

Will Reagan tame the U.S. 'budget process' beast?

by Criton Zoakos

If Yuri Andropov had the capacity to evaluate the intricacies of institutional fighting between Congress and the American presidency, he would have been able to gain a more reliable insight into the mind of President Ronald Reagan and thus develop a healthy mistrust for his own preconceived notions of Reagan's "psychological profile," upon which the General Secretary is basing his current bout of confrontationist tactics.

The current fight between Congress and President Reagan over the federal budget is an instructive case in point. Against all earlier indications and against what most observers still believe, President Reagan is about to obtain congressional approval from most of his defense budget—and that from a Congress which two weeks earlier had overwhelmingly voted for an idiotic "nuclear freeze" resolution.

The events of May

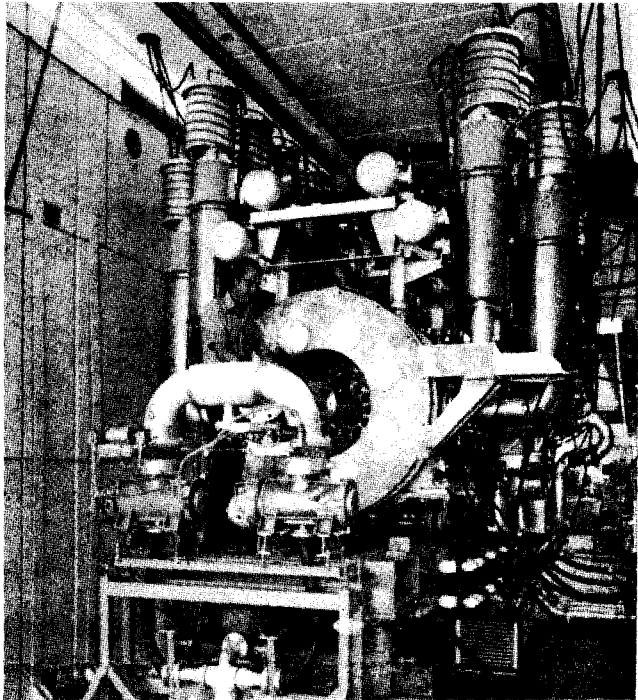
In eight days spanning the second and third week of May, the relevant congressional committees approved all the President's requests for the MX missile, each one of which Congress itself had unceremoniously junked last year. Considering that the President has made no concessions to his arms control detractors, the MX appropriations votes signaled that something unusual is afoot in the relations between Congress and the White House. Earlier, the President had received a letter signed by 143 members of the House of Representatives, asking him to veto any version of a federal budget which would not be in agreement with his commitment for a "third year tax cut," indicating thus the ability to sustain a presidential veto in this matter. Finally, on Friday, May 13,

the full Senate voted to kill two successive budget resolutions which had been designed by the Senate itself to be "anti-Reagan" resolutions.

The legal deadline for producing a "budget resolution" had been passed without any budget resolution and with both anti-Reagan resolutions defeated. The White House, in a meeting with Sen. Bill Armstrong (R-Colo.), indicated that it would be pleased if no budget resolution at all were produced this year. White House press spokesman Larry Speakes also made it clear that the existence of a "budget resolution" is less important to the White House than the "third-year tax cut."

The entire weekend of May 14-15 was spent with wild howls all over Capitol Hill over the threatening collapse of the exotic beast called "The Budget Process." Solemn appeals were made for the troops to rally around the imperiled "Budget Process." Oaths were taken that only over "our dead bodies" will the "Budget Process" be junked. The Majority Leader of the Senate, Howard Baker of Tennessee, penned a brave article for the May 15 issue of the *Washington Post* entitled "We Will Pass A Budget Resolution," quoting Winston Churchill, the American Constitution, Senate Budget Chairman Pete Domenici, and history at large. The first thing Monday morning, May 16, Senator Mark Hatfield (R-Ore.), made an impassioned speech in the Senate, asking all to preserve the integrity of "the Budget Process."

"Many have viewed the events of last week," the senator from Oregon intoned, "as evidence of the demise of the budget process, and have greeted that prospect with some



An experimental test accelerator developed for the Navy's charged particle beam program at Lawrence Livermore National Laboratories. National defense and economic recovery have been tied to the stake of "fiscal" cultism.

enthusiasm. I do not share that view. I believe the congressional budget process must be preserved, and I earnestly hope that a budget resolution will be adopted by the Senate, and a conference report adopted by both Houses." Then: "[D]espite . . . my other occasional frustrations, I believe the congressional budget process must be maintained *to protect our prerogatives vis-à-vis the executive branch and to promote discipline in our own fiscal affairs* [emphasis added]."

Hatfield proceeded to quote from the senator from Tennessee, Howard Baker: "The congressional Budget Process lies at the heart of modern and coherent democracy. . . . [E]verybody wants to decide what the budget will be; but nobody wants to serve on the Budget Committee. . . . Every senator and congressman wants the most money he can get for his favorite federal programs, but nobody wants a tax increase or a large budget deficit. . . . Each legislator must serve both the special interests of his constituency and the central interests of the nation, but doing both at the same time is like trying to rob your own bank. . . ."

The next day, President Reagan was singularly unimpressed by all this. He called a press conference in which, among many other things, he announced to Congress that he will certainly veto any budget which does not preserve his dear "third-year tax cut." He went on to blame Congress for various horrible sins, but especially that of failing to control "runaway federal spending" which then causes all those horrible tax increases. Ronald Reagan had great fun unleashing every bogeyman of mainstream America against a helpless, bungling Congress.

Three billion for beam weapons

Then, officials of the Defense Department responsible for research and development announced that for next year, the spending for the President's program for beam weapon strategic defense systems for 1984 will be \$3 billion, not the originally projected \$1 billion. The newspapers carried this report back to back with Soviet government announcements that the Soviet military is about to adopt a "launch on warning" strategic posture.

The evening of the President's press conference, many enraged members of the legislative branch appeared on national television to issue denunciations of Reagan ranging from "irresponsible demagogue" to "the greatest alibi artist ever to occupy the White House." However:

One day later, the Senate, with relish, went and ate its hat before the whole country. That is how the *Washington Post* reported the memorable lunch: "A frazzled Senate Budget Committee yesterday shifted gears, scuttled a bipartisan compromise and approved, 11 to 9, a low-tax, high-deficit budget that closely resembles one earlier approved by the White House. Only a day after President Reagan went on national television to denounce any budget compromise that might jeopardize his tax cuts or military buildup, the committee's efforts to build a compromise on the basis of bipartisan cooperation collapsed in a crossfire of partisan recriminations. . . ."

This, of course, is not the end of the matter. It is rather the beginning of a new round in which Reagan will keep pounding Congress until he gets what he wants. What will that be? If sources in the office of the Majority Leader of the House are to be believed, "there is no doubt that the President will get exactly what he wants for his defense buildup. . . . it may not be the 10 percent increase he originally asked, but it will be an increase greater than any other President ever got." But, the sources continued, "somebody has to pay for this money, and he won't get what he is asking in tax policy."

This horsetrade is not complicated: there is quite a beautiful simplicity to the whole fight. But the observer must know what the President is in fact doing when he threatens to blow up "The Budget Process," because this threat is his essential instrument.

The 1974 turning point

The United States had managed to survive for almost two centuries without a "Budget Process." Then the year 1974 arrived. In the midst of an explosion of "Watergate scandals," hitting both the Presidency and the very guts of Congress—and resulting in the demise of such powerful committee chairmen as Wayne Hayes and Wilbur Mills—the Brookings Institution, Edmund "Global 2000" Muskie, "gay liberator" Alan Cranston, and others of their ilk rammed through Congress something called the Congressional Budget and Impoundment Control Act of 1974.

Its ostensible purpose was to enforce fiscal accountability and reduce the gap between federal revenues and federal

spending, i.e., control the growth of our national debt. It was all a hoax. National debt in 1973 was \$457 billion dollars. In 1983, after 10 years of "The Budget Process," it has grown to over \$1.3 trillion. The beast of "The Budget Process" destroyed the last remnants of sound economic reasoning in Congress and contributed greatly toward creating the present depression.

The Budget and Impoundment Control Act of 1974 created, for the first time in U.S. history, the Senate and House Budget Committees and the beast "Budget Process," which entails for the following procedure:

Every year, on some predetermined day after the spring equinox, the following ritual is to be performed. The Budget Committees of both houses, after arduous horsetrading, will propose to their constituent bodies a certain ceremonial text called "The Budget Resolution." This will contain within it certain guidelines, in the form of percentages associated with certain general areas of spending and certain areas of revenue. After the two Houses adopt this ceremonial text, then the actual real-life committees, which in the old days used to take care of real-life problems, such as the Armed Services, Public Works, Commerce and Science, Labor and Human Resources or Foreign Affairs Committees, go to work trying to fit their responsibilities within the guidelines of the ceremonial text. For about 10 years, congressmen have been making decisions, but not on the merits or demerits of a certain water project, or research and development project, or internal improvement project, or a commercial, scientific, defense, environmental, or any other need. They have been making decisions on how to best fit things into the ceremonial "Budget Resolution" guidelines.

If, for example, the glamorous environmentalist lobby manages to sneak into the "Budget Resolution" a handsome spending guideline, then the Environment, De-Industrialization, and Organic Grass Growing Subcommittee will spend all that money whether there is need for it or not. On the other hand, if the Snail Darter Lobby succeeds in assigning a low figure for water projects, dam construction, and so forth in the ritual "Budget Resolution," then no water projects will go ahead, whether or not the nation dies of thirst.

The "Budget Process" has replaced the last remnants of debate on the basis of merits and needs with a wild game of numerology and horsetrading. It has also instilled in the ranks of Congress irrational habits of thinking about economic subjects, as well as entrenched vested interests, in the form of the Budget Committees which preserve these irrational habits.

Now, President Reagan is threatening to take this whole thing away. Hence the clamor, the squeaking, and the hysterics about "our prerogatives vis-à-vis the executive branch." Reagan's overall current strategy appears to be this: Either you guys give me what I want in the budget, or the "Budget Process" is finished.

But what is it that he really wants? The third-year tax cut,

or his defense budget? The President says, loud and clear, that if he doesn't get his "third-year tax cut" the "Budget Process" will die. Under the circumstances, he could not have said that he'll kill the "Budget Process" over his defense budget.

Then, Congress comes back, from both Houses and both parties, to suggest that they will give him his defense budget if he lets them have their "Budget Process." But then, they add, somebody will have to pay for defense, Mr. President. "Your third-year tax cut must go."

One month ago, nobody would have ventured to predict that President Reagan would get his defense budget approved. Now the MX appropriation has gone through and he is almost certain to get a 7.5 percent increase in defense spending, the amount any reasonable bargainer has in mind when he starts by asking 10 percent.

In the weeks ahead, we may see the following situation unfolding: any budget from Congress which does not contain a 7.5 percent defense increase *and* the "third year tax cut" is vetoed by the President. A huge brawl continues. Congress, to preserve its "Budget Process" gets closer to the 7.5 percent but remains adamant in its opposition to the tax cut. After some theatrics, as soon as Reagan get all he wants for defense, he will turn to the American people and inform them that the terrible, horrible Congress defeated him and did not allow him to carry out his cherished "third-year tax cut." Reagan, acting presidential, will bow before the inevitable and sacrifice his precious ideology for the sake of preserving the function of government.

Then, a few months later, during the presidential campaign, he will point out to the electorate that if economic ills are still with us, Congress is to blame for having killed an important part of his economic program. "The little recovery we have achieved would have been much greater, had my program not been mutilated by Congress."

It is regrettable that the republic has degenerated to the point that such theatrics become necessary on the part of the nation's Chief Executive to obtain the resources required for the nation's defense in a period of national security emergency. This, however, is our own problem, and our own to solve.

But now, back to General Secretary Andropov: the thought may cross your mind, Mr. Secretary, that Ronald Reagan is exploiting the image other people have of him as a "simplistic, intransigent ideologue." He is convincing a horrified Congress that unless his ideological, "Neanderthal" obsession with "third-year tax cut" is satisfied, he'll bring the house down. By this means, he has obtained his defense budget, which most of your peacenik dupes had considered as good as dead. It makes you wonder, did he really give a hoot for the "third-year tax cut," or did he just employ this irrelevancy to get the defense budget needed for his doctrine of Strategic Defense?

An "ideological cowboy" is one thing. But this is something else.