



The Uncuttable Budget

ROBERT D. NOVAK

WASHINGTON
OCCUPYING Washington's center ring for the first time since 1957 is a battle of the budget—set off this time, in roughly equal degree, by President Kennedy's tax-cut proposals, the fact that annual Federal spending is nearing the magic figure of \$100 billion, and the lack of anything much better to do in one of the duller Congressional sessions in memory. But as in most of these recurrent Congressional rebellions against the inexorable climb in government spending, the budget cutters seemed doomed to defeat before the battle is under way.

"Sometimes even I get cynical," confessed one of the most outwardly enthusiastic of the young House Republicans who are masterminding the economy drive. Cynicism is altogether understandable for anybody who has been around Capitol Hill long enough to have observed the nature of these periodic budget fights. The high resolve of the budget cutters invariably softens as spring turns into summer, disintegrates during the compromises of the dog days, and finally disappears in tacit surrender by Labor Day. Barring something very close to a legislative miracle, this year's budget cutters will fall far short of their hoped-for reduction of at least \$4.5 billion in President Kennedy's estimated \$98.8

billion in spending for the fiscal year beginning July 1. They will be fortunate to wind up with a cut as high as \$1.5 billion and might not do anywhere that well.

A majority of Congress—almost all Republicans and a surprisingly large number of Democrats—truly would like to curb Federal spending. Congress, which probably reflects public opinion more accurately than its critics like to admit, has by no means accepted the argument of administration economists that simultaneous increases in spending and reductions in taxes lead to national well-being. In a sense, Congress and the nation at large remain wedded in theory to Calvin Coolidge's economic cure-all of ever-lower taxes and ever-lower spending. Moreover, the Republican Young Turk budget cutters are far better organized and far more serious in purpose than were the leaders of the unsuccessful 1957 economy drive, which seldom rose above the level of farce.

Meaningless Economies

Why, then, are the budget cutters fighting such a hopeless struggle? The answer can be found in the general impotence of Congress today. Hampered by cumbersome procedures and shackled by the realities of practical politics, Congress simply cannot do what it wants to do. And

nowhere is this Congressional incapacity more apparent than in the budgetary process.

From the outset of any budget battle, the economy bloc is very nearly stymied by a Federal budget system too convoluted for the mind of man. Contrary to widespread belief, Congress does not approve or disapprove actual spending; it acts on new spending authority, usually in the form of appropriations. And except for appropriations permitting the payment of salaries, a dollar cut in appropriations does not mean that a dollar will be cut in spending the same year.

In the aggregate, appropriations are a bewildering amalgam of past, present, and future. A farm appropriation often constitutes legislative sanctioning for price supports actually paid out the previous year; thus, a cut in farm appropriations may be a meaningless gesture that has no effect on spending. Sums appropriated for defense procurement may not be paid out for a missile for several years; thus, Congress may whack away at defense appropriations with little immediate impact on spending. Moreover, once an appropriation has been voted, the Executive branch is able—in the Budget Bureau's jargon—to obligate, deobligate, and reobligate the money in an intricate game of fiscal musical chairs. Although the President is asking for an additional \$108 billion in new spending authority, he has some \$87 billion in unused spending authority previously approved by Congress—about half of it unobligated for a specific purpose.

All this gives the Executive branch considerable latitude in preventing a cut in appropriations from immediately resulting in a cut in spending. In truth, the Republican leaders are just plain guessing when they predict that a \$10-billion cut in new spending authority will yield a \$4.5-billion reduction in spending. Although Congress cut appropriations by \$4 billion last year, actual spending for the fiscal year now ending will be higher than Mr. Kennedy first estimated.

But the primary reason why Congress finds it nearly impossible to reduce spending significantly goes deeper than the procedural miasma. Actually, the red tape of the budgetary process can be swept away in

one clean and simple stroke by Congress: a resolution setting either a limit on Federal spending for the year or a series of limits on various categories of spending. Just such an approach is currently the subject of private conferences between Republican budget cutters and Representative Clarence Cannon of Missouri, the economy-minded chairman of the House Appropriations Committee.

Yet the expenditure-limit approach almost certainly will not be used by Congress in this or any other battle of the budget, for reasons that get to the heart of the Congressional budgetary dilemma. Because it is so difficult to relate appropriations to spending, a ceiling on spending would tacitly impose on the administration the responsibility of paring down specific programs to get under the ceiling. In effect, Congress would be abdicating control over the details of the budgetary process while imposing greater control over its broad outlines. Congress is not prepared to do this. From Colonial days when legislatures used the power of the purse to torment Crown governors, the American legislator has wielded detailed supervision of appropriation items as an instrument of power.

THERE IS thus a duality in the Congressional approach to the budget. On the one hand, Congress wants total spending reduced. On the other hand, it wants to maintain control over specific appropriation items to strengthen its dwindling role in the shaping of government policy. That these two desires are frequently incompatible was starkly illustrated in this year's budgetary skirmish—a skirmish that was close to disaster for the budget cutters.

At issue on the floor of the House was an authorization bill for Pentagon weapons procurement. (In the circumlocution of the appropriations process, an authorization can be described as the authority Congress votes itself so that it can later vote appropriations, which give the President authority to spend the money.) Republican budget cutters left themselves open to accusations of hypocrisy and inconsistency by supporting (successfully) a greater authorization than Mr. Kennedy had requested in funds for the proposed

RS-70 supersonic reconnaissance bomber and by then supporting (unsuccessfully) a five per cent across-the-board cut for all items contained in the authorization bill. When that cut failed, most Republicans turned around and voted for the bill itself. "It was not what I would call an auspicious beginning," one prominent Republican budget cutter commented wryly.

Yet the Republicans here were not nearly so much demagogic hypocrites as victims of the contradictory approach to the budget taken by Congress generally. They wanted more



money for the RS-70 as a protest against Defense Secretary McNamara's downgrading of bombers and, in a broader sense, as a token reassertion of the Congressional role in arms policy. They voted to reduce the bill as a whole in the context of the battle of the budget. It is one of the wonders of the Congressional mind that it is able to segregate these diametrically opposed positions in watertight compartments.

Moreover, the internal Congressional confusion over budgetary aims is deepened by Congress's disinclination to cut individual spending items even though it insists on considering the budget in detail rather than in the aggregate. It will not reduce veterans' pensions. (To the contrary, the House recently passed, without even going through the formality of a roll call, two administration-op-

posed bills increasing veterans' disability pensions.) It will not cut back on subsidies to business and agriculture. It cannot bear to cut into specific projects in the burgeoning defense and space programs.

You Don't Shoot Santa Claus

This extreme reluctance to cut specific items stems in large degree from the fact that each appropriations bill becomes a pork-barrel bill to individual congressmen. Indeed, the space and defense appropriations bills are relatively immune to large-scale reductions primarily because the rank-and-file lawmaker sees them as massive WPA projects. While asserting and genuinely believing that defense appropriations can be cut without endangering the national security, he cannot bring himself to vote cuts that would close down a military installation or cancel a defense contract in his home district.

In this connection, the dominance of Southerners on the Appropriations Committees—particularly in the Senate—is a deterrent to effective budget cutting. The average conservative Southerner is attracted to the Appropriations Committee like a fly to a sugar bowl. When he gets there, his mission is twofold: to save the Republic from bankruptcy by cutting Federal spending and to ensure a continued disproportionate share of Federal largesse for the South. Here again, the dual desires are utterly incompatible. And invariably the hunger for Federal pork invariably wins out over longings for governmental economy.

What is more, this transformation of every appropriation bill—except the politically unprofitable foreign-aid bill—into a pork-barrel bill distorts the entire appropriations process. A serious discussion of military policy during a hearing by the House subcommittee on defense appropriations will be interrupted by a member's complaint over the closing of a base in his district. Senate subcommittee hearings on farm appropriations generally degenerate into a discussion about which states shall get which farm-research stations. The hardest-fought appropriations battle in Congress last year involved a proposed peanut-research plant in Georgia.

House Majority Leader Carl Albert

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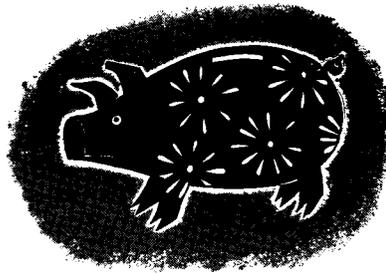
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and House Majority Whip Hale Boggs recently led a carefully planned Democratic barrage on the House floor, chiding members of the economy bloc for tenacious defense of their own pet spending projects. But more telling was a sardonic speech by Charles Joelson of New Jersey, a pro-administration freshman member of the Appropriations Committee. Declaring that "each Congressman knows his own district best," Joelson challenged every lawmaker to submit recommendations for reducing Federal spending in his own constituency. "Naturally," he continued, "I should also welcome any information from anyone who would like a large defense contract terminated in his district. When I total all the response, I shall announce the result. I doubt that I shall require an adding machine."

A GAINST THIS BACKGROUND, the budget cutters have scant hope for any real success through the use of conventional tactics. They are pinning their hopes on a new strategy of holding two vital Kennedy measures—a bill to raise the debt ceiling and the top-priority tax-reduction program—as hostages. The ransom price for passage of the two measures is a voluntary cutback in spending by the administration itself.

It is an absolute necessity for the sake of the government's solvency that the debt limit be pushed up again this year to make room for the steady increase in deficit spending. Conservatives claim they just won't do it unless Mr. Kennedy immediately makes plans for a cutback of a billion or two dollars. The situation is narrowing for the Treasury's debt managers. But Representative Wilbur Mills of Arkansas, chairman of the House Ways and Means Committee and one of the most adroit compromisers in Congress, has been trying to dress up the debt-limit proposal to make it more acceptable to conservatives without really giving the budget cutters what they want. At any rate, it is doubtful that the budget cutters actually would go to the lengths of defeating a debt-ceiling proposal when the hour of decision arrives.

As for conservative threats to kill Mr. Kennedy's tax cut unless he reduces spending, the problem for the



budget cutters lies in the timing. Congress will be considering tax reduction this summer, long before the final returns are in from the battle of the budget. And it is the final returns that count. Undoubtedly the House will vote some seemingly substantial reductions in appropriations during the next few weeks—enabling House conservatives to vote for tax reduction. The first two appropriations bills reported to the House floor reduced requested appropriations for the Interior Department by nearly ten per cent and requests for the Post Office and Treasury Departments by 2.5 per cent. But much of the spending authority cut in the House will be restored by the always more generous Senate, and still more may be restored by deficiency-appropriations bills late this year and early next year. Then too, there's the old problem of relating appropriations to spending. Consequently, the fight over the tax bill will be but a memory by the time the spending for the fiscal year is known.

The Futile Fight

All in all, any gains scored by the budget cutters are apt to be limited and transitory. They have forced Mr. Kennedy to be slightly more restrained in his spending plans, including a voluntary \$400-million cutback in requested appropriations for foreign aid. The administration's apathy about Federal aid to education and other new spending programs is a direct by-product of the budget battle. The budget cutters are at least delaying passage of Federal aid for urban mass transit, the creation of a Youth Conservation Corps, and a few other bills. But their grand design of halting or even reversing annual increases in Federal spending is a mere tilting at windmills. Annual budgets of less than \$100 billion are gone forever.

Once the furor of the present

battle of the budget has died away, it might be well for the budget cutters to take a good look at the appropriations process itself. It cannot really be used to effect any great changes in the level of spending ordered by the President. It is only occasionally effective in imposing the will of Congress on specific policy matters; the RS-70, for example, is almost certainly doomed no matter how many times Congress votes money for it.

Moreover, congressmen who insist that the appropriations process at least provides a careful check and review of administration spending programs are living in a world of make-believe. Lacking a large and effective staff, the Appropriations Committees can give the Executive branch spending plans only a cursory examination. The House appropriations hearings are verbose, meandering, and generally unproductive. If the House members hit upon some real waste in the Executive branch, it is largely a matter of luck. The Senate's consideration of appropriations is even less adequate, with its Appropriations Committee serving principally as a court of appeals to hear bureaucratic complaints about appropriation reductions by the House.

In the real world, Congress today probably can do no more than serve as a watchdog for any obvious examples of waste. But even for this limited function to be effective would require an enormous increase in trained staff—perhaps as many as two hundred professionally competent and well-paid staff members serving as a sort of Capitol Hill budget bureau. And such a trained watchdog force would run counter to the conservatives' notions that large, professional staff forces aren't really necessary in government today. Furthermore, liberals would be extremely wary about superimposing a Congressional budget bureau on top of the Federal budgetary structure.

So the appropriations process in Congress seems destined to go its chaotic and irrational way without change. And when the present fever of budget cutting subsides, it's a fair bet that nobody will pay much attention to appropriations until the next futile and furious battle of the budget erupts.

The Loneliest Governor

WILLIAM S. ELLIS

MONTPELIER
SNOWDRIFTS more than six feet high still lay all around Aaron Ward's farmhouse and barn in central Vermont. In the driveway, in a green pickup truck with an "I MISS IKE" sticker on the front bumper, Ward waited to take his wife, Zephine, to the village for the weekly meeting of Pythian Sisters. "Wouldn't surprise me if he came out and said it's been a big joke and that he ain't a Democrat at all," dairy farmer Ward told me, as we chatted about state politics. "Then, maybe I could believe what happened."

Tremors of disbelief have been shaking Vermont ever since January, when Philip A. Hoff, a Democrat, moved into the governor's office, ending 109 consecutive years of Republican State House control here. Looking back over his first hundred days in office, it can be said that seldom has a governor of such a small state been beset by so many big problems. Moreover, he faces them in almost complete political isolation.

THE WALLS of the governor's chambers are covered with massive gilt-framed portraits of pinch-lipped Whigs and Republicans. Soon after taking office, Hoff added a portrait of the state's only other Democratic governor, John S. Robinson. So far Robinson, who alas brings no smiling relief to the gallery of mutton-chop-whiskered scowlers, has been about the closest thing to a Democratic confidant that Hoff has.

Most of the Republicans in the State House naturally avoid him for fear of being identified with what is still sometimes referred to here as the New Deal. The Democrats are angry because Hoff hasn't swept out the Republican heads of departments and replaced them with members of his own party. The case of Elmer E. Towne, the commissioner of agriculture, irks them particularly. They thought that Towne would be the first to go because, for one thing, he had allowed a dairy to do business without posting a performance bond. When the company went

broke, many farmers in Vermont lost money. However, Governor Hoff announced that he would keep Towne and let him stand as "a symbol of Vermont Republicanism." Democrats were incensed and Republicans were insulted.

"This state is lousy with Democrats who have been waiting for years and years for patronage," Carroll P. Adams, the executive secretary of the Republican state committee, told me. "But Phil Hoff is smart enough to know that if he expects to be re-elected in two years he has to court Republican wishes."

"I have to approach my appointments with a great deal of care because my only hope of accomplishing anything is to take a bipartisan approach," Governor Hoff told me. Then with acid despondency he added, "I'm the only Democrat in my administration, you know."

While the Republicans have no quarrel with Hoff over appointments, or the lack of them, they are concerned with the possibility that he might tamper with the town governments—the quintessence of home rule in this state. In his inaugural address, Hoff asked the legislators to go home for a year; he needed time, he explained, to make a comprehensive study of the system whereby fewer than four hundred thousand persons are called on to support 246 local governments.

"The governor wants to consolidate some of our towns," said Sam Parsons, who, when he is not sitting with the legislature, is the town clerk of Hubbardton. "People aren't going to put up with that, I don't believe. It'll cause the towns to lose their identity. The governor hasn't lived here long enough to know our problems." (Hoff is from Massachusetts.)

The legislators didn't go home. They stayed around to debate such matters as paying funeral expenses for persons on relief (actually, Vermont has some of the most advanced social legislation in the nation) and a proposal to require all cars registered in the state to be equipped with "seat harnesses." It is expected

that the legislators will end their season in May or early June, still uncertain about the future course of the tall, blondly handsome thirty-eight-year-old governor, who served in the state legislature only one term before becoming the chief executive.

Philip Hoff worked hard to win the election. He traveled thirty thousand miles through the state, reminding the people of the "sterility" of the Republican program. He nursed along a growing disillusionment with the administration of the incumbent, Governor F. Ray Keyser, Jr. He chatted with the ladies at their church suppers. He laughed with the men in the Grange halls as they related tall Yankee stories like the one about the two Vermont cows that hiked 1,200 miles to the national dairy show in St. Louis in 1929 and gave forty quarts of milk each day they were on the road.

Now that he is in, Philip Hoff may well question the value of the reward. His salary is less than \$15,000 a year, including expenses. There is no such thing as a governor's mansion in Vermont, so he has to rent an apartment. And to suggest that the state buy a limousine for its chief executive is to outrage Yankee frugality. So Hoff calls the state police when he wants to go somewhere. If there is a cruiser available, it is dispatched to him.

In the State House, both Democrats and Republicans agree that Hoff is one of the most personable governors the state has ever had. They also agree that he has little chance of winning re-election. This opinion is based largely on the state-wide reaction to his plan for letting things mark time until he can determine how best to tackle the major problems of finances, overlapping town governments, and the present apportionment formula that makes it possible for representatives of only 11.4 per cent of the population to control the state house of representatives.

"Next year, though, the fur is going to fly in this State House," Hoff promised in our interview. "I realize that the future of the Democratic Party in Vermont rests with me." Meanwhile, the waiting game goes on and the governor sits in his office, hoping that someone, anyone, will stop in and say hello.