

## The Thomas A. Roe Institute for Economic Policy Studies

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### THE DIRTY SECRETS OF THE 1987 CONTINUING RESOLUTION

"I have made an error in judgment and I intend to correct the error," candidly admitted Senator Daniel Inouye, the Hawaii Democrat. With that, he asked for the rescission of an \$8 million special interest appropriation which he was able to include in the bulging \$604 billion catch-all Continuing Resolution that Congress passed with scant review as it rushed to adjourn before Christmas.

Inouye is to be applauded for his action. He sets an example that should be followed by many of his colleagues from both sides of the aisle in both houses, who also used the hectic twilight moments of the session to sneak pet projects into a bill which, though too lengthy to read and analyze, was sure to become law. Indeed, the nation should demand Inouye-like *mea culpa*s from the other members of Congress and rescission of their costly special interest measures.

**Time for Fessing Up.** Tops on the list of candidates for *mea culpa* rescissions are a \$10 million bailout of sunflower growers, \$6 million to America's fifteen biggest beekeepers, millions in research for everything from Belgian endive to New Mexico wildflowers, grants to such foreign groups as the World Tourism Organization, House Speaker Jim Wright's \$25 million airport for his friend H. Ross Perot, Jr., dozens of pork barrel bridge, highway, and water projects, the prepayment of \$2 billion in loans guaranteed by the Rural Electrification Administration, a \$6.4 million federally funded Bavarian-style ski resort in Idaho, and the forced sale of Rupert Murdoch's *New York Post* and *Boston Herald*.

These measures were buried in the hastily compiled mammoth Continuing Resolution, or CR, which filled 1,194 pages, and in the companion Omnibus Budget Reconciliation Act, which ran an additional 1,033 pages. Citing these examples, Ronald Reagan declared in his State of the Union speech, "The budget process has broken down," and he vowed to veto any more omnibus spending bills. Legislators

from both chambers and from both parties rose to applaud the President. Indeed, the budget process is an embarrassment to lawmakers.

**Selfish Reasons.** Yet these same cheering lawmakers seem incapable of correcting the problem. Congress now regularly ignores statutory deadlines and flouts its own rules, and does so for two selfish, anti-democratic reasons. One is that bending or breaking the rules has allowed Capitol Hill to emasculate the President's veto power and hence upset the carefully crafted balance envisioned by the framers of the Constitution. There are few issues over which a President is willing to call Congress's bluff and shut down the government.

The second cause of Congress's irresponsible behavior is even more damaging to the cause of good government: the CR allows legislators to avoid political accountability by burying obscure but costly amendments in thousands of pages of verbiage that only the House-Senate conferees may understand. As a result, leading congressmen are able to repay campaign favors, help influential constituents, and settle political scores without the usual public scrutiny. And even if their handiwork is discovered by a White House given only 48 or so hours to dissect and evaluate the huge bill, it cannot be blocked other than by a veto of the entire measure.

**Insulting Americans.** The final few days of the last session, in December, was the low point of the budget process, as Congress fashioned a CR that was a masterpiece of logrolling and pork barrel politics. It also was an insult to Americans seeking deficit reduction and an end to runaway spending. The CR was filled with pork and poison for the friends and enemies of powerful legislators.

The only way to restore respect and sense to the budget process is for Congress to overhaul the 1974 Budget Act, which established the framework for the current budget debacle. But congressional leaders seem unlikely to take the necessary action unless the White House forces their hand by exposing the dirty secrets of the CR to the American people and requiring the sponsors of these provisions to attempt to justify their handiwork. Reagan appears set to turn up the heat on Congress. During his State of the Union address, he vowed to press for the rescission of some \$5 billion in special interest subsidies stuffed into the CR.

As the Office of Management and Budget assembles its list of the CR's pork and poison to send back to Congress, officials should include the following:

## **FERTILIZING FARMERS' FIELDS WITH FEDERAL FUNDS**

**Sunflower Giveaway.** Senator Quentin Burdick, the North Dakota Democrat, pushed through a new price support program for sunflower growers when the CR legislation was taken up by the Senate. The House balked at this, but then offered a consolation prize: the purchase by the federal government of \$10 million worth of sunflower oil.

**Grasshoppers and Chernobyl.** Burdick also got \$500,000 for the University of North Dakota to study the impact of the Chernobyl accident in the USSR. Other

research grants won by Burdick, chairman of the Senate Appropriations Committee, included \$69,000 on the control of grasshoppers and \$75,000 on dry beans.

**\$6 Million for Beekeepers.** The honey price support program has been one of the most lucrative for farmers, providing as much as \$100 million annually for just 2,500 beekeepers. Early last year, Congress restricted individual loans to \$250,000, but in December the American Honey Producers Association and their Senate allies, Montana Democrat John Melcher and Arkansas Democrat David Pryor successfully pressured the conferees to lift the limit. The result: the CR contains a provision worth an extra \$6 million to the fifteen largest honey producers.

### ASSISTING LEGISLATORS' FAVORITE CHARITIES

**Millions for Portland.** Senator Mark Hatfield, the Oregon Republican, got a \$2 million grant to the Oregon Historical Society to establish a North Pacific Research Center in Portland.

**Ted Turner Festival Favor.** Hatfield also got \$500,000 in taxpayer funds to be used by the Seattle Goodwill organizing committee to support Ted Turner's sports festival scheduled for 1990.

### RESEARCH ABOUT EVERYTHING

**Salad Special.** Representative Silvio Conte, a Massachusetts Republican, pushed through a \$60,000 grant for the Belgian Endive Research Center at the University of Massachusetts. The likely result? New, improved salad greens.

**Water Watch.** Legislators from around the nation joined to include \$97.3 million in grants to ten different colleges to study water quality.

**Wildflower Watch.** The CR includes \$50,000, requested by New Mexico Senators Pete Domenici, a Republican, and Jeff Bingaman, a Democrat, for the study of New Mexico wildflowers.

**Largess for Louisiana.** Senator Bennett Johnston, the Louisiana Democrat, won a \$16.5 million appropriation for bioenvironmental research, much of it to be spent at Louisiana's Tulane University and Xavier University.

**Cranberry Cash.** Massachusetts legislators united behind a \$260,000 grant to the New Jersey-based Center for Cranberry and Blueberry Research to study cranberries, a highly profitable crop in the Bay State.

**Free Research for Industry.** Congress voted \$500,000 for sugar beet and sunflower research, \$175,000 to combat the pecan aphid, \$435,000 for sugar cane research, and \$1.5 million for the common potato.

**Mississippi Catfish Counters.** The University of Mississippi was awarded \$500,000 to develop sonar catfish counters at the urging of Senator John Stennis and Representative Jamie Whitten, both Mississippi Democrats. The legislators also snared \$3.7 million for the University of Southern Mississippi's Polymer Institute.

**Plastic Money.** Congress apparently believed that the U.S. faced a crisis from its lack of a cornstarch-based biodegradable plastic; the conferees approved \$350,000 to fund research to remedy this grave deficiency.

**Why Drink Milk?** Representative Joseph McDade, the Pennsylvania Republican, pushed through \$285,000 for Penn State University to study milk consumption.

### THREATENING A ROBUST FREE PRESS

**Boston Herald.** Senator Edward Kennedy, a Massachusetts Democrat, has long been criticized by Rupert Murdoch and his *Boston Herald*. The Federal Communications Commission prohibits "cross-ownership" of a TV station and newspaper in the same market, but it had temporarily waived the rules for Murdoch, who owns both the *Herald* and *The New York Post*, along with TV stations in the same cities. Kennedy enlisted South Carolina Democrat Senator Ernest Hollings to prohibit the FCC from spending any money to change its cross-ownership rules or to extend any existing waivers--a provision that affects only Murdoch.

### AID AND COMFORT TO CONGRESSIONAL JUNKETEERS

**No to Planes.** In February 1986, as widely reported in the press, Representative Charles Wilson, the Texas Democrat, arrived in Pakistan and asked the embassy to fly him and a female lobbyist to another city in that country. The embassy refused because the lobbyist was not a staff member. Wilson later added amendments to the CR mandating that the Defense Intelligence Agency (DIA), which administers the planes, lose six aircraft. (Other Congressmen eventually rescued four of them.)

**Yes to Planes.** Representative Tom Bevill, an Alabama Democrat, slipped an amendment into the CR barring the Army Corps of Engineers from selling any of its three executive jets, even though Army auditors had recommended doing so to raise \$6.4 million and save \$1 million in operational expenses every year.

### PUTTING BUDGET-CUTTERS OUT OF WORK

**Goodbye, Dunlop.** Having clashed over spending with George Dunlop, the Assistant Secretary of Agriculture for Natural Resources and Environment, with oversight responsibility for the Soil Conservation Service, Mississippi Representative Whitten inserted a line in the CR to abolish Dunlop's job. The conferees placed the Soil Conservation Service under the direct supervision of Secretary Richard Lyng.

**No Facts, Please.** Congress restated its prohibition against the Office of Management and Budget doing research on pet congressional projects. OMB specifically is barred from reviewing any Department of Agriculture marketing orders, which enforce producer cartels, and from reviewing and commenting upon Veterans Administration testimony to Congress.

## GRANTS TO ORGANIZATIONS WITH NO APPARENT PURPOSE

**Exporting Pork.** Congress approved fat grants for foreign organizations including \$540,000 for the International Coffee Organizations, \$47,000 for the International Jute Organization, \$61,000 for the Maintenance of Certain Lights in the Red Sea, \$194,000 for the International Natural Rubber Organizations, and \$224,000 for the World Tourism Organization.

**Home-Grown Pork.** On the domestic front, the Christopher Columbus Quincentenary Jubilee Commission rated \$212,000, the Japan-United States Friendship Commission \$1.2 million, the Illinois and Michigan Canal Heritage Corridor Commission \$250,000, and the Franklin Delano Roosevelt Memorial Commission, originally established in 1955, \$28,000. Congress also voted to spend \$2.55 million on the Martin Luther King, Jr. Center for the Study of Nonviolent Social Change in Atlanta, \$4 million on the Woodrow Wilson International Center for Scholars in Washington, D.C., and \$718,000 on the National Commission on Libraries and Information Science, also in the District of Columbia.

## SUPPORT FOR FRIENDS

**An Airport.** H. Ross Perot, Jr., the millionaire Texas businessman, wants a new airport in Fort Worth, just 20 miles away from the mammoth Dallas-Fort Worth International Airport. A House committee rejected the idea. Yet Democrat House Speaker Jim Wright, a fellow Texan, inserted \$25 million for the facility, although it fails to meet Federal Aviation Administration standards.

**An Award.** Congress created a \$280,000 "civic achievement award program" to be administered by Speaker Wright. He will direct the money to favored elementary and junior high students.

## SUBSIDIES FOR THE INTEREST GROUP THAT NEVER HAS ENOUGH

**\$50+ Billion Not Enough.** The National Rural Electric Cooperative Association has received \$53.1 billion in support through the Rural Electrification Administration over the last 14 years. This apparently is not enough. It lobbied hard and won approval of an amendment to the CR that allows local power cooperatives to refinance \$2 billion worth of federally guaranteed loans without any prepayment penalty.

## KEEPING GOVERNMENT OFFICES OPEN

**Don't Move.** Hawaii's Inouye won a prohibition on the Farmers Home Administration moving its state office from Hilo to Honolulu.

**We Never Close.** The CR prohibits the Administration from consolidating the Soil Conservation Service's national technical centers, closing the Resource Conservation and Development Program, reducing employment ceilings at the Rural Electrification Administration, Soil Conservation Service, Farmers Home Administration, and Agricultural Stabilization and Conservation Service, changing the federal status of the Transportation System Center and the Turner-Fairbank Highway Research Center, closing or consolidating Office of Personnel Management executive seminar centers, centralizing the functions of any Customs Service offices, or closing the Federal Railroad Administration Office in Bangor, Maine.

## FORCING THE PENTAGON TO WASTE MONEY

**Hold Those Planes.** Representative Norman Dicks, the Washington State Democrat, blocked an Air Force attempt to deactivate eight planes in an air transport unit located in Washington.

**Let's Fight Them with New Offices.** Congress also directed that the Pentagon use \$540,000 of its appropriation to operate the New Orleans regional office of the Naval Intelligence Service, and another \$53,375 to run a "procurement outreach center" in North Platte, Nebraska. Such congressional micromanagement prevents efficient use of defense dollars.

**Trying to Match Soviet Inefficiency.** Congress declared that "competition, which is necessary to enhance innovation, effectiveness and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense." Having congratulated themselves for this worthy declaration, legislators then banned the Defense Department from trying to save money by hiring private firms to perform services at the Defense Personnel Support Center in Philadelphia or for the Corps of Engineers in Mississippi. The Pentagon also was ordered to convert its steam generating plants to coal facilities and to restrict contractors from hiring defense workers from outside their state. Banned or restricted too is the purchase of foreign ships, ammunition, beer and wine, oil, computers, machine tools, polyacrylonitrile carbon fiber, and anchors.

## BLOCKING PRIVATIZATION

**Don't Study It.** Congress barred the Department of Energy from studying any privatization of uranium supply and enrichment programs.

**Don't Even Think About It.** Surplus land in Bull Shoals Lake, Arkansas, and Beltsville, Maryland, cannot be sold.

## ECONOMIC AID FOR THE PROSPEROUS

**Worcester Sauce.** Representative Joseph Early, a Massachusetts Democrat, got an amendment forcing the Economic Development Administration (EDA) to provide \$1 million to the Massachusetts city of Worcester and the Worcester Business Development Corporation to construct a biotechnology research park. The city's unemployment rate of 2.9 percent is one of the nation's lowest.

**Cash for Connecticut.** The EDA, long treated as one of Capitol Hill's premier political slush funds, was also ordered to spend \$2.5 million to help construct the Connecticut Technology Institute, located in Bridgeport, Connecticut, at the behest of Senator Lowell Weicker, the Connecticut Republican.

**Millions for Mississippi.** Mississippi's Stennis and Whitten arranged for \$3 million for the Institute of Technology Development in Jackson, Mississippi.

**OK for the Okies.** Oklahoma State University won an EDA grant worth \$250,000 through the efforts of Representative Wes Watkins, an Oklahoma Democrat. The Watkins project, as almost all the others included in the CR, did not qualify for funding under the EDA's already generous standards.

## HELP FOR BUSINESS THAT MISSED OUT ON EDA MONEY

**Skiers Need Help, Too.** Senator James McClure, the Idaho Republican, pushed through a \$6.4 million Forestry Service subsidy for a Bavarian-style ski resort in Kellog, Idaho.

**Fishing for Dollars.** Fishermen, especially those in Alaska, will benefit from \$2.6 million in federal funds to be deposited into the Fisheries Promotional Fund, courtesy of Senator Ted Stevens, the Alaska Republican.

**Plugging Holes with Dollars.** South Carolina's Hollings pushed through \$13 million to reinforce a private dam in his home state.

## UNIVERSITY WELFARE

The CR included \$5.5 million for an energy center at the University of Oklahoma, \$6 million for a similar project at West Virginia University, and \$4 million for an administrative facility at the Morgantown Energy Technology Center. Congress also agreed to give the three institutions a total of \$20.5 million in 1989.

Northwestern University received \$6 million for an energy demonstration and research facility. The University of Miami and Texas A&M University will share in a \$2.4 million grant to study hydrogen production technology. Congress voted to provide Arkansas and Alabama schools with \$400,000 for research on Southern tar sands. Other energy research money went to the Oregon Research Center, Florida State University, and Jackson State University.

Congress voted to grant the University of Florida \$600,000 to study the cyanide leaching of gold, the University of Idaho \$500,000 to study water contamination, and 32 different minerals institutes, including those at the University of Mississippi and the University of Hawaii, a total of \$4.6 million for their work. The University of West Virginia received \$50,000 for its forestry program.

The University of Florida collected a \$25 million research grant courtesy of Senator Lawton Chiles, the Florida Democrat, who, as the Budget Committee chairman, regularly denounces the deficit. Congress also appropriated \$172 million for Howard University, located in the nation's capital.

Tuskegee University received \$18.3 million for cooperative agricultural extension work as well as a portion of the \$23.3 million voted for cooperative state agricultural research. And the CR included \$5.2 million for airway science studies at a half dozen schools, including the Polytechnic University, Embry-Riddle Aeronautical University, and Florida Memorial College.

## **MAKING PARKS NICER FOR THE MIDDLE CLASS**

**Cut-Price Admission.** Congress sharply limited the entry fees that may be charged to the largely well-to-do visitors to such parks as Yellowstone, Grand Teton, Glacier, and the Grand Canyon, despite fears that low entrance fees have encouraged overuse and inadequate upkeep, resulting in environmental damage. The year-end legislation banned any fees at a number of urban parks, including those in Washington, D.C. Congress also voted to spend \$225,000 for the Fordyce Visitor Center at Hot Springs, Arkansas, \$332,000 for the Jean Lafitte Park in Louisiana, and \$300,000 for the New River Gorge in West Virginia.

**Plants versus Pork.** Hawaii's Representative Daniel Akaka and Senator Inouye, both Democrats, inserted \$250,000 in the CR for the National Park Service to prevent wild pigs from attacking exotic plants in the Haleakala National Park in their state.

## **HIGHWAY BOONDOGGLES**

**California Turns Right.** Representative Bill Lowery, a California Republican, won \$90,000 to add a right-hand turn lane to San Diego's Tierrasanta Boulevard.

**All Roads Lead to the Taxpayer.** Representative Steny Hoyer, a Maryland Democrat, arranged a \$14.25 million grant to improve the Baltimore-Washington Parkway near the nation's capital. New Mexico's Domenici, the ranking Republican on the Senate Budget Committee, won \$15.5 million to upgrade highways in his home state. New Jersey's Route 1 will get a federally sponsored \$4.7 million improvement program through the efforts of New Jersey Democrat Senator Frank Lautenberg. And Representative Bob Carr, the Michigan Democrat, a member of the Appropriations Committee, placed a \$28 million highway bypass project in the CR.

Money also went to a variety of projects in California, Michigan, New York, Massachusetts, Washington, Kentucky, New Hampshire, Louisiana, North Dakota, Kansas, and Pennsylvania.

### MISCELLANEOUS PORK

**Hometown Entertainment.** Congress appropriated \$250,000 for cable TV service in the District of Columbia. The nation's capital also rated \$229.5 million for its subway and \$4.9 million for the John F. Kennedy Center for the Performing Arts.

**Vote-Building for the Future.** The Army Corps of Engineers was provided with \$138.7 million and ordered to proceed with projects in New Jersey, New York, Arkansas, Louisiana, Florida, Virginia, California, Illinois, and several other states. Among the Corps' boondoggles: the Cleveland Harbor Project will receive \$11 million to construct a harbor for private pleasure boats, while the Louisiana congressional delegation arranged \$103.7 million to improve Shreveport's port facilities.

**Debtors Off the Hook.** Minot, North Dakota, was relieved from repaying \$1 million it owed as part of the Garrison Diversion water project. Congress also forgave the Bay City, Michigan, Housing Authority for the principal and interest owed on a 1974 public housing development loan.

**Business Flyers Need Help, Too.** Congress ordered the Federal Aviation Administration to expand the Bullhead City-Laughlin Airport in Bullhead City, Arizona.

The CR contained language directing the Federal Aviation Administration to keep open the Salisbury, Maryland, Flight Service Station, give "high priority consideration" to Philadelphia International Airport's request for funds, extend the runway at the Greenwood-Leflore County, Mississippi, airport, and provide \$10 million in grants for landing systems and lights to ten airports around the country.

**Building Bridges to the Voter.** Oklahoma's congressional delegation, with three members on the House and Senate appropriations committees, won a \$500,000 grant to build a bridge near Eufaula Lake, Oklahoma.

### CONCLUSION

The list of the 1987 CR's dirty secrets could go on. What cannot go on is a federal budget process that has made such abuses standard operating procedures. To be sure, Senator Inouye's admission of error and his request for repeal of his special interest legislation is welcome. More welcome would be other lawmakers getting in line behind Inouye to admit their own misbehavior and to ask for rescission of the funds already voted.

But much more is needed. Budget reform is essential: sensible lawmaking and public scrutiny are impossible so long as Congress routinely ignores statutory

deadlines and flouts its own rules. Ronald Reagan should move forward with his dual pledge to offer rescissions for the worst of December's pork and to refuse to sign any more omnibus budget bills. And Congress should restructure the budget process.

**Rediscovering the Constitution.** Capitol Hill should move to biannual budgeting, giving legislators a two-year cycle in which to pass individual appropriations bills. Reforms are needed to enforce the congressional budget resolution; a super-majority should be required before either chamber can consider or pass budget-busting legislation. If Congress again resorts to a CR, the President should be empowered to divide it into the equivalent of the standard thirteen appropriations bills for the purpose of exercising his veto power. Finally, the President should be given broader rescission authority, with a congressional vote required to block, rather than approve, his rescissions.

But Congress must do more than reform its procedures, for much of last December's outlays would have been wrong even if they had been approved through the normal appropriations process. It is time that legislators rediscovered the Constitution's general welfare clause and approved expenditures only if they truly served the public interest.

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