

1 EXECUTIVE COMMITTEE MEETING
2 WEDNESDAY, FEBRUARY 1, 1989
3 U.S. Senate
4 Committee on Finance
5 Washington, D.C.

ORIGINAL

6 The meeting was convened, pursuant to notice, at 10:00
7 a.m., in room SD-215, Dirksen Senate Office Building, the
8 Honorable Lloyd Bentsen (Chairman) presiding.

9 Present: Senators Bentsen, Baucus, Riegle, Rockefeller,
10 Packwood, Danforth, Chafee, and Durenberger.

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1 The Chairman. This meeting will come to order.

2 What we are meeting for today is to talk about the
3 budget and the request that we will make in testifying
4 before the Rules Committee where Senator Packwood and I will
5 be there as representatives of this committee. If anyone
6 else wants to join in, we will be delighted to have you.
7 But for the first time we are looking at a biennium budget.
8 We are looking at a two-year budget. Now that fiscal year
9 for the committee starts on March 1st.

10 What we are asking for is what the Rules Committee has
11 asked to be, frankly, a top limit. We are talking about a
12 10 percent increase for the forthcoming year. And then they
13 have advised us that the maximum limitation that they would
14 try to impose is 2 percent for the following year. Now what
15 this would allow us to do is to take care of the COLA, the
16 cost of living increase, and some modest additional funds
17 for staff in way of merit increases, possibly additions.

18 But as we make this request, what we should keep in mind
19 is that there are six committees that receive larger budgets
20 than this committee, some substantially so, and yet I don't
21 think that anyone would argue against the fact that this
22 committee has the broadest of jurisdictions in the United
23 States Senate, and certainly one of the busiest committees
24 carrying on its work.

25 Last year, we had a rather incredible year of effort in

1 major legislation by members of this committee and this year
2 is going to be another full one.

3 So we have staff members here, Mr. McMurtry, who will be
4 available for any questions that anyone might have.

5 But I think it is terribly important that we continue to
6 attract what I believe are the very best of staff members. I
7 know that last year that the committee staff of this
8 committee was selected as the most effective staff in the
9 Senate. I would like to say that was because of the Chairman
10 of the committee, but that is not the case. It is I think
11 the contributions made by Senator Packwood, and before
12 Senator Packwood, Senator Long, and hopefully myself; that
13 we have worked very hard to see that we have staff members
14 that are effective, capable, qualified, and trying to choose
15 one for political reasons has not been a reason.

16 I think we have agreed that the very best of politics
17 for this committee is to do an exemplary job and a good job
18 for the people of the country. And that is what we have
19 made our objective.

20 This is a remarkably bipartisan committee. Not that
21 there isn't some partisonship, and that there shouldn't be,
22 but when it comes to the major issues, we found the members
23 of this committee and the staffs working very closely
24 together.

25 Let me further state that we have provided these numbers

1 to staff members and it is approximately two weeks ago, and
2 I assume that they, in turn, have provided it to their
3 members. I know of no objection to the numbers; none has
4 been brought to my attention. And I would hope that we could
5 do this expeditiously this morning. If we get a quorum,
6 that's fine. If we don't, I would ask that we poll the
7 committee to get this reported out.

8 And with that, I defer to my colleague, Senator Packwood.

9 Senator Packwood. Mr. Chairman, I was delighted with the
10 accolades that this committee received last year also in
11 terms of the competence of its staff. If there would be any
12 disappointment with this, it would be that apparently the
13 Rules Committee has decided not to start de novo and try to
14 weigh the committees one against the other. But we are
15 simply operating on the past base.

16 I am one of those that is confident that if we did zero
17 base budgeting that we would come out better than where we
18 are now, but I am not prepared to argue that point. Clearly,
19 if they are not prepared to go ahead on that, they are not
20 going to do it for us and nobody else.

21 The Chairman. Thank you.

22 Are there questions from members of the committee?

23 Senator Chafee. Mr. Chairman.

24 The Chairman. Yes.

25 Senator Chafee. I agree with everything you said. And I

1 think that if you look at the jurisdiction of this
2 committee on trade, and on taxes, and on Medicaid, and on
3 Medicare, you will find that no committee has as broad
4 jurisdiction as we do. And I think that traditionally this
5 committee has operated, as I understand Senator Long, and
6 before him, Senator Harry Byrd, Sr., kept the committee
7 strap down, and I am all for that. But what I cannot
8 understand is how these other committees have these
9 tremendous amounts of money and staff. And my only please
10 would be to you is if you do, I presume, make the
11 presentation to the Rules Committee, isn't it possible to
12 say, why are these other committees getting away with
13 murder?

14 I mean, you look at this list. The Judiciary Committee,
15 138 employees. I cannot believe this. Every member of the
16 committee must have about three staff stashed away in his
17 own shop and on the payroll of the committee. And I can
18 understand Appropriations; they are a busy committee. But
19 I think those top three are really an outrage. And think of
20 it.

21 Look at this, that the Labor Committee has nearly
22 double the budget that this place does and it equates to
23 \$2 million.

24 Well I feel that everybody agrees with what I am saying.
25

1 The Chairman. That is exactly right, Senator.

2 (Laughter)

3 The Chairman. I think you are right on all accounts.
4 Does anyone else want to get anything off their chest?

5 Senator Chafee. Well can I ask a question?

6 The Chairman. Yes, of course.

7 Senator Chafee. What happens? What's taking place here,
8 Mr. Chairman, that burns me is the past errors are being
9 compounded. I mean, 10 percent increase and \$4.5 million.
10 I don't have to tell any financial expert like you that there
11 is a lot more than 10 percent increase in \$2.5 million. So
12 that the rich are getting richer.

13 (Laughter)

14 Senator Riegle. Would the Chairman yeild?

15 The Chairman. Yes, I yield.

16 Senator Riegle. Just to add an insight that compounds
17 the felony, if you will. The Senate Banking Committee right
18 now is trying to figure out where \$100 billion disappeared
19 in the savings and loan system. And if you will look at this
20 list you will find that the Senate Banking Committee has a
21 smaller staff than all of the A committees and three of the
22 B committees. And that, you know, we are dealing with
23 leveraged buyouts here in this committee. We also are in
24 the Senate Banking Committee as well as financial
25 deregulation, the market crash, insider trading, and a host of

1 other issues, not to mention Housing and Urban Development,
2 which is an entire Cabinet department that comes through
3 there. So there are very odd inequities with respect to how
4 we finance the professional staff work of the various
5 committees.

6 And so in any event, it is not just a question of
7 where there may be overspending, there is also a serious
8 problems in some areas of underspending, of being penny-wise
9 and pound-foolish.

10 Senator Packwood. Let me say one thing more,
11 Mr. Chairman.

12 The Chairman. Yes. Senator Packwood.

13 Senator Packwood. I have been here long enough that I
14 can recall how this happened. And I won't mention any
15 names specifically, but in some of the committees that have
16 very generous amounts of money they had chairmen in those
17 days that were very desirous of expanding their turf. And
18 they happened to be chairmen of some of those committees you
19 see up toward the top.

20 On the Banking and Finance Committees, for years you had
21 Bill Proxmire, and to his credit he was not looking to expand,
22 and expand and expand, and he was very tight with the
23 committee budget. Prior to any of our chairmanships, we had
24 Russell Long, and prior to that, Harry Byrd. And when I
25 first came on the Finance Committee there was no majority/

1 minority staff. The Chief Counsel, Tom Vail, served Wally
2 Bennett and Russell Long. And there was a staff of maybe
3 five or 10 people.

4 The Chairman. That's right.

5 Senator Packwood. And so as we started at a low base,
6 John Chafee is right, we have stayed, comparatively speaking,
7 at a low base. And those committees that had chairmen that
8 were perfectly willing to expand as rapidly as they could,
9 started from a high base. And one day I hope the Rules
10 Committee will look at that and start from zero, and say,
11 there are some committees that have a lot more to do than
12 other committees. But how they got to where they are, it
13 was based upon the history of who the chairman happened to
14 be from roughly 1962 or 3 to about 1975 or 6.

15 The Chairman. That's quite right. And Senator Packwood
16 and I came on the scene about the time of serious budgetary
17 constraints and that is what we have been facing.

18 I must say that the individual members of our staff, as
19 related to other staff members and other committees, are
20 generally better compensated, and I think justifiably so,
21 because we have done our utmost to get very tough people in
22 those positions.

23 I must also tell you that as we have had a vacancy, I
24 have been warmly gratified by the fact that we have had,
25 even with substantial reductions in compensation to come with

1 us, that we have had a substantial number of highly
2 qualified candidates to pick from to fill those slots. And
3 in know in some instances that the cut in income has been
4 really extraordinary for people to come on.

5 Senator Chafee. Well I have a word of advice for
6 Senator Riegle. In making his presentation, I would take
7 along this list and say, look, Mr. Ford--Senator Ford--just
8 give me a little bit of those employees and those dollars
9 that Labor has and they wouldn't miss them a bit. I served
10 in that committee, and their jurisdiction doesn't amount to
11 50 percent of what this committee does and the
12 responsibilities.

13 The Chairman. Well I appreciate that, but I must say
14 you are not going to find these other committees rolling over
15 and playing dead. They will fight very hard to keep what
16 they have.

17 I am quite willing to push, but I am not that
18 optimistic as to the results. We will do what we can.

19 Are there further comments?

20 Senator Packwood. I move the adoption of the budget,
21 Mr. Chairman.

22 The Chairman. Is there a second?

23 Senator Baucus. I second.

24 The Chairman. And with that, may I have the permission
25 to poll the rest of the committee? We will be close to a

1 quorum here, but if we can poll the rest of the committee.

2 Senator Packwood. Without objection.

3 The Chairman. All right.

4 All in favor of the motion, make it known by saying aye.

5 (Chorus of ayes)

6 The Chairman. Opposed?

7 (No response)

8 The Chairman. Thank you very much. And we will poll
9 the rest of the committee.

10 (Whereupon, at 10:15 a.m., the meeting was concluded.)

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C E R T I F I C A T E

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2 This is to certify that the foregoing proceedings of an
3 Executive Committee Meeting of the United States Senate
4 Finance Committee, held on February 1, 1989, were transcribed
5 as herein appears and that this is the original transcript
6 thereof.

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10 WILLIAM J. MOFFITT
11 Official Court Reporter

12 My Commission expires April 14, 1989.
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**UNITED STATES SENATE
COMMITTEE ON FINANCE**

EXECUTIVE SESSION

Wednesday, February 1, 1989 - 10:00 AM

SD-215 Dirksen Senate Office Building

Agenda

To consider the Committee biennial staff budget covering FY 1989 (March 1, 1989 through February 28, 1990) and FY 1990 (March 1, 1990 through February 28, 1991).