

The Intractables

by Walter Shapiro

Presidential campaigns are designed to breed illusions. Every four years the country goes off on a bender of positive thinking. Candidates criss-cross the nation stressing what they are going to do in office, ignoring the obstacles they will have to surmount in order to do it. This year both parties have candidates who promise to deflate the "bloated" federal bureaucracy. Anti-government rhetoric has always been a staple of the Republican right, but now it has become an article of faith for many Democrats as well. Jimmy Carter has won six early primaries by telling voters, "Don't vote for me if you don't want the government bureaucracy reorganized." Jerry Brown, who is even more of an anti-bureaucratic hardliner than Carter, now stands fourth in the Gallup Poll without having ever campaigned outside of California.

If a presidential campaign is a period of raised expectations, then the victor's first year in office is often a

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time of dashed hopes. In 1960, Senator John Kennedy promised to "get America moving again." In 1961, President Kennedy discovered that all movement was blocked by the conservative coalition in Congress. Jimmy Carter—a man who has promised to never tell a lie—assures voters that "when I get to Washington, I'm going to change the federal government drastically." One assumes that Carter is sincere. But what his enthusiastic audiences may forget is that drastic change is rarely welcomed by those who are profiting from the status quo. Realism suggests trying to pinpoint the likely obstacles that a President like Jimmy Carter or Jerry Brown would encounter in trying to turn campaign pledges into reality.

To get a sense of where some of the opposition might come from, I asked the leaders of several important federal employee unions what they thought of Jimmy Carter. The results were near unanimous. James Rademacher of the National Association of Letter Carriers was scathing in his criticism of Carter. The officials of the

National Federation of Federal Employees were equally hostile. Frank Taylor, the union's public relations director, said, "We object to politicians lying. Carter knows he can't cut the bureaucracy from 2,000 agencies to 200. He couldn't find the bathroom if he did." The union's president, Nathan Wolkomir, chimed in with this familiar critique of Carter: "He never speaks on the issues. All we know is that he's for God and against sin." Clyde Webber, the rotund president of the American Federation of Government Employees, was somewhat more cautious. He admitted that he was "very much concerned" about Carter's anti-government rhetoric, but added, "I'd be reluctant to out-and-out condemn Carter. After all, we have to live with whoever is President."

The other group that has legitimate grounds to fear Carter is what might be called the poverty-industrial complex. This is the broad array of groups whose basic industry is ministering to the psycho-social problems of poverty. These are the service-deliverers, the social workers, the mental health professionals, and the storefront lawyers who depend on a steady flow of funds from labor-intensive federal programs designed to help the poor. Any President who wants to find money for new domestic initiatives recognizes that he must cash in some of these expensive residues of the poverty program and replace them with some variant of a guaranteed annual income. Carter alludes to this strategy when he talks about "one nationwide payment to meet the basic necessities of life." Back in 1971 when the unlikely duo of Richard Nixon and Pat Moynihan tried to enact a guaranteed annual income under the label of the Family Assistance Plan, some of the most devastating opposition came from social welfare organizations.

It is difficult to accurately reflect the viewpoint of the entire poverty-industrial complex because it has no central headquarters. Instead, it is

made up of hundreds of little baronies concerned about specific pieces of social pork-barrel legislation. Most of these groups are not easily identified as lobbies. Non-profit organizations like the American Psychological Association and the National Association for Mental Health take a proprietary interest in community mental health legislation. The National Association of Social Workers has a more than casual interest in the fate of Title XX—the social services component of the welfare program. Because most of these "white hat" groups enjoy tax-exempt status (and are theoretically barred from devoting more than a minute proportion of their energies to lobbying), few of their Washington representatives are willing to talk for quotation about politics. But chatting with a number of them did produce a series of bitter attacks on Carter. These comments rarely involved substantive criticisms of Carter's social welfare policies. Instead, they concerned Carter's religion. One Washington lobbyist, who also fancies himself a civil libertarian, said, "I distrust all Southern Baptists, they just don't understand the pluralism of American life." A key figure in the mental health field complained about Carter's "evangelical dimensions" and diagnosed him as suffering from a messiah complex. A round-table discussion with staff members of one of the more important groups in the poverty-industrial complex produced vigorous nods of agreement when the senior official present commented unfavorably on Carter's evangelicalism.

An anti-government Democrat like Carter could win the nomination and the general election without the support of these social welfare groups and federal employee unions. But forces like these have the capacity to make life miserable for him once in office. Their hold over Democrats in Congress is analogous to the power of the military-industrial complex within the Republican Party. The next Congress will probably be almost as Democratic

as the current one. This will be of considerable assistance to a new President who tries to cut the military budget, but it may be scant consolation for a President who sees the need to economize on domestic social welfare programs or trim federal employee costs. On issues like these, which are of crucial importance to any President who wants to control federal spending, Congress will become a battleground. "Carter will get chewed up," was the way one Senate administrative assistant predicted the outcome. Let's take a look at what some of these battles are apt to be like.

Recent political history provides a few sobering lessons about how resistant the federal government is to change. Carter promises to "reorganize the executive branch of the government to make it efficient, economical, functional, and manageable for a change." He would not be the first President to make this bold pledge. Another recent President called for "a complete reform of the federal government itself" because the executive branch "has become a hopeless confusion of form and function. . . ." It was only a little more than five years ago that Richard Nixon said these words in his 1971 State of the Union Message. Government reform was Nixon's "sixth great goal." What Nixon proposed was the creation of four super-agencies to take the place of all existing Cabinet departments except for State, Treasury, Justice, and Defense. The idea was never even seriously discussed. No one—neither congressional committees nor important lobbies—wanted to jeopardize their existing relationships with Cabinet agencies. It was clear that the AFL-CIO would fight as hard for the Labor Department as the farmers would for Agriculture. Even the environmentalists did not want to risk their fragile pipeline to the Interior Department. *Lesson—everyone prefers known bureaucracies to the unknown consequences of reform.*

It is equally instructive to take a

look at the last serious effort to trim the size of the federal work force. Back in 1968, when Lyndon Johnson was fighting for a 10-percent surtax to finance the Vietnam War, he reluctantly agreed to support an amendment by Senator John Williams of Delaware in exchange for that influential Republican's sponsorship of the surtax proposal. The Williams amendment was simple: For every four federal workers who left the government through normal attrition, only three would be replaced. Once passed, the Williams amendment provided Congress with splendid opportunities for high farce. Each time Congress passed an appropriations bill, it included a rider that exempted the specific agency from the provisions of the Williams amendment provided of 1968, one third of all federal employees had been excluded from the coverage of the Williams amendment. Before the amendment was mercifully repealed in 1969, it appeared that the American Battle Monuments Commission would be the only agency to actually be forced to reduce the size of its workforce. *Lesson—there is no structural reform so ingenious that it cannot be thwarted by Congress on a piecemeal basis.*

In Union There Is Strength

The Congressional Budget Office has estimated that federal salaries are expected to rise by \$25 billion to \$74.3 billion annually in 1981. Increases in the cost of retirement and fringe benefits are expected to be equally precipitous. Any presidential effort to reduce these costs will face bitter resistance. Federal unions, particularly the three postal unions, are renowned for their ability to organize letter-writing campaigns to Congress when they fear that any of their prerequisites are threatened by legislative action. The lobbying ability of the federal unions will be greatly enhanced if, as appears likely, Congress repeals in 1977 the Hatch Act,

which currently bars government employees from engaging in partisan political activity. (Both houses of Congress approved repeal in March by a healthy margin, but the bill was vetoed by President Ford.) Since almost all congressional Democrats support repeal of the Hatch Act, the chances of any Democratic President—even Jimmy Carter—vetoing such legislation are slight.

A close working relationship with Congress is not the only weapon in the arsenal of the government unions. Few outside of government recall that the country faced an illegal postal strike back in 1970. That strike ended only when Richard Nixon called out the National Guard to deliver the mail. It is less likely that a Democratic President, elected with labor support, could get away with such a hard-line response. Talking with James Rademacher of the letter carriers indicates that the postal workers have not lost their affection for this tactic. Even Clyde Webber, the cautious president of the largest union representing white-collar government employees, also obliquely referred to the possibility of a federal employee strike. He noticed with obvious glee that “a few weeks ago our people stopped working down there in Panama on the canal... You couldn’t get ships through the canal for a week...”

The government unions would not stand alone in any of these battles. The mail-handlers, the postal workers, and the American Federation of Government Employees (AFGE) are all important members of the public service department of the AFL-CIO. The almost two-to-one congressional majorities supporting repeal of the Hatch Act are largely due to the AFL-CIO’s lobbying efforts. And there is little doubt that the AFL-CIO is prepared to make the same determined stand against any effort to adjust federal salaries or benefits. A visit to John McCart, the executive director of the AFL-CIO’s public service department, was enough to dispel any doubts on this point.

McCart, a small, thin man with a soft voice, all but said that anti-government rhetoric reflects “anti-union attitudes.” It’s a strange viewpoint that equates the problems of steelworkers and machinists with those of GS-11 program analysts in the Commerce Department. But such are the demands of coalition politics within the AFL-CIO. McCart admitted that blue-collar unionists sometimes displayed the same attitudes toward government workers as their fellow taxpayers. “The obligation we have in the public service trade unions,” McCart said, “is to make our brothers and sisters, our confreres, aware” of our viewpoints and concerns.

Here’s the Kicker

The pension issue provides the clearest example that federal workers have little in common with other AFL-CIO members. The federal pension system is unlike anything in private industry. Between fiscal years 1974 and 1976, the cost to the government of federal pensions jumped 53.2 per cent. It is easy to understand why. Not only are federal pensions tied to the Consumer Price Index, but government retirees get an additional one-percent bonus (or “kicker” as it is called in government circles) each time the CPI rises by three per cent. In a time of rampant inflation, federal pensioners can see their real income rise by more than four per cent annually. It’s like continuing to get seniority raises long after retirement. What accentuates the problem is that this “kicker” works like compound interest—each one-percent pension bonus becomes part of the base used to calculate the next cost of living adjustment. The Congressional Budget Office has estimated that elimination of the “kicker” would save the government \$2.81 billion by 1981.

It is not surprising to hear Clyde Webber of the AFGE defend the pension “kicker.” He claims that the public outcry over this quaint practice

“just goes to show you that a person who retires is just put on the shelf.” It is a little more disheartening to hear the same rhetoric from John McCart of the AFL-CIO, who might be expected to reflect a slightly less parochial viewpoint. But, like Webber, he described it as “an issue that is receiving an awful lot of uninformed publicity.”

The stubborn opposition that a President like Carter would face from the AFL-CIO is not limited to basic issues like salaries, benefits, and the size of the work force. John McCart made abundantly clear that the AFL-CIO would cast an equally jaundiced eye at efforts to restructure the federal government. The following exchange illustrates the extent of the AFL-CIO's tunnel vision all too clearly:

Q: How involved would the AFL-CIO be in any reorganization efforts under a President like, say, Carter?

A: Any reorganization is invariably accompanied by some kind of adverse effects on some workers. People are transferred, offices are abolished, and positions are downgraded. Sometimes we've objected to government reorganization in total, other times we've offered constructive alternatives. I guess you'd have to call us skeptical on the whole subject.

John McCart's comments suggest that any government reorganization plan developed by Carter would have to be negotiated with the AFL-CIO. It is not a cheering prospect. An administrative genius could not develop an effective method of bureaucratic reform that did not adversely affect some of the federal government's vast army of planners, coordinators, facilitators, and analysts. There is even some doubt that a President like Carter could reduce the size of the federal work force by placing restrictions on new hiring. The sorry history of the Williams amendment suggests how strongly government agencies will resist cutbacks in the size of their staffs, even if it is carried out through normal attrition.

A federal job freeze would also place a President in sharp conflict with the demands of black and women's groups for continued hiring to meet the goals of affirmative action within the federal work force. After his “ethnic purity” remark, Jimmy Carter would be particularly vulnerable to pressure from the Congressional Black Caucus and similar groups.

It is easy to picture the conflict over any presidential effort to reorganize the federal bureaucracy or to limit increases in governmental salaries and benefits. In the end, it would boil down to a simple power struggle—the President versus the AFL-CIO and the federal unions.

Battling the ‘White Hats’

The action becomes much more complicated if a new President tries to reorganize domestic social welfare, educational and health legislation. Each piece of legislation that comprises the social pork-barrel has its own configuration of powerful supporters. These groups, likely to emerge as the implacable opponents of any change in the status quo, range from tax-exempt national associations to friendly congressional committees to bipartisan political lobbies like the National Governors Conference and the big-city mayors. Add to this alliance such important voices as the editorial pages of *The New York Times* and *The Washington Post*, which generally reflect the attitudes of the social welfare establishment. Groups like these never allude to their own self-interest. Instead, they present their heavily emotional arguments as the self-appointed spokesmen of the nation's children, elderly and welfare recipients.

The power of these ad hoc coalitions is illustrated by the failure of White House efforts since 1969 to abolish, or even significantly trim, the \$633 million in educational funds appropriated annually for “impacted” areas. These school districts are not “impacted” by poverty or severe

educational problems. All they suffer from is a higher than average concentration of federal workers. It is one of the more ludicrous income transfer programs ever devised by the federal government, since many of these districts, such as the Washington suburbs, are among the richest areas of the country. No one any longer attempts to defend this program on grounds of logic or equity. But school districts have come to consider this federal subsidy as their due and the money flows to far too many congressional districts for a President to ever assemble a majority to curtail this mindless federal program.

Another example of a federal program that refuses to die is the Hill-Burton Act which funds hospital construction. Although the rapid increase in hospital costs is directly attributed to an over-supply of hospital beds, the federal government continues to spend more than \$200 million annually to add to this surplus. The school lunch program is another social welfare program that has such sentimental appeal that it never would be cashed in to pay for a guaranteed annual income. In fact, a new President may have his hands full preventing the Democratic Congress from providing subsidized lunches for all school children, regardless of family income. When Jerry Ford vetoed an expansion of the school lunch program last year, *The New York Times* thundered back with an editorial entitled "Vetoing Children."

Down Home Pressure

Richard Nixon fancied himself as the President who halted more than 40 years of the overcentralization of federal authority in Washington. To some degree that self-assessment is justified. In 1966 state and local governments received \$13 billion from the federal treasury. Today that figure has grown to \$63 billion annually, thanks largely to such Nixon-era reforms as revenue-sharing and the expansion of few-strings-attached

grants to the states. In a period when a number of states and cities are teetering on the brink of financial ruin, federal grants now comprise 25 percent of the budgets of state and local governments. Any effort to alter the status quo virtually ensures the spirited opposition of the nation's governors and mayors. Congress would be hard pressed not to be swayed by this type of lobbying. An individual legislator is almost inevitably going to oppose cutbacks in federal grants if his home-town mayor tells him that any reduction in federal funding will threaten the solvency of his city. Moreover, if a Democrat is elected President this fall, Democratic mayors and governors are likely to have allies at all levels of the federal bureaucracy.

Consider what would happen if a new President tried to phase out Title XX of the Social Security Act, which gives \$2.5 billion annually to the states for social welfare programs. The front pages of New York newspapers would be filled with articles quoting Mayor Abraham Beame and Governor Hugh Carey alternately predicting either default or rioting in the streets if the city lost its share of these federal social service funds. Community leaders would foresee a devastating crime wave if the city's methadone clinics were closed. This pattern would be repeated in smaller cities across the country. A congressman from Dayton or San Jose is likely to get a call from the local mayor warning that nine daycare centers, six mental health clinics and four senior citizen drop-in centers would be forced to shut down if these federal funds were not available. HEW officials would provide friendly congressmen with inflated estimates of the dire consequences of the elimination of this one \$2.5-billion program. The inflated HEW figures would form the basis for angry editorials in *The New York Times*, *The Washington Post*, and the *New Republic*. Groups like the American Public Welfare Association and the

Child Welfare League would discreetly convey similar messages to Congress. Legislators could also count on visits from charities like the Girl Scouts and the YMCA, which receive significant funding under this loosely administered program. A small "March on Washington" might be organized by urban congressmen to galvanize opposition to the President's proposal. With this type of vocal opposition, a new President would be lucky if he could even get Congress to seriously consider his proposal, let alone approve it.

Another Ike?

The prospects for reform are not totally bleak, however. For one thing, it is at least theoretically possible that a Democratic President could do to the poverty-industrial complex what Eisenhower did to its military counterpart when he ended the Korean War. For another, a President who reorganized domestic social welfare programs would have a few allies in Congress. The Budget committees of both the House and Senate are sensitive to the need to spend the government's limited social dollars as efficiently as possible. Perhaps the most dramatic conversion experience was that of Edmund Muskie, the chairman of the Senate Budget Committee. In a well-publicized speech in October 1975, Muskie asked, "Why can't liberals start raising hell about a government so big, so complex, so expensive, and so unresponsive that it's dragging down every good program we've worked for?" Between the lines of that Muskie speech was the message that liberals had better consider cashing in some of the outmoded social programs if the government was ever going to generate enough new revenue to pay for national health insurance.

Despite this base of potential congressional support, any President trying to reform the bureaucracy and abolish ineffective social programs is

likely to be beaten by the intractable opposition of those who continue to derive small benefits from the current system. Federal workers are unwilling to forego any of their fringe benefits, even if they know that their intransigence is merely postponing an inevitable day of fiscal reckoning. The social welfare establishment has become so wedded to existing social programs that they, rather than the remaining handful of congressional troglodytes, have become the most powerful obstacles to fundamental change. Albert Quie, the ranking Republican on the House Education and Labor Committee, and one of the most respected critics of current social welfare programs, is very pessimistic about the chances of cashing in labor-intensive social programs and replacing them with some form of a guaranteed annual income. He sees the social workers as the primary villains because they refuse to recognize that their salaries are draining off money that could otherwise go directly to the poor. He fears that it will take a federal financial crisis on the order of New York City's to bring about reform. In short, things must get a lot worse before they can get better.

These arguments are not designed to dissuade a new President like Jimmy Carter from taking on the federal bureaucracy. What is needed, however, is a realistic appreciation of the magnitude of the task. The election of a new anti-government President would, in itself, change little. The opposition to change is far too well-entrenched to be dislodged by a few Presidential speeches and the appointment of a government reform commission. To have any lasting impact, a new President must see government reform as his major domestic priority. He must subordinate virtually all other political considerations to the need to assemble a coalition to battle the federal unions and the social welfare establishment. Even then, it will be one hell of a fight. ■

The Burglar's Bill

by Kenneth Dalecki

Every diligent newspaper reader knows about S.1, the "Criminal Justice Reform Act of 1975." This 735-page bill, in the works since the Johnson Administration, is an attempt to codify the present hodge-podge of federal criminal law. It would, for example, eliminate such inconsistencies as maximum sentences of ten years for robbing a Post Office and 20 years for robbing a bank. The bill is notorious to journalists and civil libertarians, however, because of provisions added by the Nixon Administration which would create an "Official Secrets Act" (or "Ellsberg Law"), making it illegal to release or receive classified government information. This is widely perceived as an effort to punish and muzzle the press and its sources.

Recently, S.1 has become notorious within a very different group—conservatives, who are convinced that Kenneth Dalecki is a Washington reporter for the Thomson Newspapers.

it would deny them the right to shoot burglars who break into their homes. This wave of alarm is curious for two reasons. First of all, no such absolute right exists. Secondly, S.1 has nothing whatever to say on the subject. Odder still, this false alarm was set off by a liberal reporter active in the fight against the Official Secrets Act portion of the bill.

The reporter is Jack C. Landau, Supreme Court correspondent for the Newhouse News Service. Landau, who holds a law degree, testified against S.1 in May 1973 and April 1975 as a member of the Executive Committee of the Reporters Committee for Freedom of the Press. (This is the group recently involved in the Daniel Schorr/*Village Voice* CIA report controversy.) Last July, Landau wrote a four-part series for Newhouse, highly critical of the anti-leak parts of S.1.

In September, Landau wrote the story which set a fire under the vocal right-wing. The Birmingham (Ala-