

Can the GOP Reform Congress?

By STEVE CHARNOVITZ

Next month, the GOP will have a majority in the House of Representatives for the first time in 40 years. In recent elections, Republicans called for this change, and promised to improve the legislative process. Speaker-elect Newt Gingrich and his troops should be bold in implementing reform. They should strengthen congressional accountability, but not weaken Congress.

Several constructive reforms already have been announced. Committees and subcommittees will be reduced in number and cut in size. There will be a few realignments in jurisdiction, such as moving railroad issues to the Transportation Committee and food inspection to the Agriculture Committee. These are sensible, long overdue changes. But they are timid.

Committee jurisdiction needs a complete overhaul. Instead of merely renaming the Education and Labor Committee the Economic Opportunity Committee, the Republicans should relocate housing programs there from the Banking Committee. While there is no perfect way to reorganize, the most important functions should be consolidated. For example, new committees could be established for health, trade and financial regulation. Right now, each of these issues is divided among several committees.

Committee reorganization can also be used to improve oversight of federal programs. Rep. Chris Cox, R-Calif., has offered an interesting

proposal for creating committees on Law Revision and Repeal and Deregulation and Privatization. Who knows if this would work, but it seems worth trying. The problems of "demosclerosis" are deep-rooted, and will be resistant to minor surgery.

Another useful reform would be to limit the length of new statutes. The Energy Policy Act of 1992 is 358 pages. The Educate America Act of 1994 is 156 pages. The Riegle Community Development and Regulatory Improvement Act of 1994 is 137 pages. Even if these laws are beneficial, surely they don't need to be so long. Nor do laws need to be named after retiring lawmakers.

Fiscal policy will be among the top priorities of the new Congress, and there are several useful reforms being considered. One is the "item veto." The president should be given this power by legislation so he can cut executive branch spending. While it can be argued that Congress should decide where to spend money, it makes little sense to force a president to spend money on a program he opposes. Doing so leads to maladministration, which foments public cynicism about government.

Another idea under review is to stop unfunded mandates on the states. To be sure, they are bad policy. But *funded* mandates aren't so good, either. One of the core problems in many social programs is the bifurcation between funding — provided by the federal government — and administration — done by the

states. This split undermines accountability. Instead of piecemeal reform, Congress should establish a commission to review all federal-state programs and make recommendations for rationalization.

There is also a need to establish truth-in-budget scorekeeping. For example, if tax expenditures were always "scored" for five full years, there would be no advantage in passing short extensions for measures like the research tax credit. In addition to being a budget gimmick, these short extensions make it difficult for businesses to plan ahead. The House also should lengthen the number of years in the scorekeeping window for any legislation that has non-linear costs. At present, a tax change that loses a lot of revenue after five years can evade the pay-as-you-go discipline.

One of the most controversial budget issues is whether to change the economic model so that certain tax reductions can appear to raise, rather than lower, government revenue. It would be politically unwise to attempt this for a capital gains cut, which so manifestly benefits upper income individuals. Instead, all tax cuts should be offset with either spending cuts or tax increases. If a capital gains cut really does increase revenue, then the budget deficit can be lowered more quickly. That ought to please conservatives.

A constitutional amendment to require a balanced budget would have been useful during the 1980s, when the deficit skyrocketed. Now that the deficit is coming down, it

makes less sense. Nevertheless, it looks like such an amendment will soon pass. Unfortunately, the House Republicans will not propose a plain, vanilla amendment. Instead, their amendment also will require a super-majority to approve all new taxes. At least 261 House members, rather than 218, or just over 50%, will have to vote for a tax increase.

This is folly. For starters, it is wrong to allow a minority to overrule the majority. Moreover, it would be shortsighted for the United States, with its world leadership responsibilities, to subject itself to such an emasculating constitutional procedure. President Clinton cannot veto a constitutional amendment. But he should speak out as commander-in-chief against any plan to weaken federal fiscal powers.

The new Republican leadership in the House has an incomparable opportunity to reorganize an outdated committee structure, to improve oversight and to rethink the roles of the national and state governments. There have been many Democratic members over the years who advocated reform. But major reform probably could not have occurred without a shake-up, and still may not. Many of the new House Republican leaders earned their spurs as obstructionists. As they acquire major responsibility, we shall see whether they have the right stuff.

Steve Charnovitz writes often on business, trade and environmental issues.