

MEMORANDUM

November 5, 1965

TO: Honorable Carl Albert

FROM: John E. Barriere

SUBJECT: Thoughts for inclusion in your speech on Legislative Leadership and the Great Society

From my own experience, I believe that the overwhelming majority of political scientists and other social scientists engaged in academic work have a number of misconceptions about Congress and its workings. In this memorandum I shall endeavor to set forth and answer a few of these misconceptions.

Misconception No. 1 -- While there are individual Senators and Congressmen who might be termed intellectuals, or at least friendly to the intellectual community, Congress as an institution is anti-intellectual or at the very least non-intellectual.

Answer -- Quite the contrary. The Congress, acting chiefly through its committees, has performed an unequalled job as an educator and broker in new ideas. Through hearings and papers and studies prepared by various members and committee staffs, it has served as an effective instrument in spreading abroad and popularizing the theories of educators and other theorists in nearly all areas affecting public policy.

A notable example of this is the work of both the Senate and House Housing Subcommittees in the 1955-60 period. During this time, the Housing and Home Finance Agency in the Executive Branch was totally unreceptive to any of the new principles and theories being advanced by city planners, architects, economists, or even those being proposed by the more progressive elements in the building and urban renewal fields. The two housing subcommittees, led by Senator Sparkman and Congressman Rains, together with their well-trained and sophisticated staffs, always had an open door for new ideas. No planner in the housing or urban renewal field, no matter how theoretical and long-range his proposals might be, was ever denied an audience for his thoughts by the housing subcommittees. By the long-trying committee process of staff memorandum, staff report, hearings, committee reports, the drafting and redrafting of legislation--the theories of the planners and thinkers were distilled into concrete legislative proposals which, with the coming of a friendly executive to power in 1961, provided the backbone of the Housing Act of 1961. For while the Housing Act of 1961 was officially proposed to the Congress by President Kennedy, his housing officials were in the position of recommending to the Congress actions in this field that for the most part had been developed by the Congress' own committees.

Another area which readily comes to mind, where the Congress has superbly performed its job as an educator and thus acted as a strong ally of the intellectual community, is the work done by the Joint Economic

Committee. The tax reduction bill which was enacted in 1964, in which for the first time the country embarked on a modern economic policy, that is, the deliberate creation of a deficit for the purpose of stimulating a sluggish economy and creating additional tax revenue despite a tax reduction, could never have been accomplished but for the task performed by the Joint Economic Committee over the past decade in educating the Congress and the public on this subject. The fact that the overwhelming majority of economists in the post-war period have believed that this was the only sane economic policy would not have enabled us to enact it into law last year had not the Joint Economic Committee patiently and persistently for some ten years, through the holding of many hearings and the issuance of numerous reports, popularized the new economics with the lay public, both in and outside the Halls of Congress.

The work of the Joint Economic Committee, acting as a "middle man" for ideas, has not been confined, of course, to fiscal policy. To take just one additional example--that of foreign trade--in the 1950's, with the gradual abandonment by many Southern Democrats of their traditional low tariff position, it had become increasingly difficult to get the reciprocal trade program extended. Its further liberalization and modernization was almost an impossibility. This whole unfortunate trend of events, however, was abruptly reversed in 1962 when President Kennedy proposed and the Congress enacted an updated version of reciprocal trade to meet the needs of the 1960's. There were, of course, numerous factors involved in this change, but it would not have been possible were it not for the activity of the Joint Economic Committee in this area. Commencing with studies by its staff in the late '50s and culminating in an excellent set of hearings by Congressman Boggs in 1961, the economic facts of life in the foreign trade area were brought home to the American businessman as well as to his representatives in the Congress.

The Congressional committee system, because of its flexibility and maneuverability, its informality, its lack of an entrenched bureaucracy having a vested interest in the status quo, provides a first-rate vehicle for the popularization of new economic and social theories and is thus a true ally of this country's intellectual community. It can be further stated that the professional staffs of the various Congressional committees, while limited in size, are very often comprised of many able and intellectually sophisticated individuals who keep fully abreast of new ideas and theories and thus provide an effective transmission belt between university theorists and other experts and the Members of Congress.

Conception No. 2 -- In modern times, Congress has been incapable of producing on its own major legislative accomplishments. Political science text books state that major bills are almost entirely drafted in the Executive Branch and that all that Congress does is either reject them or tinker with them and then pass them. It is further taught that those few bills which are not drafted in the Executive Branch are produced by some lobbying group (by implication lobbyist is made to read, of course, bad lobbyist).

Answer -- Three major pieces of legislation in recent years effectively answer this misconception. They are the Area Redevelopment Act, the Urban Mass Transportation Act, and the elderly housing direct loan program.

Starting in 1955, Senator Douglas labored to bring forth the Area Redevelopment Act. He first held hearings before a subcommittee of the Joint Economic Committee to collect all the information and ideas that were in existence on the subject. It should be pointed out that he found these ideas to be in pretty crude form at that time. He then introduced legislation and in 1956 it passed the Senate. Similar bills subsequently passed both Houses of Congress in 1958 and 1960, only to be vetoed by President Eisenhower. All of those years, Senator Douglas and several members of the House, such as Dan Flood, Brent Spence, and Wright Patman, together with their staffs, were working and perfecting this legislation, drafting and redrafting bills, considering alternate proposals, accepting new ideas and rejecting or modifying old ones, and doing this without any assistance whatsoever from the Executive Branch. There were no lobbyists who had any real interest in this legislation and, in all candor, those theories coming in from the academic community were in a most unrefined form. The Area Redevelopment Act as enacted in 1961, together with a companion piece of legislation the following year, the Accelerated Public Works Act, was almost entirely the product of Congressional labor in this area. President Kennedy, of course, recommended and heartily supported this type of legislation, but it is clear that Congress and not the Executive was certainly the innovator.

The Urban Mass Transportation Act of 1964 was the beneficiary of a vast amount of work that had been going on on Capitol Hill in this area by a group of Senators and Congressmen led by Senator Harrison A. Williams, Democrat of New Jersey, since 1960. The first mass transit bill was put together in 1960 by a bi-partisan group in both bodies, and explanatory hearings were held before both Banking and Currency Committees. Due entirely to Congressional insistence that some action be taken on this subject, an experimental program was incorporated into the Housing Act of 1961. In 1962, once again a bi-partisan group pushed for a permanent grant-in-aid program for our urban communities in the mass transit field. Strong Congressional pressure for action in this area played a major role in President Kennedy's recommendations for legislation in 1963. When final passage of the legislation in 1964 was threatened because of the inability of the various departments in the Executive Branch to agree on a proper provision for the protection of transit labor that might be hurt as a result of technological improvements, it was the Congress under Albert Rains' leadership that devised a compromise that made possible the enactment of this far-reaching piece of legislation.

There is probably no more popular housing program than the direct loan program for housing for the elderly. This program, enacted as a part of the Housing Act of 1959, was entirely the product of Congressional thinking. The House Housing Subcommittee in 1956, feeling that neither the existing FHA insurance program nor the public housing program was fully meeting the needs of our senior citizens for adequate housing,

drafted a bill to establish a long term, low interest direct loan program to enable nonprofit organizations to provide housing for the elderly. The proposal was initially bitterly opposed by the Executive Branch of the government but finally, after the proposal received wide bi-partisan Congressional backing in 1959, it was established on a modest scale. Since then the authorization and appropriation for this worthy program have been increased several times by the Congress without serious opposition. All authorities in this field are in agreement it has made a valuable contribution toward bettering the living conditions of our senior citizens.

✓ Misconception No. 3 -- Most academic political scientists feel that Congress, in dealing with the legislative recommendations of the Executive Branch, is unable and unequipped to play a truly constructive role, that Congress must act either as a rubber stamp or engage in purely negative guerrilla warfare against the President's program.

Answer -- The Congress is not limited to these alternatives. President Johnson, himself, clearly demonstrated during his tenure as Senate Democratic leader when dealing with a Republican Administration, that even where one political party controls the White House and the other the Congress, a large degree of cooperative effort between the two co-equal branches of government is still possible and that the Congress can modify and even redirect the President's program in many domestic areas without engaging in warfare against the Executive.

More pertinent, however, to the topic you have been assigned to discuss--"Legislative Leadership and the Great Society"--is the fact that many of the laws passed by the first session of the 89th Congress have been the joint product of the President and the Congress. The recommendations, of course, have been the President's, but the Congress has modified and improved them and quite frequently made them more progressive.

As an example, one may take the Public Works and Economic Development Act. It is certainly fair to state that it was a major legislative accomplishment of the Great Society, but the final product enacted into law contained three vast improvements over the proposal submitted to the Congress. First, Title V which envisions the establishment of a number of regional commissions in other parts of the country similar to that in Appalachia, was incorporated by the Congress. One such region envisioned would include parts of Arkansas, Missouri and Oklahoma. The Congressional view was that by this type of approach we can more effectively deal with problems presented by large geographic areas of economic stagnation. Secondly, the President proposed local public works grant money at a rate of \$250 million per year. Congress, after carefully evaluating the experience under the Accelerated Public Works Program, decided this sum was inadequate and upped the figure to \$500 million annually. Finally, as proposed, the public works grant program would have been confined to long-term depressed areas. This was modified so as to provide aid under certain conditions to other labor surplus areas.

In another instance of Congressional co-authorship, the Omnibus Housing Bill was modified and strengthened in several respects. As proposed, it provided for \$100 million annually in water and sewer grants in suburban

growth areas. The Congress, recognizing that the problem of water and sewer facilities represents one of the great unanswered needs of this country, doubled this figure to \$200 million and made all communities -- rural, urban, and suburban alike--eligible for assistance. The whole area of urban renewal was thoroughly examined by the Congress and the amendments adopted in regard to relocation and aids to small businessmen effected by this program will greatly strengthen and enhance its popularity. Most important, Congress did a major job of rewriting and redirecting the rent supplement program so as to make sure that the benefits of the program would go to those in the lowest income group, namely the same group eligible for low-rent public housing. Confusion over whether or not the administrative regulations would fully carry out Congressional intent was at least partly responsible for Congress' failure to appropriate funds to activate the program.

Misconception No. 4 -- Congress moves at a snail's pace and, with the possible exception of situations involving the nation's security, is incapable of moving expeditiously to meet a national crisis. As a close corollary to this misconception, it has been further contended by many social theoreticians that Congress, because it is such a slow-moving institution, would be incapable of properly performing the role assigned to the legislative authority under modern fiscal theory; that is, Congress would be incapable of acting on the required timetable, its action would always be too little and/or too late.

Answer -- It is certainly unnecessary to belabor the point that the Congress, involving matters of military action such as Korea and Viet Nam, can and has moved swiftly in the national interest; this would certainly be conceded by its severest critics. Congress can also, however, move rapidly and efficiently to meet a domestic crisis. An example of this is Congress' role during the 1957-58 recession. At that time, the Executive Branch took the position that no affirmative action was required to correct the economic downturn. Congress, under the leadership of the then Senate majority leader, Lyndon Johnson, then seized the initiative and moved into the vacuum. The passage of the Emergency Housing Act in the Spring of 1958, pumping a billion dollars of Federal credit on liberal terms at a low interest rate into the homebuilding industry, is generally credited with playing a paramount role in bringing the country out of that recession.

Because of this success, in the Spring of 1960 at the outset of the 1960-61 recession, the House passed the Emergency Home Ownership Act which would have once again added a billion dollars of money to the homebuilding industry and thus once again stimulated the national economy. Unfortunately, after House passage, the Eisenhower Administration made it clear that the measure would be vetoed and, reluctant to indulge in an idle gesture, the Senate took no action. Obviously, the deepening of the recession later that year vindicated the judgment of the House and most effectively answers the charge that Congress can't act in a crisis. Congress, or at least the House, in the case of the 1960-61 recession, not only acted to meet the crisis, it was just about the only one, not excluding the economic profession, that was aware that a crisis was upon us.

Enactment of the 1964 tax bill, with the deliberate objective of reducing taxes in the face of an already existing deficit, was this country's first effort to put modern fiscal theory into practice. The timing and substance of the tax measure most certainly gives the lie to those critics who have contended that Congress would be incapable of fashioning the proper type of fiscal vehicle at the proper time. No economic theorist model for an ideal fiscal policy could have been better constructed as to the timing of its effect. These results meshed superbly with the heartbeat of the national economy. Its maximum impact being felt at exactly the right time, that is, when it was clear that deflationary forces were about to achieve the ascendancy.