

Deficit Soars while Congressional Earmarks Continue Unabated

by Allan C. Brownfeld

Deficit spending is skyrocketing. In December, a report was issued under the auspices of the Peter G. Peterson Foundation, the Pew Charitable Trusts, and the Committee for a Federal Budget, declaring that the U.S. is facing “a debt-driven crisis -- something previously viewed as almost unfathomable in the world's largest economy.”

This past year, the federal government ran a deficit of \$1.4 trillion. In 2009 alone, the public debt grew 31 percent, from \$5.8 trillion to \$7.6 trillion, rising from 41 percent to 53 percent of the gross domestic product (GDP).

The report was prepared by, among others, seven former directors of the White House Office of Management and Budget, two former comptrollers general of the United States, and seven former directors of the Congressional Budget Office, as well as former chairman of the Federal Reserve System Paul Volcker. The report declares that, unless strong remedial steps are taken, the debt is projected to rise to 85 percent of GDP by 2018 and 100 percent four years later. By that time, they argue, the U.S. economy could be in ruins.

Alice Rivlin, formerly a director of both the Congressional Budget Office and the Office of Management and Budget and one of the authors of the report, noted that, “Previously, when we were worried about deficits, we could take comfort in the fact that the debt was not very high relative to the economy. But now the debt has shot up. The cushion is gone. If the same thing (a severe recession) happened again, we wouldn't be able to borrow to deal with it.”

In the face of all of this, however, in the Congress -- among both Democrats and Republicans -- it is very much business as usual. In the last presidential campaign, both Senators Barack Obama and John McCain expressed their opposition to congressional earmarks -- the pet projects members of Congress slip into spending bills that have become a symbol of how Washington works and of its worst excesses. Yet such earmarks remain alive and well in the current Congress.

In December, lawmakers set aside more than \$4 billion in earmarks in the 2010 defense appropriations bill and watered down efforts to curb the practice of targeting spending for programs in members' districts. As usual, many of the top recipients of earmarks in the defense bill were high-ranking appropriators. Senator Daniel Inouye (D-Hawaii) got 37 earmarks totaling \$198.2 million. Senator Thad Cochran (R-Miss.) got 45 totaling \$167 million. On the House side, defense subcommittee chairman John Murtha (D-PA) sponsored 23 earmarks totaling \$76.5 million, while ranking Republican C.W. "Bill" Young got 36 totaling \$83.7 million, according to Taxpayers for Common Sense.

The case of the software firm MobilVox is illustrative. When MobilVox wanted to break into the lucrative world of defense contracting, it expanded operations from its Northern Virginia base in Rep. James Moran's (D-VA) congressional district to Murtha's southwestern Pennsylvania district.

In addition to working with two of the most powerful members of a House subcommittee that controls Pentagon spending, the company hired lobbying firms that employed former top aides of the Democratic lawmakers and Murtha's brother. Company executives and their lobbyists donated thousands of dollars to the two congressmen. Soon, funds began to flow in the other direction.

Between 2003 and 2009, Murtha and Moran helped deliver \$12 million in earmarks to MobilVox. The latest House spending bill, introduced and pushed through by Murtha, includes an additional \$2 million earmark for MobilVox requested by Moran. The Washington Post notes, “MobilVox's success fits a pattern of doing business in Washington that ethics watchdogs deride as a 'pay-to-play' system -- one that

became infamous during Republican years and continues to operate under a Democratic leadership that had promised to change a 'culture of corruption' in Washington.”

In one case, a \$100,000 earmark sponsored by Rep. James E. Clyburn (D-SC), the Democratic whip, to go to the library in Jamestown, South Carolina, ended up going instead to Jamestown, California -- 2,700 miles away and a town that does not even have a library. “That figures for government, doesn’t it,” said Chris Pipkin, who runs the one-room library in Jamestown, South Carolina, and earlier in 2009 requested \$50,000, not the \$100,000 that Congress designated, to buy new computers and build shelves to hold the books strewn across the room.

This library is just one of more than 5,000 earmark projects -- totaling \$3.9 billion -- tucked away inside the catchall spending bill Congress sent to President Obama in December. He signed the \$1.1 trillion bill, which included such earmarks as \$350,000 for the Appalachian Mountain Club to study global warming’s effects on New Hampshire’s White Mountains; \$250,000 to replace bus shelters in Bal Harbour, Florida; and \$200,000 for outreach to and study of elderly Irish immigrants in New York.

Rep. Jeff Flake (R-AZ) went to the floor of the U.S. House of Representatives 48 times last year to offer amendments to strip pork-barrel spending projects from the annual spending bills. Each time he was defeated. Rep. Flake -- and other earmark opponents such as Senators John McCain (R-AZ) and Tom Coburn (R-OK) -- failed to win a single anti-earmark vote in the House and Senate for the fiscal 2010 spending year.

President Obama persuaded lawmakers not to add funding earmarks to the \$787 billion stimulus package that Congress approved early in 2009. Not long after that, however, Congress approved a \$410 billion spending bill full of earmarks. The President avoided a fight by saying that the legislation was a holdover from the previous session of Congress, when Republicans were in control. At the time, he said, the legislation should “mark an end to the old way of doing business.” We will see, as 2010 proceeds, if he is serious about making any real changes.

Recent polls show that the country is evenly divided about President Obama, but state governments are in disrepute and confidence in Congress is at an all-time low. Frank Newport of the Gallup organization noted in his year-end wrap-up, “Americans have less faith in their elected representatives than ever before.” One important reason for this lack of faith is wasteful spending -- epitomized by the culture of earmarks.

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