

**DEPARTMENT OF POLITICAL SCIENCE
AND
INTERNATIONAL RELATIONS**

Posc 105

THE BUDGET AND CONGRESS

I. THIS MORNING:

- A. Background to current budget situation
 - 1. This discussion shows the strengths and weaknesses of interest-group politics (pluralism)
 - 2. It's related to how congress operates
- B. Generalizations about congress

II. BACKGROUND:

- A. Based on notes from last week
- B. 1945-1970 era of growth and prosperity
 - 1. Example: growth in **real** wages.
- C. The good old system:
 - 1. The budget process was best described by the term “**disjointed incrementalism**”
- D. Federal programs were “paid” for by tapping into economic growth, not by **redistribution**.
- E. The collapse of the old system
 - 1. War on Vietnam but “no new taxes”
 - 2. The “Great Society”: an huge expansion of general welfare policy
 - 3. Oil and food shocks
 - 4. Growth of international competition
 - 5. FED and interest rate rises
 - 6. Reagan and supply-side economics
 - 7. “The consequences: inflation and high unemployment = “stagflation”
 - a. Soaring budget deficits
- F. Changes in the composition of the budget
 - 1. For a very easy to understand reference on the federal budget go to “Citizen's Guide to the Budget” at:
http://www.access.gpo.gov/su_docs/budget99/guide/guide.html
 - 2. The usual way of looking at the budget can be misleading.
 - 3. Spending by function and agency does not reveal the total picture.
 - a. Look at the images and texts on the class web page.
 - (1) Also look at the graphs in the “Political Economy” readings on the web site.
 - 4. Growth in **entitlements** and **mandatory** spending:

- a. Transfer programs such as Social Security, federal retirements, veterans benefits
 - (1) Before 1996, Aid to Families With Dependent Children (AFDC); it no longer is because Congress and the president changed the law.
 - (2) Recipients or beneficiaries are **entitled** to benefits if they meet eligibility requirements.
 - b. Interest on the debt.
 - c. Congress does not annually appropriate money for them in the usual fashion.
 - d. Costs go up with inflation, changes in demographics, state of the economy, etc.
 - e. Means-tested and non-means tested entitlements
 - f. Hence, spending on entitlements is called relatively **mandatory** or **uncontrollable**.
- G. Major point: since the early 1970s spending on entitlements has increased by leaps and bounds.
- 1. Contrary to popular belief, spending on **discretionary** programs has remained more or less steady; in fact, for many categories it has decreased.
 - 2. Greatest growth has been in entitlement spending
- H. The first major roll back: the welfare-reform act of 1996 “deficit” spending in a recession.

III. BUDGET REFORM:

- A. Budget and deficit reform efforts
 - 1. Budget Act
 - 2. Gramm-Rudman-Hollings
 - 3. George Bush’s “No New Taxes”
 - 4. The Clinton budget plan of 1993
- B. Why “reform” has been so slow in coming: pluralism

IV. CONGRESS IN THEORY AND PRACTICE:

- A. Generalizations:
 - 1. Congress’ capacity to deal with national problems, formulate solutions, and be accountable for their results is very limited.
 - 2. Expectations and demands on Congress exacerbate the situation further.
 - 3. So, too, does its structure.
 - a. Committees, subcommittees, chairs, staff
- B. What do we want Congress to do? Functions:
 - 1. Legislative: law making
 - 2. Representation of geographical and other interests
 - a. Case work: constituency service and the “permanent campaign”
 - b. These are the keys to reelection, not necessarily statesmanship.

3. Administrative oversight
4. Advise and consent
 - a. A power of the senate
 - b. Examples: Supreme Court nominees, approval of cabinet officers, treaties.
5. Investigative (e.g., Thompson committee on campaign finance as illustrated in the film.)
6. Judicial: impeachment
- C. Congressional leadership
 1. See Patterson, *We the People*, pages 342 to 343.
 2. Power is based largely on “trust” (page 344), personal skill, and loyalty (e.g., Gingrich).

V. GENERALIZATIONS:

- A. Legislators have so many responsibilities and are pulled in some many directions that they have relatively little time for deliberation.
 1. Congress is seldom a forum for discussion and debate about national issues and priorities.
- B. Congress’ fragmented power structure, the importance of constituency services, separate constituencies, political independence all diminish accountability and capacity.
 1. Members behave exactly as one would expect political entrepreneurs to act: they assert their independence, attempt to protect and expand their bases of support, bargain for specific benefits rather than rigidly adhere to a party line, listen to those who are most helpful in winning reelection, and the like.
 2. Congressional decision making involves a labyrinth of rules and procedures that help members “hide” from responsibility.
- C. On the other hand, congressional organization and procedures enhance (strong) group influence.
- D. Congress deals mainly with “middle-level” (branch, twig, symbolic, group, and regional) issues.
 1. It does not debate or deliberate about “grand” strategies or policies.
 2. Frequently, if not mostly, it enacts policies in a disjointed fashion.
- E. The only meaningful reforms are those that strengthen party discipline. Until that is done, the system will continue to misfire and accountability remain elusive.
- F. Congress seldom breaks really new ground. It often acts only **after** the public has been “sold” on a policy.

VI. NEXT TIME:

- A. The Congress and presidency
- B. Reading:
 1. Patterson, *We the People*, Chapter 11.

- a. Be aware of the committee system material.
- b. I especially like the section on pages 362 to 363, especially since it agrees with my position about pluralism and the potential conflict between serving constituencies and the nation.