



The Phyllis Schlafly Report



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Scandals Shake the Imperial Congress

Rubber Checks and Floating Balances

Time is running out on Congress's sweetheart deals, and the American people are sounding a wake-up call. The voters have had enough of the Imperial Incumbency, the tax increase, the middle-of-the-night pay raise, the unpaid accounts at the Capitol Hill restaurant, the selling of cocaine at the House Post Office, and the shenanigans of the Keating Five, Barney Frank and Jim Wright.

The rubber check scandal and its attempted coverup are the last straw. It has now spread to the House Post Office where an illegal check-cashing operation involved personal checks, campaign checks, and buying stamps and then redeeming them for cash. Like Watergate, it isn't just the original offense, it's also the coverup. Like Watergate, it involves the integrity of the entire branch of government.

The bad check scandal started in October 1991 when the General Accounting Office reported that 8,331 checks with a face value of \$25 million had been written on the House Bank by 355 current and former Congressmen who had insufficient funds. In the wake of that embarrassment, the House closed the Bank and instructed the Ethics Committee to investigate.

The House Ethics Committee at first cooked up what its chairman called a "compromise" under which the names of only 24 of the most egregious bad check bouncers would be made public, while the names of others who passed hundreds of bad checks were to be concealed. Four Republicans on the Ethics Committee dissented from this compromise because, as Rep. Jim Bunning said, it didn't "pass the smell test." He was right. The American people demanded full disclosure, and, feeling grassroots outrage, the liberal Democrats finally agreed.

One of the Republicans urging full disclosure, Rep. John Kyl, explained how the Ethics Committee rationalized its agreement to reveal only 24 names while concealing "scores" of Congressmen who wrote hundreds of bad checks, some as many as 600 to 800, and "many over \$100,000." The Democrats' formula was to conceal the names of those Congressmen whose bad checks didn't exceed one month's pay for more than seven months. We now know that 296 current and 59 former Members of Congress were overdrawn at least once during the 39-month period under investigation.

Wouldn't you like to have your local bank pay out all the

checks you write up to the amount of your next month's pay? That would enable you to live constantly above your means on a float of other people's money — and that's what dozens of Congressmen were doing.

When the House Bank paid the bad checks up to the amount of each House Member's next monthly paycheck, that amounted to an interest-free loan. Did the Congressmen report these interest-free loans as taxable income (which is how Internal Revenue views such amounts) or as gifts (which House rules require be disclosed)? Unlikely.

The House Rule on Financial Disclosure (XLIV) requires reporting any liabilities that exceed \$10,000 at any time during a year. Reports indicate that more than 50 members wrote bad checks totaling in excess of \$100,000, so it is likely that some Congressmen breached the \$10,000 threshold and failed to report their indebtedness.

Defenders of the bad check practice claim that the House Bank was not an official institution, but a Members' co-operative in which no public funds were involved. However, the Bank was run by House officers and staffed by employees on the public payroll with salaries of nearly three-quarters of a million per year. The Bank was managed by House sergeant-at-arms Jack Russ (a \$119,000 patronage job controlled by Speaker Tom Foley), who ordered the Bank to pay out an estimated 31 bad checks of his own worth \$104,825.

The Democrats' basic defense of the wrongdoers is that bad check cashing was done "by this bank for many, many years." That's the argument that "everybody's doing it," and it isn't going to wash. Everybody isn't doing it; only Congress is doing it, and the American people are fed up with its arrogant big-spending habits. Except for a couple of terms, the Democrats have controlled Congress for 60 years. They are living proof of Lord Acton's maxim that "power tends to corrupt; absolute power corrupts absolutely."

Public reaction to Congressional check kiting has been most interesting. One poll showed that 60 percent of Americans believe that it was illegal, but an even bigger majority, 84 percent, believe it was "unethical." The American people do not believe that Congress should be an elitist class entitled to special perks, but, on the contrary, believe that public officials should be held to higher standards than we set for ourselves.

The Congressional Pay Raise

The Congressional pay raise is an issue that just won't die. The American people are still angry about both the raise and the way it came about.

When it started out in the first few weeks of 1989, it seemed as though "everyone" was for a 50 percent pay raise, at least "everyone" who mattered. Ronald Reagan, before he departed to live in his new multi-million dollar house equipped with his presidential golden parachute, had specifically signed his approval. President George Bush favored it. Congressional leaders joined in a rare manifestation of bipartisan unity. Speaker Jim Wright, the oracle of the liberal Democrats, and House Republican leader Bob Michel spoke with a single voice in support of the pay raise. Republicans also acquiesced in an under-the-table deal, promising that they would not use the pay raise as a partisan campaign issue.

How amazing! Bipartisan unity never could be forged for such pressing national objectives as reducing the deficit or protecting Americans' lives against incoming missiles, but it appeared to be cemented in concrete for the objective of raising each others' salaries.

In private gatherings, Republicans say that the biggest problem they face is how to break the "incumbency" factor of Congress; that is, the fact that 99 percent of Congressmen are reelected. That is due largely to the perks of incumbency and the fact that Political Action Committees (PACs) donate most of their funds to incumbents and not to challengers. So, the Republican leadership endorsed a whopping pay raise to reward incumbency instead of discourage it! If the Republicans had made the pay raise a partisan political issue, it could have been a winning issue in the elections of 1990.

The pay raise was engineered by the federal Quadrennial Commission on Salaries headed by Washington lawyer and Jimmy Carter adviser, Lloyd Cutler. His mindset is that the United States should be ruled by a little coterie of elitists, and for years he's been trying to change the U.S. Constitution to bring that about. The principal spokesmen for the pay raise were liberal Senators Ted Kennedy and Chris Dodd. They supported it because they knew they could turn it into a propaganda vehicle to raise domestic spending for liberal giveaway programs.

The media elite cooperated in this raid on the taxpayers' Treasury by downplaying the news about it. On the day the Cutler commission announced its 50 percent pay raise recommendation, for example, Dan Rather's CBS Evening News didn't even mention it.

Out across this land, however, the news of the pay raise was beamed loud and clear on local talk radio. Once the voters heard the facts, they leapt into action with phone calls, letters, and tea bags. The House got the message, defeating the federal pay raise 380 to 48.

In November 1989, the pay raise conspirators plotted a different strategy. In the middle of the night, without any advance notice, without giving the grassroots a chance to get organized, Congress voted itself a pay raise. It was somewhat less than the original 50 percent, but substantial nonetheless. Congressmen raised their own salaries from \$89,500 to \$96,000 in January 1990 and to \$125,000 in January 1991.

Au Revoir to John Froehnmayer

The with-no-regrets termination of John Froehnmayer as chairman of the National Endowment for the Arts (NEA) was long overdue. Now is the time for a total basement-to-attic housecleaning at the agency that has been an acute embarrassment to the Bush Administration for three years.

Although as Chief Art Commissar Froehnmayer must take final responsibility, the dozens of dirty and disgusting materials that the NEA funded with taxpayers' money were not selected by Froehnmayer. So, now is the time to fire all those up and down the line who selected for cash awards Karen ("chocolate and bean sprouts") Finley, Robert ("bullwhip") Mapplethorpe, Andres ("Piss Christ") Serrano, and other offensive materials. Now is the time to restructure the entire buddy system that greased those grants.

The whole idea of having a Federal Ministry of Culture vested with the power to decide which art should be taxpayer-financed, and which should not, is offensive to Americans. This agency was a sideshow of Lyndon Johnson's Great Society, and it has produced a new class of self-styled "artists," living in the culture of dependency and loudly demanding the next installment of their "entitlements."

It may be hard for young people to believe, but America survived its first two centuries without any art dole from the Federal Government. That fact alone proves it isn't needed because we certainly had plenty of fine art in the pre-LBJ era, and the \$176 million spent this year by the NEA is a drop in the bucket compared to the billions spent annually by individuals on art and entertainment.

It is patently unjust to American taxpayers for the NEA to give their money to individuals for their personal enrichment and reputation enhancement. That is clearly a taking of public money for private gain. We don't even know what the money will be spent for until the artsy handout hunter has completed his bizarre imaginings.

The process of allowing "artists" to sit on the peer panels and approve each other's grants is so corrupt that it wouldn't be tolerated in any other agency. This back-scratching racket makes sure that only those who get their pals on the panels have a chance of feeding from the NEA gravy train.

Bad as Froehnmayer's judgment has been, the peer panels under him are more decadent. A "performance space" called the Franklin Furnace, which received NEA grants every year for the last 16 years, was recommended by a peer panel for a 1992 grant on the basis of a video in which an artist named "Scarlet O" strips down to a garter belt and lets a man from the audience rub lotion between her legs. In a rare burst of concern for "artistic merit," the NEA's advisory council vetoed this grant, but the disappointed "artists" are organizing to get that decision overturned.

Another frequent performer in the "theaters" and "performance spaces" funded by the NEA is Annie Sprinkle, described by the *Washington Post* as "former triple-X queen, former hooker" who has appeared in 150 porn flicks. Her latest "art" consists of smearing her breasts with ink and selling "tit prints."

Sprinkle's new video show, "The Sluts and Goddesses of Transformation Salon," was shown at "The Kitchen," a so-called theater that has received several NEA grants. The video guides the viewer through a 45-minute performance featuring

such pleasure simulators as flagellation by oak leaves, gender bending, body shaving, body painting, menstrual blood, rhythmic deep breathing, and passionate safe sex.

Other NEA recipients in recent months include two filthy books called "Live Sex Acts" and "Queer City." The latter is not only outrageously blasphemous about Christ, but it exalts the fun of wanting to kill a woman and of running through the park for sex, saying "Let's get a female jogger."

Newspaper editorials complained about how Frohnmayor's critics were trying to "censor" art — even Shakespeare! But the liberals who wept crocodile tears about "Shakespeare" being denied taxpayer funds didn't tell that the NEA gave \$323,000 of taxpayers' money to the New York Shakespeare Festival which included a presentation of "A Midsummer Night's Dream" by a Portuguese-speaking cast of actors who appear on stage nude, topless or in G-strings. The audiences may not have understood Portuguese, but, according to the *New York Daily News*, "Body language is another thing."

The NEA gave a \$637,000 grant to the New York State Arts Council, which allocated some of this taxpayers' money to help promote a film called "Jesus Christ Condom." Shown at the Third Annual New York International Festival of Gay and Lesbian Films, the movie depicts an AIDS activist dressed up as Jesus Christ and wearing a crown of thorns, who carries on a 30-minute tirade against Christianity while standing on the steps of St. Patrick's Cathedral. Sexually explicit lines are recited by the actor portraying Christ while promoting condoms, and later a member of ACT-UP crumbles the Holy Communion and steps on it.

The NEA gave a \$12,000 grant to the San Francisco International Lesbian and Gay Film Festival. The NEA could not be surprised as to what it was funding; the NEA gave previous grants to this outfit in 1988, 1989, and 1990.

The NEA gave \$250,000 to the PBS-TV "Point of View" series, which included the film "Tongues Untied," plus \$5,000 to this film's producer. An advocacy piece promoting homosexuality among blacks, "Tongues Untied" is so offensive that 206 of the 341 PBS stations did not broadcast it, and another 91 delayed it until after 11 p.m. The NEA gave \$25,000 to an explicit, violent and altogether disgusting movie entitled "Poison," which the theaters described as about "deviance" and the producer bragged is about "unabashed homo-eroticism."

In the fall of 1991, Congress tried to call a halt to these outrages. On September 19, the Senate voted 68 to 28 for Senator Jesse Helms' amendment to restrain the NEA from spending taxpayer dollars for "patently offensive" artworks, or for stage performances "depicting sexual or excretory activities." On October 16 and 17, the House voted 286 to 135 and 287 to 133, respectively, for Rep. William Dannemeyer's motion to support the Helms' amendment.

Then, the Senate-House conference committee devised a backroom package that dropped the dirty art restrictions along with a continuation of low grazing fees on public lands, which Western Congressmen had to vote for. After Congress approved the "corn for porn" deal and increased the NEA's appropriation, the next day Chairman Frohnmayor awarded additional grants to two controversial people whom the *Washington Post* called "sexually explicit performance artists" — Tim Miller and Holly Hughes.

Giving Frohnmayor his walking papers is only the first step

in a desperately needed spring housecleaning.

How Incumbents Feather Their Nest

It seems that "everyone" is demanding that the President and Congress "do something" to aid our ailing economy. Republicans demand tax cuts to stimulate investment; Democrats demand that we spend more tax funds on make-work projects to jump-start the economy.

All these proposals falsely assume that the Federal Government can (or should) plan our economy. **We should cut taxes** — *not* in a futile effort to micro-manage the economy, but because justice demands that the American people be allowed to spend their own money.

We are indebted to *Congressional Quarterly* for publishing "Where The Money Goes." It's a wonderful 168-page explanation of how our tax dollars are spent by a little oligarchy of Democratic appropriations subcommittee members who meet in secret and divvy up the billions that are extorted from the American people.

In the House, the 13 Democratic subcommittee chairmen gather privately and divide up the pork to benefit their own districts and perpetuate their incumbency. In the Senate, Appropriations Committee Chairman Robert C. Byrd (D-WV) just summons the subcommittee chairmen one by one, then makes the allocations. Republicans are irrelevant to this process.

Senator Byrd is the champion pork barrel appropriator. Since relinquishing his national role as Senate majority leader three years ago in order to run the Appropriations Committee, he has funneled more than a billion dollars to his home state. Goodies in the 1992 budget include tens of millions of dollars for projects in West Virginia, such as \$1,000,000 for a demonstration of a model wellness community in Wheeling, and a \$6 million grant and another \$22 million to Wheeling Jesuit College.

The agriculture appropriations bill included \$5.12 million ordered by Subcommittee Chairman Jamie L. Whitten (D-MS) for new construction at the National Center for Natural Products in Oxford, Mississippi. Rep. E. "Kika" de la Garza (D-TX), chairman of the House Agriculture Committee, wangled \$1.7 million to complete construction of a research center in Weslaco, TX, studying how to make Africanized honey ("killer") bees less aggressive.

This bill also included \$225,000 to build a vidalia onion storage facility at Tifton, GA, the home state of Wyche Fowler Jr. (D-GA), a member of the Senate Appropriations Committee, and \$39,000 for celery research at Michigan State University in East Lansing, requested by Bob Traxler (D-MI), a House Agriculture Committee member.

The Commerce, Justice and State appropriations bill earmarked \$3 million for a durable-metals center at Iowa State University, the district of Neal Smith (D-IA), chairman of this House Appropriations Subcommittee. It also included \$1 million to buy a 154-acre tract in Beaufort County, South Carolina for a nature park in the state of Sen. Fritz Hollings (D-SC), and \$1.7 million for Pacific tuna management, urged by Sen. Daniel K. Inouye (D-HI).

The defense appropriations bill included \$11.7 million earmarked for military museums in or near the districts of House subcommittee members W. G. Bill Hefner (D-NC),

Norm Dicks (D-WA), and Les AuCoin (D-OR). Senate Subcommittee Chairman Daniel K. Inouye (D-HI) got \$750,000 for a Pentagon conservation agency to help replenish stocks of Hawaiian mullet (a saltwater fish).

The energy and water development appropriations bill gave construction money to Bridgewater State College in the district of Rules Committee Chairman Joe Moakley (D-MA). J. Bennett Johnston (D-LA), chairman of the Energy and Water Appropriations Subcommittee, got \$10 million for the Institute of Micromanufacturing at Louisiana Tech University.

The foreign aid operations bill earmarked \$5 million for international development projects by dairy cooperatives, promoted by House Appropriations Foreign Operations Subcommittee chairman David R. Obey (D-WI). Also designated by this bill were \$10 million for the North-South Center associated with the University of Miami, which was promoted by alumnus Dante B. Fascell (D-FL), chairman of the Foreign Affairs Committee.

The Interior appropriations bill included \$1.2 million to keep open one office in Chicago and another in Portland, Oregon to answer questions about wetlands regulations, in the districts of key appropriators Sidney R. Yates (D-IL) and Les AuCoin (D-OR).

The labor, health, welfare, and education appropriations bill included a special request in its report by House Subcommittee member Joseph D. Early (D-MA) directing HHS's Health Care Financing Administration (which oversees Medicare and Medicaid) to "suspend all activities" toward collecting alleged overpayments to the Worcester, MA city hospital.

Chairman of the House Military Construction Appropriations Subcommittee W. G. "Bill" Hefner (D-NC) saw to it that funds from the money allocated to close obsolete U.S. military bases be used to build a new hospital complex at Fort Bragg, NC at a projected cost of \$240 million.

These are just samples of the pork barrel appropriations itemized in the 168-page CQ book. Those of us who don't live in the districts of Democratic subcommittee members deserve a tax cut as a matter of justice.

The Democrats' Tax Bill Is a Phony

Do you get the idea you are just onlookers watching a charade when you hear about what Congress is doing about taxes? Of course, the Democrats' tax bill is not a tax *cut* at all; it will not reduce federal revenues by \$1, but really is a tax increase.

The Democrats are just doing a sleight-of-hand trick to rearrange the tax burden a trifle and make it even more complicated so that the American taxpayers can't figure out exactly how they are being ripped off. The highly-touted "middle class tax cut" would amount to about \$1 per day.

The pitiful amount of the tax cut is not the only cheat. The reduction would be effective for only two years (1992 and 1993), then disappear altogether. Taxes may be forever, but tax cuts always seem to have their "final exit" scheduled.

Even worse is how this tax cut would be paid for. It would be financed by a permanent increase in tax rates to 35 percent on taxpayers whose income is above \$85,000 for singles and \$145,000 for marrieds.

After those two years, this tax increase will have to be

extended deeper into the pockets of jobholders. The Joint Committee on Taxation estimates that, to pay for continuing the "tax cut," the 35 percent rate will have to start at \$38,400 for singles and \$64,000 for marrieds. That is even lower than the point at which the 31 percent bracket starts today.

The Democrats' plan is a massive redistribution of income amounting to \$93.5 billion. We all know that high rates will bring back pressure for tax shelters and unproductive tax-motivated transactions.

The National Center for Policy Analysis estimates that the Democrats' plan will cost 100,000 jobs. In any event, it gives no incentive to create jobs or stimulate growth in the economy. Raising taxes is not the way to jump-start the economy — lowering taxes is. The Reagan tax cut of 1981 proved that. The Democrats' yapping about "taxing the rich" is just an appeal to envy and a deliberate stirring up of class warfare. The Democrats' definition of "wealthy" seems to be anybody who has a good job.

Consider the Democrats' dilemma. They had convinced themselves that Ronald Reagan's two-term victories were a political fluke attributable to his charisma and TV communications skills. They thought they could destroy George Bush by ridiculing his "extremism" on the Pledge of Allegiance and the Willie Horton issues.

Bush's victory in 1988 was a stunning shock. The Democrats then figured that the only way they could ever win the Presidency would be by having an economic recession. So they conned George Bush into reneging on his "no new taxes" promise, which promoted a recession and damaged his credibility.

The economic mess we are in is the direct result of the falsely-named "deficit reduction" package of October 1990 (designed by the liberal Democratic Congress and acquiesced in by President Bush), plus the massive increase in regulations passed by Congress during the last three years, particularly the Clean Air Act, the Americans With Disabilities Act, and the Civil Rights Act of 1991. We got off the track when we abandoned Reaganomics (which means economic growth through tax cuts and reduction of federal regulations) and replaced it with higher taxes and giving authority to politicians and bureaucrats to micro-manage our economy.

The Reagan-Kemp-Roth tax cut of 1981 brought about the longest period of economic growth in our nation's history. Interest rates dropped, investment rose, inflation dropped from 13 to less than 4 percent, manufacturing productivity growth expanded, and America enjoyed a decade of economic growth with more than 20 million net new jobs.

A tax cut now would be the best way to restore the tarnished image of Congress.

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