to be one of the boys: Anheuser-Busch Co. headquarters are in his St. Louis district. Gephardt bellied up to the task of holding the beer tax to 16¢ per six-pack. He has received \$12,850 from beer industry PACs.



ASHE



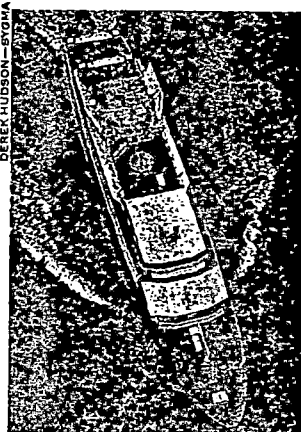
KORCHER



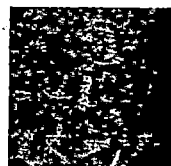
COURTESY CESSNA AIRCRAFT

FLYING WITH BOB

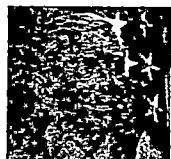
Senate Republican leader Bob Dole has two builders of small aircraft, Cessna and Beech, in his state of Kansas. They employ 12,300 people and contribute more than \$1 billion to the state's economy. Thus when a 10% tax on the purchase of all small planes was proposed, Dole took off. He got the surcharge limited to those costing more than \$250,000, which exempts virtually all of the ones built in his state. Dole has received at least \$4,250 from the two manufacturers. Dole also got special treatment for an old friend—Dwayne Andreas, president of the Archer-Daniels-Midland Co. ADM produces 70% of the country's ethanol, a gasoline substitute distilled from corn. The Senator protected an existing 60¢-per-gal. tax credit that goes to the firms that turn the ethanol into the gasohol used in cars. Andreas and ADM's PAC have contributed \$10,000 to Dole.



DEREK HUDSON—EVING



ASHE



ASHE



ASHE

RIGGING THE YACHTS

A plan to slap a similar luxury tax on almost all yachts alarmed boat builders all the way from Maine to Texas. So they turned to many coastal-state legislators, including such congressional powers as Senate Democratic leader George Mitchell, top, and Texas' two Senators, Democrat Lloyd Bentsen, left, and Republican Phil Gramm, for assistance. The pressure on the lawmakers was highly effective; the additional tax will apply only to yachts with price tags higher than \$100,000.

The Washington Post

Sec
A
B
B9
C
Detail

SUNDAY, OCTOBER 21, 1990

Prices May
Metropolitan W

Use
Missiles
Pose Threat

Jeffrey Smith
Washington Post Staff Writer
ary forces are begin-
how to operate sophis-
Hawk anti-aircraft mis-
siles that were captured
and brought back to the
Iraqis, U.S. officials and
analysts disclosed last

ment has aroused con-
cern over the Iraqis captured
the highly accurate mis-
siles in the hands of properly
trained technicians, could
pose a potential threat to U.S. and
allied military air-

region have no ready
protection against the
Iraqis, the officials said.

U.S. concerns stem-
ming from the initial Aug. 2 capture
of the missiles were intensified last
week when electronic intelligence
from the region detected
characteristic signs of
Iraqi cooperation at a special
meeting to discuss air-defense equipment

emanations indicated
Iraqis "playing around" with
the missiles, as one official
said. The missile still remains weeks
away from actually deploy-

ing. Officials two weeks ago
dismissed any possibility
that the Iraqis could operate the
missiles, a senior U.S. official
said. He was not identified
but said that "in a while, the
Iraqis will know how" to use them
and that U.S. aircraft are not
likely to defeat the systems.

Officials familiar with mil-
itary operations agreed and said

WASHINGTON POST 10-21-90

Austerity Also Brings A Windfall

Appropriators Guard 'Discretionary' Funds

By Dan Morgan
Washington Post Staff Writer

At times during last week's House-Senate conference on the 1991 transportation appropriations bill it seemed as if someone had forgotten to tell members there was a budget crisis.

During a session chaired by Sen. Frank R. Lautenberg (D-N.J.), the bipartisan conferees approved a \$2.5 billion, 18.8 percent increase in federal aid to states for highway and bridge construction; channeled \$125 million to the electrification of the Northeast rail corridor between New Haven and Boston; and directed the Department of Transportation to spend more than \$30 million to study magnetic levitation trains and "intelligent" cars.

They threw in \$1 million to develop a "national transportation policy" on bicycling and walking, noting the potential in energy savings and reduced traffic congestion. "You have to leave room for the new, with some uncertainty of where it leads you," said Rep. Martin Olav Sabo (D-Minn.), a sponsor of the bike proposal.

Such scenes are part of a little-noticed story in this month's budget debacle. While defense spending and automatic benefits such as Medicare and farm programs were slashed by the deficit-reduction agreement between the White

See SPEND, A6, Col. 1



BY CRAIG HERNDON—THE WASHINGTON POST

BRINGING IN NEW TAX PLAN

Budget director Richard G. Darman, left, and White House Chief of Staff John H. Sununu arrive at Capitol to confer on a budget proposal backed by the White House that would raise the income tax rate on the wealthiest Americans without demanding a capital gains rate cut. Story on Page A14.

R
A
In
2 L
Are
In C

FO
20—
acqui
day
garde
art.
Th
men,
fore
they
that
come
"In
verna
erly
admir
her n
jitter
did it
talk."
"Th
see c
Van
couns
go to
Th
for i
freed
convic
store
album
Be."
mont
were
for e
plic
ple

For Congressional Appropriators, a Small Windfall Amid Austerity

SPEND, From A1

House and Congress, the Appropriations committees came away with a small windfall.

Predictably, a healthy chunk of it is going to home-state projects of influential committee members. But the fattened appropriations coffers have also allowed the committees to address new issues and start rebuilding old, proven programs that fell on lean times in the Reagan years.

There is money to study global warming and the health impact of high power transmission lines on humans. The budget of the Environmental Protection Agency is to grow by 19 percent, and the space program was restructured to provide more money for probes to monitor the Earth's ecology.

The 13 major national laboratories that are the core of American scientific prowess got increases of as much as 18 percent. Despite talk of austerity, the appropriators found money to continue funding the exotic and the futuristic, from the Search for Extraterrestrial Intelligence to the CRAF-Cassini probes that will meet up with a comet and visit Saturn later in the decade.

There will be much more money for

some of the old meat-and-potatoes programs: a \$554 million, 27 percent increase in the Headstart preschool program; \$1 billion more than last year for education programs for the disadvantaged; a commitment to build 10,000 public housing units; and funding for two new Department of Veterans Affairs nursing homes.

The relatively flush position of the Appropriations committees in the final days of the session results from the tenacity and power of a few influential members during last summer's budget negotiations, and the relentless spending pressures on both parties.

Senate Appropriations Committee Chairman Robert C. Byrd (D-W.Va.) recently described nonmilitary domestic spending as the "little runt pig" of the budget that has been "on the cutting table for 10 years."

The \$182.7 billion available in 1991 represents only about 13 percent of the budget, compared with nearly 25 percent in the late 1970s. Its share of gross national product has slipped, too, from around 6 percent to close to 4 percent.

This is the "discretionary" pool of money that Congress has to finance the nondefense operations of government, and most federal

support for science, health, space, environmental protection, waste cleanup, health, education, law enforcement and infrastructure.

In last summer's deficit-reduction negotiations, Byrd reportedly fought relentlessly to prevent a further raid on this domestic pot. In private and public, he gave the same

Fattened coffers permit panels to address new issues and start rebuilding old, proven programs.

speech: "It's time we started spending some money on this country."

That view is reflected in the deal that emerged from the summit and that is being revised on Capitol Hill. The deficit will be reduced by \$500 billion over the next five years, through tax increases and cuts in au-

tomatic benefit programs. But none of the cuts will come from the pool of "discretionary" domestic funds controlled by Byrd and his House counterpart, Appropriations Committee Chairman Jamie L. Whitten (D-Miss.).

This pool of money will grow at the inflation rate until fiscal 1994, when the appropriators will be free to increase it further by "raiding" defense accounts under their control.

The \$182.7 billion available for 1991 already reflects a small "peace dividend," because the summeers allowed the appropriators to reallocate the defense cuts to the domestic side. The domestic pot for 1991 is about 10 percent bigger than the \$166 billion in 1990, though inflation eats away some of the increase, as does a special \$7.5 billion expenditure to renew expiring leases on subsidized federal housing.

The package before Congress also protects the Appropriations committees from having to absorb the costs of Operation Desert Shield in the Persian Gulf. It will be paid for in a special appropriation next year.

Neither the White House nor congressional Republicans had much heart for further cuts in domestic accounts, sources

said. The White House wants to channel more resources to the National Aeronautics and Space Administration, whose facilities are concentrated in Sun Belt states that could be important to President Bush's 1992 reelection. Meanwhile, most House and Senate Republicans agree with Democrats that government needs to invest more in the nation's infrastructure, education and industrial competitiveness.

The resulting appropriations bills contain more money for space. But there is also more for social programs that slipped far down the priority ladder during the Reagan era.

Few have come away fully satisfied. Lobbyists say there is still far too little money for education, health, environmental cleanup, consumer protection and alternative energy. Money for the atom-smashing Superconducting Super Collider in Texas was cut at the last minute by \$75 million and the allocation for the space station was reduced sharply. The space station cuts drew a protest from Sen. Jake Garn (R-Utah), who has flown on a shuttle mission.

But the \$243 million for the super collider

See SPEND, A7, Col. 1

F a l l 1 9 9 0

First hand beauty...

SOIN PROGRESSIF DES MAINS BY

lançôme, paris



1ST STORY of Level 1 printed in FULL format.

Copyright (c) 1990 News World Communications Inc.;
The Washington Times

October 22, 1990, Monday, Final Edition

SECTION: Part A; Pg. A1

LENGTH: 528 words

HEADLINE: Top congressmen fill 'em up free

BYLINE: Paul M. Rodriguez; THE WASHINGTON TIMES

BODY:

Congressional leaders working to sock American motorists with a hefty gas tax increase aren't worrying about the impact on their own wallets:

They're filling up their limos - for free - at a hideaway gas pump on a side street on Capitol Hill.

The single non-partisan pump is reserved exclusively for the top brass in Congress, including House Speaker Thomas Foley, Majority Leader Richard Gephardt and Senate Majority Leader George Mitchell, all Democrats; and Minority Leader Robert Dole, Minority Leader Robert Michel and Minority Whip Newt Gingrich, all Republicans.

Those entitled to the free gasoline, along with the free and subsidized meals, gymnasiums, cut-rate hair cuts and shoe repairs that everyone in Congress gets, also ride in top-of-the-line limos, often furnished with drivers.

Elsewhere in Washington and the suburbs, motorists paid about \$1.41 a gallon on average last week, according to the American Automobile Association. Prices ran as high as \$1.65 at local self-serve pumps.

The congressional gas station is nothing fancy - one pump housed in a small shack on a vacant lot on E Street SE between First and South Capitol Streets. It's open from 7 a.m. to 3 p.m. seven days a week.

Though it's supposed to be for official use only, congressional sources say there have been complaints of unauthorized use of the free gas by members and aides who drive up in personal automobiles and fill up.

Bills for gas taken at the pump, at about \$1 a gallon, are sent to and paid by the officials' offices. On top of the unlocked, unmanned gas pump is a clipboard on which users are supposed to sign in. Nearby is a cardboard box with forms to fill out showing the amount of gas taken and the office the bill should be sent to.

Among the offices to which gas was charged yesterday were those of Messrs. Foley, Gephardt, Michel and Gingrich. There also were charges signed for the Capitol post office, the Capitol Police and the Architect of the Capitol, who runs the pump and buys the gas on long-term contracts to hold down the cost.

(c) 1990 The Washington Times, October 22, 1990

How well the "honor system" for billing works couldn't be determined right away, but handfuls of receipts had been dumped in a nearby trash can along with newspapers, litter from carry-outs, soda cans and cigarette butts.

"Only a handful of the senior members of the House and Senate get use of the congressional fleet and special drivers," says a congressional official, who asked not to be named because of the touchy subject of congressional perks.

A few lesser congressional employees also use Capitol-owned cars, such as the two sergeants-at-arms, the two or three men who run housekeeping services and the Capitol physician.

In all, say congressional officials, about 300 vehicles are owned or leased by Congress and most belong to the Capitol Police. Most of the rest are vans and trucks and low-priced cars used for general purposes maintenance and deliveries.

In this inventory, however, are the limousines: top-of-the-line Lincoln Continentals, Cadillacs and Chryslers for the congressional leaders.

GRAPHIC: Photo (color), This pump, hidden in a shack, is operated on the honor system, thus allowing many top brass to fill up their personal vehicles for free. By The Washington Times; Photo, Congress' top brass can drive up to the pump shack, on E Street, fill up their tanks and leave, validating their usage by just signing a sheet. By Ruth Fremson/The Washington Times

IT'S YOUR MONEY

Politicians grant themselves and civil servants fat retirement benefits—and us the trillion-dollar tab

How Bureaucrats Pad Their Pensions

Condensed from WASHINGTON MONTHLY

MATTHEW COOPER

SINCE 1975, Hastings Keith has been trying to stir up public concern about exorbitant government pensions; his own benefits dramatically exemplify their excesses. The 74-year-old ex-Congressman began his career as a fed in the military. In 1958 he was elected to Congress from Massachusetts, and in 1972 he retired. He was only 57.

Because of cost-of-living increases—"cost of luxury increases," Keith dubs them—his civil-service retirement is up to \$55,260 a year. But as they say on the TV game shows: "Wait! That's not all!" Each year he collects \$14,520 in military benefits, \$12,432 from So-

cial Security and another \$8196 in survivor benefits (after his wife—also a retired civil servant—died). His annual take: \$90,400. In 17 years, Keith has received more than \$800,000 from the federal government without working a day.

But Keith's take is moderate compared with that of other ex-Congressmen. Jim Wright, after his questionable book and oil-well deals were exposed, resigned as Speaker of the House in shame—and in the money. The Texan's Congressional pension is calculated at 80 percent of his final three years' salary. The pension now is \$88,212 a year, and his total lifetime benefits will likely approach \$2 million.

Reader's Digest
10/90

Wright's predecessors aren't faring too badly either. Tip O'Neill of Massachusetts receives an annual pension of \$65,640; Carl Albert of Oklahoma takes down around \$100,000.

Retired Senator J. William Fulbright of Arkansas receives about \$75,000, while Barry Goldwater of Arizona gets \$66,900. Perhaps the all-time champion is former Senate Majority Leader Mike Mansfield of Montana. He receives more than \$136,000 annually.

The National Taxpayers Union found that at least 160 of the over 350 retired Congressmen currently getting benefits can expect to collect more than \$1 million each. And over one-third of these receive more annually than they earned in Congress.

Unfunded Needs. The federal government spent \$54 billion on retirement and disability programs for its employees in the fiscal year 1990. That's more than it spent on Aid to Families with Dependent Children, and Food Stamps, and consumer safety, and AIDS research and treatment, and hazardous-waste cleanup, and low-income housing *combined*.

Even more alarming is the extent to which public-employee pensions will soak up future budgets. It's a financial time bomb waiting to go off.

If you or I were providing for our own retirement, we would regularly set aside sums that would grow enough to cover our needs once we stopped working. It should

be the same with public retirement plans, but it isn't.

Any difference between what we save and what we are going to need is called an "unfunded liability." The unfunded liabilities of federal retirement programs—taking into account employees already retired and those likely to retire—are stunning. They're much higher than the estimated \$90 billion to \$130 billion it would cost the government today to bail out the troubled savings-and-loan industry. They total more than \$486 billion just for the Civil Service Retirement System, the pension plan that covers 65 percent of federal workers. Combined with programs for military, railroad and other federal retirees, the unfunded liabilities now top one *trillion* dollars.

And that's just the federal tab. Most of the 6000 state, county and local-government pension plans also carry unfunded liabilities. A 1988 survey of the 371 largest state and municipal pension funds showed their total unfunded liabilities to be \$127 billion.

To be sure, these huge unfunded liabilities can be spread out over decades. But we're still footing the bill. Governments must either begin paying more toward their pension liabilities now or continue to carry them forward unfunded. In 1984 the Grace Commission on cost control found that to amortize the liability of the Civil Service Retirement System over 40 years would require spending almost as much

annually on retirees as on current employees.

In contrast, only 20 percent of private pensions have unfunded liabilities. By law, private systems must follow minimum funding rules set up by the federal government—rules that public pensions are exempt from.

Incredible Deals. Government pensions were designed to compensate for what were originally low salaries, as well as for the dangers faced by soldiers. But pension costs kept going out of sight even when salaries got better and no real dangers were faced. How did the simple idea of a fair government pension get so fouled up?

Here's how. First, public pensions are generous in the extreme. The average private pensioner can expect to earn \$200,000 during his retirement; the average federal civil servant about \$700,000.

Another way to gauge a pension is to see how much of your highest salary you get back annually in retirement. A study by the Bureau of Labor Statistics of medium and large private companies that employed 100 employees or more found that, after 30 years' service, retirees average 27 percent of their top salaries. By contrast, civil-service retirees in the same category average 53 percent—nearly twice as much.

State governments can be profligate too. In Florida the average civil servant can retire after 30 years and receive 48 percent of the aver-

age of his five peak salary years. This is nothing compared with the pensions for elected officials, who can retire after 30 years with up to 99.9 percent of salary. Under pressure from public-employee unions, Florida has continued to up the ante—recently, police and fire pensions were boosted 50 percent. Come 1993, law-enforcement officers and firefighters will enjoy the same pension levels as elected officials. (They already have the option of retiring with a pension after ten years.)

A public employee can latch onto such incredibly good deals at an absurdly young age. Normally, full civil-service pensions kick in after 30 working years—usually around age 56. In 1987 there were 343,288 civil servants in their 50s receiving full benefits.

Should we really be supporting the equivalent of a city the size of Miami full of retirees in their 50s? In most private plans, walk away in your 50s and you suffer a significant financial penalty.

With military pensions, the problem is even worse. They take effect after just 20 years. Since many service members enlist immediately after high school, they can start getting full benefits at age 37 or 38.

One-third of all career military personnel retire in their 30s. The average age of a retiring service member is 44—younger than Rolling Stones guitarist Keith Richards. Because of early retirement, a vet-

eran can receive *ten times* more pension income over his lifetime than a private pensioner.

These excessively early retirements create longer and hence larger payouts to retirees. They also make it possible for people to pursue a whole new career that will end with yet another government pension.

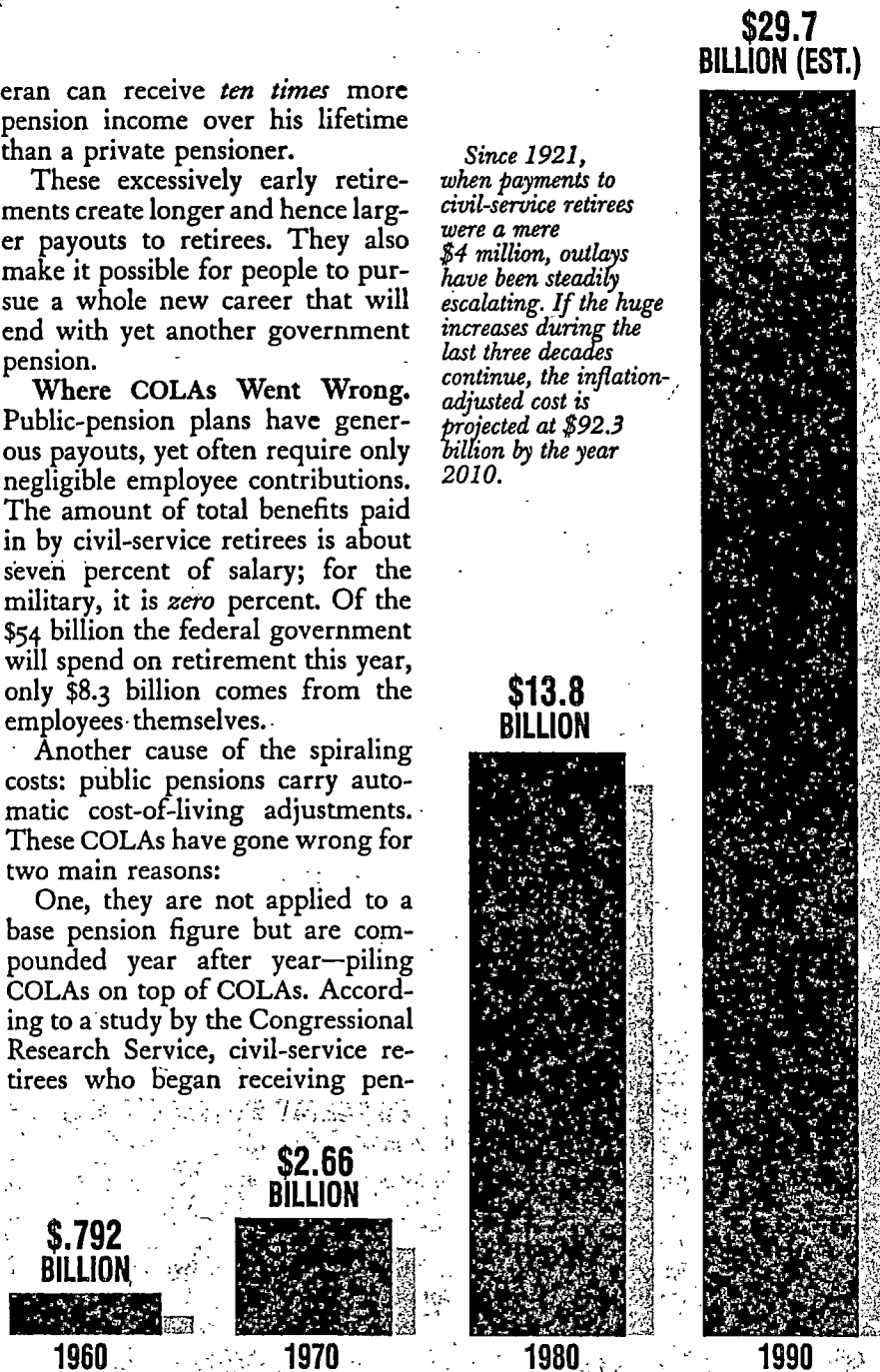
Where COLAs Went Wrong.

Public-pension plans have generous payouts, yet often require only negligible employee contributions. The amount of total benefits paid in by civil-service retirees is about seven percent of salary; for the military, it is *zero* percent. Of the \$54 billion the federal government will spend on retirement this year, only \$8.3 billion comes from the employees themselves.

Another cause of the spiraling costs: public pensions carry automatic cost-of-living adjustments. These COLAs have gone wrong for two main reasons:

One, they are not applied to a base pension figure but are compounded year after year—piling COLAs on top of COLAs. According to a study by the Congressional Research Service, civil-service retirees who began receiving pen-

Since 1921, when payments to civil-service retirees were a mere \$4 million, outlays have been steadily escalating. If the huge increases during the last three decades continue, the inflation-adjusted cost is projected at \$92.3 billion by the year 2010.



sions in 1970 have seen their pensions more than triple in the past 20 years because of annual COLAs.

Two, COLAs are applied to every government pensioner's take—no matter how lavish—instead of being focused on people who need anti-inflation protection. Moreover, why should all federal retirees be inflation-protected when many other Americans in greater need are not? Virtually no private pension systems provide COLAs.

Estimates show that COLAs now account for 56 percent of all federal pension payouts. Because of these adjustments, up to half a million federal retirees make more now than when they were working.

Politics makes the problem worse. Retired federal employees form a huge, well-organized bloc of two million voters. Recently, the National Association of Retired Federal Employees helped shoot down a Bush Administration proposal to pare COLA provisions. Boasting over 510,000 members, the federal retirees' group was the fifth largest contributor (among 4268 Political Action Committees) to federal campaigns during the last Presidential election cycle.

No More Free Rides. Some pension reforms have been started. Since 1986, new civil servants have

had the option of making higher contributions toward their own pensions, and they are rewarded with matching funds if they decide to do so.

This is a small step in the right direction. But we can and must do more.

Our public servants must admit that fat sums of the Mike Mansfield variety are a perversion of the basic idea of a pension. No more free rides—pensioners should be required to make meaningful contributions to their own futures. And no more across-the-board or compounded COLAs.

Most important, no more handsome retirement benefits after ten or 20 years.

The tab for the billions of dollars of government pensions may well outstrip the cost of the S&L bailout. Yet at this point, like S&L officials before them, politicians seem to be hoping the pension problem won't draw notice until it's so gargantuan that drastic help will have to be provided from outside the system. That means from taxpayers, of course.

If you want to do something about the public-pension problem, contact your elected representatives, both national and local.

Reprints of this article are available. See page 198.

NO WONDER KIDS TODAY can't spell. They're surrounded by signs like: "Suzi's All-Nite E-Z Drive-Thru Donut Shoppe."

—Dave Barry in *Tropic Magazine*

Paul C
Wh
drug, c
power
ever is
rialists,
forth.
public
known
death of
Depart
two-thir
from sta
serious c
The s
radiation
criminal
and we c

James A.
If you
customs,
the peop
home. Yo
into wate
surface, bu

Andy Roo
For mos
happens. I
and worki
and sitting
ily or frie
you're not
someone b
happiness o
new job, h
flawlessly h

Washington Post
Style Section
Personalities Column
10/23/90

Congress can't find its way clear to agree on a budget, but it has been able to come up with half a million dollars to make a tourist attraction out of former bandleader Lawrence Welk's Strasburg, N.D., birthplace. The money, included in the fiscal 1991 agriculture appropriation bill now on its way to the White House, is part of a program intended to help rural communities develop new businesses. "That's right, 'Ah one, ah two, ah three, ah four, ah half a million dollars," said Rep. Silvio Conte (R-Mass.), mimicking the way Welk used to direct his orchestra. Conte went on record as opposing the funding.



Republican
National
Committee

90 OCT 24 All: 51

FACSIMILE TRANSMISSION

DATE: 10/24/90

TO: MARK DAVIS / CAROL BLYMEIER

FAX NUMBER: (202) 456-6218

FROM: JACK PITNEY

NUMBER OF PAGES (INCLUDING COVER SHEET): 13

IF ALL PAGES ARE NOT RECEIVED, PLEASE CALL (202) 863-8550.

13 : 11A 13 TOO 03

House finds urgent need: \$375,000 for beauty shop

By Dan Fesperman
Washington Bureau of The Sun

B. H. S. W.
10-24-80
A1

WASHINGTON — In this year of higher taxes and national parsimony, there are some items Congress wants to buy for itself that have been deemed too vital to give up.

There's the renovation of the House of Representatives Beauty Parlor, for one, which would cost \$375,000.

There's the pilot program for video-conferencing, for another — a \$130,000 project that could turn into another advantage of incumbency. Some day it may allow lawmakers to appear on video screens in their home districts when they're too busy

to go home, as they are now, two weeks before Election Day.

There's also, to name a few more:
□ \$2 million to renovate the kitchen and members' dining area of the House restaurant in the Capitol.

□ \$25,000 to study where to put a gymnasium for congressional staff (members already have their own).

□ \$40,000 to replace trash cans.

And buried within the overall \$1.7 billion cost of keeping Congress running another year — up from last year's tab of \$1.54 billion — will be perhaps the steepest increase of all: the nearly \$30,000-per-member House pay raise — from \$96,600 to about \$125,000 — which glides into

See CONGRESS, 6A, Col. 1

6A □□

In tight budget

CONGRESS, from 1A

the new budget as a "permanent appropriation" passed last year and is not subject to challenge. Total cost: \$12.25 million.

The funding for the beauty shop, restaurant, gymnasium study, trash cans and pay raise were not approved separately. It was wrapped into the House legislative appropriations bill, which was passed on a roll call vote.

(As of yesterday evening, the Senate had not yet passed its own version of the legislative appropriations bill, and its action will add further expenses pertaining to the Senate only. Differences in the plans will be

worked out in a conference committee; generally, the two chambers leave each other's pet items alone.)

Part of the reason for the growth of the congressional budget, besides the pay raise, is inflation and leftover postage bills from last year. But there are also the little extras, like the beauty parlor renovation, one of the few items to spark any debate when the House approved its own appropriations last Sunday.

Representative Harris W. Fawell, R-Ill., set off more than an hour of debate on the matter when he offered an amendment to cut the money. It was a move that didn't seem to please House leaders.

In the subcommittee report on

legislative appropriations, the beauty parlor item (which was originally \$55,000 higher) had appeared only as "\$430,000 to remodel certain Cannon building space." (The beauty parlor is on the first floor of the Cannon House office building.) When Representative Fawell's amendment brought the item into the open, the subcommittee chairman, Representative Vic Fazio, D-Calif., said on the House floor, "I frankly wish this subject had not come up."

Mr. Fawell said yesterday that's because "when you question a perk, it's like taking candy from a baby."

In speaking to his colleagues, Mr. Fawell pointed out that operation of the beauty shop, a money loser the

past two years, had been subsidized by \$17,000 in government money those two years. The shop is not a private operation. Any profit at the end of the year goes to the general treasury.

Representative Mary Rose Oakar, D-Ohio, opposed the amendment, saying the House barbershop gets much greater subsidies (about \$110,000 last year) than does the beauty parlor. She said Mr. Fawell's proposal smacked of sexism.

Mr. Fawell, by now exasperated, said he didn't much like the barber-shop either. "I think most taxpayers would say we could get our hair cut or our hair fixed just like most of the people in America do."

But the amendment failed, and dying with it was his proposal to ax the \$25,000 for studying the site of a staff gym as well. His request for a roll call vote died for lack of support.

The House did, however, kill a \$500,000 study on whether to buy modular furniture after hearing that a similar study two years ago had concluded that such furniture, while nice, would cost too much.

The lawmakers also imposed limits on how much free mail they can send to their constituents, a practice that has drawn criticism as a disguised form of campaigning.

And then there was the matter of the pay raise.

When Representative James A.

Trafficant Jr., D-Ohio, rose to oppose the pay raise as part of a rambling tirade against foreign aid and other spending increases, Mr. Fazio quickly set him straight.

"I appreciate the gentleman's concern about burden sharing or the lack of reduction in foreign aid, et cetera," Mr. Fazio said. "I just wanted to clarify, though: There is no pay raise for members of Congress in this bill."

He then pointed out that the raise was locked in, as part of the Ethics Bill that was passed last year. Built into that bill was a clause stating that any later repeal of the pay raise would automatically void the ethics reforms that accompanied it.

THE SUN

Senate appropriations panel uses back door

TUESDAY, OCTOBER 16, 1990

to OK pork-barrel projects

By David Hess
Knight-Ridder News Service

WASHINGTON — When it comes to preserving the sanctity of the congressional pork barrel, the Senate rarely lacks for ingenuity — even in this era of tight budgets and fierce arguments over spending priorities.

Making a wide turn around restrictions imposed last year on pork-barrel projects, members of the Senate Appropriations Committee added \$50 million worth of home-state items to a massive spending bill by

creating a brand new category of federal grants.

The bill, now awaiting final action by a Senate-House conference committee, appropriates \$78.6 billion in fiscal year 1991 for housing, veterans, space and environmental programs. While the total cost of the home-state projects is small compared with the overall price of the bill, the money represents only a down payment on many of them. By the time they are completed, they will cost several times more than the amount provided in this year's bill.

The home-state projects, labeled "special purpose grants," are included in the housing section of the bill and circumvent an accord reached last year between lawmakers and Housing and Urban Development Secretary Jack Kemp. HUD was been wracked by scandal because of projects awarded by Mr. Kemp's predecessor to clients of "influence peddling" former officials and political consultants.

Under the accord, there was at least a tacit pledge by Congress not to load up the housing bill with ear-

marked projects that helped members bring home the bacon.

"Our understanding in the HUD reform bill, which was intended to eliminate many of the other abuses in [our] programs, was not to use the spending bill as a vehicle for these narrowly focused projects," a HUD spokesman said. "Now look what we've got."

What HUD got was a Senate bill with 27 pet projects sponsored by members of the appropriations panel.

For example, Sen. Jake Garn, R-

Utah, got \$500,000 in "seed money" to finance high-tech business in two cities. In all, Mr. Garn got four projects, worth \$1.75 million, for his state.

In addition, a 28th project was added on the Senate floor to move a charity-feeding kitchen in Kansas City, Kan., as a favor to Sen. Nancy L. Kassebaum, R-Kan., who is running for re-election.

Several other projects also appeared to be aimed at helping hard-pressed incumbents — including Sens. Carl Levin, D-Mich.; Tom Har-

kin, D-Iowa; Paul Simon, D-Ill.; David Pryor, D-Ark.; Jim Exon, D-Neb.; and Daniel K. Akaka, D-Hawaii — win re-election. Mr. Harkin is the only member of the committee.

Mr. Akaka got his projects courtesy of the committee's third-ranking Democrat, Hawaii Sen. Daniel K. Inouye: a \$1.2 million road and sewer project and a \$600,000 water system.

Angered by the Senate's action, Mr. Kemp may get the last laugh. As the bill stands now, the Bush administration is threatening to veto it.

WSJ 70-19-90, p A16

Tax Breaks for Special Groups Backed in Secret

By JEFFREY H. BIRNBAUM
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The House Ways and Means Committee has spent hours in secret sessions approving dozens of narrow-interest tax breaks that would benefit groups ranging from fishermen to nuclear-plant owners.

The exercise, which was suspended last evening, was characterized by the panel members mostly as an effort to appease the many lobbyists who have been begging their favorite lawmakers on the tax-writing committee for tax relief.

"It's strictly for outside interest," explained Rep. Raymond McGrath (R., N.Y.), referring to the lobbyists for whom amendments were pushed. "It was so we could say, 'We got your bill considered this year.'"

Others put a more pejorative slant on the event. "It was Santa's workshop in Oc-

tober," complained Rep. Thomas Downey (D., N.Y.).

It was unclear last night just how many narrow tax breaks were passed and how much they would cost. The committee, in a sharp departure from past practice, refused to provide any details about provisions adopted, even tentatively, at the session. Only the lobbyists who won benefits for their clients knew for sure what was adopted.

"There's nothing to report," a committee spokesman said. "There has not been a final action taken."

Conversations with lobbyists, lawmakers and aides suggest there were dozens of proposals that were at least tentatively adopted. These were accompanied by matching tax increases—meaning that there are companies, and probably individual taxpayers, that face a tax increase and don't know it.

They could learn soon, however. Lawmakers speculated that committee Chairman Dan Rostenkowski (D., Ill.) may pull some of these tax breaks out his pocket during budget negotiations with the Senate this weekend and quietly include them in the final deficit-reduction bill.

One major tax increase that aides said was tentatively approved would make it harder for individuals to deduct moving expenses. The plan would change to 100 miles from the current 35 miles the distance that someone would have to move before being allowed to deduct the expenses. The provision would raise an estimated \$1 billion over five years.

The greatest interest focused on the revenue losers, however. Aides said 28 amendments, labeled "relatively noncontroversial" in a staff document, were adopted.

According to the document, tax relief was given for the following groups: foreign and domestic insurance companies, private foundations, title-holding companies, tax-exempt bond underwriters, rental tuxedo stores, and crop dusters.

In addition, there were tax-cut provisions related to Guam, aviation-fuel distributors, partnerships, mutual funds and real estate transactions.

Some were obscure but intriguing, such as one that affected "estate tax treatment of certain short-term debt obligations held by nonresident aliens."

Aides warned that the description of the benefits might be incorrectly presented in the documents. But there wasn't anybody who could be, or was willing to be, more precise.

What's more, the initial 28 provisions were just the start. Lawmakers and lobbyists said the committee went on to approve many more amendments.

Earlier Accounting Seen For Retirement Benefits

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Companies may get an earlier-than-expected headache from a proposed ruling that would change their accounting for retirement benefits.

The accounting profession's rule-making body plans to require companies to reflect as current costs the future retirement benefits of employees, rather than accounting for them as they are actually paid. Yesterday, the Securities and Exchange Commission said companies may have to disclose in 1990 statements an estimate of such benefit costs for the years ahead, even though the proposed rule would not take effect until 1993. Such disclosure wouldn't affect the

1990 statements, but would serve as an early warning to investors.

The accounting rule is being proposed by the Financial Accounting Standards Board, a federally sanctioned, rule-making body for the accounting profession. FASB has indicated it would adopt the ruling by year end.

A 1987 SEC guideline requires companies to footnote any matter that might have a material affect on financial statements, including adoption of new accounting standards and the potential impact in dollar amounts. Accounting firms have estimated that the largest 1,000 companies in the U.S. could face an increase of as much as \$400 billion in current accounting for these benefits.

APn 10/19 0001 Pork Politics

Copyright, 1990. The Associated Press. All rights reserved.

By KIM I. MILLS

Associated Press Writer

WASHINGTON (AP) -- Sen. Alfonse D'Amato took to the Senate floor this week, scolding his colleagues for spending beyond their means.

"What about some fiscal discipline? What about a freeze?" the New York Republican demanded. "What about maybe a cut? What about eliminating some programs?"

Hours later, D'Amato's press secretary was on the phone giving reporters what has become the senator's nightly pork report -- i.e., a list of millions of dollars for New York projects won by D'Amato's legendary tenacity on the Appropriations Committee.

Is Congress trying to cut spending or bring home the bacon?

The answer is, both.

On the floors of the House and Senate, Congress has been debating proposals to reduce the budget deficit by \$500 billion over the next five years. Meanwhile, conference committees have been meeting to craft appropriations bills that will spend the government's money.

The timing could hardly look worse.

Just this week, one of the 13 Senate appropriations subcommittees received a wish list of 28,000 special projects from various senators, said Sen. Dale Bumpers, D-Ark.

"Those same senators then come in here with unctuous, pontificating statements about how, if we could just freeze this or that, we could get the deficit under control," Bumpers said on the Senate floor Wednesday.

And with elections less than a month away, members need to look fiscally tough at the same time as they're taking credit for this bridge or that veterans' hospital.

Take Rep. Doug Barnard Jr., a Georgia Democrat locked in a tense re-election race. On Tuesday, Barnard issued a press release saying he had voted against the House budget package because it would have hiked taxes by \$149 billion over five years.

"If the rest of the Congress had followed my lead and voted for across-the-board cuts and freezes to spending bills all year, we wouldn't be faced with trying to find massive cuts here at the 11th hour," he said.

The next day, Barnard issued another release bragging that Fort Gordon -- in his district -- will get \$10.6 million from federal coffers for a "soldier support center" that would consolidate all administrative offices.

The Army originally requested the money for fiscal 1992, Barnard noted, but he petitioned the House Appropriations Committee to fund the center a year sooner.

"Everybody wants to reduce the deficit but nobody wants to contribute to the reduction," Senate Minority Leader Bob Dole said earlier this week.

Yet, the Kansas Republican recently took credit for helping win \$28 million for military projects back home, as well as \$1 million to relocate a soup kitchen.

Wrong #

Of course, only the politically naive would expect a senator or congressman to give up money for a pet project, right?

Well, maybe not.

Last week, Rep. Carl Pursell, R-Mich., walked into the energy and water development appropriations conference and asked that \$3 million to clean up the Rouge River near Detroit be stricken from the bill, the money returned to the Treasury.

"As far as I know, it was an unprecedented move -- removing a project from a bill," Purcell said afterward on the House floor. "If each member of this body followed suit, and would give up any of their projects, the numbers would begin to become significant."

NYT
10-22-90
All

Congressional Budget Negotiators Take Care of Some Constituents

By SUSAN F. RASKY
Special to The New York Times

WASHINGTON, Oct. 21 — Buried in the House and Senate deficit reduction plans that would raise the taxes of nearly all Americans are special breaks to alleviate much of the burden for companies and industries fortunate enough to be represented by the handful of lawmakers negotiating the final compromises.

Thanks largely to the efforts of the Senate Majority Leader, George Mitchell of Maine, the UNUM Life Insurance Company of Portland, the largest private employer in the city, may pay a fraction of the new tax being imposed on the rest of the industry, and other insurers must take up the slack. Cost to other insurers? About \$1 billion over the next five years.

Taxes on wine would rise by 18 cents a bottle under the Senate bill and by 22 cents a bottle under the House version, but thanks to the efforts of Senator Bob Packwood, the senior Republican on the Senate Finance Committee, wineries that produce less than 200,000 gallons a year will not be affected. All of

Breaks for cigar makers, wineries and others.

the 80 wineries in Mr. Packwood's home state of Oregon happen to fall into that exempt category.

According to a senior Republican tax aide, all but 300 of the nation's 1,400 small- and medium-sized wineries also fall in that category. And since these wineries generally produce more expensive wines, this provision would exempt most of the high-priced wines in the country from the new levy.

Cost to the Treasury? Hundreds of millions of dollars over five years, the aide said.

Break on Big Cigars

And while higher tobacco taxes proposed in both the House and Senate bills will increase the price of cigarettes eight cents a pack by 1993, the cigar industry in Southern Florida won't feel as much of the bite if the House version prevails. Manufacturers of large cigars owe their break in the House bill, worth \$100 million over five years, to Representative Sam Gibbons, a Tampa Democrat who is a negotiator for the House Ways and Means Committee.

These carefully crafted tax provisions may change, of course, in the give and take of last-minute bargaining. And other deals will almost certainly emerge as negotiators look for ways to pick up the votes needed for approval of the deficit package.

But who wins and loses has a great deal to do with which players sit at the bargaining table.

In Congressional parlance, tax breaks narrowly targeted to a few companies or constituencies are known

as "rifle shots," and they are hardly a new phenomenon on Capitol Hill. Indeed, by past standards, there are relatively few of them in the House and Senate deficit measures.

But this year, when so much of the budget negotiating was handled by a small group of senior lawmakers, rank-and-file legislators and even senior members of the tax committees who have been left out of the horse-trading are furious.

"There are things all over the fine print that we keep finding out about at the eleventh hour," complained Senator Daniel Patrick Moynihan, a New York Democrat and a member of the Finance Committee negotiating team. Some House members think Mr. Moynihan has little to grouse about since the Finance Committee bill includes a provision he sponsored to aid very wealthy taxpayers who donate paintings or manuscripts to public museums and libraries.

Mr. Moynihan argues that the tax break has a broad public purpose and notes that it was adopted, with strong support, after discussion by the full Finance Committee. "We have always made accommodations to members behind closed doors, but it used to be that at least everybody was in the room," he said.

The insurance tax, and the break for UNUM is a good example. Both the House and Senate bills would raise \$8 billion in new taxes from the insurance industry by changing the way that companies now deduct their expenses for obtaining new policies.

Under a complicated formula, a company like UNUM, which specializes in health and accident insurance policies that cannot be cancelled, was to have been treated like companies that sell certain types of high-priced life insurance. But as a result of Mr. Mitchell's efforts, UNUM was placed in a category with companies that sell group life insurance where the writeoff formula was more generous.

Make Up the Difference

Since the committee still wanted to raise a total of \$8 billion from the insurance industry as a whole, other insurance companies were required to make up the difference by bearing a larger share of the tax burden.

Some lawmakers, like Senator John D. Rockefeller, a West Virginia Democrat who is also part of the Finance Committee negotiating team, but not in the inner negotiating circle, or Representative Augustus Hawkins, a California Democrat who heads the House Education and Labor Committee, may still have a chance to make their pet initiatives on Medicaid and child-care part of the final budget compromise.

That is because the provisions they favor are at least part of either the House or Senate tax bills. In addition to raising revenue, the tax committees have jurisdiction over most of the Medicare and Medicaid programs as well as tax provisions that will help pay for child care.

Mr. Rockefeller has put other negotiators on notice that he will demand inclusion of new health care services in the Medicaid program for elderly peo-

ple who are too poor and too disabled to seek medical care outside their homes or communities. This would cost the Government \$200 million over five years.

Mr. Hawkins, with strong backing from Democratic liberals in the House, is likely to win some expansion of the child care program to cover before- and after-school care for children whose parents work during the day. It would cost about \$1 billion over five years.

Mammography Screening

But other lawmakers, like Representative Mary Rose Oskar, a Democrat of Ohio, are fighting for provisions that were widely supported by both parties and both chambers, but never made it in to either package. Ms. Oskar's cause is expansion of Medicare coverage to include routine mammography screening for breast cancer, and she had been promised by House Democratic leaders that a \$2 billion "cushion" in the Ways and Means tax package would take care of it. "I'm livid," she said, as she circulated a

petition among House members demanding that the negotiators make room for the Medicare change. "I've collected a 100 signatures in just the past 15 minutes, and I'm going to hand deliver it to each of the conferees."

Mammography tests are covered by Medicare if a doctor detects a lump in a patient's breast and orders the procedure, but routine screening, now widely recommended as method of early cancer detection, is not. "It's symptomatic of the way we do things around here," Ms. Oskar said, arguing that the estimated \$1 billion the new coverage would cost over five years would save money in the long run.

"The cost to the Medicare program for treating a woman whose breast cancer is detected early is \$10,000 or less. The cost to the program for treating a woman with later stage breast cancer is between \$65,000 and \$125,000. But the budget figures never take that into account, and every time we think we have this coverage in the program, it gets taken out because somebody says it's too expensive."

Companies and industries that are not included in the negotiations are being given special consideration. Includes the following:

INCLUDED IN THE BUDGET PLANS

Senator George Mitchell Democrat of Maine
Senate Majority Leader
Reduce burden of new insurance industry tax for a company in Maine.

Senator Bob Packwood Republican of Oregon
Senior Republican on Finance Committee
Exempt certain wineries from increase in wine excise tax.

Rep. Sam Gibbons Democrat of Florida
Softens tobacco excise tax increase on large cigars.

STILL BEING PROMOTED

Senator John D. Rockefeller Democrat of West Virginia
Finance Committee
Conferees must agree on...

Rep. Augustus Hawkins Democrat of California
Expand Medicaid provisions to include program for "at-risk" children.

Rep. Brian Donnelly Democrat of Massachusetts
Member of House Ways and Means Committee
Eliminate provision in current tax law that exempts New Bedford fishing industry. Provision would be paid for by tightening current provision for moving expenses. Would raise \$1.1 billion in new revenue, which makes it a good candidate for inclusion in final package.

Rep. Mary Rose Oskar Democrat of Ohio
Expand Medicare coverage to include mammography screening. Provisions is widely supported. It would cost the treasury...

The New York Times

BR 22, 1990

NYT 10-22-90 AB

What Could Swell the Deficit

While Congress Trims the Budget, It Enlarges Programs (and Debt)

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Oct. 21 — Even as Congress trims some programs to reduce the Federal budget deficit, it is expanding other programs, and lawmakers acknowledge that savings achieved with great difficulty this year may soon be offset by added spending.

The new spending comes about because of old-fashioned pork-barrel projects, policy choices in favor of new or expanded programs and the deterioration of the economy, which is increasing demand for benefits like unemployment insurance and food stamps.

Whether any particular increase is good or bad is a political question with a subjective answer; what seems essential to one lawmaker or interest group may appear wasteful to others. But it is indisputable that Congress has quietly enacted appropriation laws that increase spending, often in districts represented by influential lawmakers, while they publicly proclaim the need for deficit reduction.

"The Federal debt is going from a quart to a gallon," said Gerald H. Miller, executive director of the National Association of State Budget Officers, "but Congress and the President are taking out only a cup."

Protests Over Medicaid

As part of the budget package being negotiated on Capitol Hill, Congress is expanding Medicaid, for example, over vehement protests from the nation's governors, who say they will be saddled with more costs. The expansion of Medicaid would cost the Federal Government at least \$400 million a year.

In appropriation bills for the current fiscal year, Congress has approved a \$2.3 billion increase in spending for Federal highway projects, to \$14.5 billion a year, and is providing \$20 billion in new money for specific park, land, energy and water projects.

"This session of Congress has decided to vote again and again for pork barrel, to fund projects that may or may not be better than other competitive projects, and to fund them only because of who one may know on the Appropriations Committee or the leadership," said Representative Steve Bartlett, a Texas Republican who is one of many members of Congress to make such criticisms.

Mr. Bartlett said the largesse was bipartisan. "There are projects in here for members of both parties," he said of one bill, which increases housing appropriations by 22 percent, to \$9.5 billion in the current fiscal year.

Senator Dale Bumpers, Democrat of Arkansas, said one subcommittee of the Appropriations Committee recently received 2,500 written requests for park, land and water projects from various senators. "Those same senators then come in here with unctuous, pontificating statements about how, if we just freeze this or that, we could get the deficit under control," Mr. Bumpers said.

To cover the increases in spending, Congress plans to raise the debt limit. Under budget plans adopted by the House of Representatives and the Senate, the Federal debt, which represents

the accumulated total of all Federal borrowing, would soar to \$5 trillion in 1995, from the current \$3.2 trillion. When President Reagan took office in 1981, the debt was slightly less than \$1 trillion.

A little-noticed provision of the deficit-reduction bill passed by the House would raise the statutory limit on the public debt to \$5 trillion. If the higher limit is part of the final bill, Congress could avoid the annual ritual of increasing the debt ceiling. The ritual is politically embarrassing to lawmakers and occasionally brings the Government to the brink of default. When Congress fails to extend the debt limit, the Treasury must postpone new borrowing from the public, as it did last week.

There is virtually no way for the Government to reduce the debt unless it runs a budget surplus. A budget deficit in one year must be covered by further borrowing, which increases the debt and adds to interest costs in future years.

Net interest payments on the Federal debt were the fastest-growing major category of Federal spending in the 1980's. The increase in such payments, from \$52.5 billion in 1980 to \$188 billion in 1989, exceeded all the savings Mr. Reagan achieved in health, education, welfare and social service programs.

Dollars for Home Districts

Representative Jamie L. Whitten, chairman of the House Appropriations Committee, boasted that Congress had earmarked millions of dollars for water projects, highway construction and airport improvements in his Mississippi district.

Congress also earmarked \$3.4 billion for a highway demonstration project in Pittsfield, Mass., the home of Representative Silvio O. Conte, the ranking Republican on the Appropriations Committee. There was also money for a veterans' hospital in Northampton, Mass., and for a new heating plant at the University of Massachusetts campus in Amherst, both in Mr. Conte's district.

The appropriation bills also set aside money for West Virginia University and for more than 20 public works projects in West Virginia, the home of Robert C. Byrd, chairman of the Senate Appropriations Committee.

Senator Ernest F. Hollings said that the new deficit-reduction package "guts the Gramm-Rudman-Hollings law" by making it easier for Congress to avoid meeting the annual deficit targets in the law. Mr. Hollings, a South Carolina Democrat, was a co-author of the 1985 law.

As originally passed, the law stipulated that the budget should be balanced in the fiscal year that began on Oct. 1. The deficit, \$231 billion in 1986, hovered in the range of \$100 billion to \$155 billion in the next three years, but shot up again in the fiscal year just ended. The Office of Management and Budget estimates that the deficit was a record \$231 billion in the fiscal year that ended three weeks ago.

Cutting Here, Adding There

Senator Frank H. Murkowski of Alaska, ranking Republican on the Veterans Affairs Committee, said he saw a "great inconsistency" in Congress's schizophrenic instincts: cutting some veterans programs by \$620 million a year while expanding others by almost exactly the same amount.

Speaking of a new plan to make World War II veterans eligible for "readjustment counseling," Senator Alan K. Simpson said, "It boggles the mind that veterans of World War II, the hideous war that ended 45 years ago, are still having trouble readjusting to civilian life after military service."

Senator Pete Domenici, Republican of New Mexico, observed that "we all say, 'Spend less,' but we have more ideas and we want more things." Here are a few examples:

The deficit-reduction measures passed by both houses of Congress would expand Medicaid to cover children from poor families longer, through age 12 under the House bill and age 15 in the Senate bill. Under current law, states must cover poor children through age 5. Pediatricians and public health experts applaud the expansion. But states pay, on the average, 44 percent of Medicaid costs, and the National Governors' Association expressed alarm at the cost of an expansion.

Under the House bill, the Federal Government would pay Medicare premiums for low-income elderly people, and the Senate bill would allow states to offer such protection with a combination of Federal and state funds.

Congress has just approved an appropriation bill that permits \$14.5 billion in highway spending this year, up from \$12.2 billion last year. President Bush requested \$12 billion.

House and Senate negotiators agreed last week to provide more than \$1.8 billion to help poor people pay home heating costs, as against \$1.4 billion last year. Mr. Bush requested \$1.05 billion. Mr. Conte said the increase was needed because home heating oil had become "outrageously expensive" as a result of turmoil in the Middle East.

Senator Claiborne Pell, the chief patron of student aid programs in Congress, is pushing new legislation; the Middle-Income Student Assistance Act, to expand eligibility for Federal grants.

The purpose, he said, was to help middle-income families pay for college and to reverse cutbacks made under President Reagan, when "eligibility was tightened so that only the most needy qualified."



28,000?
2,800

DEMOCRATS AND THE DEFICIT

8-14-90

On June 26, President Bush displayed leadership and courage when he put everything on the table in the budget talks.

But instead of working toward a responsible solution, the Democrats have been bloating the budget and stonewalling proposed reforms. After 100 days, the President decided that enough is enough. When it comes to dealing with Democrats, all bets are off.

This memo explains how the Democrats are selling out the economy for a bowlful of soundbites. It has three parts:

- I. BOMBS -- Bloated, Overstuffed Money Bills
- II. Stonewalling Reform
- III. Trashing the President
- IV. Suggested talking points.

I. B.O.M.B.s -- Bloated, Overstuffed Money Bills

The Democrats have been talking trim and voting fat. Ignoring the need to cut the budget, the Democrats have carried on their old tax-and-spend ways.

- o Since President Bush made his June 26 statement, the Democratic-controlled House of Representatives has passed ten appropriation bills that exceed President Bush's budget request by a total of \$14 billion.
- o On May 24 and May 25, the Democratic House and Senate perpetrated budgetary hijacking. President Bush had sought \$720 million in emergency funds to help the world's newest democracies, Nicaragua and Panama. The House and Senate waylaid the proposal and stuffed it with new spending. When they were done, the tab came to \$4.3 billion, 600 percent more than the President had asked. For "cover," they cut \$2 billion from defense, but that still left \$2.3 billion in new spending, much of which was pork. The Democrat-controlled House made its intentions clear when it approved amendments to lard the bill:
 - * To procure a fish farming laboratory in Arkansas.
 - * To provide \$750,000 to transfer a ferryboat to the government of American Samoa.
 - * To force HUD Secretary Kemp, under the Community Development Block Grant Program, to fund 37 programs that Kemp believes are unwarranted.

- o When some legislators tried to slow down the spending express, Congress ignored them. On July 13, Rep. William Frenzel (R- MN) offered an amendment to the Treasury-Postal appropriations bill to provide for a 6.9 percent across-the-board cut in all discretionary accounts. Frenzel's proposal would only have reduced the bill to last year's level -- but the House rejected it (*CQ Weekly*, 7/21/90).
- o On Wednesday, August 1, the House passed a \$27.9 billion housing authorization bill. It authorizes a \$6 billion increase in spending for fiscal 1991, compared with a \$3 billion increase in the Senate version.

II. Stonewalling Reform

The Democrats have had a number of chances to say "yes" to measures that would improve the economy and ensure budgetary discipline. But instead, they have said "no comment" or "no way." Said Ways and Means Chairman **Dan Rostenkowski**: "By our silence we have been successful in these talks" (*Time*, August 13, 1990).

- o On July 17, by a vote of 279-158, the House failed to give the necessary two-thirds support to a constitutional amendment to require a balanced budget. Nearly all Republicans (169-5) supported it, but a majority (110-145) of Democrats voted against it.
- o On May 9, President Bush launched the budget summit by saying "no preconditions" (*CQ Weekly*, 5/12/90). But when it came to accepting a capital gains cut without an income tax increase, Senator **George Mitchell** said: "There are certain points beyond which you cannot go" (*CQ Weekly*, 7/14/90).
- o Even before the President's June 26 statement, House Majority Leader **Richard Gephardt** said: "We asked the president to put down a proposal, and he did" (*CQ Weekly*, 6/23/90). But on July 28, *The New York Times* reported: "Senator **Jim Sasser**, a Tennessee Democrat who heads the Senate Budget Committee, said he felt no obligation to put forward a proposal until the Democrats actually saw the Administration's plan."
- o Sasser's House counterpart, Rep. **Leon Panetta**, said: "We did not pledge that every time the Republicans slit their wrists we would slit ours" (*New York Times*, 8-2-90).

III. Trashing The President

The Democrats have not been content to play budgetary arson. They have been making direct attacks on President Bush and his motives.

Sen. Bob Kerrey (D-NE)

"First I must honestly say I feel a personal distrust of President Bush's motives when he says he wants to raise taxes, for whatever the reason. I know it sounds disrespectful to say I do not trust the President, but there are many good reasons not to."

Congressional Record, 6/28/90

Ronald Brown, Chairman of the Democratic National Committee

"Clearly, Republicans for the last 20 years have been running on two issues: the Cold War and taxes. The Cold War is virtually over and now, President Bush has broken his promise on taxes. I think the political fallout is very evident all around the country."

ABC's "This Week with David Brinkley",
7/1/90

"Two years ago, George Bush looked into a TV camera and said: 'read my lips, no new taxes.' To keep that pledge, he was willing to let families sleep in doorways and under bridges -- 'we don't have the wallet' was the excuse. Let them sleep under a thousand points of light . . . He was willing to let drugs win the war -- no federal help to build needed prison cells or provide treatment to those who wanted it -- we lack the wallet . . . To keep that pledge, George Bush was willing to let garbage wash up on our beaches and smog foul our air. . ."

"This summer, though, we have found the one cause for which George Bush is willing to break his 'no new taxes' pledge: to clean up a mess caused by America's wealthiest people -- the bankers and speculators who ran the Savings and Loan industry into the ground. George Bush has finally asked for higher taxes at the same time he's still trying to get a capital gains tax cut. We know who's [*sic*] wallet he wants to pick up the tab for the S&L predators ball. . ."

Address to Association of State Democratic
Chairs, 6/30/90

"Forty-eight hour ultimatums and partisan whining are now the Republican substitute for George Bush's leadership ... if George Bush doesn't want to lead, then why did he run for president?"

New York Post, 8/2/90

Governor Michael Dukakis (D-MA)

"I told the truth and paid the price. Mr. Bush did not and we're all now going to have to pay the price for that."

AP, 6/27/90

Governor Mario Cuomo (D-NY)

"When they say 'Read my lips,' they don't mean it. [Bush] didn't really mean it. They do whatever they have to politically, and they assume everybody's just like them. You know the old expression, you can't con a conner, you can't con a con artist. They're con artists. They're very good at it. They're very elegant. They wear white shoes, they play croquet. But, they're con artists, and they think everybody else is."

National Journal, 7/28/90

Rep. Beryl Anthony (D-AR), Chairman of DCCC

"President Bush tried to fool the voters in 1988 about taxes, but he and GOP Congressional candidates can no longer demagogue on this issue and try to deceive the American people. The voters are in no mood to hear false promises."

Press release, 6/26/90

"This is an admission that the Republican economic policies of the last 10 years were a dismal failure. Bush and his GOP congressional candidates can no longer . . . try to deceive the American people."

CQ Weekly Report, 6/30/90

Rep. Robert Torricelli (D-NJ)

"The other shoe, raised in the 1988 presidential campaign, just dropped. George Bush has announced that he is raising taxes. The charade is finally over."

CQ Weekly Report, 6/30/90

Senator Ernest Hollings (D-SC)

"This is just a statement to solve a political crisis, not a budget crisis."

The State, 6/27/90

IV. Talking Points

- o Mario Cuomo summed up the Democrats' attitude: "And if you are going to do the taxes, you have to do them big. You should do them across the board, you do a rate, maybe you do some consumption taxes, too, maybe you do energy. Do them big. As long as you are going to take the hit for taxes, do them big" (*National Journal, 7/28/90*).
- o The Democrats have long been the party of tax and tax, spend and spend, elect and elect. Now they are also the party of stonewall and stonewall, blame and blame.
- o The Democrats don't want to solve the budget problem, they want to embarrass the President.
- o For 36 years, the Democrats have ruled the House of Representatives.
For 36 years, the Democrats have had the constitutional power of the purse.
For 36 years, the Democrats have let the deficit grow in fits and starts.
For 36 years, the Democrats have been a big part of the problem.
Now it's time they were part of the solution.
- o President Bush fulfilled his legal obligation on January 29, when he submitted his executive budget. That's all he was required to do. It would have been politically easy for him to leave it at that and blame Congress for its failure to act.
But he went an extra mile when he called the budget summit.
He went another extra mile when he presented a revised budget proposal.
He went yet another extra mile when he made his June 26 statement.
So President Bush has gone three extra miles, but to date the congressional Democrats haven't moved an inch.
- o What happens when the Democrats get their way?
Just look to Massachusetts, where they've taken the state from high tech to low farce.
Just look to New York, where spending is up and bond ratings are down.
Just look to New Jersey, where Governor Florio saw tax increases not as a last resort, but as a first resort.

###

Ref.
JK1061
.C61e
W44

CONGRESS
A TO Z

CQ's
Ready Reference
Encyclopedia

Congressional Quarterly Inc.
1414 22nd St. N.W.
Washington D.C. 20037

advance. This is called a "special order."

In the House members who have requested special orders are allowed to speak for up to sixty minutes at the end of the day's session—before the House adjourns but after legislative business has been completed. TELEVISION cameras record the speeches, which often are made to an almost empty chamber.

Controversy about the routine practice erupted in 1984, after Republicans repeatedly used special orders for speeches attacking the Democratic leadership. An angry Speaker Thomas P. O'NEILL, Jr., ordered the TV cameras to pan the House chamber, showing viewers that few were present to hear the emotional speakers. The practice has been continued; periodically during the period reserved for special orders, the cameras show the House chamber—and its rows of empty seats.

In the Senate members are recognized for special orders at the beginning of a day's session; they may speak for five minutes. Fifteen-minute speeches were permitted until 1986, when Senate sessions began to be televised and requests for special orders increased. Some senators ask for special-order time almost every day.

The term "special order" also refers to the resolution approved by the House RULES COMMITTEE setting guidelines for floor consideration of a bill. The resolution is more commonly known as a "rule." (See LEGISLATIVE PROCESS; RULE FOR HOUSE DEBATE.) ~

Speech or Debate Clause. See
IMMUNITY, CONGRESSIONAL.

Staff

Thousands of people work for Congress, and its elected members depend

heavily on these employees. Staff members cannot vote, but their imprint is on every other step in getting a bill passed. They draft legislation, negotiate with lobbyists, and plot strategy for floor action.

The influence of congressional staff is vast. Critics complain the staff exercises too much power and costs too much money. But legislators are asked to debate and vote on a wide range of complex issues, and they need staff to provide the expertise that one person alone simply could not master.

The congressional bureaucracy is well entrenched. More than 18,000 people work for the House and Senate, and another 3,000 handle security, maintenance, and other support services. Also considered to be working directly for Congress are an additional 3,000 employees at the four legislative service agencies: the Congressional Research Service of the Library of Congress, the Congressional Budget Office, the Office of Technology Assessment, and 30 percent of those working at the General Accounting Office. These 24,000 employees far outnumber the five-hundred-plus representatives and senators.

By the late 1980s Congress was spending five times as much on its operations as it did in 1970. Legislative branch appropriations, which include some nonlegislative activities, are nevertheless the best measure of its cost that Congress has provided over the years. That figure rose from more than \$361 million in fiscal 1970 to more than \$1.7 billion in fiscal 1988. The largest share goes to pay salaries.

Growth in Staff Size

The size of the House and Senate staff tripled between 1955 and 1975. That enormous growth changed the fabric of life on Capitol Hill. It crowded existing offices, prompted expansion into "annex" buildings formerly used as hotels or apartments, and spurred construction of a third massive Senate of-

office building. The presence of so many employees made Capitol Hill more and more like a small city, bustling with restaurants, barbershops, stationery stores, gymnasiums, and its own subways linking office buildings to the Capitol. By the early 1980s the growth of staff slowed as Congress, trying to cut overall federal spending, responded to criticism about increases in its own budget.

After World War II, and again in the 1960s and 1970s, the federal government expanded rapidly and grew increasingly complex. Congress wanted its own sources of information, independent of the executive branch and interest groups, so it added staff. Changes within Congress also spurred the hiring of more people. In the 1970s erosion of the SENIORITY SYSTEM shifted new authority to junior and minority members; they wanted aides to help with their new responsibilities. Subcommittees were given new status, and by the late 1970s as many people worked for subcommittees as had worked for full committees in the 1960s.

Congress also became the last resort for those dealing with the federal bureaucracy. Each legislator usually had several employees whose sole job was answering voters' complaints, a task known as "casework" or "constituent services." Casework is usually the primary function of district and state offices. A measure of its importance is that more than a third of members' personal staffs work outside of Washington.

Partisanship

Congressional employees are drawn from a mix of backgrounds, but most are young, male, and well educated. Campaign workers can still end up on a legislator's payroll, but jobs also go to others with no ties to the politician or the district. An economist might be hired for a committee post, for example. Many veteran "Hill" employees outlast

the legislator who originally hired them; they simply get a job with someone else.

Sometimes staff members become politicians themselves. President Lyndon B. JOHNSON began his career as a congressional aide; later he was elected to Congress and served twenty-four years in the House and Senate, including six years as Senate majority leader.

Traditionally, many nonlegislative posts were PATRONAGE jobs. The chauffeur, the elevator operator, the parking garage attendant, and even jobs closer to legislative action, such as the doorkeepers, were controlled by party leaders and their top aides. The system began to erode in the 1960s, when Secretary of the Senate Bobby Baker, a Johnson protégé, was convicted of using his office—and his control of numerous Senate jobs—for personal gain. Since then the number of patronage jobs has been drastically reduced, although not eliminated. Merit, not friendship with a legislator, is usually the basis for being hired.

The political parties, however, still maintain control over numerous jobs. The top leaders of both parties have their own staff. Party affiliation is usually a factor when legislators hire their personal aides. Committee hiring is also partisan, with the majority usually responsible for about two-thirds of the jobs and the minority for about one-third. In reality, though, other qualifications often take precedence over party allegiance, and some committees have removed partisanship from their hiring practices. The nonpartisan staff of the Joint Committee on TAXATION serves tax-writing panels in both houses, and the House and Senate BUDGET committees consider most of their professional staff to be nonpartisan.

Despite partisanship in hiring, a line is drawn between congressional work and campaign work. House rules allow a House employee to work on a campaign if assigned congressional duties are also being fulfilled. The Senate

JACK ANDERSON and DALE VAN ATTA

Sen. Burdick's Pork-Barrel Ways

FARGO, N.D.

In tight budget times, one of the Senate's kings of pork is at it again. Sen. Quentin N. Burdick (D-N.D.) is building a "golden mile" road here with federal money. He says it's essential for access to some U.S. Agriculture Department labs, but the lab employees say they don't need it.

The people who do need it are the thousands of North Dakota State University football fans who will someday travel Burdick's road to reach their new 17,000-seat stadium. You may never use the road, but you'll pay for it, and Burdick will take credit for it with the voters back home.

He won his last election here in 1988 by emphasizing his clout in Congress. So many federal dollars have flowed into North Dakota as a result of Burdick's finagling that last year North Dakota ranked third in the amount of federal funds received per person.

This is the same Burdick who tried to turn Lawrence Welk's boyhood home into a national shrine with \$500,000 in Agriculture Department funds. You have to hand it to Burdick, chairman of the Senate Appropriations subcommittee on agriculture. It takes some creativity to restore a band leader's house or build an access road to a football stadium and call it "agriculture."

The site of the latest Burdick sleight of hand is a stretch of gravel road through a sunflower field on the west side of the North Dakota State University campus. Along Burdick's mile are pieces of bacon that the senator has already brought home

—Agriculture Department research labs on the campus. Burdick says they need a paved road to connect them. But those who are naturally suspicious of Burdick's motives—us included—can't help but notice that the road will relieve congestion on the campus and will be the most convenient way to reach the new Fargodome stadium.

Some university officials are annoyed about the half-baked quality of Burdick's pork. They had originally asked for \$2 million for the mile-long road. Burdick slipped the project into an agricultural appropriations bill, but for only \$500,000. He must have known there was only so much piggishness that his fellow senators would tolerate on a single project.

However, it's a mystery to us how any of Burdick's fellow senators would have caught him anyway. He labeled the expense "facilities completion."

We talked to several of the Agriculture Department researchers and all of them said they hadn't complained about the gravel road that currently links their labs—which, by the way, do some award-winning research.

Expansion of the university means that the road will be useful in the future, but the idea of taxpayers around the country handing over hundreds of thousands of dollars to connect a few Ag labs is ludicrous.

And it proves that Burdick, 83, is willing to do anything to ingratiate himself with the folks back home, if it will get him reelected. He has already informed North Dakotans that he will run again in 1994 and serve in the Senate until 2000 when he will be 92 years old.

Limiting the number of terms lawmakers can serve
is an idea whose time has come

The Best Way to Clean Up Congress

BY ROWLAND EVANS & ROBERT NOVAK

A RECENT Gallup Poll showed that only 24 percent of Americans approve of the way Congress is doing its job. Here are three reasons:

- Rep. Frank Annunzio (D., Ill.), first elected in 1964. Annunzio is one of the most powerful members of Congress. Thanks to his seniority in the House, he chairs the Financial Institutions Subcommittee, which drafts the legislation regulating the nation's savings-and-loan institutions. But rather than regulate them, Annunzio has received generous political contributions from the S&Ls—including \$3000 from indicted Lincoln Savings and Loan executive Charles Keating and two associates. Through the mid-1980s and as recently as last October, Annunzio fought to delay S&L regulations, thus contributing to the subsequent

\$500-billion or more debacle.

- Jack Brooks (D., Texas), chairman of the House Judiciary Committee. After seeing combat as a teen-ager in World War II, Brooks went immediately into politics—four years in the state legislature, then 38 years on Capitol Hill. He boasts far-reaching influence over business, criminal justice and the courts. Without family fortune or work in the private sector, he has amassed bank and timber holdings worth \$2 million to \$3.5 million.

- Rep. Jamie Whitten (D., Miss.), chairman of the House Appropriations Subcommittee on Agriculture for 40 years. Whitten has dispensed hundreds of billions of dollars in federal largess. The nine Presidents and ten Secretaries of Agriculture who have served during that time have had only transitory control. Whitten, notes *Congres-*

sional Quarterly, is the "permanent Secretary of Agriculture."

Typically, all three of these legislators were re-elected last fall. Says former President Ronald Reagan: "There is less turnover in the House than in the Supreme Soviet."

Indeed, Congress has stacked the deck so decisively in favor of incumbents that only 15 House members and one Senator were defeated last fall. With a re-election rate of 96 percent, we run the risk of creating a separate governing class.

The automatic return of incumbents has already created an Imperial Congress. Focused on winning term after term, lawmakers have forged intimate links with the special-interest groups that finance their campaigns. Fearful of offending these crucial supporters, members of Congress have refused to make the tough decisions required to curb government spending. Presidents come and go, but committee chairmen stay on to control the purse strings and the legislative agenda.

Incensed by the situation, the public is expressing a growing interest in term limitation—most commonly 12 years for Senators and Representatives. A Gallup survey shows 70 percent of Americans in favor of term limitation, with overwhelming support in virtually all groups, regardless of party, ideology or income. Says Martin Plissner, executive political director for CBS News, "Seldom have I seen an issue on which there was so little demographic variation."

Sponsors of Congressional term limitation view it as a return to the values of the early American Republic, in which a citizen legislator would serve in Washington for a spell and then return home. Abraham Lincoln, a Representative for the first time in 1847, was eager for a second term "if it should so happen that nobody else wishes to be elected." But somebody did, and Lincoln went back to Illinois to await his destiny.

Regular turnover attracted people with diverse backgrounds who had no intention of spending their entire lives in Congress. "Now you have people who go to Washington, never have another job and never come home," says Vice President Dan Quayle, who has supported term limits since he was first elected to the House of Representatives. "That's not good for the country, and it's one of the reasons for the cynicism voters express today."

In Lincoln's time, fewer than two percent of the House served more than 12 years. Members of Congress were visitors to Washington who kept their principal residences back home in their districts. Today 34 percent have spent more than 12 years in office, and a majority are Washington-area residents, many of whose children are born, raised and educated in the nation's capital and its suburbs.

A simmering issue for the past couple of years, the move for term limitation came to a boil in 1990. With the built-in powers of incum-

bency all but assuring them re-election; House members defied popular opinion in 1989 by voting to hike their salaries from \$89,500 to \$125,100. Then they raised taxes!

Public frustration was reflected last fall when three states passed initiatives to limit state legislators' terms. A 12-year cap was set in Oklahoma by 67 percent of the voters. In Colorado, an eight-year limit for all state officials, including legislators, passed with 71 percent in favor. The margin of victory in the California vote—52 percent—was closer, but that was largely because Willie Brown, a 26-year State Assembly veteran, and David Roberti, his counterpart in the State Senate, hit up special-interest groups and corporate supporters of the state's governing establishment to raise over \$4 million for a media blitz against term limitation.

Opponents argue that Congressional term limitation will:

1. *Restrict voter choice.* But how much choice do voters really have? According to Common Cause, a nonpartisan public-interest group, of the 406 House incumbents seeking re-election last year, 79 had no major-party opposition. Another 168 had opponents who had raised less than \$25,000 by three weeks before the election, and 124 others had opponents who had raised more than \$25,000 but less than half the amounts the incumbents had. Only 35 races were remotely competitive. People don't vote for unknown candidates.

2. *Disrupt the way Congress works.* That's precisely the point. "Limiting terms would limit abuse of the Congressional seniority system by rotating power," says *The Wall Street Journal's* John Fund. "It would open the political process." As Harry Truman once put it, Congressional limits would "help cure senility and seniority—both terrible legislative diseases."

3. *Deprive Americans of experienced legislators.* To *New Republic* editor Hendrik Hertzberg, this "would be a cost worth paying to be rid of the much larger number of time-servers who have learned nothing from longevity in office except cynicism and complacency." Congressmen obliged to seek other employment could run for other political office—federal, state or hometown. They could even try the private sector. As former Sen. Bill Armstrong (R., Colo.) said, "We have forgotten that, in a civic sense, returning home is as important as coming to Washington in the first place."

4. *Shift power to lobbyists and the Congressional bureaucracy.* Nonsense, says Fund: "It's the most senior members who are most dependent on staff and lobbyists, not the freshmen. And there is nothing to prevent a reduction in the growth of staffers from accompanying term limits."

Indeed, Congress could use some pruning: last year, as it was raising taxes, it increased its own budget by 11 percent. Its staff has doubled to

New Faces Needed

IMAGINE IF members of Congress knew from the first day that they could not parlay their service into careers, no matter how they pandered to special-interest groups or cleverly marshaled the advantages of incumbency. We would then see applied to the nation's problems the kind of intellectual honesty and courage so often lacking these days.

There is something to be said about the value of long experience. But is that experience being put to the best use? A \$3-trillion national debt and vast oceans of wasteful spending say it is not. We need a regular turnover in Congress so that fresh ideas can be brought to bear.

—New Hampshire State Senator Gordon Humphrey, who, keeping a campaign promise made when he was first elected to the U.S. Senate, declined last fall to seek a third term in Washington.

almost 20,000 since the late 1960s. Lobbyists would lose power, as Maureen Anderson of the California Nurses Association confessed in explaining why she opposed term limitation: "It would be a great burden on us to re-educate the entire legislature every year."

5. *Oust veteran Democratic lawmakers as part of a Republican plot.* Many Democrats disagree. "This is not a Republican issue," says liberal Oklahoma Democrat Cleta Mitchell, a former state legislator and leader in the national movement. "We need to elect more idealistic newcomers and fewer cynical veterans."

Indeed, term limitation will weed out Republican as well as Democratic hangers-on. Rep. Silvio Conte (R., Mass.), for instance, was elected to the Massachusetts State Senate in 1950 and has been on the public payroll ever since. First sent to Congress in 1959, he has been re-elected handily every two years, often without opposition. Accord-

ing to the *Boston Globe*, although he occasionally rails against the "fat" in federal budgets, he is revered by Massachusetts state officials for "delivering the goods" in federal largess for Massachusetts.

Some California liberals, like Los Angeles attorney Mickey Kantor, publicly favor term limits. Colorado's sweeping term limitation was endorsed by the often liberal *Denver Post* and Democratic Rep. Ben Nighthorse Campbell.

ASKING members of Congress to impose term limitations on themselves through a Constitutional amendment could be asking for a political miracle. Still, the battle is being led in Washington by Rep. Bill McCollum (R., Fla.). To give the amendment some chance of approval, it contains a grandfather clause assuring all current incumbents the possibility of another 12 years on top of the years they have already served. President Bush has indicated he

Copy Preservation

READER'S DIGEST

would support such an amendment on term limitation.

The conventional wisdom is that Congress will bottle up the Constitutional amendment. But former House Democratic Whip Tony Coelho, who opposes term limitation, sees the idea sweeping the nation. "Challengers will pledge to support term limits, so incumbents

will have to follow suit. We could have it in the Constitution by the end of the decade."

If so, Capitol Hill would have a very different look. A much wider variety of talent would be available for service. With their energy and a fresh approach, they could open the way to fundamental changes in the way we are governed.

Reprints of this article are available. See page 218.



Calling Cards

WE RECEIVED some new flowers at our garden center, one of which no one could identify. The man who sets up our ad for the newspaper said to the manager, "What's the name of this little purple flower?"

"It must be a purple damn-if-I-know," the manager answered.

Sure enough, when the ad appeared, listed among the marigolds and portulaca was a "purple damifino."

—Contributed by June Smith

TWO HUSKY SWEDES, one tall and the other even-taller, were participating in a wilderness-adventure trip that included participants from various countries. Both men were named Lars, so the problem arose as to how to distinguish between them. "I have it," said one of the group. "Let's call them 'Lars' and 'Extra Lars.'"

—Contributed by Mary Eckhart

Only in New York

TWO MEN were taking a coffee break in the Federal Building in downtown Manhattan. An acquaintance dashed in, out of breath and agitated. "You won't believe this," the breathless man began. "I was almost killed on the way to work this morning."

Panting, he went on: "I had just walked out of the deli where I buy an egg sandwich every morning. A police car with its sirens and lights on was chasing another car and stopped it. The guys in both cars tumbled out. There was shouting, ordering, threats. Guns were drawn. For crying out loud, shots were fired! I was right in the line of fire. I could hear the bullets whiz right over my head. Garbage pails were knocked over, glass shattered, cars and trucks mounted the sidewalk to get to safety. I tell you I'm lucky to be alive!"

Obviously concerned, one man finally spoke.

"You eat an egg sandwich every morning?" he asked.

—Ben Ruggiero, quoted by Ron Alexander in New York Times

Adding Up The Bills On the Hill

Group Keeps Track Of Sponsors, Costs

By Eric Pianin
Washington Post Staff Writer

In its latest attempt to discourage public spending, the National Taxpayers Union Foundation will keep track of every time a member of Congress sponsors or co-sponsors a bill involving spending of \$10 million or more and keep a running total.

After crunching the numbers from proposals this year, the conservative watchdog group said senators proposed an average of \$16.7 billion in new spending each while House members proposed an average of \$44.6 billion.

The biggest proposed spenders, according to the group, are Sen. Bob Kerrey (D-Neb.), a presidential candidate whose support for a national health insurance plan helped boost his total to \$301.5 billion, and Rep. Charles B. Rangel (D-N.Y.), another national health care proponent whose total was \$330.9 billion.

Others considered big spenders in the survey were Maryland's two Democratic senators. Barbara A. Mikulski ranked 12th with a \$24.5 billion total, and Paul S. Sarbanes ranked 21st with \$19.9 billion.

By publicizing each member's totals, the National Taxpayers Union hopes to make lawmakers think twice before signing on to the next big-ticket proposal that comes along.

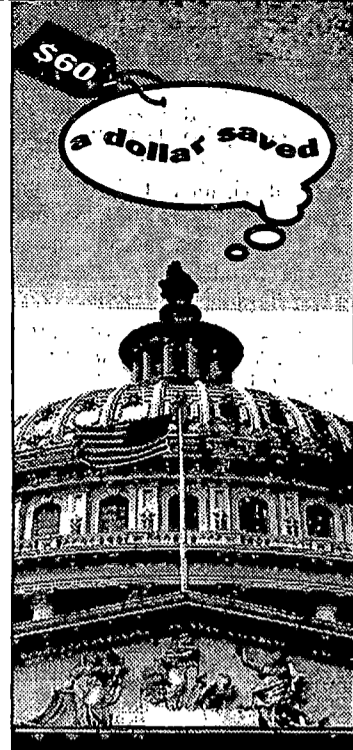
"Politicians are in the business of handing out warm and fuzzies without looking at the price tag," said Paul S. Hewitt, vice president for research at the foundation.

Hewitt said he believes the newly unveiled Congressional Budget Tracking System, a computerized compilation of any newly introduced legislation that affects federal spending, will improve public accountability and highlight Congress's biggest spenders and tightwads.

But Rangel and others contend that the survey is one-dimensional and does not take into account that many of the bills they favor—including national health insurance, anti-drug and anti-crime initiatives, and educational programs—ultimately save the government billions of dollars by keeping people out of hospitals, out of prisons and off the public dole.

"I don't have any problem with the study," Rangel said. "I only wish they could find some way they could project [the impact of legislation], so I would be ranked number one in budget savings."

Kerrey, chief sponsor of Health USA, a bill to provide universal health care coverage and reform the system of health



BY TRACY KEATON—THE WASHINGTON POST

financing, contends that his legislation would save \$158.5 billion in national health care expenditures over a four-year period.

John Steele, a spokesman for Mikulski, attacked the study as the product of "a right-wing front group that's bent on stopping any investment in America's future."

The group's analysis suggests that Democrats are more inclined to support new spending ventures than Republicans, and are less inclined than Republicans to come up with ways to reduce spending.

Other senators among the top 10 include Sens. Edward M. Kennedy (D-Mass.) with a running total of \$42.4 billion; Donald W. Riegle Jr. (D-Mich.) with \$42.3 billion; John D. "Jay" Rockefeller IV (D-W.Va.) \$40.9 billion; Bob Graham (D-Fla.) \$35.2 billion; Christopher J. Dodd (D-Conn.) \$34.6 billion; Claiborne Pell (D-R.I.) \$31.5 billion; Thomas A. Daschle (D-S.D.) \$31.3 billion; George J. Mitchell (D-Maine) \$29.1 billion; and Brock Adams (D-Wash.) \$28.5 billion.

The highest ranking Republican, Sen. Trent Lott (R-Miss.), ranked 15th with proposals totaling \$23.3 billion.

Sen. John W. Warner (R-Va.) ranked 55th with \$11.2 billion in programs and Sen. Charles S. Robb (D-Va.) finished 81st with \$5.8 billion.

Along with Rangel, other House members in the top 10 include Reps. Matthew G. Martinez (D-Calif.) with \$319.5 billion; Barney Frank (D-Mass.) \$318.5 billion; Edolphus Towns (D-N.Y.) \$317.8 billion; Charles A. Hayes (D-Ill.) \$314.4 billion; Major R. Owens (D-N.Y.) \$313.7 billion; Mervyn M. Dymally (D-Calif.) \$312.6 billion; Ted Weiss (D-N.Y.) \$305 billion; Gerald D. Kleczka (D-Wis.) \$303 billion; and Gus Savage (D-Ill.) \$300.6 billion.

Rep. Frank Horton (R-N.Y.) is the highest ranking Republican, with \$281.24 billion in sponsored legislation.

Bringing up the rear is Rep. Herbert H. Bateman (R-Va.) with proposals adding up to a minus-\$463 million, and Sen. Warren B. Rudman (R-N.H.), who has backed proposals estimated

T
H
E
B
R
O
O
K
I
N
G
S
R
E
V
I
E
W



42700EALIST
Ms. Carol Blymire
Research Assistant
Office of Communications
1600 Pennsylvania Avenue, NW
Washington, DC 20500

WHO RUNS OUR
CORPORATIONS?

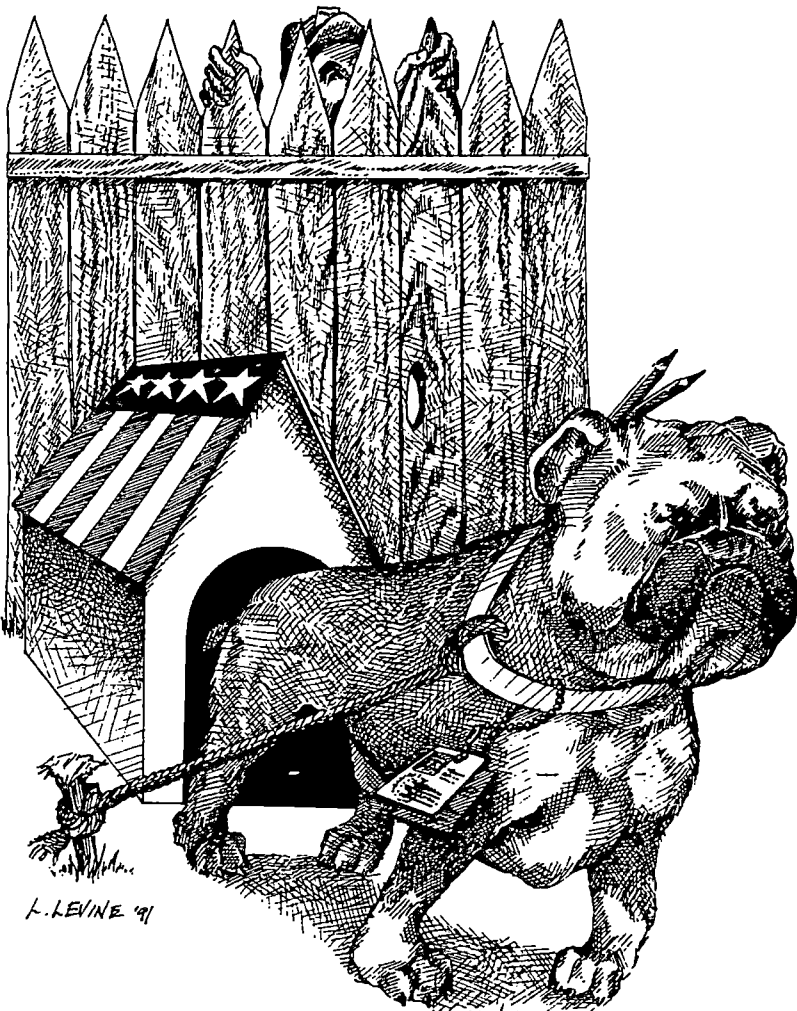
SPURRING GROWTH IN LATIN AMERICA

DOES PRISON PAY?

GATT: BACK ON TRACK FOR NOW

WILL QUEBEC SECEDE?

Watching the Watchdog



It is hard to think of another occupation of comparable importance to society that exercises so little formal control over itself," claim the authors of a journalism textbook. Given the perceived power of the press, especially in Washington, the question of who watches the watchdog, and how effectively, is increasingly pertinent. There are various informal avenues of media criticism, of course—ombudsmen or readers' representatives on some papers, journalism reviews and learned journals, organized monitoring groups of both the political left and the right, popular letters-to-the-editor columns. But on Capitol Hill a unique journalistic watchdog oversees the work of the congressional press galleries.

Reporters who wish to be members of the galleries are subject to a formal policing mechanism. Four committees of the reporters themselves, one each for daily newspapers, periodicals, radio and television, and photographers, are elected by their peers. To those committees Congress gives almost absolute control over space and facilities in the Capitol and the power to hire and fire the staffs of the galleries. In return, the committees determine who gets press passes and can censure or withdraw the privileges of those who break their rules. The legislators thus avoid becoming the arbiters of journalists' conduct, a responsibility that would be both politically and constitutionally hazardous.

These self-governing and virtually autonomous committees have been the children of necessity and pragmatic administration. Initially Congress itself determined the admission or banishment of reporters from its chambers. And there was always some tension. The reputations of Washington reporters in the nineteenth century were sometimes shady and occasionally deservedly bad. Addressing his colleagues from the floor of the Senate in 1839, Connecticut Democrat John M. Niles described them as "miserable slanderers, hirelings hanging on to the skirts of literature, earning a miserable subsistence from their vile and dirty misrepresentations of the proceedings here." Sometimes the scribblers, guilty perhaps of misrepresentation or, what amounted to the same thing, outrageously partisan bias, were expelled from the Senate or House chambers. Sometimes congressional action was more stern. In 1848 a *New York Herald* reporter was arrested by the Senate for publishing the secret text of the Treaty of Guadalupe Hidalgo, which ended the Mexican-American War, and was confined to a committee room in the Capitol for more than a month.

By the last quarter of the nineteenth century, oversight of the press had become too burdensome for Congress. The numbers of Washington reporters had exploded with the rise of the penny newspaper, and case-by-case examination of credentials and complaints was impractical. To address the problem, Speaker of the House Sam Randall met with a group of reputable congressional journalists in 1877 to create a self-policing system.

Once the reporters were given the authority to determine who would be let in, they set about devising ways to make sure that others would be kept out.

Women were initially excluded by a rule requiring accredited correspondents to file their dispatches by telegraph (none of the 11 women reporters in the 1870s qualified). Blacks were excluded by a rule requiring that accredited reporters work for daily newspapers; blacks worked for weeklies. (The Senate Rules Committee forced the correspondents to revise this rule in 1947.) When radio reporters applied for membership in the 1930s, the print reporters refused them. The galleries were already too crowded, they claimed, and letting in the radio reporters would open the door for even less desirable groups. Led by Fulton Lewis, Jr., the radio broadcasters won separate galleries of their own in 1939 (now used by television broadcasters as well). Two years later, correspondents for the periodicals got their own House and Senate galleries; and the photographers' gallery was started in 1955.

Most of the committees' time is taken up with housekeeping chores such as deciding on the proper level of dues, reviewing problems of security in the Capitol, and approving designs for gallery cards. But because membership in a congressional press gallery is increasingly required by federal executive agencies as proof of gainful employment in the news business and therefore presumably of serious and ethical intent on the part of a reporter, the standing committees have been turned into credentialing bodies.

The basic criteria for membership, slightly different for each gallery, are that the applicants must be "bona fide correspondents of repute in their profession"; their principal income must come from a news organization that meets the standing committees' definitions of acceptability; and they must not engage in certain activities, notably "paid publicity or promotion work" or lobbying.

Although it has not happened often, members of the standing committees have been called upon to judge the professional ethics or reputation of a colleague. In 1962, for example, they took up the matter of an overly aggressive colleague who "gained entry by subterfuge" into the office of Rep. D. S. Saund of California, took a copy of a press release, and wrote and published a news story containing the text of the press release although the release had been embargoed. The committee adjudged the actions "unethical" and "prejudicial to the repute and privileges of members of the Congressional Press Galleries."

A reporter's conduct was again questioned in 1979, when the Standing Committee of Correspondents considered charges against Gary Schuster, of the *Detroit News*, of posturing as a Michigan congressman by riding a "For Congressmen Only" bus to attend the March 26 Mideast peace treaty signing on the lawn of the White House. This time the committee unanimously went on record as "strongly disapproving the conduct attributed to Mr. Schuster" and conveyed to him its "reproof." The committee also reprimanded syndicated columnist Jack Anderson in 1989 for carrying a gun and bullet into the Capitol. Anderson had defended himself on grounds that his purpose was "to save lives by dramatizing that the Capitol security system was vulnerable."

From the perspective of Congress a primary purpose of the Standing Committee of Correspondents has been to protect the legislators from lobbyists acting in the guise of reporters. For example, the committee found against Earl Voss, of the *Washington Star*, for having "accepted payment for an article from an agent of the Nicaraguan Government" (1963); against Jack Anderson for failing to report being a director of an airline (1964); and against Lester Kinsolving, then of the McNaught Syndicate, for having received corporate stocks from a lobbyist for South Africa (1977). On the other hand, in 1978 columnist James J. Kilpatrick was declared not to have broken the galleries' rules by writing for *Nation's Business*, a publication of the U.S. Chamber of Commerce, because there was no "promotion in the articles" and, therefore, this was a legitimate free-lance activity.

Of 21 enforcement actions taken by the Standing Committee of Correspondents between 1913 and 1983, all but two have come since 1951, suggesting that reporters are taking their self-policing responsibilities more seriously in recent years. Indeed, the most celebrated brouhaha came in 1989 when the Executive Committee of the periodicals galleries voted 4-3 to require members to file "an itemized list of public appearances, freelance articles or consulting work, giving the precise source—but not the amount—of income." *Roll Call*, the Capitol Hill newspaper, asked editorially, "Is it in the public interest to know that a reporter who is writing about oil companies has just taken a \$1,000 speaking fee from an association of petroleum producers?" The answer was "You bet it is," but that such revelations should not come from the files of the press galleries. Other critics of the regulation, such as Morton Kondracke of the *New Republic*, "fumed" (according to a *Washington Post* story) that this was "a privacy issue" and that the committee was "just a bunch of busybodies." The four committee members who had voted for the stricter disclosure rule were swept from office at the next election, and the offensive proviso was then repealed.

Making rules and regulations, the reporters have found, can be complicated and unfair. There are advantages to a case-by-case approach. There are also disadvantages: it is terribly time-consuming, because adjudicators continually reinvent the wheel. The reporters' committees have been attacked for failing to provide proper protections for those who run afoul of their rules.

Norman Isaacs, a distinguished editor, has written that "the most sacred cow in journalism's holy credo [is] its self-proclaimed right to reject any type of examination of its performance." Yet journalism organizations love to write codes of ethical conduct. They "have a nice ring to them," journalism educator H. Eugene Goodwin has stated. He has also noted that they always lack enforcing machinery. Within this context, then, it is only a small note, but perhaps notable nonetheless, that the reporters who cover Congress have had a self-policing mechanism in place for more than a century, a watchdog of sorts, and if hardly a junkyard dog, one that does occasionally bark. ■

Stephen Hess, a senior fellow in the Brookings Governmental Studies program, is the author of Live from Capitol Hill! Studies of Congress and the Media, which is the fourth volume of his "newswork" series, and from which this article is adapted.

IT SEEMED like a smart idea to Congress at the time. Soak the rich. Let fat cats pay more tax because they can afford it. And what better symbol of self-indulgent wealth than The Yacht? Yeah, look at those rich swells, in their fancy yachting whites, lounging in a harbor, guzzling gin and tonic while decent, hard-working folk can't afford a rowboat.

So last year Congress enacted a special ten-percent tax on certain luxury items, including boats that cost more than \$100,000. They were in such a hurry to grandstand that they didn't bother to hold hearings,

get opinions from the boating industry or talk to economists. If they had, they might have been told what would happen.

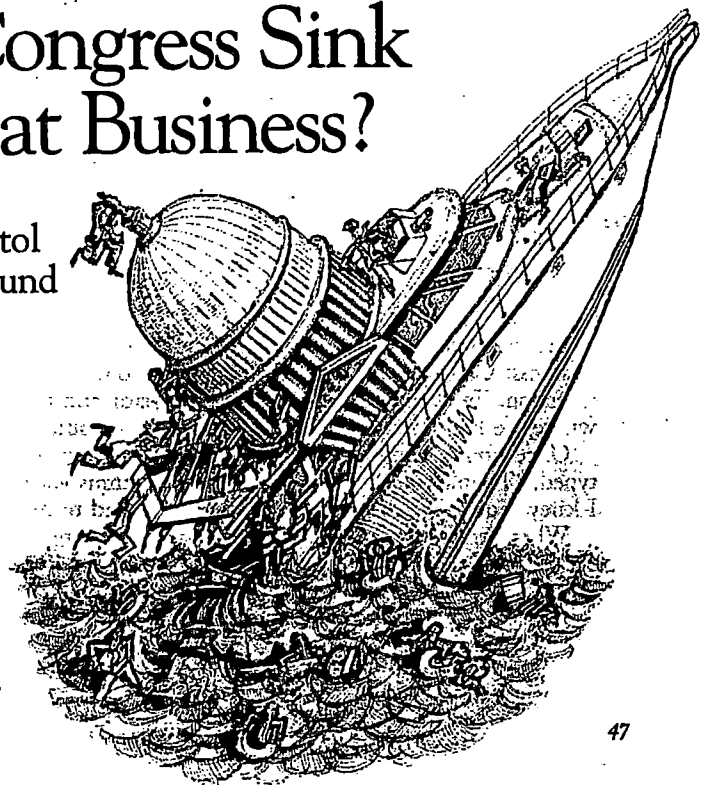
Perhaps it didn't occur to them that somebody considering a \$300,000 boat might say, "They want me to pay another \$20,000 in federal taxes? Hey, forget it. I'll buy a good used boat instead, or maybe I'll just charter one."

A lot of potential boat buyers seem to have thought that way. Those creative minds in Congress wanted to show voters that they weren't afraid to cause some financial pain. And cause pain they

Will Congress Sink the Boat Business?

Another Capitol plan runs aground on the rocks of reality

Condensed from
CHICAGO TRIBUNE
MIKE ROYKO



CHICAGO TRIBUNE (MAY 30, '91).
© 1991 BY CHICAGO TRIBUNE CO.,
435 N. MICHIGAN AVE.,
CHICAGO, ILL. 60611
ILLUSTRATION: PETER BONO

WILL CONGRESS SINK THE BOAT BUSINESS?

have. But to the rich? Hardly. The super-rich already have their yachts or can buy them in another country.

Apparently, Congress didn't know that boats are built by people. The bigger and more luxurious the boat, the more skill and time are required. When the tax took effect right on top of a recession, consumers stopped buying and the luxury-boat business sank.

Boat companies had to lay off workers. The National Marine Manufacturers Association, the lobbying group for boat manufacturers, claims that almost 19,000 jobs will be lost this year because of the tax. Without incomes, those people could be paying between \$30 million and \$60 million less in income tax.

Some boat companies, especially small, family-run operations, went out of business. For example, David Walters, 49, had been building quality yachts in the Northeast for

over 20 years. He sold about five boats a year, ranging in price from \$300,000 to \$600,000, and he employed 40 people. Walters had to close down. His 40 workers lost their jobs.

"Three out of seven builders in my area have been wiped out," says Walters. "And the ones remaining are hanging on by their fingernails."

How much revenue has the boat tax brought to the federal government? Economists say it's possible that the cost of collecting it is wiping out what is being collected. That means Congress came up with a tax that loses money, has eliminated thousands of jobs and deprives the Treasury of millions in income-tax dollars.

This country's private-boat industry is—or maybe was—the world's leader. It exported American boats. Well, maybe the Japanese will fill that gap.

Last Laugh

MY HUSBAND, Dennis, spends five months of the year traveling on business. One day during his absence, my daughter awoke with an ear infection. We went immediately to the doctor and then to the pharmacy, where we had a long wait at the prescription counter.

Once home, I read the medicine bottle. Along with instructions was typed, "Thank you, Dennis." I was livid! Dennis wasn't even in the state. I knew how busy the pharmacy was, but I had to make my point.

When a woman answered the phone, I snapped, "I just left your pharmacy. I took my child to the doctor, I had the prescription filled and I wrote the check. Can you explain why your establishment sees fit to thank my husband instead of me for my patronage?"

The woman gently interrupted my tirade. "Ma'am," she said, "our pharmacist's name is Dennis. *He* was thanking you."

I'll bet they're still laughing.

—Contributed by Deborah Morrill Andrews

This federal agency is
supposed to help
fledgling companies,
but its real business
is politics

Small Business as Usual

Condensed from
COMMON CAUSE MAGAZINE

VIVECA NOVAK AND PETER OVERBY

AS A CHRISTMAS PRESENT from his staff, a recent boss of the Small Business Administration was given a musical statuette of two mournful Bozos. If he wants to relive old times, he can watch it spin and plink out "Send in the Clowns."

The tune could be the SBA's theme song. Caught in a downward spiral of slipshod manage-

ment and intermittent scandal, this Washington agency survives under the protection of a pork-minded Congress and White House neglect. The SBA's programs—to guarantee commercial loans to small businesses, promote minority-owned companies, help victims of natural disasters, support venture-capital firms—reach out and touch very few. Last year, in a survey of ex-government executives' perceptions of federal agencies, only one agency (the Bureau of Indian Affairs) ranked lower.

In the mid-1980s, President Ronald Reagan tried to abolish the "billion-dollar waste, a rat hole," as then Budget Director David Stockman dubbed it. Although agency programs were slashed, the SBA still boasts a \$400-million-a-year budget, a staff of over 3800, a loan portfolio of more than \$17 billion and an aggressive network of beneficiaries eager to defend it.

While it's true that some SBA programs help some small businesses, when the agency really gets down to business, its business is politics.

Today, despite spasms of image polishing and attempted reform, there is scant evidence that the SBA has changed. Consider:

- The Small Business Investment Company program, once an SBA success story, now looks as

shaky as the savings-and-loan industry.

SBICs are venture-capital firms, usually set up by banks or wealthy investors hoping to make money by grubstaking new companies that have promising products. Once an SBIC raises \$3 million on its own, it can borrow up to four times its private capital using SBA guarantees.

The SBA recently estimated that it could lose over \$500 million as SBICs collapse into liquidation. As of this past June, the SBA was handling 169 such cases. Many of the companies the SBICs backed are going belly up too.

Take, for example, the Apex Energy Co., an oil and gas exploration firm. In 1989 two SBICs founded by Louis Marx, Jr., a \$100,000 donor to Republican causes during George Bush's 1988 election campaign, helped launch Apex, mostly owned by the President's son Neil and a friend. The two put up only \$3000 of their own money, but got \$2.3 million from the federally backed firms. Bush drew a \$160,000 annual salary from Apex until he resigned last April. The two SBICs are now in liquidation and could cost taxpayers nearly \$30 million.

In Senate hearings last year on SBICs, Sen. Alan Dixon (D., Ill.) said that the SBICs' "30-percent failure rate is symptomatic of a process that is out of control." After the hearings, the SBA stopped issuing SBIC licenses for 90 days and tried to push through stern new regulations. But SBICs vociferously

oppose them, and the Bush Administration has delayed final action.

• The SBA's Minority Small Business and Capital Ownership Development Program, known as 8(a), is supposed to help firms owned by disadvantaged persons get launched with government contracts and aid before "graduating" to the open market. In 1990, the program awarded nearly 3700 contracts to 1458 firms. It costs taxpayers \$125,000 to \$175,000 per firm per year for government agencies to support the program. But fundamental questions have never been answered. How long do companies typically stay in 8(a)? How many survive? Does 8(a) work? The SBA doesn't know.

When the Senate Small Business Committee decided to survey 8(a) grads five years ago, the SBA supplied an outdated, inaccurate mailing list. The committee painstakingly built its own, finally concluding that, like the SBICs, as many as 30 percent of the 8(a) firms had folded.

The lax practices, cozy relationships and political vulnerability endemic to 8(a) were exploited by Wedtech. The Bronx-based defense contractor was awarded \$250 million in 8(a) contracts from 1975 to 1986. As its fortunes plummeted, practically everything it touched was revealed to be fraught with fraud. It claimed to be Hispanic-controlled but wasn't; it bribed Rep. Mario Biaggi (D., N.Y.) and other officials; it diverted government-contract funds for private use; it recruited highly placed pols—including a former White

House aide—to push on its behalf. The SBA has since made reforms in 8(a), but the Wedtech bailout is still costing the taxpayer—at least \$30 million at last estimate.

- The first thing to know about SBA's disaster loans is that most of them don't benefit small businesses. The second thing is that disasters are in the eye of the beholder—in this case, Congress. At various times, lawmakers have required the loans to cover "disasters" such as a military-base closing, declining fish populations on the West Coast caused by El Niño currents, and the devaluation of the Mexican peso. Some Congressmen even called for loans for businesses hurt by military call-ups during the Persian Gulf War.

- The basic SBA loan program, called 7(a), lends money to small firms that can't get it elsewhere on reasonable terms. Although the 7(a) program stopped making direct general-business loans in 1985, in 1990 the agency guaranteed up to 90 percent of nearly 17,000 7(a) loans issued by banks.

Back in 1986, Congress asked a basic question: do companies that get 7(a) loans grow faster than those that don't? The SBA was to work on a study with the IRS. Five years later, "we have never seen the damn thing," says a Congressional staffer. "About every year I hear they're still working on it."

NOT SURPRISINGLY, the SBA occupies a special place in the heart of Congress: "a direct line from the

Treasury to their districts," as one SBA insider puts it. The SBA feels intense pressure to comply with Capitol Hill demands. Its files are filled with letters from members of Congress badgering the agency on behalf of constituents.

Rep. Joseph McDade (R., Pa.), formerly the ranking Republican on the House Committee on Small Business, helped arrange 8(a) contracts for United Chem Con, a local firm that had contributed heavily—and illegally—to his campaign. When the SBA took Chem Con out of the 8(a) program, McDade overrode the agency with a stipulation hidden in a governmentwide spending resolution.

Later, Chem Con officials admitted spending government funds on clothing, cars and private jets. A company consultant, formerly McDade's top committee aide, confessed that he gave beach-house lodging to an unnamed Congressman and aide in return for "official acts." The firm later went bankrupt. So far, a government probe has produced 12 guilty pleas.

Republican and Democratic Presidents alike have used the SBA as a patronage rest stop, giving it 17 administrators in its 38 years, only four of whom have stayed longer than three years. "I do not think there is a federal agency that has a greater need for continuity and stability than the Small Business Administration," says Senate Small Business Committee chairman Dale Bumpers (D., Ark.).

Lately the SBA's helm has be-

READER'S DIGEST

come a kind of GOP booby prize. Susan Engeleiter, Bush's first administrator, was a bright young Republican state legislator from Wisconsin who lost a close U.S. Senate race in 1988. She had little small-business experience and reportedly had poor relations with the White House. She lasted 23 months.

This winter President Bush picked former Rep. Patricia Saiki (R., Hawaii) to be SBA administrator—the third consecutive defeated GOP Senate candidate in the job. Her business experience? Membership on two large corporate boards back home.

All ten regional administrators are also political appointees. Charles Freeman of New York ran the 1980 Reagan-Bush campaign in Manhattan. Gilbert Cisneros was a Colorado Republican activist. Ed-

ward Murnane of Chicago headed the Bush-Quayle campaign in Illinois. His small-business experience came from a public-relations consulting firm that filed for bankruptcy in 1983. When appointed in January 1989, he still owed numerous creditors, including the IRS.

So the SBA lurches along. Even fans agree it can't go on this way. Some critics want to bulldoze the agency altogether; others would send its better programs to other agencies. James Sanders—the only recent administrator to win wide respect—said at his 1982 confirmation hearing, "If the SBA remains static amid changing times, it will lose its reason to exist." His judgment today: "It hasn't changed nearly enough."

He adds, "Most of the small-business world does pretty well without the SBA."

Reprints of this article are available. See page 218.

City Slick

VISITING Manhattan, a companion and I ventured out on a rainy night to go to a restaurant. After a long wait we finally got a taxi. When we arrived at our destination, a woman waiting at the curb eagerly hailed our cab. "Aren't I nice?" I quipped as I got out. "I came all the way here to bring you this taxi."

And she shot right back as only a New Yorker can, "Yeah, and you're late!"

—Contributed by Chris Tomain

A COMMUTER sitting on a subway train reading a paperback was so sprawled out in the seat that the woman next to him had very little room. When she asked if he could move a bit, he refused. Just then, a man opposite them yelled, "Why don't you sit like a human being?"

"What are you going to do if I don't?" came the reply.

"Well, for one thing, I'll tell you how that book ends."

—Catherine Romano, quoted by Ron Alexander in *New York Times*

Do We Really Need Corporate Welfare?

A COMPILATION

PRESIDENTS have long warned Congress against legislation that provides special favors to business. Woodrow Wilson declared they make recipients uncompetitive, "cowardly, and dependent on government aid."

Federal handouts to business don't always travel through the front door. Sometimes business leaders persuade Congress to turn laws designed to help the less fortunate into subsidy programs to enrich their corporations. In the end, some industries become trapped in a system where success is achieved not by ability to produce but by skill at political manipulation.

Isn't it ironic that, at a time when socialism is collapsing and America's free-enterprise system has become

the envy of the world, Congress still encourages corporate welfare?

.....

Dialing for Dollars

BACK IN 1949, when two-thirds of the nation's farmers didn't have telephones, Congress gave the Rural Electrification Administration (REA) a new mission: use subsidized loans to spread phone service into the hinterlands where it didn't pay for big companies to go.

Dell Telephone Cooperative, Inc., an REA borrower in remote West Texas, says it is still "struggling" to keep 788 customers residing in 10,500 square miles of "cactus, rattlesnakes and scorpions" in touch with the Information Age. But June Barker, Dell's assistant man-

the next hour, radio waves sped the voices of this family back and forth.

Meeting in Manila. Several days later, Seth's mother, his three brothers and sister left for Seattle, hoping that soon the whole family would be together in their new home. For the next eight months Ned Raub in the United States and Cooter Sevilla in the Philippines used every contact they had to bring about this reunion. Ned alone wrote more than 160 letters and petitions, plus endless reminders, on Seth's behalf.

Finally, in the spring of 1989, Sevilla received word from the National Security Council of Thailand that Seth would be sent to a refugee camp in the Philippines. With luck, he would eventually be given clearance to join his family in America.

"Please let all friends know," Seth wrote gratefully, "that I am pulled from half of the deep well."

On June 23, 1989, Seth landed at Manila airport. That October, two years after his first shortwave contact with Ned Raub, he and Sevilla welcomed the American ham to the Philippines.

"Hello, Ned," Seth said quietly. He recognized him from the call letters emblazoned in gold across his baseball cap.

"Hello, Seth," Ned replied, reaching into his flight bag for a matching cap with XU1SS in gold letters. Grinning as Ned slipped the cap on his head, Seth exclaimed, "I am halfway to heaven!"

That evening at their reunion feast, Seth made an announcement. Narothee Lee, a young Cambodian woman he had met at Site II, would follow him to the Philippines and become his wife.

For the next 16 months, while Seth waited in Morong Camp, Ned and the Filipinos pressed their bureaucratic campaigns to release their "little frog" from his deep well. Finally, on February 28, 1991, Seth and his new bride landed in Seattle. In the crowded passenger terminal Seth's younger brother was holding up a sign hand-lettered in Cambodian and English: "Welcome home!"

Seth hurled himself into the waiting arms of his brothers and sister. Then he saw his mother, who was standing at the edge of the crowd, smiling and trying not to cry.

"I never thought I would see you again," she said as they embraced. Overcome with gratitude and relief, his mother began to cry. Soon the reunited family was standing in the middle of the crowded airport concourse, holding one another in a great, joyous hug.

Seth Keo is now working as a night maintenance man at a hotel near his home in Seattle and studying at a community college by day. On November 22, 1991, Edward Nora Keo was born to Seth and Narothee. In choosing their son's name, the proud and grateful parents honored Edward (Ned) Raub.

ager, has a bigger challenge: how to invest the little co-op's pile of cash—\$5.8 million at last report.

"There weren't enough banks to keep it local," she says. "Now I have two stockbrokers, good ones." Result: while still paying off \$11.4 million in REA loans at taxpayer-subsidized interest rates of two and five percent, Dell Telephone is ringing up big bucks on higher-interest CDs and mutual funds.

For years, the REA denied or limited loans to companies that had excessive "general funds." But Congress changed the rules in 1985. Today, scores of rural telephone companies are flush with cash, and diversifying into such lucrative areas as cable-television and cellular-phone franchises. Lured by the riches, big telephone holding companies have taken over more than 50 of their plump country cousins in the past three years—and happily assumed their low-interest REA debts while going back for more.

In 1990, almost half the loan money was captured by just five companies. Telecommunications giant GTE Corp., for example, borrowed \$30 million at five-percent interest for its Micronesian subsidiary in the South Pacific—even though GTE had \$431 million in cash after paying out \$1.1 billion in 1990 dividends. Other big borrowers: Alltel Corp., Century Telephone Enterprises, Inc., Telephone and Data Systems, Inc., and PacifiCorp.

Meanwhile, small systems such as the two-employee Flat Rock (Ill.)

Telephone Cooperative had to wait until the next fiscal year for its \$428,400 loan, because the REA ran out of 1990 funds. "It's first come, first served," says Robert Peters, in charge of the REA's telephone program. "If you're a company with unlimited resources, you can get your requests in a lot quicker than a Ma-and-Pa-type operation."

Bush Administration efforts to return to a means test and to substitute the REA-subsidized loans with federally guaranteed loans at market rates have failed in Congress. A major reason, according to former Agriculture Department official Robert Richards: "No one was willing to go toe to toe with Glenn English." Representative English (D., Okla.), a power on the House Agriculture and Government Operations committees, has received thousands of dollars in campaign contributions from telephone political-action committees.

In May 1991, the United States Telephone Association, the big companies' lobby, entertained lawmakers at the tony Virginia Gold Cup steeplechase, pouring out champagne beneath a sun-dappled tent. By then, big holding companies had already applied for half the money in the year's \$364-million REA loan pot.

—Bruce Ingersoll in *The Wall Street Journal*

.....

Rotten Fruit

DAN GERAWAN opens a carton of nectarines at his large family farm

in California's San Joaquin Valley. "You're in the presence of an illegal substance," he says. The fruit is not poisoned, and retailers across the country are clamoring for the nectarines. Nonetheless, the nectarines will be destroyed. The decision was made by a marketing association of Gerawan's chief competitors.

Welcome to the world of "marketing orders." Federal regulations, originally meant to aid farmers during the Depression, let them form committees to control the flow of produce to markets. A farmer can disobey a committee's order only upon pain of forfeiting to it some of the product.

The committees are dominated by large growers and packers. Charges Rep. Dick Armey (R., Texas): "These are government-created and government-enforced cartels that protect a very few producers invested with enormous power, in the case of citrus most notably Sunkist."

Each week, the navel-orange committee orders Norman Free-stone, who owns a 36-acre spread in Orosi, Calif., to withhold a large portion of his oranges from the market. Sunkist Growers, Inc., a \$1-billion company, controls five of the 11 seats on the committee. "I'm the smallest of the small," Free-stone says. "It's grossly unfair."

The marketing associations overcame substantial opposition during the early years of the Reagan Administration. Congress prohibited the Federal Trade Commission and

other agencies from even studying marketing orders.

So each year tons of choice fruits are left to spoil or be fed to cattle.

—Carolyn Lochhead in *Insight*

Double Dip

PANOCHÉ FARMS used to be a single operation run by a partnership between two families, the Hansens and the Bakers. It covered 13,000 desert acres near Mendota, Calif.

The acres and the families are the same today. But the Hansens and the Bakers have restructured Panoche into a maze of 15 separate landholdings, controlled by 24 friends and relatives through 53 partnerships, corporations and trusts. They did this, they acknowledge, to sidestep federal limits on taxpayer-subsidized irrigation water.

Panoche's water subsidies cost taxpayers over \$550,000 in just one year, 1987, according to the Government Accounting Office (GAO). And much of this water was used to grow cotton, a crop whose price the government subsidizes. Panoche reaped \$4.3 million in these subsidies between 1986 and 1988.

Panoche isn't alone. The Bureau of Reclamation has spent most of this century damming the West's rivers for irrigation. The federal government gave farmers long-term, fixed-rate water contracts that often didn't cover even the Bureau's operating costs. Congress intended that subsidized water go

mainly to small farmers. But recently, some of the biggest and richest have used it to grow subsidized crops.

The GAO contends the restructuring at Panoche, and elsewhere, is inconsistent with the expectations of Congress when it passed a law in 1982 to limit subsidies to 960 acres of a farmer's land. But the Bureau of Reclamation, which administers the water laws, has allowed the practice. Bill McDonald, assistant commissioner for resources management for the Bureau, says, "It's up to Congress to close the loopholes."

In the meantime, the water pours over places like the 23,238-acre Boston Ranch, near Lemoore, Calif. In 1989 a subsidiary of the J. G. Boswell Co. sold the Boston Ranch to something called the Westhaven Trust. Westhaven has 326 beneficiaries, all of them employees or former employees of J. G. Boswell Co. No landholding exceeds 960 acres.

J. G. Boswell is believed to produce more cotton than anyone else in the country; in 1989, *Forbes* magazine figured its net worth at \$500 million. The GAO estimates that Westhaven's subsidized water costs taxpayers about \$2 million a year. J. G. Boswell Co. has gotten crop subsidies too. In 1986 the federal government wrote it a check for \$8,392,232—one of the largest single payments ever to a commodity grower.

—Charles McCoy in *The Wall Street Journal*

Sales Job

THE FEDERAL Market Promotion Program was created in 1985 to boost agricultural sales in countries where U.S. products were hindered by unfair trade restrictions. It has grown to become the biggest federal foreign-market development program, with \$1 billion allocated for the next five years. And, in 1990, Congress changed the rules—participants no longer have to prove they face unfair trade practices.

Some of the biggest corporations and interest groups—from McDonald's to the National Peanut Council—have benefited from the millions spent to fund advertising abroad. The Wine Institute got \$15 million in 1991 for, among other things, "tasting shows" and store promotions in Canada, Japan and Europe. The biggest award went to the biggest U.S. winery—E. & J. Gallo—which was allocated \$5.1 million.

The Pillsbury Co. has cultivated the Japanese market since the 1970s. But the company was allocated about \$2.8 million last year to market its Green Giant frozen corn there. Pillsbury isn't even U.S.-owned—it's a subsidiary of a British conglomerate.

"The bottom line is that it's a corporate welfare program," charges Rep. Charles Schumer (D., N.Y.). At a budget committee task-force hearing in 1990, Rep. Dan Glickman (D., Kan.) was one of several Agriculture Committee members to defend such programs. "I have supported food stamps,

READER'S DIGEST

urban programs," Glickman reminded members of Congress who represent city populations. "I would hate to see a lot of programs jeopardized because of an attempt to drive a train through agriculture programs."

—Doug Turetsky in *The Washington Monthly*

.....

Getting Down to Business

Hannah B. Lapp, her parents and siblings farm about 200 acres and milk 60 cows in Cassadaga, N.Y. She writes:

We who milk cows rarely retail our own product; pasteurizing and packaging are more suited to large processing plants. Many of these, in turn, deal with milk retailers. So there are two middlemen between farmer and consumer.

During the New Deal, government intervened to protect us from these middlemen, with federal and state departments controlling the terms of milk transactions. This quickly became a game of privilege and politics. Competition was stifled, milk marketing became lazy and small farmers were the losers.

Once dairy farmers started depending on government to make a profit, we developed a dependency hard to kick. When the economy is slow and marketing or weather conditions are adverse, grape growers, who are not subsidized, decide

how many vineyards they can maintain. Dairymen turn to politics.

The federal Commodity Credit Corporation temporarily keeps prices from dropping by buying up surplus milk. But by the first half of 1980, after the warehouses got full of spoiling cheese and everybody said "that's enough!" guess where we farmers were left? With prices sinking to rock bottom in a flooded marketplace, of course.

Today, some say the government should solve our problems by controlling production with quotas. Others say, just set prices higher.

But there's another voice arising above the clamor—of those who want government out of milk marketing, out with all of its complicated price supports, market orders and supply-control schemes. We just want to produce and sell milk.

Dairy farmers are fond of noting that all they are asking for is a "fair" price for their milk. Businessmen know that the only fair price is one that convinces customers to buy.

Personally, I feel that milk is one of the best bargains in food. I can try to convince our customers of this by force of law. Or I can choose the means employed by the most successful of American industries: product research and development, advertising and competitive pricing.

—*The Wall Street Journal*

DON'T WORRY about the world ending today—it's already tomorrow in Australia.

—Charles M. Schulz

BOOK EXCERPT

A Tale of Piggery

Steamtown USA is a case study in the worst kind of pork-barrel politics

BY BRIAN KELLY

Eastern Pennsylvania is a pork paradise. The region has had its economic ups and downs over the years, but it has always been blessed with congressmen who know how to get their snouts into the congressional trough. For years, the standard was set by Rep. Daniel J. Flood, a former Shakespearean actor who wore a cape, waxed his Snidely Whiplash mustache and every year brought millions of federal dollars back to his district. It was Flood, as a powerful member of the House Appropriations Committee, who required the Pentagon to buy hundreds of thousands of tons of Pennsylvania coal every year which the military did not need and never used. Flood was once re-elected by his grateful constituents despite a 13-count federal indictment accusing him of bribery, perjury and influence peddling.

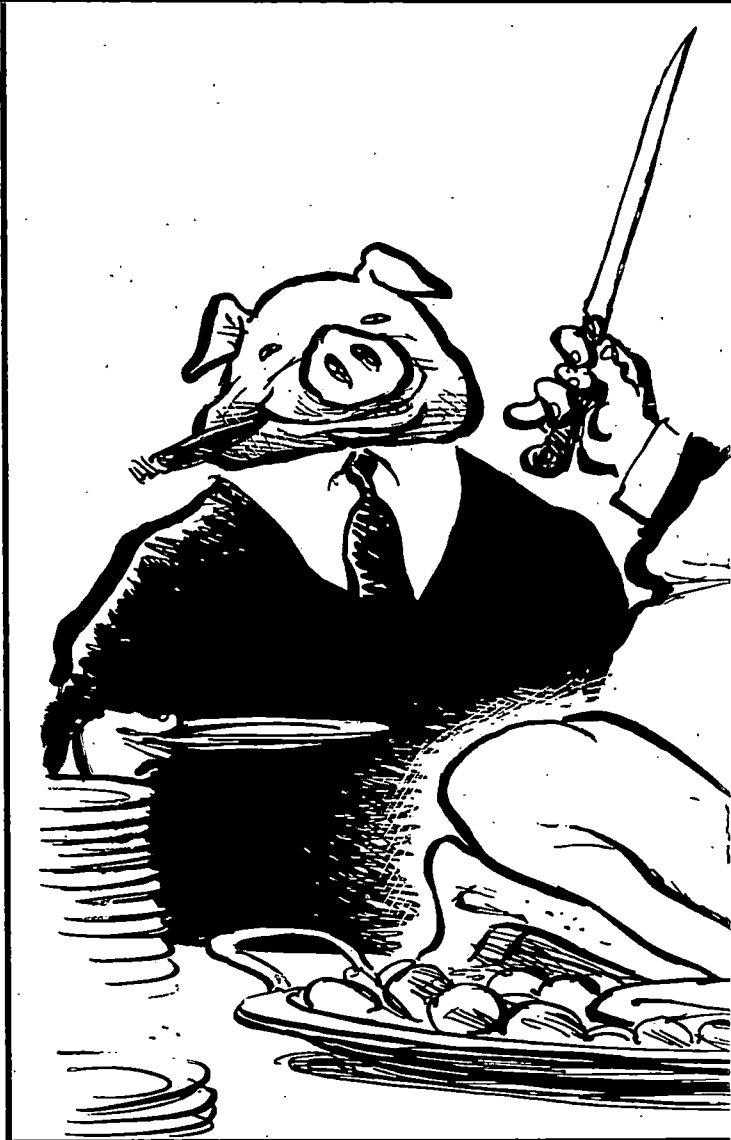
When Flood resigned in 1980, his mantle was picked up by Republican Joseph McDade, a pug-nosed back-room dealmaker who has served the Scranton area since 1962. McDade, too, has a questionable ethics record. Federal investigators have spent the last four years looking into his relationship with a defense-industry lobbyist, his acceptance of perks from coal companies and his role in steering navy contracts to a man who pleaded guilty to defrauding the government of \$12 million. (McDade's lawyer, Abbe Lowell, says his client "has done nothing wrong," adding that after four years "the prosecution's motives must be seriously questioned.") But no matter: McDade delivers. As a member of the

Defense Appropriations subcommittee, McDade makes sure that the Pentagon keeps on buying that useless anthracite coal—and much more. No wonder McDade was re-elected by a landslide in 1990, winning both the Republican and Democratic primaries.

McDade has achieved the dream of most pork-barrel congressmen, a living memorial, indeed two: the University of Scranton's new Joseph M. McDade Center for Technology and Applied Research, and the county's McDade Park, with its Anthracite Coal Museum. But the congressman's crowning achievement is a historic theme park called Steamtown. It doesn't look like much, more like a shut-down factory yard waiting for the scrap dealers to arrive. On rusty tracks sit some railroad cars and locomotives from the 1940s and '50s. Oddly, for what is supposed to be America's national railroad museum, the only two restored engines are labeled "Canadian Pacific" and were, in fact, made in Canada. There is little evidence of the \$40 million that American taxpayers have already spent on Steamtown. Still, at least there is a Steamtown—and the way Joe McDade got the federal government to pay for it is a small classic in the annals of pork-barrel politics.

Town boosters: Steamtown is run by the National Park Service, those folks in the tan ranger hats who brought you natural wonders like Yellowstone and Yosemite and historic sites like Gettysburg and Valley Forge. But the Park Service had nothing to do with creating Steamtown, or even much say in the matter. Steamtown was a failed experiment, dreamed up for overenthusiastic Scranton town boosters, that was rescued from financial collapse by Joe McDade.

Two principles of pork are: the bigger the bill or the later the hour, the better the chance to slide something by. McDade





working rail yard with 18 to 20 coaled-up locomotives steaming away. To give the project respectability, its name was changed from Steamtown USA to Steamtown National Historical Site. Some railroad experts were skeptical. William Withun, the Smithsonian Institution's curator of transportation, said the project was so large it would cause "an eventual financial hemorrhage" for the Park Service. John White, a former transportation curator, called Steamtown "a third-rate collection in a place to which it has no relevance." There were already better collections in St. Louis, Sacramento and Strasburg, Pa., noted *Locomotive and Railway Preservation* magazine, which added that restoring Steamtown's equipment would cost another \$30 million to \$35 million.

Meanwhile, the Park Service was so strapped for funds that Yellowstone and Glacier were cutting hours and staff. Salaries were so low at Yosemite that employees were applying for food stamps. Not far from Scranton, Philadelphia's Independence Hall was physically falling apart, according to an investigation by *The Wall Street Journal*. Despite its 5 million annual visitors, the place where the Founding Fathers signed the Declaration of Independence was 90th on the Park Service's priority list. At the top were places like Steamtown and the Huntington, W. Va., theater that Robert Byrd, chairman of the Senate Appropriations Committee, was turning into a cineplex.

Railway accidents: Steamtown turned out to be—surprise!—more costly than projected. The price tag of repairing one crumbling bridge jumped from \$2 million to \$7.5 million. The rail yard was found to be densely contaminated with PCBs. During the second summer of Park Service operations in 1990, all eight passenger cars in one train came uncoupled while traveling at speeds up to 50 miles an hour. "They have to learn that this is not some Christmas-tree train," said Arnold Embleton, one of the conductors and a 42-year veteran of the Lehigh Valley Railroad, "or they're going to get somebody killed."

Still, the money kept flowing. Not because there were any public hearings, or expert testimony taken, or even any spending bill authorized by the appropriate committee. The money, \$40 million by last year, flowed through the back door—"add-ons" slipped into spending bills at the last minute. "Fortunately Senator Robert Byrd is a personal friend of mine," explained McDade.

"We've worked close to 30 years together."

By last fall McDade decided to ask for a formal authorization bill providing another \$40 million to finish the project—and \$6.5 million every year thereafter to run it. Going through the normal legislative process risked exposing Steamtown to scrutiny and real debate. But McDade knew he had finally reached the point every pork-barreling congressman longs for, when he can cry to his colleagues, "We've got too much money invested to kill this project now! Think of all the money we'd be wasting!"

It is possible that Congress will balk at throwing more money away on Steamtown. But don't hold your breath. McDade is now the senior Republican on the House Appropriations Committee, which gives him considerable leverage over his col-

leagues. When they come begging, as they do every year, to the committee's ornate chambers in the Capitol, seeking their own dams and highways and parks, McDade will be in a position to trade: his vote for their projects, their votes for his. In Congress, compromise usually means everyone wins, except the taxpayer.

This and the following story are excerpted from "Adventures in Porkland," a forthcoming book by Brian Kelly, illustrated by Pat Oliphant, to be published by Villard/Random House in September.

used both advantages. He chose to slip Steamtown—at the asking price of a mere \$35 million—into the gargantuan \$576 billion omnibus spending bill that lurched through Congress in the final hours of the 1986 session. McDade accomplished this by doing some midnight business with a baron on the Senate Appropriations Committee, James McClure of Idaho. McClure needed McDade's support in the House for his own pet projects, such as an authentic Bavarian resort in the Idaho mountains. McDade swapped him for Steamtown. McClure drove a hard bargain, cutting McDade's request to \$20 million, but McDade did not mind. He understood another enduring principle of pork: if the camel gets his nose under the tent, it's only a matter of time before he gets the rest of himself in, too.

The Park Service was not altogether happy to receive this gift from McDade. Steamtown at the time was running an excursion line that charged \$19.50 to attract very few riders. "The federal government will not become a dumping ground for white elephants," said Park Service spokesman Duncan Morrow. "If Steamtown officials just want our money so they can continue to operate the excursion, we are not interested."

Two years later, the Park Service was running an excursion. Not only that, they were embarked on an ambitious project to create a

**Two principles of
pork: the bigger
the bill or the
later the hour,
the better the
chance to slide
something by**

The Anatomy of Pork

A reader's guide to the ways lawmakers bring home the bacon

Pork comes in all shapes and sizes, some well hidden, some blatant, some justifiable, some of it as silly as a study of the drinking habits of fish. The 1992 federal budget is well larded with as much as \$97 billion of pork, which can be reasonably defined as everyone's money spent for the pleasure of a few. Here are some of the goodies Congress piled aboard the spending train for this year:

Rotten Pork: This is the really awful kind, the obvious, laugh-out-loud kind, the kind that seems so brazen that an ordinary person could never imagine it being approved. Steamtown, for instance. Or Lawrence Welk's museum. Then there was the rehab of President William McKinley's *in-laws'* home, studies of whether tequila will make fish drunk and why the Hatfield-McCoy feud got started, and a couple million dollars to build a native Hawaiian canoe.

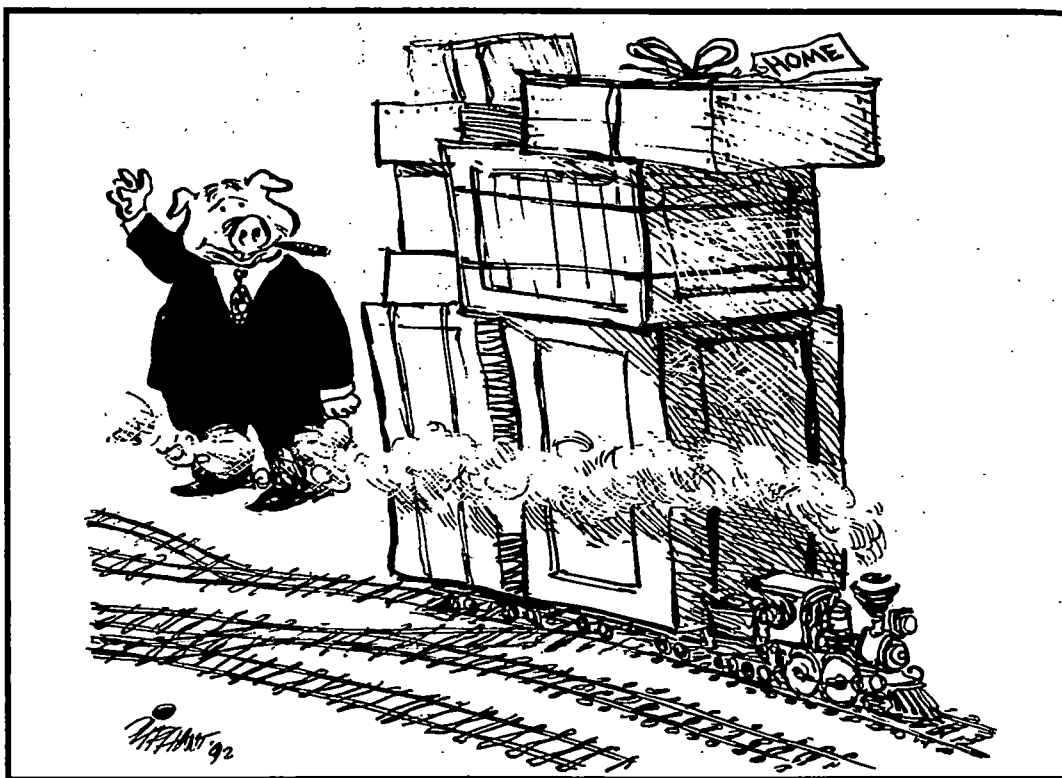
Usually the dollars are relatively small, but they can add up. The year's best example may have been Alaska Sen. Ted Stevens's sty-in-the-sky, a plan to harness the energy of the aurora borealis in a scheme that makes Star Wars look like a high-school science experiment. The project was supposed to turn the huge voltage of the northern lights into electric current. But no one, including the people in charge of the experiment, think it would really work. This year's tab: \$25 million for a supercomputer for the University of Alaska in Fairbanks.

Big Pork: At the deep end of the money river, these are the traditional sort of colossal public works projects that get built not because of need or usefulness but because of power. Bills are still coming in for the little-used \$2 billion Tennessee-Tombigbee waterway, a dig bigger than the Panama Canal which attempts to duplicate the Mississippi River a few hundred miles to the east. Everyone agreed we'd never do anything like that again. But what's this? Snaking its way through Louisiana is the half-finished \$2 billion Red River waterway which attempts to duplicate the Mississippi heading west.

Transportation provides another pot for legislators to score big-money, big-status projects. Billions of dollars are spent annually to fund suspiciously underused mass transit systems—like a train in Buffalo that's so expensive it would be cheaper to pick up commuters each day in a limousine. Some of the most coveted funds are for so-called "demonstration projects," intended to be experiments in

transportation, but in reality just goodies to be doled out to the favored few. For instance, one might reasonably ask what principle is demonstrated by building a four-lane highway "to eliminate traffic congestion" in a remote part of West Virginia. The answer is that it demonstrates the power of Robert Byrd, senator from West Virginia, chairman of the appropriations committee, and perhaps the most adept pork barreler in the history of Congress.

Farm Pork: The biggest welfare queens wear overalls and have



hairy arms. Last year, Congress handed out to farmers direct subsidies worth more than \$5 billion. (The budget for Head Start programs is \$2 billion.) In simple terms, and there is nothing simple about "ag" subsidies, the government sets a guaranteed target price and if the market price drops below this, the taxpayer makes up the difference. The Wonderland quality of this system is that it encourages farmers to overproduce, which further drives prices down and forces the government to buy more of the crops. Which encourages the farmers to overproduce...

Congress's solution: give the farmer money to *not* grow crops. This has worked well. According to Congressman Harris Fawell, by 1990 the government had paid to shut down about 60 million acres, about the size of three midwestern states.

The result is billions of dollars in higher food prices to go along with the billions of tax dollars paid out directly to farmers. Take the case of peanuts, which have been protected since World War II. Supply is restricted by only allowing goobers to be grown by those who had licenses in 1941 and by sending out squads of peanut police

to make sure that's the way it stays. Imports are also curtailed and prices guaranteed. Needless to say, many peanut farmers are wealthy men. But consumers, Fawell says, pay an extra 40 cents on a \$1.79 jar of peanut butter.

Or consider another World War II legacy, the temporary honey program which was started to encourage production of honey as a sugar substitute and create a supply of beeswax to use in waterproofing combat equipment. Now, 46 years later, honey soaks up almost \$200 million in annual subsidies.

Or milk. There are twice as many dairy farmers producing twice as much milk as the country needs. Thanks to the government, farmers know they can make a profit milking cows, which is why every farmer has some and why, in the mid-1980s, the government had to pay farmers a billion dollars to kill the excess animals. The cost to the consumer: up to \$2 billion a year.

Power Pork: Brazen political spoilsmanship that only a handful of members can get away with. The best example came from Daniel Patrick Moynihan, the senator from New York who treats the grubbier business of the Senate the same way he would treat a beetle discovered in his *salade Niçoise*. He even chides his colleagues for their pork tendencies. So it was somewhat surprising when, several months after the highway bill had passed, *The Washington Post* discovered that Moynihan had stuck his own huge piece of pork right in the middle of it. He felt the federal courthouse in Brooklyn was too crowded and the General Services Administration (GSA) was dragging its feet building a new one, so he inserted a \$450 million paragraph mandating that everyone's gas taxes be used to build his courthouse.

Of course, one reason the GSA may not have had the money to accommodate Moynihan was because of all the other buildings they're told to put up, including two courthouses for Bobby Byrd, and an office building named for Los Angeles congressman Edward Roybal, who heads the subcommittee that funds these things. There was also what's known around Washington as the billion-dollar boondoggle, a giant federal office complex under construction on Pennsylvania Avenue just down from the White House. At a time when Washington was floating in private office space and the federal government was supposed to be shrinking, the government was building the biggest structure since the Pentagon. The man behind that plan as well was none other than Daniel Patrick Moynihan.

Perpetual Pork: These are the programs that, once started, will never die. Many date to the New Deal and others to Lyndon Johnson's Great Society. Why, for instance, does the TVA, which makes a huge profit, still take \$135 million of federal money? Or the Rural Electrification Administration (REA), another well-intentioned New Deal program that long ago completed its mission of bringing electricity to practically every farm in the country? But since REA needs a reason for existence, it's now bringing subsidized telephones and cable television to those same homes—at a cost this year of \$270 million.

But at least these agencies can claim some accomplishments. The Johnson-era Economic Development Administration (EDA) was intended to help depressed rural areas, but "depressed" and "rural" quickly got defined to include 80 percent of the congressional districts in the country. EDA became a little piggy bank for weird projects, including a 20-acre "water theme" amusement park in Beaumont, Texas, and grants to companies in New London, Connecticut. Mostly the agency gives out loans, an amazing 40 percent

of which aren't repaid. But every president since Richard Nixon has tried without success to take the piggy bank away. And although it topped Budget Director Richard Darman's hit list this year, EDA turned out to be one of the big winners, with a hefty boost in funding to \$250 million.

Another big winner was the woefully managed Small Business Administration, which also traces its lineage to the New Deal and has been denounced by critics as diverse as David Stockman ("a billion-dollar rathole") and *Common Cause* magazine ("an empty paean to the free enterprise system"). Despite a few notable successes—it supposedly gave Federal Express and Apple Computer their seed money—the agency has been a mire of scandal, patronage and waste with no mission other than what its congressional masters decide they want doled out in a given year. SBA lends money to shaky businesses based on congressional clout and the default rate is an unsurprising 30 percent. The 1992 bottom line for this agency which doesn't understand the bottom line: an 80 percent budget hike to \$837 million.

Presidential Pork: Despite his attacks on "little carping liberal Democrats" and their "pork barrel bonanzas," President Bush had plenty of his own in the 1992 budget. He also cut none out. Although his budget request targeted hundreds of wasteful programs, he and Budget Director Darman made no serious effort to eliminate any of them. As one appropriations committee staffer noted, "How could he try to cut anything with a straight face when he was putting his own in?"

The president's pork was often double-edged: to get his, he had to let others get theirs. Consider a Bush pet: the \$40 billion to \$100 billion manned space station which opened the floodgates to outrageous projects throughout the HUD/VA appropriations bill. The same thing happened with the \$10 billion superconducting supercollider, the atom-smashing race track near Fort Worth that makes Bush's Texas cronies happy as rancheros at a pig pull, but also cost a bundle of new water projects to buy the cooperation of Sen. J. Bennett Johnston and Congressman Tom Bevill.

The highway bill provided an interesting case study in this president's prerogative to change his mind. Lucky for him he never actually said, "Read my lips: No new pork."

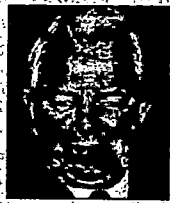
When the bill was first introduced, Transportation Secretary Samuel Skinner gagged at the almost 500 pork projects—perhaps an all-time record for a single bill. They were to be paid for by a sly increase in the federal gas tax. With White House approval, Skinner went on the warpath and told Congress it was heading for Veto City. That was, until Bush started dropping in the polls. Suddenly Bush started thinking like Bobby Byrd: any spending is good spending. Skinner, a pragmatist like Bush, got the message quick and shut up. The tax passed, the bill passed and the next time anyone heard from Skinner was when he went to Texas for the signing ceremony.

Academic Pork: If you thought that universities were above the grubby business of begging for federal favors, you thought wrong. Pork tied to research grants is one of the fastest growing types, soaring from practically nothing ten years ago to at least a billion dollars this year. The schools who benefit tend to be small colleges in strategically placed locations—the congressional district of somebody with clout. Wheeling College in West Virginia, Byrd's home, has gotten tens of millions of dollars for NASA research to develop something called the "classroom of the future."

And the money comes from strange places. The Pentagon, for

**The goodies
Congress piled
aboard the
spending train
could cost the
taxpayers as
much as \$97
billion a year**

Four Princes of Pork



Robert Byrd
Democrat, W.Va.
Senate Appropriations Committee chairman has funneled almost \$2 billion to his home state in the last two years. In the 1990 budget deal, his greatest coup, he shook down the White House for an extra \$100 billion in domestic spending.



Alfonse D'Amato
Republican, N.Y.
One of the most relentlessly parochial lawmakers in Congress, the wise-cracking Republican from Long Island is called "Senator Pothole" for his ability to score everything from road funds to favors for local banks.



Jamie Whitten
Democrat, Miss.
The longest-serving member of Congress ever heads House appropriations. A disciple of the New Deal, he believes that God intended no farmer to fail, whatever the cost—which to consumers is many billions a year.



John Murtha
Democrat, Pa.
The chairman of the House Appropriations Subcommittee on defense is a particular friend of the bloated National Guard. Over Pentagon protests, he saved the Philadelphia Naval Shipyard, costing taxpayers \$700 million.

CLOCKWISE FROM TOP LEFT: MAIMAN—SYGMA, MAASS—SIPA, DOWNING—NEWSWEEK, NORDELL—JB PICTURES

instance, will have to pay more than \$100 million for research of questionable value, including funds to put a submarine in an Oregon museum and to breed fish in Hawaii. Sen. Sam Nunn, who sees himself as the sober guardian of the Pentagon, was outraged when he discovered the funds. "This is not the way the process is supposed to work," he hollered.

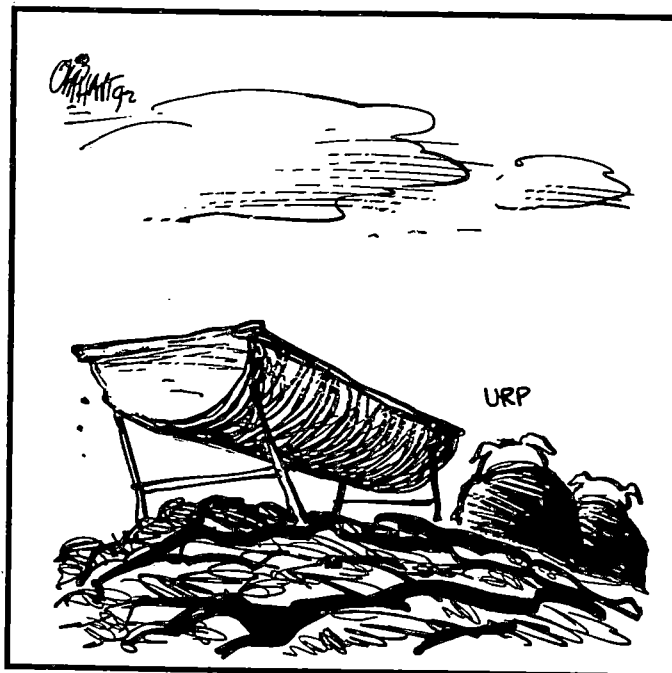
Defense Pork: Of course the Pentagon itself is the biggest pork bonanza of all, a virtual Iowa county full of grunting sows. For most of the congressmen in America, their hearts told them it was time to slash the bloated military budget, but their heads told them, *Whoa! We're talking about jobs here!* New weapons in the budget included an air-cushion amphibious landing craft and the Osprey, a \$25 million-a-copy combination helicopter-plane the Marines apparently want but the Pentagon had been trying to kill for three years.

Amazingly, the Pentagon, led by Defense Secretary Dick Cheney, who genuinely seems to want to cut spending, said it had enough stuff. Remember the array of aircraft in the war with Iraq? The U.S. used only 10 of its 57 fighter wings for the whole war. The war showed the clearest proof that we didn't need more weapons. But more got bought because some congressmen wanted them and deals were cut. The Ohio and Michigan guys wanted the M-1 tank; the Pennsylvanians coveted the Osprey, and so on.

"The choices we're making aren't about jobs back home in the district," Cheney complained in one speech. "It's not about how much pork a congressman's able to deliver on election day. It's preparation for the next time we go to war."

shouldn't have to pay the tax—as does probably everyone in the country who pays taxes, the difference being that only a lucky few ever find a sympathetic ear.

But one man's tax break is another man's tax bill. Every special break means a dollar not received by the Treasury and thus a dollar that either has to come from someone else, or has to be borrowed. So each favor has to be paid for. In "Showdown at Gucci Gulch," a dissection of the 1986 tax reform act, authors Jeffrey Birnbaum and Alan Murray write of the day Ways and Means chairman Dan Rostenkowski sat down at 7 a.m. and started calling key congressmen with a question: "What do you need?" By the end of the day, he'd given away \$5 billion in taxpayers' money. A total of \$20 billion in special breaks was given out in 1986, then thought to be an all-time record. (But the 1991 budget contained \$27.4 billion in special interest breaks, according to the Citizens Against Government Waste.)



People's Pork: There's one more unpleasant item to mention here. Some would call it the biggest pork of all. The budget gurus call it entitlements. And the average person thinks of it as his social security check, or his Medicare reimbursement, or his kid's college loan. We're talking hundreds of billions of dollars here. You can think of it as pork in the sense that it's politicians giving you your money back to make you happy. The only problem is, they're giving you more than you put in. Medicare, for instance, has come to have the same free lunch quality as all those highways and courthouses Bobby Byrd's handing to his West Virginia voters. But of course, everyone knows there's no such thing as a free lunch. Right? ■



214 MASSACHUSETTS AVENUE, N.E.
 WASHINGTON, D.C. 20002
 Telephone: (202) 546-4400

FACSIMILE TRANSMISSION SHEET

Date: 4/2/92

Time: 9:30

To: Carol Aarhus
W.H. Speedwriting

Facsimile #: 456-6218 voice 456-7750

→ This cover plus _____ pages

Message #: _____

From: Dave Mason

Comments: Pete Wilson's speech on Franking, as
we discussed.

DM

Helping the War on Drugs. So, the very next day, September 6, I grasped at a rather fortunate opportunity. On that day, our first day back in session after the August recess, the Senate considered the bill providing funds for Congress. And an opportunity was born. Certainly, Congress would be willing to expend some of its budget to help fund the drug war. And certainly the carping Democrats in Congress, who trashed the President's drug strategy as being too little, would be willing to cinch in their own belts a little to help such a worthy cause — the war on drugs.

So I offered a simple amendment: It would prohibit members of Congress from sending unsolicited mass mail. The money that was saved would be redirected to provide treatment for drug-abusing pregnant and postpartum women and their children. Out of the budget recommended by the Senate Appropriations Committee, that amounted to a transfer of approximately \$45 million.

Now, \$45 million may not seem like a lot of money in a trillion dollar budget, and it is certainly not up to the full task of meeting the problem at hand. But, believe it or not, \$45 million amounts to ten times what was otherwise proposed by Congress to help drug dependent pregnant women and drug abused children.

The limits that would have been imposed by my amendment would simply have tailored use of the frank to what is rational and affordable: It would have allowed members of Congress to answer their mail, but not to campaign for reelection on the public dole.

Good Assessment. While preventing the mailing of unsolicited mailings of substantially identical material to more than 500 people, it would allow Congress to answer every constituent, and further, to send follow-up mail on subjects previously written about. It also would allow sending mail to public officials and material to the press without limitation. And if the audience consisted of fewer than 500 people, there would be no limit on unsolicited mailings.

I do not know if there are any pollsters in the audience, but if so, you know that an unsolicited letter sent to sample the views of 500 people provides a rather good assessment of the views of the public at large. Of course, if the purpose is something other than soliciting views, such as raising the politician's name recognition, then 500 letters does not really do the job. Of course, that is not why the frank was devised — it has just evolved in that way.

As reasonable as my amendment was, it led to a spirited debate on the floor. A few Senators strongly opposed my proposal. One said that the newsletter allowance permitted him to inform his constituents how to protect themselves from toxic chemicals, how to protect themselves from radon in their homes, and how to protect their children from abduction. All are worthwhile, even critical goals; the public needs the information. But with due respect to my colleague, was he really intent on informing them of dangers, or was he most interested in letting them know that it was he who was giving them this critical information? And other Senators echoed this view that mass mailings provide a means of educating the public on a variety of issues of the day.

From the debate, one would think that, if the flow of 400 million unsolicited letters and 400 million town meeting notices from Washington were stopped, the rest of the country outside the Washington Beltway would suddenly be struck ignorant. But is Congress the only entity in our country that can properly inform the electorate? Certainly Congress is well-equipped, with four-color presses, massive paper allotments, computers to address envelopes, and machines to stuff them.

to do all sorts of things, some of which may actually be agreeable, while others are just plain petty.

The fight goes on. I face opposition on three grounds. The first is that my proposal to abolish newsletters and other unsolicited mail is "not serious." That is what Congressman Fazio said. Indeed, in 1986 when I started along this road, Congressman Fazio said that it was easy for me to propose this as I was not then running for reelection -- implying that I did not need the publicity that comes from sending newsletters. Now he claims that I am pushing my proposal because I am running for Governor of California. Apparently, he feels that he cannot carry the argument on the merits. The fact is that he just cannot carry the argument -- period.

Then, there is the argument made by Mr. Fazio that, with the addition of \$40 million for drug dependent pregnant women in the just passed Senate drug bill, there is a total appropriation for fiscal 1990 of \$45 million, which is enough. Well, ten times that amount would not be enough, and \$45 million more would certainly not be too much.

Returning Junk Mail. Finally, Congressman Fazio makes the argument that the American public wants to receive congressional junk mail. My response to that is that I receive approximately 15,000 pieces of mail each week, and I do not recall receiving one asking me to crank up the presses to send out newsletters.

Maybe a better indication of the public's support for newsletters comes from a radio station in Congressman Fazio's district. Taking a page from the radio show campaign that asked listeners to send tea bags to Washington to protest a congressional pay raise, this station is urging listeners to send their junk mail to the Congressman.

It seems that, when it comes to newsletters, Congress is simply unable to go cold turkey. And you would think it would be easy, for those who would put their personal political interests ahead of the cries of drug-abused infants are certainly cold. And as for the second part of the cold turkey equation, the Congress definitely has its share who qualify. It is a Congress that is so self-indulgent that it is so far unwilling to make any self-sacrifice to deal with our country's number one social problem -- drug abuse.

With the support of the American public, and a little soul searching and self-sacrifice by my colleagues, I am hopeful that we can reset our priorities and devote our resources toward helping those in need, not those in office.



CAEW
Am6 Alan Kay
467-5300

The Congressional Frank: A Simple Case of Abuse

By Senator Pete Wilson

Speaking here today gives me a chance to discuss what I call the "frank-enstein" monster that ravages millions of mailboxes across the country. It is truly hard to fathom the number of pieces of franked mail sent out by Congress each year. First, historically, Congress spends only about 8 percent of its mail budget to send letters in response to constituent inquiries. The rest, around 92 percent, goes for unsolicited mail.

How much mail, you ask? In 1988, Congress sent out more than 400 million pieces of letter-sized junk mail (newsletters and first class mail in envelopes) and an equal number of post cards, purportedly to announce town hall meetings, but actually to raise the name recognition numbers.

My crack staff figured that, stacked on top of one another, these 800 million pieces of mail would create a pile 424 miles high. End to end, they would stretch around the Earth more than 3 1/2 times (94,698 miles).

Not being one to let an opportunity to drive the point home go by, I asked my staff what would constitute the equivalent weight of 800 million pieces of mail (that is, 20 million pounds). I received a number of answers: 746 Greyhound buses, 171 Chieftan tanks, or one U.S. Navy cruiser. The most colorful response was 270 sperm whales. Unfortunately, it is the whale that is the endangered species.

Thus I discovered what it takes to send out 800 million pieces of junk mail. Recognizing that we have to look for savings everywhere if we are to bring down federal spending to meet revenues — rather than the other way around as preferred by the Democrats — in 1986 I offered an amendment on the floor of the Senate to prohibit unsolicited mass mail. The amendment failed.

In subsequent years I have offered my proposal again in various forms. I did rather well in the Senate when we had voice votes on budget resolutions, but in final form, these only slightly binding legislative packages never included my proposal.

This past winter, at the start of the 101st Congress, the Senate Rules Committee actually brought to the Senate a proposal to expand the ability of Senators to send junk mail. I tried to stop it, but I lost 50 to 47.

Finding the Right Time. Politics is many things, and as someone who has been in politics for more than twenty years and not won every race the first time, I know that timing is critical. Of course, finding the right time can be a little tricky.

The right time came this month. On September 5, after spending a very restful and invigorating vacation in the United Kingdom, I landed at Dulles Airport and drove to my office on Capitol Hill just in time to hear the President presenting his National Drug Control Policy to the nation. In his speech, he called on the whole country to pitch in, for everyone to take an active roll in the war on drugs.

Pete Wilson represents California in the United States Senate.

He spoke at The Heritage Foundation on September 20, 1989.

ISSN 0272-1155. ©1989 by The Heritage Foundation.

Step Toward Privatization. It has always been my understanding, however, that it is the primary job of Congress to legislate and then to oversee the Executive's implementation of these laws, and that it is the role of the press to inform the public. If it is news, if it is in the public's interest — and health and safety definitely qualify — then the media will spread the word. They are the best retailers of the news. Perhaps one way to look at a ban on congressional newsletters is that it is another step toward privatization.

So we voted, and the Wilson Amendment carried 83 to 8. Then the bill went to a House-Senate Conference Committee. The House of Representatives tried to wait out the notice that my amendment received — very good notice, I might add. Vic Fazio, the Chairman of the House Legislative Branch Appropriations Subcommittee ran the show in the House, but he could only wait so long, and as time went by, public attention grew. So, when the House was asked to instruct its conferees on the Wilson Amendment, it voted by a 2 to 1 margin to support the limits that I had proposed.

All of a sudden, however, the slow moving congressional funding bill picked up speed; in fact, it accelerated so quickly that one of my staff members who knows about such things said that it reminded him of one of those top-end speedsters that are called funny cars. Within two hours after the House told its conferees to accept the Wilson Amendment, the House conferees sloughed off their instructions and took the opposite tack. They moved forcefully to delete the Wilson Amendment banning newsletters. They were so forceful, apparently, that they were able to force their Senate counterparts to drop it.

The House conferees went even further. They insisted that the Senate drop provisions requiring that spending on the frank by each member of Congress be publicly disclosed. So much for helping to inform the public.

Budgetary Profligacy. The House also insisted that the Senate drop its proposal to stop the Post Office from violating a law that applies to every other government function — the so-called "Anti-Deficiency Act." That law states that no federal funds may be spent unless they have been appropriated. However, this very simple and straightforward law does not apply to transporting congressional mail. Perhaps here we have found the very epitome of budgetary profligacy.

And in a final bit of sanctimony and contempt, the House conferees insisted that the Senate drop its proposal requiring franked letters to carry the legend, "Prepared, Published, and Mailed at Taxpayer Expense." The Senate conferees backed down.

It is often said on Capitol Hill that we need a United States desk at the State Department, for that agency of our government often seems to ignore the will of the American people in order to serve some "higher purpose." Well, Congress would appear to need a United States desk, too, for Congress clearly feels exempt from the call to arms. We exempt ourselves from almost every law, such as minimum wage, equal employment, and OSHA, but when Congress exempts itself from the war on drugs, it truly sets a new low.

Yesterday, the House agreed to the Conference Report, after defeating an effort to send it back to the House-Senate conference committee — an effort that failed by a 2 to 1 margin. Now it is on to the Senate.

When the Senate takes up the Conference Report on the congressional funding bill, as early as next week, the Senate will be given a chance to renew its vows to eliminate monies for mass mailings. If I am successful, the bill will go back to the House, which is threatening



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 13, 1992

NOTE FOR JEANNIE BUNTON

FROM: BERNARD H. MARTIN

A handwritten signature in dark ink, appearing to be "BHM", written over the printed name "BERNARD H. MARTIN".

Attached, as you requested, is an illustrative list of Administration bills transmitted to the 1st Session of the 102nd Congress upon which Congressional action was delayed or not taken.

Attachments

INDEX

	<u>Page</u>
1. AMERICA 2000 Excellence in Education Act	1
2. Andean Trade Preference Act of 1990	1
3. California Public Lands Wilderness Act	1-2
4. Civil Rights Act of 1991	2
5. Comprehensive Violent Crime Control Act of 1991	2-3
6. Enterprise for the Americas Initiative (EAI)	3
7. Enterprise Zone-Jobs Creation Act of 1991	3
8. Financial Institutions Safety and Consumer Choice Act of 1991	3-4
9. Health Care Liability Reform and Quality of Care Improvement Act of 1991	4
10. Higher Education Act Amendments of 1991	4-5
11. International Cooperation Act of 1991	5
12. International Monetary Fund (IMF)	6
13. National Energy Strategy (NES) Act	6
14. Resolution Trust Corporation (RTC) Funding and Restructuring	6-7
15. Surface Transportation Assistance Act of 1991	7

1. AMERICA 2000 Excellence in Education Act -- Supports the National Education Goals through activities to promote education reform and improve educational achievement.
 - Transmitted to Congress by the President on 5/21/91.
 - Introduced as HR 2460 (Michel) on 5/23/91, and as S. 1141 (Kennedy, by request) on 5/23/91. Referred to House Education and Labor Committee on 5/23/91. No action on Administration bills.
 - HR 3320 (Kildee) introduced on 9/12/91. Reported by House Education and Labor Committee on 11/7/91. Administration position: Governor Sununu sent letter to Chairman Goodling on 10/16/91 stating that school choice provision in the bill as introduced was acceptable, but the Administration has concerns about other provisions.
 - S. 2 (Kennedy) introduced on 1/14/91. Passed Senate on 1/28/92. Administration position: Statement of Administration Policy sent to the Senate on 1/21/92 stating that the President's senior advisors would recommend that he veto S. 2 because it fails to carry out the President's AMERICA 2000 program.

2. Andean Trade Preference Act of 1990 - Authorizes a trade preference program patterned after the Caribbean Basin Initiative (CBI) for the four Andean countries of Boliva, Colombia, Ecuador, and Peru.
 - Transmitted to Congress 10/5/90 by the President.
 - Introduced as H.R. 661 (Crane) on 1/28/91
S. 275 (Dole) on 1/29/91.
 - Administration bill included in H.R. 1724 (Gibbons), which was signed 12/4/91 as P.L. 102-182.

3. California Public Lands Wilderness Act - Designates as wilderness certain California public lands managed by the Bureau of Land Management.
 - Transmitted to Congress by the President on 7/29/91.
 - Introduced as H.R. 3066 (Rep. Lewis, et. al.) on 7/29/91.
 - Democratic alternative bills introduced as H.R. 2929 (Rep. Levine, et. al.) on 7/17/91 and S. 21 (Cranston, et. al.) on 1/14/91.

- Statement of Administration Policy sent to Congress 10/31/91 strongly opposed H.R. 2929, indicating the Secretaries of Defense and the Interior would recommend a veto if the bill were presented to the President in its current form. Of particular concern, the bill would designate an amount of land that far exceeds what is suitable for protection as wilderness. The bill would also adversely affect operations at five major military installations in southern California.
 - H.R. 2929 reported by House Interior Committee on 11/4/91 and passed by the House on 11/26/91 by a vote of 297-136.
4. Civil Rights Act of 1991 - Strengthens laws against employment discrimination.
- Transmitted to Congress on 3/1/91.
 - Introduced as S. 611 (Dole et al.) and H.R. 1375 (Michel et al.) on 3/12/91.
 - H.R. 1 was the subject of a veto threat in a 6/3/91 Statement of Administration Policy and passed the House on 6/5/91.
 - S. 1745 was the subject of a veto threat in a 10/23/91 Statement of Administration Policy, passed the Senate amended on 10/30/91, and passed the House on 11/7/91.
 - S. 1745 was enacted as P.L. 102-166, approved 11/21/91. The major objectionable provisions were removed or modified.
5. Comprehensive Violent Crime Control Act of 1991 - Principal provisions establish constitutional sound procedures for applying existing death penalty laws; allow the death penalty in other cases; limit the use of habeas corpus petitions; and allow certain evidence found in unconstitutional searches to be used in court.
- Transmitted to Congress by the President on 3/11/91.
 - Introduced as H.R. 1400 (Michel et al.) on 3/12/91 and as S. 635 (Thurmond et al.) on 3/13/91.
 - S. 1241 was the subject of a veto threat in a 6/19/91 Statement of Administration Policy and passed the Senate on 7/11/91.

- H.R. 3371 was the subject of a veto threat in a 10/15/91 Statement of Administration Policy and passed the House on 10/22/91.
 - The House agreed to the conference report on H.R. 3371, notwithstanding a Presidential veto threat, on 11/27/91. The Senate failed to invoke cloture (49-38) on the conference report on 11/27/91.
6. Enterprise for the Americas Initiative (EAI) - Restructures trade, investment, and debt to advance the economies and environment of certain Latin American and Caribbean countries.
- Transmitted to Congress on 2/26/91 by the President.
 - Introduced as S. 553 (Pell) on 4/23/91
H.R. 3267, Title V (Oakar/Leach) on 8/2/91.
 - Administration bill modified by Congress and incorporated into the International Cooperation Act of 1991 (H.R. 2508). (See above)
 - Conference report, which included EAI, was defeated in House on 10/30/91.
7. Enterprise Zone-Jobs Creation Act of 1991 - Authorizes tax incentives for job creation and entrepreneurial activity in up to 50 distressed urban and rural communities.
- Transmitted to Congress on 2/25/91.
 - Introduced as H.R. 23 (Rangel) on 1/3/91 and as S. 1032 (Danforth et al.) on 5/9/91.
 - No action was taken in either House in 1991.
 - Resubmitted by OMB on 1/29/92 as part of the "Economic Growth Tax Act of 1992."
8. Financial Institutions Safety and Consumer Choice Act of 1991 - Principal provisions authorize interstate banking and branching; authorize commercial ownership of financial services holding companies; and recapitalize the Bank Insurance Fund.
- Transmitted to Congress on 3/20/91.
 - Introduced as H.R. 1505 (Gonzalez/Wylie) and S. 713 (Riegle/Garn) on 3/20/91.

- H.R. 6 was the subject of a veto threat in a 10/31/91 Statement of Administration Policy and was defeated on the House floor on 11/4/91.
 - H.R. 2094 was supported in a 11/13/91 Statement of Administration Policy and was defeated on the House floor on 11/14/91.
 - H.R. 3768 was supported in a 11/20/91 Statement of Administration Policy and passed the House on 11/21/91.
 - S. 543 was supported in a 11/13/91 Statement of Administration Policy and passed the Senate on 11/21/91.
 - The conference report on S. 543 was enacted as P.L. 102-242, approved 12/19/91. The enacted version recapitalized the Bank Insurance Fund and contained other Administration proposals (with modifications), but did not authorize interstate banking and branching or commercial ownership of banks.
 - Unenacted portions of the Administration's 1991 proposals were resubmitted in draft by OMB on 1/29/92 and introduced as part of H.R. 4150 (Michel et al.) on 2/4/92.
9. Health Care Liability Reform and Quality of Care Improvement Act of 1991 - Provides incentives through the States to control medical malpractice litigation and improve the quality of health care.
- Transmitted to Congress by the President on 5/15/91.
 - Introduced as S. 1123 (Hatch/Danforth) on 5/22/91 and as H.R. 3037 (Archer et al.) on 7/25/91.
 - No action was taken in either House in 1991.
 - Introduced as part of H.R. 4150 (Michel et al.) on 2/4/92.
10. Higher Education Act Amendments of 1991 -- Reauthorizes the postsecondary education student aid grant and loan programs by changing award amounts and eligibility.
- Transmitted to Congress by the Department of Education (ED) on 6/5/91.
 - Introduced as S. 1246 (Pell) on 6/6/91, and as HR 2627 (Goodling) on 6/12/91. Referred to Senate Labor and Human Resources Committee on 6/21/91, and to House

Education and Labor Committee on 6/12/91. No action on Administration bills.

-- HR 3553 (Ford) introduced on 10/11/91. Ordered reported by House Education and Labor Committee on 10/23/91. Administration position: ED report sent to House Education and Labor Committee on 10/21/91 stating the President's senior advisors would recommend that he veto HR 3553 because it would make Pell grants an entitlement and establish a direct student loan program, in place of the guaranteed student loan program.

-- S. 1150 (Pell) introduced on 5/23/91. Reported by Senate Labor and Human Resources Committee 11/12/91. Administration position: ED report sent to Senate Labor and Human Resources Committee on 10/29/91 stating that the President's senior advisors would recommend that he veto S. 1150 because it would make Pell grants an entitlement.

11. International Cooperation Act of 1991 - Revises the Foreign Aid statutes to update, streamline, and provide greater flexibility for the administration of international development and security assistance programs. This proposal would also authorize special assistance initiatives for Eastern Europe and the Philippines.

-- Transmitted to Congress on 4/12/91 by Department of State.

-- Introduced as H.R. 1792 (Fascell/Broomfield) on 4/16/91 S. 956 (Pell) on 4/25/91.

-- Administration bill significantly modified by Congress and considered in form of H.R. 2508 (Fascell), which passed both Houses in different form.

-- Administration strongly opposed conference report on H.R. 2508 because of objectionable abortion-related provisions, cargo-preference requirements, and other restrictions which limited Presidential flexibility to administer foreign aid programs.

-- Conference report on H.R. 2508 passed Senate on 10/8/91 but was defeated in House on 10/30/91.

-- Defeat in House attributed to: (1) member objections to providing foreign aid while domestic economy in recession; and (2) Administration's strong objections.

12. International Monetary Fund (IMF) - Authorize appropriations for U.S. participation in an IMF quota increase.
- Transmitted to Congress on 3/26/91 by Department of the Treasury.
 - Introduced as S. 819 (Pell) on 4/16/91, H.R. 3267, Title I (Oakar/Leach) on 8/2/91.
 - Administration bill incorporated into the International Cooperation Act of 1991 (H.R. 2508). (See above)
 - Conference report, which included IMF, was defeated in House on 10/30/91.
13. National Energy Strategy (NES) Act - Encourages growth of future energy supplies of oil, natural gas, nuclear power and enhanced energy efficiency.
- Transmitted to Congress by the Secretary of Energy on 3/4/91.
 - Introduced as S. 570 (Johnson/Wallop) and H.R. 1301 (Dingell/et. al.) on 3/6/91.
 - Senate Energy Committee reported S. 1220, a comparable bill except for inclusion of Corporate Average Fuel Economy (CAFE) provisions, on 6/2/91.
 - Senate attempt to invoke cloture on S. 1220 failed (50-44) on 11/11/91.
 - Senate cloture achieved (90-5) on 2/4/92 on S. 2166, a revised bill which excludes CAFE and Arctic National Wildlife Refuge provisions.
 - Senate began consideration of S. 2166 the week of 2/3/92.
 - House Energy s/c referred its version of a NES bill, H.R. 776, for full committee consideration on 10/31/91. H.R. 776 contains a number of problematic provisions.
14. Resolution Trust Corporation (RTC) Funding and Restructuring - Provides \$80 billion for the RTC and restructures its management.
- Transmitted to Congress on 9/27/91.
 - Introduced as H.R. 3435 (Gonzalez et al.) on 9/30/91 and as S. 1896 (Riegle/Garn) on 10/30/91.

- H.R. 3435, as reported amended by the House Banking Committee, was the subject of a veto threat in a 11/23/91 Statement of Administration Policy, passed the House with further amendments on 11/27/91, and passed the Senate on 11/27/91.
- H.R. 3435 was enacted as P.L. 102-233, approved 12/12/91. It provided \$25 billion through 4/1/92, and restructured the RTC's management.
- A new bill to provide the remainder of the \$80 billion was transmitted to Congress on 1/22/92.

15. Surface Transportation Assistance Act of 1991 - Provides FY 1992-1996 authorizations for highway and transit programs; extends highway-related taxes through FY 1998; and establishes a new Federal-State framework for highway and transit programs.

- Transmitted to Congress on 2/12/91.
- Introduced as S. 610 (Chafee et al.) and H.R. 1351 (Roe et al.) on 3/7/91.
- S. 1204 was the subject of a veto threat in a 6/11/91 Statement of Administration Policy, and passed the Senate on 6/19/91.
- H.R. 2950 was the subject of a veto threat in a 10/22/91 Statement of Administration Policy and passed the House on 10/23/91.
- The conference report on H.R. 2950 was enacted as P.L. 102-240, approved 12/18/91. It provides program authorizations through FY 1997, extends taxes through FY 1999, and restructures the programs, in part as recommended by the Administration. The major objectionable provisions were removed or modified.

Jack Anderson and Dale Van Atta

Congress's Big Spenders

There are 535 elected representatives in Congress, all of whom carry the burden of reducing the federal deficit, now estimated at close to \$3 trillion. But only one has a legislative track record that would do that.

Herbert Bateman, a little-known Republican from southern Virginia, was surprised to learn that it was he. If every bill of significance that Bateman introduced in this session of Congress had been passed, he would have saved the government \$463 million. Bateman was the only member of Congress whose legislative proposals resulted in less instead of more spending.

The tally was run by the National Taxpayers Union and is called the Balanced Budget Tracking System. It will make more than a few members of Congress hopping mad. They will argue that some legislative packages are inherently more expensive than others, that some bills costing money up front will save money in the long run. But the bottom line is, in a time of unrelenting recession and a staggering federal deficit, Congress still introduces more bills to spend money than to save it.

The National Taxpayers Union looked at all of the legislation proposed in the 102nd Congress up to Sept. 11 and ended up counting every bill that would result in annual spending increases or decreases of at least \$10 million. Major multiple programs such as highway bills and energy bills were not counted, nor were any bills introduced at the request of President Bush, nor any legislation dealing with taxes.

Heading the list as the member of the House most eager to spend your money was Rep. Charles Rangel (D-N.Y.). All the bills he sponsored or cosponsored in the last eight months would cost the taxpayers \$331 billion. Rangel's defense is that much of the cost would be offset by future savings. For example, he sponsored a bill to combat drug addiction, one of his pet projects, and figures it would eventually reduce the amount of money lost to the overall economy because of drug abuse.

Rangel is not the only big spender in the House. Democrats Matthew Martinez (Calif.), Barney Frank, (Mass.), Edolphus Towns, (N.Y.) and Charles Hayes (Ill.) all came out with totals of more than \$300 billion.

On the Senate side, the numbers are smaller with the exception of presidential

hopeful Bob Kerrey (D-Neb.), who topped the list at just over \$300 billion. He was the only senator to put his name on a costly universal health-care bill, which accounts for most of the money that he proposed spending.

The next in line is Edward Kennedy (D-Mass.), whose total was \$45 billion. Rounding out the top five in the Senate were Donald Riegle (D-Mich.) Jay Rockefeller (D-W.Va.) and Christopher Dodd (D-Conn.), all of whom proposed spending in excess of \$37 billion.

The union found that Democrats in the House were six times more likely than Republicans to sponsor new spending bills and less than half as likely to sponsor bills that save money. Senate Democrats were 2.3 times as likely as their Republican peers to sponsor new spending bills.

Many of the House Democrats who were high on the spending list got there because they too signed on as sponsors or cosponsors of costly health-care bills that are making their way through committees.

Eastern Democrats in the House average more than \$113 billion in spending proposals. On the thrifty end of the spectrum are Western Republicans, whose average spending proposals added up to just over \$8 billion.

During the first eight months of 1991, bills introduced in Congress would have resulted in an average of \$43 spent for every \$1 saved. In the Senate, bills that advocated new spending were 25 times more numerous than bills that would cut expenses. In the House, eight times as many bills were introduced to increase spending as those that would reduce it.

If all of the bills proposed in the House were enacted, federal spending would increase by \$491 billion, while all the bills introduced in the Senate add up to an increase of \$429 billion.

The figures do not distinguish between "good" and "bad" legislation. It would be unrealistic for Congress to tally eight months worth of legislation that resulted in a net savings to the taxpayers. The cost of government services that the taxpayers demand keeps going up. But despite the realities, the astronomical figures show that Congress is only paying lip service to its obligation to reduce the federal deficit.

policy REVIEW

Fall 1991

Number 58

\$4.50

Conservatism's Growing Pains

Edwin J. Feulner Jr.

Why Communism Failed
Adam Meyerson

Is Japan Our Enemy?
Seth Cropsey

Reclaiming the Culture
Heather S. Richardson

Canada's Patient Patients
Edmund F. Haislmaier

Food Fight on Capitol Hill
Robert Rector

The Loneliness of the Black Conservative
Clarence Thomas



PORK CHOP

Budget Questions for Your Congressman

SCOTT A. HODGE

Every \$1 million reduction in federal spending would provide \$3,000 in tax relief to 333 households. Every \$1 billion reduction in federal spending would provide \$3,000 in tax relief to 333,000 households. An appropriate question for every line-item in the federal budget is therefore: "Is this program so important that the dollars spent on it cannot be given as tax relief for hundreds of families?" Congress is primarily responsible for spending decisions, and hence for rising federal taxes. To help your congressman evaluate whether programs are genuinely needed, it helps to ask him some additional questions along the way.

Question: Does the program serve localized or special interests rather than the nation as a whole?

Congress funded a \$250,000 project through the Cooperative Extension Service to assist in the expansion of the Toledo Farmers' Market. This program clearly benefits solely the Toledo area although every working American is taxed to pay for it. This program should be funded at the local level.

**Number of households provided \$3,000 tax relief: 83*

At a cost of well over \$100 million, members of Congress each year fund dozens of "highway demonstration projects" that have nothing to do with demonstrating new construction techniques and everything to do with showing how well they can bring home the bacon. Last year, for example, members spent \$10.2 million for an off-ramp and access road to a private sports stadium in Milwaukee; \$3.4 million for improvements on Fifth and Sixth Streets in Waterloo, Iowa; \$9.35 million for an "Urban Highway Corridor and Bicycle Path" in Macomb County, Michigan; and \$3.7 million for a railroad crossing in Springfield, Illinois.

**Number of households provided \$3,000 tax relief: 33,500*

This year, members of Congress will force the National Park Service to spend \$150,000 to study the century-old Hatfield-McCoy feud in Matewan, West Virginia; \$320,000 to purchase the home of President William McKinley's in-laws and donate it to the state of Ohio; and to give out \$2 million in Urban Park Grants to such needy cities as Chicago. Eliminating these and similar parochial projects forced upon the National Park Service would save taxpayers over \$10 million.

**Number of households provided \$3,000 tax relief: 3,300*

Question: Has the program failed, fulfilled its mission, outlived its usefulness, or simply become irrelevant?

The Small Business Administration is often cited as a classic example of a program that has failed completely. The SBA loses approximately 12 percent each year on the \$3 billion of loan guarantees it issues. As many as 20 percent of SBA direct loans default. Only two-tenths of 1 percent of all small businesses in the nation receive SBA loans, yet every American taxpayer—including other small business owners—are required to pitch in \$318 million a year to pay for it. The SBA should be abolished.

**Number of households provided \$3,000 tax relief: 106,000*

Enacted in 1955, the federal wool and mohair subsidy program was intended to insure a consistent source of wool and mohair for military clothing. Both of these items were taken off the Pentagon's list of strategically critical materials in 1960. Yet taxpayers continue to chip in \$175 million per year to subsidize these products. The wool and mohair subsidy program should be eliminated.

**Number of households provided \$3,000 tax relief: 58,300*

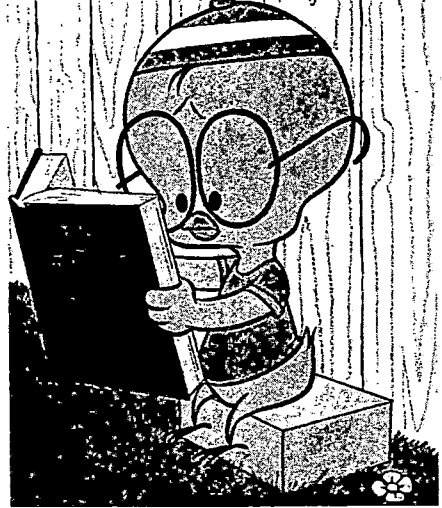
The Rural Electrification Administration was created in 1935 to bring electricity, and later telephone service, to rural areas of the country. The REA is one of the few major federal programs to fulfill its mission. Today, 99 percent of rural Americans have electricity and 97 percent have telephone service. Yet REA still gives out nearly \$2 billion in loans annually at a cost to the taxpayer of almost \$160 million. It is time REA companies became self-sufficient.

**Number of households provided \$3,000 tax relief: 53,500*

Question: Does the program duplicate, contradict, or nullify the mission of other programs?

The Trade Adjustment Assistance program is intended to provide unemployment benefits to certain workers who were displaced as a result of foreign competition. Determining the status of workers who became unemployed due to foreign competition, domestic com-

SCOTT A. HODGE is Grover M. Hermann fellow in federal budgetary affairs at The Heritage Foundation.



Archive Photos/Lambert; The Bettmann Archive; Photofest

Just three federal programs that could be eliminated: the federal Helium Reserves, which were started in 1929 to insure a consistent supply of helium for blimps; the National Park Service's \$150,000 study of the feud between the Hatfields and the McCoys; and the Arkansas "Poultry Center of Excellence," which receives \$3.8 million a year.

petition, or a host of other reasons has always been difficult. Yet, once given this recognition, these workers are eligible for greater benefits than other workers without this distinction. Eliminating TAA cash benefits would make all unemployment insurance programs fairer and save taxpayers \$95¹ million.

** Number of households provided \$3,000 tax relief: 31,600*

The Appalachian Regional Commission was established in 1965 to foster economic development in the Appalachian region of the United States. Since its inception, the federal government has spent nearly \$7 billion in this economically distressed region, two-thirds of this on investment on roads. At a cost to taxpayers of about \$130 million per year, the ARC duplicates 14 federal rural aid programs provided by the Departments of Transportation, Labor, and Agriculture.

** Number of households provided \$3,000 tax relief: 43,300*

The Department of Agriculture's Conservation Reserve Program offers farmers an incentive to voluntarily remove "highly erodible cropland and other environmentally sensitive land from production for a period of 10 years." At an annual cost of over \$1.6 billion, the CRP has encouraged farmers to enroll 35 million acres of land (equivalent to the size of the state of Illinois). Most of this land was highly marginal cropland to begin with and probably would not have been in production had it not been for the myriad other crop subsidy programs. This program should be canceled and the other subsidy programs should be reviewed for their effect on encouraging wasteful farming practices.

** Number of households provided \$3,000 tax relief: 533,000*

Question: Does the federal program compete with private commercial enterprises?

The federal Helium Reserve program was started in 1929 to insure a consistent supply of helium for blimps. The program will incur losses of over \$121 million in fiscal 1992 and has lost over \$225 million in the past two years. There is a thriving private-sector market in helium and there is no reason for the government to compete

with this industry. Selling the assets of this program to the private sector could generate \$465 million.

** Number of households provided \$3,000 tax relief: 155,000*

Question: Does the program benefit businesses or income groups with more than sufficient means to help themselves?

Three federal child nutrition programs—the School Lunch Program, the School Breakfast Program, and the Child Care Food Program—all provide benefits to families with incomes of over \$25,000 per year, or 185 percent of the poverty level. Eliminating the \$1 billion in annual subsidies to these income groups would not adversely affect the poor. On the contrary, it would ensure that scarce federal resources would be targeted to those in need.

** Number of households provided \$3,000 tax relief: 333,000*

The government spends roughly \$3 million annually to support a catfish research farm in Stuttgart, Arkansas. The findings of this research is intended to benefit the thriving \$200-million-per-year catfish industry. Just down the road is the Arkansas "Poultry Center of Excellence," which receives \$3.8 million annually from the federal government to the benefit of the \$14.9-billion-per-year poultry industry.

** Number of households provided \$3,000 tax relief: 2,260*

The U.S. Fruit and Vegetable Lab in the state of Washington cost taxpayers over \$5 million last year. Yet, the beneficiaries of that research, the fruit and vegetable growers in Washington, Oregon, and Idaho, have annual sales of \$1 billion.

** Number of households provided \$3,000 tax relief: 1,600*

Implementing just the few recommended cuts cited here could give \$3,000 in tax relief to nearly every household in Austin, Texas; Buffalo, New York; Des Moines, Iowa; Fresno, California; Knoxville, Tennessee; and Rockford, Illinois. If your congressman voted for these programs, he should be prepared to explain why they are so important that he wants to deny tax relief to hundreds of thousands of Americans. ■

Congress not inclined to cut federal spending

WHEN MONEY IS tight at your house, you probably do what most Americans do: You stop writing checks.

Unnecessary expenses fall by the wayside.

You put off buying a new car, even though you really need one.

Memberships to the local gym or fitness center are put on the back burner.

Credit purchases are drastically reduced.

Interior remodeling is delayed. There won't be any new furniture until next year.

If things really get bad, you even cut back on things such as haircuts, medical and dental care and new clothing for the kids.

There isn't much discussion about it. You simply don't spend what you don't have. Unless it's an absolute necessity, you forget about it.

They do things differently in Washington, D.C., however. The same goes for Harrisburg, too, but for today we'll concentrate on the federal government.

You remember last year's attempt by Congress to slow down government spending?

There would be no more



LARRY HICKS

spending on inefficient programs.

There would be no more doling out money to special interest groups.

It sounded terrific, didn't it?

Well, forget it.

Congressional tightwads have been outvoted by peers who think there are money trees growing in the back yard at the White House.

Scott Hodge, a Grover M. Hermann Fellow in Federal Budgetary Affairs, has come up with some examples of expenditures that most of us would consider a waste.

Consider, for instance, these projects already approved by the House of Representatives:

■ \$34 million for screwworm research;

■ \$2.7 million to study the Hawaiian fruit fly;

■ \$500,000 to study animal waste;

■ \$200,000 to study turkey bone marrow infection;

■ \$220,000 for the Christopher Columbus Quincentenary Jubilee Commission;

■ \$1.2 million for African elephant conservation;

■ \$500,000 for brown tree snake research;

■ \$200,000 to study non-routine decision-making behavior in coal mines;

■ \$253 million to the Corporation for Public Broadcasting;

■ \$5.5 million for airport controller chairs;

■ \$5 million to Amtrak for a "more aggressive marketing program."

■ \$8 million for magnetic levitation transportation pilot programs;

■ \$980,000 for zebra mussel research;

■ \$320,000 to purchase President William McKinley's in-laws' home and donate it to the state of Ohio;

■ \$150,000 to the town of Matewan, W. Va., to study the 100-year-old Hatfield-McCoy

feud;

■ \$150,000 for corn ear-worm research; and

■ \$10 million to examine potatoes.

That's just a partial list of the approved pork-barrel projects coming out of the House.

The Senate will, no doubt, come up with its own list of wasteful projects before the year is out.

Doesn't it seem that private industry, not the American taxpayer, should be footing the bill for some of these projects?

The spending spree in Washington, D.C., is far from a figment of our imagination. Congress seems on a feeding frenzy, not a starvation diet.

And just in case you had any doubt about that at all, consider this:

The House is dissatisfied with its staff gymnasium. It wants a new one.

At the same time John Q. Public made a decision to postpone his fitness club membership because he couldn't afford it, the House appropriated \$25,000 to conduct a study to find a new location for its gym.

Clearly, money isn't as tight in Washington, D.C., as it is everywhere else.

Job referrals

Defense Department employees who lose their jobs will soon have access to a computer-based nationwide referral system, DOD officials said yesterday.

The system, known as Defense Outplacement Referral System, or DORS, will electronically match civilian job openings with applicants' skills.

The system will be available for those who lose jobs because of budget cuts, force reductions or base realignments.

Interested workers should see their department personnel offices or family service centers on military bases for more details.

Those looking for new jobs must supply resume information. Prospective employers will be able to get the information by touch-tone phone or fax machine.

The system is a joint effort by DOD and the Office of Personnel Management.

Job snapshot

The government's latest employment figures in August show Con-

FEDERAL ROUNDUP

gress employs 39,006 people, the judicial branch 25,580 and the executive branch 3 million.

The figures, released by the Office of Personnel Management, show that compared with the 1988 average the following agencies have fewer employees: Postal Service, 25,227 fewer; Navy, 20,744; Air Force, 20,640; Army, 17,704; Tennessee Valley Authority, 7,322; and Commerce Department, 5,717.

Agencies with more workers than their 1988 averages are: Federal Deposit Insurance Corp., 13,435 more; Agriculture Department, 12,678; other defense activities, 9,837; Veterans Affairs, 9,432; Interior, 8,810; Health and Human Services, 6,856; and Transportation, 6,117.

On the move

President Bush has announced

the following nominations: Carol K. DiPrete to be a member of the National Commission on Libraries and Information Sciences; Mark J. D'Arcangelo to the board of directors of Federal Prison Industries Inc.; John W. Crawford to the Defense Nuclear Facility Safety Board; John Condayan to be associate director for management at the U.S. Information Agency.

Jobs, Jobs, Jobs

GS-11/12 telecommunications specialist for planning and analyzing technical support activities throughout the office of secretary and departmental offices by making sure secure and non-secure telecommunications operate properly. Office of the Assistant Secretary for Management, Treasury Department, Personnel Resources Room 1318, 15th Street and Penn-

sylvania Avenue NW, Washington. No. 95-005 closes Oct. 29.

GS-2/3/4 clerk-typist, full time, permanent. Contact Barbara Lindstadt 301/443-5407. No. Adm-91-151 is open until filled.

SES listings

Associate commissioner to be principal adviser to the Commissioner on Aging, directs all activities under Title III of the Older Americans Act in headquarters and regional offices. Office of State and Community Programs, Administration on Aging, Washington. Terri Smith, 202/245-6413. No. EX-03-91 expires Oct. 24.

Director for information systems security, to serve as principal assistant in the office of counterintelligence for policy aspects of DOD's counterimagery, operations security, communications security and computer security. Office of Counterintelligence, Arlington. Kay Rogers, 202/697-3305. No. 190-91-9397-XX closes Oct. 23.

— Elizabeth A. Marchak

• Federal Roundup appears Sundays and Wednesdays. Phone 202/636-3394 with items of interest to federal workers.

THAT'S OUTRAGEOUS!

Spotlighting absurdities in our society is the first step toward eliminating them

A COMPILATION

DAY OF RECKONING

SINCE 1914, when Congress designated Mother's Day, the Congressional penchant for commemoratives has lurched out of control. National Prune Day, Tap Dance Day and Patient Account Management Day now compete with Dairy Goat Awareness Week for the national spotlight.

An astonishing 35 percent of all laws passed by Congress last session celebrated a day, week, month or decade. That added up to 228 commemorative bills for the session. Each takes time and energy: honoring a constituent's request means lining up a majority in both chambers. Don't lawmakers have better things to do?

Last session, Rep. Dave McCurdy (D., Okla.) and former Rep. Claudine Schneider (R., R.I.) proposed turning over the chore to a commission such as the one that decides on commemorative stamps—but their proposal died in committee. The current clutter of forgettable

occasions is, indeed, as Schneider said, "embarrassing, unfair and a poor use of Congressional resources."
—New York Times

"WE GOOFED"

WHEN Kathleen Creamer caught a man breaking into her South Baltimore storehouse, she figured it was an open-and-shut case. The day of the trial, she stayed home, as instructed, waiting for prosecutors to call her to testify. The call never came.

Instead, prosecutors settled the case with a plea bargain. In addition, an even more serious burglary charge against the same man was dismissed without the knowledge of the victim of that crime, Gertrude Asencio. This meant she couldn't have the court order the defendant to pay restitution for the \$5300 worth of property he took, unless she filed a civil suit.

Creamer and Asencio only learned of the plea bargain the day after the trial, when a surprised Asencio saw the defendant on the

Photo Copy Preservation

THAT'S OUTRAGEOUS!

street, released on a suspended sentence. "I pay those people to do a job for me, not to put the criminal back on the street," said a still-angry Creamer. "It really stinks," agrees Asencio. "I didn't work all my life just to have someone come in and steal my things."

"We goofed," admits state's attorney Stuart O. Simms.

—Roger Twigg in *Baltimore Sun*

SPELLBINDING DECISION

A COVEN OF WITCHES will receive a tax exemption in Rhode Island as a legitimate religious group.

Tax administrator R. Gary Clark said he overturned the state's initial ruling because the coven proved on appeal that it met state guidelines for church groups. Under state laws, a religion must be a nonprofit group and have a system of prayer and specific doctrines and practices.

The coven, known as Our Lady of the Roses Wiccan Church, has about 30 to 40 members and meets approximately three times a month for rituals, said its high priestess, Joyce Siegrist, who is also called Lady Genevieve. "With this ruling, we witches will be able to come out of the closet and take our place in society," Siegrist said.

—Karen Schwartz, AP

NO BELT-TIGHTENING HERE

TRYING TO CUT the federal budget deficit must work up a power-

22

ful hunger and thirst. When 130 or so Bush Administration and Congressional negotiators and their staff met for ten days last September at Andrews Air Force Base, they ran up a tab of nearly \$60,000 for food and drink.

In between haggling over new taxes and Medicare cuts, the bargainers dined on prime rib and chicken Oscar, munched on candy and cookies, and slurped ice-cream sundaes with chocolate sauce and nuts. According to *Armed Forces Journal International*, the total cost of meals came to \$34,000. The negotiators didn't go thirsty, either. The bill for "assorted beverages"—liquor, wine, soft drinks, coffee—amounted to \$8800.

Another \$14,500 went to keeping the main meeting room stocked with candy, pastries, fruit and cheese.

"They met, they ate, they conquered," one participant joked at the time. Well, not exactly. They didn't go hungry, for sure, but they also didn't work up a budget deal. It took later meetings back in the Capitol to accomplish that.

—John E. Yang in *Washington Post*

STAGE FRIGHT

FORMER San Diego municipal-court judge Joseph K. Davis, who resigned from the bench at age 44 because of "stage fright," has been awarded a disability pension currently worth \$56,002 a year for life. Davis claimed his "stage fright," complicated by "depression with

Cut spending? Forget it. Pork Is still the main diet on Capitol Hill

Pig Tales for Taxpayers

BY RALPH KINNEY BENNETT

"DIRE EMERGENCY!" Rep. Dan Burton (R., Ind.) mused on the title of the legislation he had just received. It was March 6, 1991, and the "dire emergency" supplemental appropriations bill to cover nonmilitary costs of the Gulf War was moving through a House eager to conclude its business and begin an Easter recess in two weeks.

The words "dire emergency" conjured images of some last-chance, patriotic effort to respond to an urgent need. Burton smiled to himself. It was precisely the kind of verbal camouflage Congress uses to cover up a spending binge.

Choice Cut. "I smell pork in this bill," Burton told his staff. "It's ripe for people slipping things in at the last minute. Let's comb through it and see what's in there."

Plowing through the bill's verbal underbrush, staffer Jeff Schaffner

stumbled on Section 203, something to do with the Philadelphia Naval Shipyard. To experienced pork hunters, specific geographic locations in a big spending bill are warning signals. Schaffner began making inquiries and soon found that Section 203 was a real choice cut—a \$1.2-billion loin of pork for Pennsylvania. It specified that money, sought by the Defense Department for repairs to the aircraft carrier *USS John F. Kennedy* be spent on a "service life extension program" (SLEP)—a virtual gutting and rebuilding of the carrier—at the Philadelphia Naval Shipyard.

The Pentagon did not want the expensive SLEP but a normal overhaul of the *Kennedy* for an estimated \$500 million. What's more, it wanted to close the obsolete Philadelphia yard. But Rep. John P. Murtha (D., Pa.), the powerful

chairman of the House Appropriations defense subcommittee, had accommodated his Pennsylvania colleagues by slipping the SLEP into the bill. The project had never been voted upon or even discussed in open session.

It was one of the most flagrant pork ploys Burton could remember. He went to the floor on March 7, determined to knock Section 203 out of the bill. But Congressional pork barrelers always outnumber those who defend the general interests of the taxpayer. Burton's attempt was resoundingly beaten 315 to 105.

The fight was not over. Another Hoosier legislator, Sen. Dan Coats (R., Ind.), also pork hunting in the Senate version of the bill, had determined on his own to fight the SLEP issue. On March 20, two days before the Easter recess, Coats walked into the chamber armed with a one-page amendment to strike Section 203 from the bill. "I commend my colleagues from Pennsylvania for their clever drafting of this language," he said wryly. "But the Navy would be forced to spend money in a way they do not want to spend it, and in a place they do not want it spent."

Outraged, Sen. Arlen Specter (R., Pa.) and pro-SLEP Senators from adjoining states rushed to the floor. Specter recalled the past achievements of the Philadelphia yard. Sen. Joseph R. Biden, Jr. (D., Del.) invoked "national security." Sen. Frank R. Lautenberg (D.,

N.J.) sang the praises of previously SLEPed carriers in the Gulf War.

Last-Ditch Effort. After the debate, however, the Senate voted 56 to 44 to knock out Section 203 before passing its version of the bill. Coats left the floor, having won a \$700-million victory for the taxpayer.

Yet he knew that the Senate bill would have to be reconciled in conference with the House version. He was aware of the favor trading and flouted rules that characterize such down-to-the-wire meetings of the two appropriations committees.

The next day, House and Senate conferees went into marathon session. Sometime that evening, as they met in secret, the SLEP was quietly restored. "It wasn't the first time a public victory got lost in private," said Coats.

The next morning, copies of the bill were produced minutes before a vote on the \$5.4-billion measure. Representative Burton rose in a last-ditch effort to preserve what Coats had earlier achieved. Describing the SLEP as "pure unadulterated pork" pushed as an ad-hoc jobs program, Burton sought to have the SLEP removed. He might as well have been standing in front of an avalanche. His attempt was defeated 295 to 91 by legislators anxious to head home. On June 30, a special commission on base closing recommended shutting down the Philadelphia shipyard, but the Navy will be forced to complete the

SLEP of the *Kennedy* at the yard, as ordered by Congress.

Difficult to Digest. For Sen. Robert C. Smith (R., N.H.), another serious pork fighter, the dire-emergency vote confirmed that all the talk of "bare bones" budgeting is just that: talk. Working with Rep. Harris W. Fawell (R., Ill.) and a small group of other legislators, Smith has been trying to rescind the more flagrant pork projects in the 1991 budget and shoot down those emerging in 1992. Unless they succeed, taxpayers will be paying for hundreds of projects like these:

- a \$94,000 study of "apple quality" by Michigan State University, sponsored by Rep. Bob Traxler (D., Mich.).
- \$1 million to determine why people don't use bicycles or walking "as a means of transportation" more often, the brainchild of Rep. Martin Olav Sabo (D., Minn.).
- \$37,000 to develop "comprehensive management technologies" for the handling of animal manure, engineered by Rep. David E. Bonior (D., Mich.).

The list goes on and on: \$1.2 million for "Hawaiian homeland infrastructure development"; \$3 million for "neighborhood economic improvement" in New Orleans; \$2.9 million to find new uses for wood; \$80,000 to determine if floss from milkweed pods could replace goose down in bedding.

Piggyback Express. Reform is difficult; it is much easier to play the game. When Congressmen go

before one another's committees seeking pork, an extravagant ritual courtesy marks the occasion. "Doug, we have helped you in the past," says Transportation Subcommittee Chairman William Lehman (D., Fla.) to Rep. Doug Bereuter (R., Neb.), who is seeking \$3.6 million in special highway funds. "We want you to help us when [the full appropriations bill] comes to the floor."

Legislators who don't cooperate suffer the consequences. When Sen. Quentin N. Burdick (D., N.D.), agriculture appropriations subcommittee chairman and unabashed pork barreler, earmarked \$500,000 to build a museum at the birthplace of band leader Lawrence Welk, taxpayers across the country expressed outrage. Rep. Jim Slattery (D., Kan.) promised his constituents he would try to overturn the Welk grant.

Not long before the House was to vote on Slattery's amendment, a Burdick committee staffer telephoned a dean of Kansas State University (in Slattery's district) and implied that a sought-after \$5.3-million grant might have trouble getting past Burdick. Then Rep. Byron L. Dorgan (D., N.D.) warned that other pork bound for Kansas could be detoured.

The Welk grant had received so much national ridicule that Slattery succeeded in having it rescinded, but the whole exercise was a reminder that the pork game is played hard and fast. "I have no

Photo Copy Preservation

doubt my district will take a hit somewhere down the line," says Slattery. "I'm sure some committee staffer is waiting to bushwhack me."

Cooked to Order. Many a college alumnus has dreamed of being able to make a big donation to the old alma mater. Congressional porksters get to do so often and with taxpayer funds. The same late-night, closed-door session that put the *Kennedy*-carrier SLEP back into the dire-emergency bill also produced \$8 million for a new building at Chicago's Loyola University. One of the school's most prominent alumni, Chairman Dan Rostenkowski (D., Ill.) of the House Ways and Means Committee, had the bequest dropped into the Pentagon budget in the Gulf War funding bill.

However, Loyola officials were troubled at taking dollars earmarked for defense. No problem. During the House-Senate conference, Rostenkowski somehow had the Pentagon money transferred to the Education Department budget. "We're very proud of him as an alum," says a university official.

A legislator who is justly feared is Sen. Robert C. Byrd (D., W.Va.), chairman of the Senate Appropriations Committee and the acknowledged "prince of pork." Says *Newsweek* correspondent Eleanor Clift, "Cross him and you pay; praise him and you play." Earlier this year, Byrd welcomed two new

Republicans onto the committee with the warning: "If you rock the boat or support a line-item veto, we have a special chute that goes down to the Potomac." It was Byrd's version of the Porkland law: "Go along to get along."

One of Byrd's favorite vehicles for porcine innovation is the Department of the Interior, whose vast stewardship includes public lands, historical sites and national parks. Byrd chairs the Interior subcommittee of the full appropriations committee.

When U.S. Fish and Wildlife officials found they needed a new home for a small fisheries training center near Harpers Ferry, W.Va., the Senator went into full pork alert. The eventual result was a plan for a grandiose training academy cum "wildlife habitat," a kind of combination Sea World, Disneyland and FBI Academy, which would be a "major tourist attraction." According to a Fish and Wildlife official, some engineers now say the plan could cost over \$200 million.

National Pork Service. Thanks to Byrd and other West Virginia legislators, the state is studded with obscure national parks and soon-to-be historic sites. Shouldn't Bramwell be a historic site? Set aside \$150,000 for a "study" on the matter. One of Bramwell's claims to historic status: site of the third drugstore in the United States to sell the perfume Chanel No. 5.

How about Wheeling as a "na-

tional heritage area"? Dole out \$325,000 to look into it. What was that Hatfield/McCoy feud about, anyway? Shovel \$150,000 to someone to "interpret" the feud. While you're at it, designate \$310,000 for a local hiking-trail group. And give the owner of that "historical" Huntington movie house \$4.5 million to transform it into a multiscreen theater.

Other legislators on both sides of the Hill follow Byrd's well-worn path to the pork barrel. Representative Murtha got \$13 million to create a chain of "industrial heritage" parks at old manufacturing sites in Pennsylvania. Sen. Daniel K. Akaka (D., Hawaii) got \$2 million to help perpetuate "native Hawaiian culture and values," which have survived for centuries but now presumably cannot make it without federal funds.

While the National Park Service (NPS) is struggling with scarce funds to repair such crumbling sites as Philadelphia's Independence Hall, it is bound by law to redirect millions into these pork doles. "Some Congressmen see the Park Service as an economic-development agency," says a high Interior official. NPS director James M. Ridenour worries about "lowering our standards, being willing to accept something that is less than nationally significant into our park system." He hopes that the system's truly significant parks, such as the Grand Canyon and Yellowstone, do not "suffer fur-

ther deterioration at the expense of" these new parks.

Pet Catfish. The pork mentality has profoundly changed the way government does business. A former veteran Senate staffer says, "Congress is no longer a legislative body. It has become a bureaucracy and a micromanager, using its power to rearrange things at the lowest levels."

A celebrated example is the federal catfish laboratory at Stuttgart, Ark. Private catfish aquaculture is profitable and thriving all over the United States, and catfish has become a popular food without government help. Every year the House Merchant Marine and Fisheries Committee recommends zero funding for the Stuttgart "farm," which is run by the Interior Department's Fish and Wildlife Service. But every year the farm gets ample funds through an obviously reluctant National Oceanographic and Atmospheric Administration (NOAA), which is a part of the Commerce Department.

The catfish farm is one of Sen. Dale Bumpers's (D., Ark.) pet pork projects. He is on both the Interior and Commerce subcommittees of the Senate Appropriations Committee. In 1991, NOAA stated that its funds "should not support catfish rearing at Stuttgart, because these activities relate to freshwater programs which are the responsibility of the Department of the Interior." Nonetheless, thanks to Bumpers, the Stuttgart catfish got

READER'S DIGEST

\$2.8 million that NOAA would like to have used elsewhere.

Time to Squeal. After the dire-emergency debacle, in which members saw a long and complex spending bill 15 minutes before the vote, Representative Fawell made a modest proposal to the House Rules Committee. He suggested that on spending bills in particular, the House should abide by its own rules—routinely waived—and give members three days to read and consider the measures before a vote.

Rules Committee members fell all over themselves in praising Fawell's idea, reflecting on how it would improve their oversight of public funds. Later that afternoon the committee killed his amendment. Last-minute votes on largely unread bills have become an established procedure in the House.

Presidents may be outraged at all the fat in such bills, but they are reluctant to veto an entire appropriations measure because of it. That's

why numerous Presidents—including Franklin Roosevelt, Harry S. Truman, Dwight Eisenhower and Ronald Reagan—have sought the power to veto *sections* of bills, the so-called line-item veto. With it the President could pass the appropriation but zero out specific items, trimming millions of dollars.

Some Constitutional scholars believe the power of the line-item veto is implicit in the Constitution. Senators Coats and John McCain (R., Ariz.) and Republican Minority Leader Robert Dole of Kansas have joined Senator Smith in a Senate resolution urging President Bush to execute a line-item veto and test the issue. Coats and McCain have also introduced S.196, the Legislative Line-Item Veto Act, which is now before the Senate.

If you believe the President should have such power, contact your Senator or Representative, urging passage of these measures, and write the President, encouraging him to execute a line-item veto.

Reprints of this article are available. See page 209.



Come Again?

MY MOTHER REGULARLY marched her nine children to the local clinic for various vaccinations. She often neglected to tell the kids where they were going but just lined them up to wait their turn. On one occasion an older child standing on line asked, "Are we going to get shots?"

"Of course," Mother quickly replied. "Do you think we're standing here for our health?"

—Contributed by Patricia Carlin

A FRIEND'S HUSBAND loves to eat and is really overweight. His wife was recounting to me all the "No-No's" he had consumed in a single day. "If he dies," she exclaimed, "I'll kill him!"

—Contributed by Rose F. Kramer

Should We Be Paying for This? Pork Barrel Items in the Fiscal 1993 House Appropriations Budget

Department of the Interior & Related Agencies

- \$500,000 for the Chicago, Illinois, wetlands office.
- \$300,000 for a study on striped bass.
- \$1,201,000 for African elephant conservation.
- \$7,400,000 for capital improvement projects in the Republic of Palau.
- \$300,000 for fencing at the Hakalau National Wildlife Refuge in Hawaii.
- \$925,000 for the relocation of a road at Jackson National Fish Hatchery in Wyoming.
- \$1,000,000 for the Chicago urban forestry program.
- \$370,000 for the national kick-off of the Smokey Bear 50th Anniversary celebration in New Mexico.

Energy and Water Development

- \$1,000,000 to continue work on the Beaver Lake Water Quality Project in Arkansas.
- \$1,500,000 for repair of the breakwater at Monterey Harbor, California.
- \$713,000 to replace the Carlyle Lake, Illinois, Visitor Center.
- \$400,000 in additional funds to continue dredged material management in Toledo Harbor, Ohio.
- \$1,500,000 for the repair of the north jetty at the Yaquina Bay and Harbor in Oregon.
- \$700,000 to pave a new road and parking lot, and to install a boat dock, a composting toilet, and a concrete boat launching ramp at the Tennessee-Tombigbee Waterway in Alabama and Mississippi.

August 28, 1992

The Thomas A. Roe Institute for Economic Policy Studies

No. 913
The Heritage Foundation • 214 Massachusetts Avenue, N.E. • Washington, D.C. 20002-4999 • (202) 546-4400 • Telex: 440235

The Heritage Foundation
Backsrounder