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Will New Congress Be Santa to Taxpayers and Grinch to Lobbyists?

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More than two centuries ago, Samuel Adams of Massachusetts observed, “It does not take a majority to prevail, but rather an irate, tireless minority keen to set brush fires in people’s minds.” Anyone doubting the truth of this revolutionary wisdom need look no further than the stunning developments of the last weeks of 2006 that forced Congress to remove more than 10,000 wasteful earmarks from the budget. Coming after years of work by citizen-activists, this is a bold first step toward getting federal spending under control.

Senators Jim DeMint (R-SC) and Tom Coburn (R-OK) are due much of the credit for this victory. They promised their colleagues a drawn-out fight over every one of the thousands of earmarks in the Senate’s 12 appropriations bills. Unwilling to subject their wasteful spending to such public scrutiny, the Senate leadership withheld nine of the 12 bills from consideration, choosing instead to adopt the temporary expedient of an earmark-free continuing resolution to keep government in operation through the holiday season.

Members of Congress expected to reintroduce the 10 appropriations bills—still loaded with 10,000 earmarks—in early 2007, quickly pass them into law, and move onto new business. But Congress’s new leadership has different ideas.

With a better sense of the electorate’s anger over congressional corruption and profligate spending, incoming Speaker of the House Nancy Pelosi (D-CA) instead plans to extend the money-saving continuing resolution over the entire year and thereby strip all earmarks from this year’s budget. In effect,

and as some fiscal conservatives have urged, Pelosi intends to demonstrate that henceforth the budget of the United States government will be made in the United States Capitol, not in the offices of the several thousand lobbyists who have hijacked the process by selling earmarks to clients.

By canceling these 10,000 or so earmarks, Representative Pelosi strikes a blow against the shadow government of lobbyists who have increased their role in the federal budget process in recent years. By breaking this pernicious pay-to-play link, she restores to Congress an important constitutional prerogative that some Members have recently rented out to others. No longer able to offer clients earmark guarantees, as they have these last few years, lobbyists will find fewer clients willing to pay their steep fees for uncertain results. Indeed, early reports indicate “widespread confusion and anxiety... on K Street,” and one lobbyist described the elimination of all earmarks as “a major, major disappointment.”¹ As lobbyist resources and influence shrink, the will of ordinary citizens will be restored.

Among the spurned beneficiaries of the 10,000 wasteful earmarks that will be purged from the prospective budget are Mormon Cricket and Grasshopper Activities in Utah, the National Wild

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Turkey Federation, the Ohio-Israel Agriculture Initiative, the Toledo Jazz Society, the Polish American Culture Center, the Youth Baseball Partnership with Payne Elementary School of Washington, D.C., and the History Museum of East Otter Tail County, Minnesota.²

Importantly, the new congressional leadership recognizes that a one-year moratorium on earmarks is just the beginning of the difficult process of restoring higher ethical standards to Congress and that much more needs to be done.³ As Senator Robert Byrd (D-WV) and Representative David Obey (D-WI) promised in their joint statement announcing the deletion of the earmarks, “We will work to restore an accountable, above-board, transparent process for funding decisions and put an end to the abuses that have harmed the credibility of Congress.”⁴

Beyond the assault on earmarks, the proposed year-long continuing resolution could shave \$7 billion from discretionary spending increases written into the budget resolution, plus another \$14 billion in questionable “emergency” spending that been added to the Senate’s appropriations bills.⁵ It remains to be seen whether Congress will actually keep the continuing resolution “clean” and thus \$7 billion below the budget resolution’s discretionary spending level. (Congress rarely leaves spending authority on the table.) Also in question is whether the “emergency” spending, including billions for farm subsidies and NASA, will reappear in emergency spending bills in early 2007. Responsible lawmakers should closely monitor the continuing resolution and all subsequent spending legislation.

Predictably, the prospect of a one-year spending freeze has been met with “sky-is-falling” rhetoric from federal managers. Yet these non-security discretionary spending programs are already 41 percent larger than they were in 2001, and can clearly stand one year without another increase. In fact, a recent online poll by the *Federal Times*—a newspaper targeted to federal employees—found that 43 percent of respondents believed their agency could cut more than 10 percent of its budget by reducing inefficiencies without reducing performance.⁶ Nonetheless, one federal department’s budget director recently spoke at a conference reportedly to teach federal managers how to declare budget crises, manipulate lawmakers, and conceal budget information, all in hopes of securing larger budget increases.⁷ Lawmakers should be wary of dire claims from agency officials.

Despite concerns about insufficient budgets due to a restrictive continuing resolution, the lack of earmarks will give agencies more flexibility to distribute federal grants by merit rather than by the fiat of individual Members of Congress and lobbyists. Consequently, many agencies with frozen or even reduced budgets will have even more funding than last year because none of their budgets will have been carved out for pork.

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1. Emily Pierce and Kate Ackley, “Byrd-Obey Approps Move Puzzles OMB, Lobbyists,” *Roll Call*, December 14, 2006, at http://www.rollcall.com/issues/1_1/breakingnews/16338-1.html.
2. See Brian Riedl and Michelle Muccio, “Congress Returns to Spending Bills Loaded with Pork,” Heritage WebMemo No. 1256, November 15, 2006, at www.heritage.org/Research/Budget/wm1256.cfm.
3. See a review of recent proposals in Ronald D. Utt, Ph. D., “A Primer on Lobbyists, Earmarks, and Congressional Reform,” Heritage Foundation *Background* No. 1924, April 27, 2006, at www.heritage.org/Research/Budget/bg1924.cfm.
4. Shailagh Murray and Jonathan Weisman, “Democrats Freeze Earmarks for Now,” *The Washington Post*, December 12, 2006, p. A3.
5. The two appropriations bills already enacted came in \$18 billion over budget. The additional \$14 billion would have put Congress \$32 billion over budget. See Brian M. Riedl, “Still Spending: Senate Set to Bust Budget Caps by \$32 Billion,” Heritage Foundation *Webmemo* No. 1222, September 25, 2006, at www.heritage.org/Research/Budget/wm1222.cfm.
6. See *Federal Times* Polls, at <http://www.federaltimes.com/index.php?C=pollview> (December 14, 2006).
7. Daniel Friedman, “Tips for Managers to Avoid Budget Cuts,” *Federal Times*, September 21, 2006, at <http://www.federaltimes.com/index.php?S=2108378>.