

# WebMemo



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## President's Budget Vetoes Put Needed Brake on Congressional Spending

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Last fall, Democrats took control of Congress while calling for fiscal responsibility, less pork, and an end to deficit spending—without large tax increases. Rather than keep these promises, they have done the following:<sup>1</sup>

- Enacted \$98 billion in tax increases while also passing a budget resolution that assumes approximately \$2.7 trillion in tax increases over the next decade;
- Increased entitlement spending by \$179 billion over 10 years—barely half of which is paid for;
- Appropriated \$22 billion more for discretionary programs in fiscal year 2008 than President Bush requested, which will cost \$275 billion over 10 years;
- Added more than \$300 billion to deficit spending over the next decade; and
- Repeatedly violated their own ethics reforms, while including 11,351 pork projects in the spending bills.

Due mostly to excessive spending, President Bush has threatened to veto nine of the 12 appropriations bills that have passed the House and six of the seven bills that have passed the Senate. Despite being six weeks into the new fiscal year, Congress has sent only two spending bills—for the Department of Defense and the Departments of Labor, Health and Human Services, Education, and related agencies (labor-HHS-education)—to the President's desk. On November 13, President Bush followed through on his pledge to veto the bloated labor-HHS-education bill.

Discretionary spending has increased by an average of 9 percent annually since 2001 (defense by 11 percent and non-defense programs by 7 percent).<sup>2</sup> Rather than provide yet another large budget increase, Congress should trim pork, waste, and excessive budget increases from the appropriations bills.

**Large Spending Increases.** After President Bush offered a budget that would increase non-war discretionary spending by 6.9 percent, Congress passed a budget resolution providing for a 9.4 percent increase. The difference of \$22 billion for domestic programs would then become part of the permanent baseline for discretionary spending, likely costing approximately \$275 billion over the next decade—or more than \$225 per household annually.

The labor-HHS-education appropriations bill, which funds mainly education spending and health research, has been the main focus of contention. This bill accounts for nearly half of the \$22 billion difference in spending between Congress and the White House. Congressional Democrats have claimed that they are merely replenishing health and education cuts that have occurred under President Bush. In a recent presidential debate, Sen. Hillary Clinton (D-NY) said, “It’s just outrageous that under President Bush,

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the National Institutes of Health have been basically decreased in funding.”<sup>3</sup>

That statement is simply incorrect. According to the Office of Management and Budget, NIH spending has increased from \$17.3 billion in 2001 (when President Bush took office) to \$28.1 billion in 2007.<sup>4</sup> By no standard—nominal dollars, inflation-adjusted dollars, nor percentage of the economy—is that a decrease.

More broadly, claims that education and health programs need large increases to replenish past cuts are not supported by the data. Total discretionary spending on education and health has increased 8.4 percent annually under President Bush—a rate significantly faster than under President Clinton.<sup>5</sup> Now that President Bush has responsibly vetoed this bill, Congress should pare back its large increases. They can start with the bill’s 2,200 earmarks, including the grant for the Thomas Daschle Center for Public Service, named for the former Democratic Senator from South Dakota.<sup>6</sup>

**Pork Trumps Defense.** The labor-HHS-education bill is not the only home for pork. When they captured a majority of seats in Congress, the Democrats pledged to cut the number of pork projects in half from the 2005 peak of 13,492 down to 6,746. According to the Office of Management and Budget, the House spending bills have 6,651 pork projects, and the Senate spending bills have 4,700 pork

projects.<sup>7</sup> If Members of Congress follow the typical practice of adding House and Senate earmarks together in conference committee, they will easily break their pledge.

Two other events stand out. Following the collapse of the I-35W bridge in Minneapolis, Senator Tom Coburn (R–OK) offered an amendment calling on the Senate to place a temporary moratorium on transportation pork projects until all structurally deficient bridges are repaired. Amazingly, the Senate voted 82–14 to give pork projects a higher priority than bridge repairs in the transportation budget.<sup>8</sup>

Also, the Department of Veterans Affairs has proposed selling \$4 billion of valuable but vacant land in West Los Angeles. This \$4 billion could have been used to provide additional medical care for America’s veterans. However, this land is also surrounded by the Beverly Hills estates of wealthy individuals, including Sylvester Stallone, Tom Cruise, Tim McGraw, and Barry Bonds. Reportedly, when locals complained that, among other things, this development would impede the views from their mansions, Senator Dianne Feinstein (D–CA) inserted a provision to cancel the land sale. The Senate voted 66–25 to side with the Beverly Hills millionaires.<sup>9</sup>

Even the defense appropriations bill signed by President Bush was weighed down with thousands of earmarks. And despite Congress passing (with much fanfare) reforms preventing new pork

1. Much of the data in this paper originally appeared in Brian Riedl, “The Democratic Congress’s 2008 Budget: A Tax and Spending Spree,” Heritage Foundation *Backgrounders* No. 2081, October 30, 2007, at [www.heritage.org/Research/Budget/bg2081.cfm](http://www.heritage.org/Research/Budget/bg2081.cfm).
2. Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2008* (Washington, D.C.: U.S. Government Printing Office, 2007), pp. 149–154, Table 8.7, at [www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf](http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf).
3. Democratic presidential debate transcript, Philadelphia, Pennsylvania, October 30, 2007, at [www.msnbc.msn.com/id/21528787](http://www.msnbc.msn.com/id/21528787).
4. The National Institutes of Health 2001 spending level appears in Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2003* (Washington, D.C.: U.S. Government Printing Office, 2002), p. 563, at [www.gpoaccess.gov/usbudget/fy03/pdf/spec.pdf](http://www.gpoaccess.gov/usbudget/fy03/pdf/spec.pdf). The 2007 spending level appears in Office of Management and Budget, *Analytical Perspectives, Supplemental Materials, Budget of the United States Government, Fiscal Year 2008*, p. 54, at [www.whitehouse.gov/omb/budget/fy2008/pdf/ap\\_cd\\_rom/28\\_1.pdf](http://www.whitehouse.gov/omb/budget/fy2008/pdf/ap_cd_rom/28_1.pdf).
5. Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2008* (Washington, D.C.: U.S. Government Printing Office, 2007), pp. 149–154, Table 8.7, at [www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf](http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf).
6. Alex Wayne, “Spending Bill Carries at Least 2,200 Earmarks Totaling \$1 Billion,” *Congressional Quarterly, CQ Today*, November 6, 2007.
7. Office of Management and Budget, “2008 Appropriations Tracking,” at <http://earmarks.omb.gov/by-tracking/summary.html> (October 20, 2007).
8. U.S. Senate, “On the Motion to Table Coburn Amdt. No. 2810,” Vote No. 330, September 11, 2007, at [www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm?congess=110&session=1&vote=00330](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm?congess=110&session=1&vote=00330) (October 20, 2007).

projects from being added in conference committee, they decided to ignore their own reforms and air-drop new pork anyway, such as \$3 million for “The First Tee” program, intended to encourage young people to play golf. This is in a *defense* bill; every dollar for youth golf means one less dollar to protect American troops and equip the military.

While Congress has been busy diverting defense dollars into golf subsidies, they have not yet acted on the President’s request to fund the troops serving in Iraq and Afghanistan (which are funded separately from the regular defense budget). In fact, Senate Democrats killed an attempt by Senator Ted Stevens (R-AK) to add temporary “bridge” funding that would last until next spring.<sup>10</sup> Funding pork instead of the troops,

Congress’s budget priorities are surely out of step with those of the American people.

**Conclusion.** Despite reform pledges, the Democratic Congress has reverted to traditional tax-and-spend budgets. They have repeatedly passed legislation that hikes spending, raises taxes, and increases the budget deficit. They have also watered down promised ethics reforms and have brought back earmarks with a vengeance. President Bush’s veto of the labor-HHS-education bill provides Congress with the opportunity to be more fiscally responsible. Congress should remove the pork projects and offset the spending increases in all appropriations bills.

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9. Kimberly A. Strassel, “Rambo’s View,” *The Wall Street Journal*, September 7, 2007, and U.S. Senate, “On the Motion to Table DeMint Amdt. No. 2686,” Vote No. 312, September 5, 2007, at [www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm.cfm?congress=110&session=1&vote=00312](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=110&session=1&vote=00312) (October 20, 2007).
  10. Nancy Ognanovich, “Democrats Unveil CR, Defense Bills While Preparing Labor-VA Package for Floor,” BNA Daily Report For Executives, November 7, 2007.