

Heading the Highway Lobby Off at the Overpass

by David Martin

In February, 1970, Francis Sargent, the Republican governor of Massachusetts, declared a moratorium on all road construction in the Boston area to examine not just where and how expressways should be built, but whether they should be built at all. Two years later, Sargent canceled \$1-billion worth of highways planned for in and around Boston and proposed spending the money on a mix of roads and rails, which might go more to the heart of solving the city's transportation problems.

This was a sensible decision. Boston is one of 38 cities which will have to impose restrictions on automobiles in order to meet federal air standards. But it was politically risky because Massachusetts, like every

other state, was prohibited by federal law from spending that \$1 billion on anything other than a superhighway. No highway, no money. The short-term economic fallout from the loss of all those federal dollars could damage Sargent's political existence more than the long-range wisdom of his transportation policy would enhance it.

Governors in other states have felt compelled for years to make the opposite decision. Even in regions where the drawbacks of highway construction had become apparent, politicians were unable to endure the economic consequences of rejecting federal road money. Furthermore, the road building had become institutionalized in the form of the Highway Trust Fund, which since 1956 has collected more than \$60 billion in gasoline taxes and turned it into pavement, most notably the 42,500-mile

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Interstate Highway System. The fund had become an economist's perpetual motion machine, defended by the "road gang" of highway lobbyists happy with the never-ending spiral of more highways producing more taxes to build more highways for still more taxes. No state government had dared tinker with this funding mechanism and no coordinated effort had been made to oppose the road gang until Senator Edmund Muskie, accompanied by a leading Republican, first John Sherman Cooper and then, following Cooper's retirement, Howard Baker, raised an amendment in the wake of the Nixon Administration's transportation revenue-sharing proposal of 1971.

The Muskie/Baker amendment would allow states to spend their share of the \$800 million of the urban highway funds on buses and rails instead of roads. More important, it would allow a governor like Sargent to cancel a section of already-funded freeway to build a mass transit system in its place.

The Administration backed the Muskie/Baker approach since it offered a way of diverting money to mass transit without increasing overall federal spending, and sent the new Secretary of Transportation, Claude Brinegar, off to lobby for its passage. To back up Brinegar, a little-known oil company executive with no political experience, the President plucked Egil Krogh from his Domestic Council and assigned him as Brinegar's number two man, with instructions that his first priority was to "bust the highway fund." Revelations that Krogh had ordered the burglary of the office of Daniel Ellsberg's psychiatrist would later impair his effectiveness as a lobbyist, but at the time Krogh was regarded as a valuable advocate. Finally, Robert Monagan, the Republican leader of the California State Assembly, came in to head Transportation's congressional liaison office. Monagan had demonstrated his commitment to diversion of Highway Trust Fund money to mass transit by repeatedly

voting in favor of using part of California's auto fuel taxes for mass transit and could provide the political savvy the Department lacked.

Outside the Administration, pro-amendment forces formed ranks. The Governors' Conference had endorsed the diversion of highway funds, along with the Conference of Mayors, the League of Cities, Common Cause, the United Steel Workers, the United Auto Workers, the Teamsters (part of the budding romance between Frank Fitzsimmons and Richard Nixon), the Institute for Rapid Transit, and a host of environmental groups operating under the umbrella of the Highway Action Coalition.

It was a broad coalition—too broad, perhaps. Most of its members saw diversion merely as one part of enlightened social policy—nice to have but hardly a gut issue. In a pinch, the steel and auto workers would hold themselves back, husbanding their strength for more pressing issues like occupational safety legislation. Common Cause would devote the bulk of its attention to untangling the financial manipulations of the Committee to Re-elect the President. The transit lobby would decide it wanted direct federal operating subsidies more than Muskie/Baker.

For the highway lobby, on the other hand, there were no competing issues, no divided loyalties. Any mistakes were on the side of excess, not caution. It was not simple self-interest that motivated the road builders. Almost invariably, the people who build highways also build subways. Of the first 35 contracts let for construction of Washington, D. C.'s subway system, 32 went to members of the Associated General Contractors, one of the juggernauts of the highway lobby.

The road gang feared that this first diversion of trust fund monies would establish the congressional precedent of using highway money for the construction and purchase of mass transit facilities. It would not be long, they said, before Congress started using the trust fund for operating subsidies to

failing bus and rail lines. The nation's transit systems ran up a combined deficit of more than \$500 million in 1972, and the size of the deficit has been roughly doubling every two years.

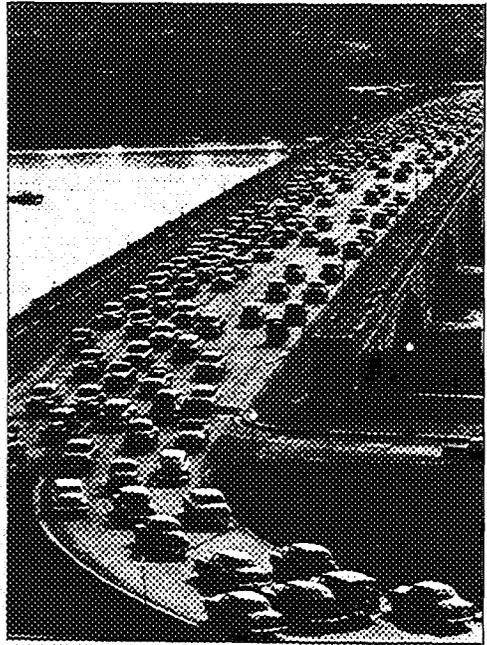
Catching the Road Gang Off Guard

The diversion fight started off in the Senate in March and ended with a victory that looked suspiciously like a defeat when the Muskie/Baker amendment was passed by a vote of only 49 to 44, a come-down from the previous year when a similar amendment had sailed through by a vote of 48 to 26 only to run aground in the House. The difference between the 1972 and 1973 votes was the difference between a road gang caught unawares, fat and lazy after 16 uninterrupted years of bigger and better road bills, and an aroused highway lobby out to assure another 16 years of hegemony.

If the 1972 vote had come as a surprise to the road men, it was a positive embarrassment to Senator Jennings Randolph, chairman of the Public Works Committee. Randolph had once served as treasurer of the American Road Builders and was strongly identified with the highway lobby. Representing a state with such limited mass transit needs as West Virginia hardly inspired him to break stride with his road-building friends of many years' standing.

For Randolph there was more at stake than a mere highway fund. A chairman's prestige depends on the treatment his bills receive when they reach the floor. To lose a bill, either through outright rejection or through amendments which alter its original intent, is to lose face, and that was exactly what Randolph was determined to avoid in 1973.

He began by sitting in on every meeting of his Roads subcommittee (renamed Transportation to avoid any hint of bias) to make sure it reported out a bill to his liking. When the bill reached the floor, Randolph saw to it that Senator Harrison Williams rose to



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offer the first amendment, which called for the allocation of \$3 billion in general tax revenues to mass transit over a three-year period. It was not a controversial measure; Congress had approved identical legislation back in 1970. But, by attaching it to the highway bill, Randolph could argue that mass transit was being cared for and that there was no need to divert money from the trust fund.

While Randolph was working his parliamentary stratagems, other highway proponents were gathering votes in a more direct fashion. A group of Florida highway contractors came to Washington to visit their senator, Edward Gurney, who had voted for diversion in 1972. Gurney was up for reelection in 1974, and it was said on reliable authority that the contractors' pledge of a substantial campaign contribution persuaded him to switch his vote. Hubert Humphrey got so much pressure from his old friend Rep. John Blatnik from Minneapolis, chairman of the House Public Works Committee, that Humphrey voted against Muskie/Baker even though he was one of its co-sponsors.

This was an impressive display by the highway forces, but it was not

enough. As the Senate debate wore on, it became clear that the opposition had also grown more shrewd and determined. At the core of the highway opponents was the Highway Action Coalition and its director, John Kramer. A 24-year-old dropout from graduate school, Kramer had no lobbying experience but showed considerable savvy in making sure strategic telephone calls were made and pressure applied on all sensitive points.

Georgia's freshman Senator Sam Nunn voted for diversion after calls from Georgia Governor Jimmy Carter (who responded to a plea from Chicago's Richard Daley relayed by the chairman of the Chicago Transit Authority), Atlanta Mayor Sam Massell (calling at Governor Sargent's request), and Secretary Brinegar.

As Muskie/Baker moved toward passage on the Senate floor, Lowell Weicker rose to say he felt sorry for his colleagues in the House, for they would be subjected to the last-ditch efforts of the highway lobby. The House would be voting on an amendment offered by Los Angeles Democrat Glenn Anderson, the thrust of which was precisely the same as Muskie/Baker.

If the Anderson amendment passed, then both houses would have endorsed diversion, and the conferees from the House and Senate would only need to agree on the exact number of dollars to be taken out of the fund. If Anderson's proposal were defeated, the Muskie/Baker amendment was accorded almost no chance of surviving the conference.

Getting Through to Johnny Klu

There was a time when it seemed that the Anderson amendment just might pass. The talk began when Rep. John Kluczynski, chairman of the House Roads (also renamed Transportation) subcommittee, announced he was in favor of diversion. Kluczynski, or "Johnny Klu" as he likes to be called, has long supported the high-

way lobby—he was fond of saying his district on the South Side of Chicago contained more truck terminals than any other congressional district in the country. His conversion was hailed as a sure sign that the Highway Trust Fund was an idea whose time was up. But Johnny Klu had not really been converted. A failing Chicago transit system had forced him to switch his vote. Mayor Richard Daley, faced with service cutbacks and fare increases, gave Klu his choice: support the Anderson amendment or face something other than token opposition in the next Democratic primary.

The highway lobby found as Klu's successor Rep. Jim Wright of Fort Worth, an intelligent and articulate champion of the trust fund. Wright was the author of a compromise proposal that would allow the states to turn back their urban road funds for an equal amount in general tax money, which could then be spent on mass transit. More important, Wright developed the single most convincing argument against diversion.

The way Wright told it, diversion was just another Administration scheme to save money—making one fund pay for two programs. If the Administration could get money for mass transit out of the trust fund, it would have an excuse to impound some of the general funds appropriated for mass transit. It was just like revenue sharing—the Administration was giving with one hand and taking away with the other. There was probably some justification for Wright's fears although a growing number of judicial rulings have seriously undermined the President's power—but not his determination—to impound.

Wright's presentation before the Rules Committee which would establish the procedures for bringing the highway bill to the floor of the House started off with a masterful description of his compromise proposal. Then, voice rising, he launched into his comparison between diversion and revenue sharing, ending with a booming, "Gentlemen, if we buy that

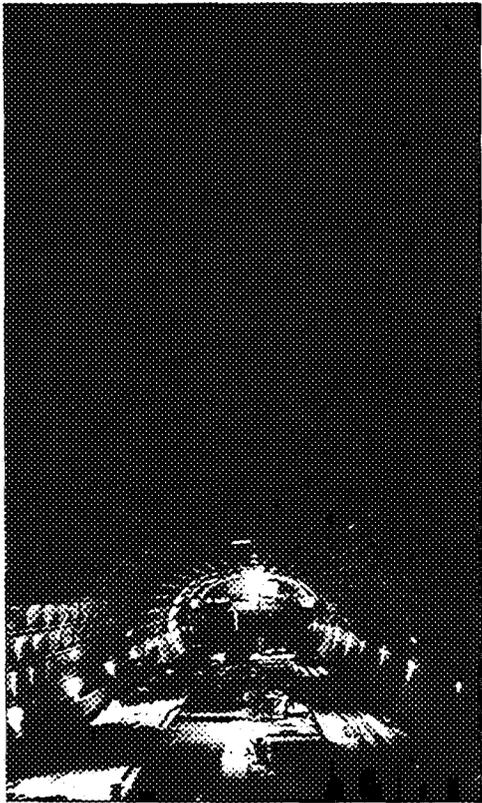
sucker bait again then we are buying a pig in a poke." John Anderson, of Illinois, chairman of the House Republican Conference and a believer in tapping the fund, called it the most impressive presentation ever made.

What the House would do wasn't ever really in doubt. In 1972 a similar amendment hadn't even reached the floor, thanks to a decision by the Rules Committee that mass transit was not germane to a highway bill. This time around the Committee would be hard pressed to argue that the amendment was still not germane to a bill which already contained \$3 billion in mass transit money.

Surviving the Rules Committee would be small consolation if the Anderson amendment were defeated on the House floor. This seemed all but inevitable since the leadership of both parties was opposed to the Anderson amendment. The only exceptions were Majority Leader Tip O'Neill of Boston and John Anderson.

House Speaker Carl Albert was officially neutral but personally opposed to diversion. While O'Neill made no secret of his support for diversion, he also had to think of his future relations with the Speaker. If they fought openly on this, O'Neill might pay for it somewhere down the line. Accordingly, the Majority Leader did not speak in favor of the amendment on the floor, and as one Administration lobbyist put it, "Tip just didn't break any arms on this one."

The highway forces had persuasive techniques at their disposal. John Blatnik's Public Works Committee, which controls just about every federal dollar spent on public works, hasn't lost a bill on the House floor since 1956. A congressman who wanted to keep the federal dollars flowing into his district would be well advised to support the Committee, or at least not to oppose it noisily. Much of the credit for this unblemished record has to go to the Committee's chief counsel, Richard Sullivan, who has the ability to write a bill with something in it for everyone and a



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little extra something for that certain someone. In the 1973 Highway Bill the little extra something was a proposed 10,000 miles of "priority primary" roads and the certain someone was Carl Albert, along with the two new members of the Rules Committee.

The priority primary network was a mini-Interstate highway system, taking existing routes and upgrading them to the multi-lane, divided-highway Interstate standards. The entire 10,000 miles hadn't been mapped out, but there were, said the Committee, a number of likely candidates. There was, for instance, Route 69 in Oklahoma, starting at the Texas border and running northward through Albert's hometown of McAlester and on up toward Kansas, bisecting Oklahoma's second congressional district, which was represented by Clem McSpadden, one of Albert's recent additions to the Rules Committee. Another proposed priority primary route cut a diagonal across the state of

Louisiana from Shreveport to New Orleans, passing through Alexandria, home of Gillis Long, another newly named member of the Rules Committee.

Ford and Highways Go Hand-in-Hand

The White House had decided not to use its countervailing power to grant or postpone public works projects. The Administration knew that it might be in for some struggles soon when Congress attempted to override the President's vetoes, and it preferred to save its efforts until then. This left the Administration to rely on party discipline to move the diversion amendment through the House. But the most prestigious Republican in the House, Gerald Ford of Michigan, was unalterably opposed to diversion.

Ford appeared to have every reason to go along with the Administration on this one. In Grand Rapids, which makes up the bulk of Ford's district, the city commission had adopted a resolution in support of diversion. Back in 1971 Ford had been linked to a secret campaign fund set up by a lobbyist for the American Trucking Association, and supporting the Anderson amendment would have been a good chance for him to display his independence from the highway lobby. But to Ford the trust fund was a sacred pact between the Congress and the American motorist, and he was not going to stand idly by and watch that fund be poured down the "rathole" of public transportation.

Ford's stand clinched it for the highway lobby. Republican congressmen who might otherwise have automatically followed the Administration now had a rallying point. Ford's influence also counted in the more mundane business of getting votes to the floor—no small matter, since the highway bill was to be the last item considered before the spring recess. Twelve congressmen, for instance, were scheduled to depart at 10 o'clock on the morning of the vote to attend a parliamentary conference in

Abidjan, Ivory Coast. Ford mentioned to Edward Derwinski, head of the House delegation to the conference, that he thought the members should be present for the vote. The flight was postponed until two in the afternoon (a delay which cost the delegation the better part of its stopover in Barbados), and eight of the 12 voted against the Anderson amendment.

When he offered his condolences to the House, Senator Weicker wasn't talking about little maneuvers like this. What he had in mind was the kind of job the American Road Builders did on the Georgia House delegation. Six days before the vote, between 150 and 200 highway contractors from Georgia flew to Washington for lunch with their representatives. The main speaker was Emory Parrish of the Georgia Department of Transportation, who made a strong anti-diversion pitch. When he had finished, Parrish suggested going around the room to see if there were any questions. First to rise was Rep. Bo Ginn, a member of the Public Works Committee and squarely opposed to the Anderson amendment. Bo didn't have any questions, but he wanted to say right here and now that he planned to vote against the Anderson amendment. The precedent was set, and each congressman rose not to ask questions, but to look all those road builders in the eye and tell them which way he intended to vote.

The only Georgia congressman not present for that little session was Andrew Young of Atlanta, the only black member of the delegation and the only one to vote for the Anderson amendment. One hundred eighty-nine other congressmen also voted aye, but 215 voted nay, and the highway bill was sent to a Senate-House conference.

The assumption was that the trust fund would emerge from the conference unsullied by diversion. Robert Monagan at Transportation had flatly predicted back in February that if the Anderson amendment were defeated in the House, Muskie/Baker would die

in conference.

What little hope remained for diversion seemed to vanish when word leaked out that Jennings Randolph, as Senate Public Works chairman, was planning to appoint nine members to the panel of Senate conferees. A quick look at the members of the Public Works Committee revealed that any combination of nine senators chosen on the basis of seniority (the way such things usually are done) would result in a 5 to 4 split against Muskie/Baker.

Choosing the conferees is clearly a chairman's prerogative, but in proposing to name nine, Randolph had gone too far, violating a resolution recently adopted by the Senate Democratic caucus which held that conferees must represent the will of the Senate—in this case, Muskie/Baker. It was perhaps the first confrontation between the tradition of seniority and the Senate's recent, halting efforts at reform.

Armed with this resolution, John Kramer of the Highway Action Coalition went to Senator Edward Kennedy, who, along with Weicker, had earlier sponsored a much tougher diversion amendment which the Senate had rejected. Kennedy and Muskie went to Senate Majority Leader Mike Mansfield and argued that the Democrats could not abandon their reform resolutions the very first time they were put to a test. Mansfield agreed, and Randolph was quietly informed he should appoint seven conferees instead, divided 4 to 3 in favor of Muskie/Baker.

This unheralded triumph left chances for diversion in only a slightly less precarious position than before. If only one senator changed his mind, the Senate contingent would yield to the House conferees, who were a firm 7 to 2 against diversion. And a closer look at the Senate conferees inspired little confidence. Muskie, it was said, was still depressed by his presidential debacle and giving less than full attention to his Senate duties. Baker had taken an editorial lambasting in Tennessee papers after the Senate passed

his amendment and did not seem eager to emerge as the sole champion of diversion.

The other two backers of Muskie/Baker were firm—Robert Stafford of Vermont, because he had been the subject of much internal ridicule after switching his vote on diversion once before in committee, and James Buckley of New York, because of the desperate mass transit needs of New York City. The three senators opposed to diversion were considered equally firm—Randolph, Lloyd Bentsen of Texas, chairman of the Transportation subcommittee which had rejected the Muskie/Baker approach, and Joseph Montoya of New Mexico, who wouldn't be attending the actual conference but had given Randolph his proxy.

The conference began on May 9 and quickly went into a deadlock that lasted for 10 weeks. The Senate conferees simply refused to cave in. Some ascribed the sudden display of senatorial backbone to the Watergate hearings. Muskie seemed rejuvenated by public revelations of how the White House had used dirty tricks to help deprive him of the Democratic nomination. Baker, stalling in the televised hearings, could stop thinking in terms of Tennessee and start maneuvering for a national constituency. (At one point during the Watergate hearings, Baker announced to the nation that he had to leave to attend a highway conference which until that moment had been a closely guarded secret.) As a bonus, it turned out that Lloyd Bentsen, who was chairman of the Senate conferees, was a strict constructionist when it came to Democratic caucus resolutions and never wavered in his support of Muskie/Baker.

Proposals were offered and rejected. The House conferees would agree to divert some money out of the fund for buses but not for rails. The Senate demanded rails or nothing.

It was not until the secret conference meeting advertised by Baker that a breakthrough came. Senators Baker

and Muskie met with Reps. Wright and Harsha and came away with an understanding that some money for rails would simply have to come out of the fund before any sort of compromise could be reached.

At the next session, the House conferees offered to extend the bill into a fourth year, making Muskie/Baker operative in that last year. The Senate was less than impressed with the offer. The trust fund was set to expire in 1977 anyway.

The very next day, however, the House came back with an offer to let Muskie/Baker take effect in the third year on the condition that it would not apply to the "Interstate transfer" provision, which allows a state to cancel an unwanted section of city highway and still retain the money to spend on a substitute freeway at a later date. The conferees, after 29 sessions, had reached agreement.

In one sense it was the perfect compromise. The House would prevail during the first year of the three-year bill. The Senate would get its way in the last. In between there would be a year of transition in which \$200 million in trust fund money could be spent on buses but not rails.

But in another sense, the trust fund was an issue which allowed no compromise. Either the money was all devoted to roads or it wasn't. For the first time the fund had been tapped—\$200 million for buses in fiscal year 1975, \$800 million for buses and trains in fiscal 1976. The Senate had backed off the Interstate transfer provision, accepting the House plan whereby a state would return trust funds earmarked for a canceled section of urban freeway and receive an equal amount of general funds for mass transit. But the growing number of court rulings ordering the Administration to release various types of impounded funds made that general revenue money look like almost as sure a bet as the trust fund. Governor Sargent for one said he was satisfied that he would be able to get his \$1 billion back.

There was little doubt the highway bill would now pass both houses with ease. The vote in the Senate was 91 to 5 and the bill was sent to the House for final congressional approval. But suddenly the Office of Management and Budget announced that it was unhappy with the levels of funding in the \$20-billion bill. With just two days remaining before the start of the August recess, the White House refused to offer assurances the President would not kill the bill with a pocket veto while Congress was adjourned for the summer.

Besides reducing all that work to dust (Wright calculated the total to be nearly 3,500 legislative man-days), a pocket veto would be especially galling since the conferees had made major efforts to bring the bill more in line with the Administration's budget.

In the middle of a debate over the Alaskan pipeline, Wright rose to announce that he would not bring the highway bill to the floor unless the Administration promised there would be no pocket veto. Wright said he would hold it back until Congress returned after Labor Day at which time he was sure there would be enough votes to override a veto. Gerald Ford got on the phone to the White House and assured them Wright was not bluffing about being able to override, and within an hour of Wright's speech, Secretary Brinegar was promising that the President would sign the bill. On the last day of the summer session the bill came to the floor, and after the usual amount of self-congratulation, it was passed 382 to 34.

Muskie said it was a "modest beginning." It would be a long time before any subway systems were built with the money contained in the 1973 Federal Highway Bill, but the mere fact that a highway bill contained money for mass transit would, as John Kramer, now Illinois' Assistant Secretary for Transportation, put it, "permanently change the environment in which transportation decisions are made." ■

The \$12 Billion Misunderstanding: Veterans and the VA

by Paul Starr

To those unfamiliar with the Veterans Administration, the size and range of its programs come as a surprise. The VA is not a cabinet-level department, and it's assumed to be relatively small, although its budget of \$12.1 billion places it third among federal agencies in expenditures, and in number of employees it ranks second only to the Pentagon. Other agencies have specific functional objectives and circumscribed activities, but the VA is unusual because its programs are so diverse. The VA takes an active role in providing education, on-the-job training, vocational rehabilitation, home loan guarantees, disability compensation, income maintenance, health care, aid to widows

and dependents, life insurance, old-age care, even management of estates and burial benefits. Veterans' organizations would deny it, but the fact remains that the VA is the most elaborate form the welfare state has achieved in the United States. It ought to follow that the Veterans Administration is well equipped to cope with the obstacles veterans face when they come home, but on inspection, the VA budget puts spending in this area on a low priority. Instead, it favors nonservice-related needs developed by veterans long after their years in uniform, and this is a priority that seems to defy logic. Evidently, "How should we be spending all this money?" is a question that hasn't been raised for a long time.

A consensus among veterans that much more money should go to the recently discharged military personnel has had no effect on national policy,

Paul Starr directed a study on veterans' affairs for Ralph Nader. This article is adapted from his book, The Discarded Army, to be published in January by Charterhouse.