

EARMARKS CAN BE DANGEROUS - TO AMERICA'S FISCAL HEALTH

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PINE BLUFFS—According to the conservative think tank, Heritage Foundation, reckless government spending could destroy any chance the country has for a strong economic recovery.

Heritage Foundation president, Edwin J. Feulner, Ph.D understands that the current explosion of wasteful spending isn't a new phenomenon, but he thinks it has greatly expanded under congressional and White House leaders once thought to be conservative and fiscally responsible. Many political pundits believe that irresponsible spending caused some conservative voters to stay away from the polls in November 2006, thus helping liberal extremists like Representative Nancy Pelosi (D-CA) and her sidekick, Representative Steny Hoyer (D-MD) to take control of the U.S. House of Representatives. It's hard to fault that assessment.

And conservatives may do the same thing in 2008. If we do, watch out! If you thought spending was bad in a Republican Congress – one that at least appeared conservative going in – just think what will happen with tax and spend liberals calling the shots.

Since the Democrats gained control of Congress, they have wasted billions on special interest “pork barrel” projects paid for with our tax dollars – to the tune of approximately \$17 billion in 2008 so far. “That’s \$17 billion that could have been spent to bail out Medicare and Social Security, or to secure the borders [and seaports], and win the War on Terrorism,” Feulner says.

Congressional lawmakers have been allowed to slip their “earmarks” – voters

have been onto pork barreling for a long time, so Congress gave it a different name - into the federal budget anonymously, so they don't have to take responsibility for pork spending. And numerous projects are approved by "voice votes" in those hallowed halls; now lawmakers need not go on record supporting lavish spending – even when they *do* support lavish spending.

And thanks to a combination of waste, fraud, and incompetence, the federal government will spend over \$25 thousand per household this year – up more than \$4 thousand since 2001.

All that spending is funded by borrowed money. This year, the budget deficit could hit \$400 billion, with our national debt soaring to \$9 trillion.

"That this runaway spending has occurred under a conservative president, while conservatives were still in control of Congress, is proof," Feulner asserts, "that even the most principled leaders in Washington, D.C. face intense pressure from powerful special interests to spend taxpayers money on their pet projects." Just look at these two as examples:

- \$4.8 million for wood utilization research. Since 1985, taxpayers have been billed \$90 million for this research.
- \$3 million for shrimp aquaculture research. Again, since 1985, taxpayers have dished out about \$70 million for research into a little shellfish.

And now that liberals are in the driver's seat, the pressure to spend our tax dollars – and politician's willingness to do it, will only increase.

However, there's been *some* good news from Congress lately. Apparently fed up with these shenanigans, the House Republican caucus recently called for an immediate end to pork-barrel earmarks as a first step towards spending reform, and President Bush

sent a memo to all Cabinet agencies instructing them “to ignore earmarks originating in Congress that were not voted on by the full Congress.” Too little, too late? We’ll see.

But this stuff won’t change after Election Day 2008 if either Barack Hussein (America is a wonderful country; help me change it) Obama or Hillary Rodham (I can’t recall) Clinton are elected. In fact, on Face the Nation (Sunday 5/25/08), Howard Wolfson, a Clinton camp representative, in response to a question, either misspoke, suspended his thinking for a cloudy moment, or in an appeal to Clinton supporters after Obama wins the Democrat nomination next month, said: “There’s really very little difference between Hillary Clinton and Barack Obama.”

Too true. Both are tax and spend liberals who, it seems, have a love affair with European-style Socialism. Their grandiose plans will increase – not decrease – the size and power of the federal government and its ability to tax and tax, spend and spend.

It’s a basic tenet of liberal economics that high taxes are good for America because they mean more government spending and greater benefits for society. This view has been repeatedly debunked, yet leftist economists persist with ever more creative justifications for penalizing hard work and investment. “In recent years,” reports Heritage Foundation economist J.D. Foster, “some [higher tax] advocates have shifted to arguing that higher taxes are benign with respect to the economy and, in some circumstances, can actually enhance economic performance.” That’s right: *they believe higher taxes can improve the economy*. “This is nonsense,” Foster writes of this left-wing tripe. In fact, “clear and compelling evidence shows that higher taxes reduce economic output.” Furthermore, “the modern historical record strongly suggests a clear and robust relationship between lower taxes and higher economic output.”

Actually, the only theoretical upside to higher taxes—deficit reduction that leads

to reduced interest rates —“is superficially appealing” yet ultimately “threadbare.” This is because the substantial downsides to the tax increases on the table —“potentially significant losses in both business investment and labor supply”— greatly outweigh the modest purported benefits. “As a first priority,” Foster concludes, “federal, state, and local policymakers should eschew tax increases. As the tax burden in the United States continues to rise, policymakers at all levels of government should pursue tax relief to preserve and enhance a strong economy.”

To “preserve and enhance a strong economy” may have been the thought behind the recent tax rebate scheme, whereby congressional Democrats advocated giving \$1,200 to each American family. Of course, like the rest of us, I like the idea of receiving that windfall, and I certainly won’t refuse it. However, at best that’s a short-term solution of doubtful merit as a means to stimulate a moderately troubled economy; tax rate cuts would have been a far better option. As a tactic to garner votes however, the rebate thing *does* have great political appeal. It remains to be seen whether recipients of this government windfall will spend that money, use it to retire debt, or sock it away in the bank.

Now it’s more important than ever for conservatives to examine the fiscal records of the candidates running for Congress from their home state, and for the presidency too, this year. We can’t afford to make the mistake of voting for those who ignore our pleas for responsible fiscal management, spending within our means, and an end to frivolous pork projects.

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