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Jeb Hensarling: The GOP's Most Powerful Nobody

The Dallas Congressman is a rising leader among congressional Republicans and a voice of fiscal conservatism. But with spendthrift Democrats running Washington, does he even matter?

By Joseph Guinto
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His office window tops out just above the sidewalk, sinking down from there, several feet below street level. It lets in only a hazy light, never really bright, not exactly dark. Wingtips, kitten heels, and sneakers pass by above—Capitol Hill's mix of tourists and public servants walking past, on their way to or from the nearby subway, which shakes the office every few minutes as it passes underneath.

His desk is angled into the corner. In the past seven years, he has sat at his desk a lot, taking phone calls from Republican party leaders—his party's leaders. He has listened as they told him he needs to be a "team player," that his vote mattered, that it would be critical to the party, or that "the president wants your support." And in those moments, after he'd hung up, he'd place an 8-by-10 photo of Claire, 7, and Travis, 6—his daughter and son—flat on his desk, look at it in that hazy light, the desk rattling, and he'd ask himself: is making my party leaders happy worth the price this legislation will impose on my children?

There were times that Rep. Jeb Hensarling's answer was no. Important times. The biggest was in October 2008, on the \$700 billion economic stimulus bill that his party leaders; his president, George W. Bush; and his party's presidential nominee, John McCain, wanted. But Hensarling—for himself, for his kids—believed a yes vote would lead the country on "a slippery slope to socialism." And so, risking alienation from the party leaders who had seemed ready to hand him more power, the four-term Republican from Texas' 5th District voted "nay" to the government's biggest intervention in the economy since the New Deal.

Jeb Hensarling's decisions have gotten a lot easier since then. His party is out of power. Way out. His president is back in Texas, living just miles from Hensarling's own Dallas home. John McCain was routed by Barack Obama and now works not from the White House but from a Capitol Hill office just blocks from Hensarling's. (Still, McCain's office is aboveground.) Plus, many of Hensarling's Republican colleagues in the House of Representatives have been sent back to their districts to practice law or medicine or car repair or whatever. But Jeb Hensarling is still there, still working in murky light in a shaky office (his current quarters are a few doors down from his Bush-era office). And when the phone rings now, it isn't Karl Rove or Dick Cheney calling him to the woodshed; it's CNBC or the Wall Street Journal asking for his opinion on the latest Democratic proposal to send billions to the auto industry or to re-regulate banks or change health care or, well, whatever. Because now, Jeb Hensarling has emerged as one of the most listened-to members of a political party that has been bereft of a voice since November 4, 2008. And with Democrats in command, he hardly needs to look at that picture of Claire and Travis anymore, because he is hardly ever torn about how to vote anymore.

His vote no longer matters. Not really.

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Chickens stink. Jeb Hensarling knows this well. His father, and his father's father before him, was in the poultry business. So, Jeb, too, was in the poultry business, more or less, from the moment he came into the world, into Stephenville, Texas, to be specific, on May 29, 1957.

He did not particularly like it, chicken farming. But pretty much from the time the family moved to College Station when he was 6, Jeb was cleaning up after chickens. And also collecting eggs and vaccinating the chicks and sending the birds to their doom and everything else a poultry professional does. Then, one day, while a student at Texas A&M Consolidated High School, he got out of the business. "As soon as I got my driver's license," Hensarling

says, speaking from a couch in his Capitol Hill office, "I put the poultry farm in my rearview mirror. Really, there's not much you could do with chickens that's legal that I hadn't already done. And even today I look at eating fried chicken as a form of revenge."

He smiles. It's a crooked grin. The poultry business may have been unpleasant, but his involvement in it was critical to his political career, to making Jeb Hensarling a man the Dallas Morning News has called "a rising congressional star." Because without those stinking birds, Hensarling might not have gotten interested in politics in the first place, much less gotten elected to Congress.

"My dad was president of the Texas Poultry Federation," Hensarling recalls. "And once a year, the president of the federation got to go to Austin and have a three-minute photo op with the governor. So my dad, I remember, brought in a huge, big, cast-iron skillet with ostrich eggs for the photo op. I got to meet then Governor John Connally, and I thought, 'Wow, being governor is probably a pretty cool job.' That was my first introduction to politics."

That was 1968. He was in the third grade then. The national debt was \$368 billion, a number he could hardly have comprehended. Today the debt is \$11.8 trillion, and none of us can really comprehend that. "Few things frighten me today as much as the amount of debt that we are placing on our children and grandchildren," says Hensarling, who has a degree in economics from Texas A&M and a framed National Review article on his reception wall that calls him "Rep. Budget Reform." "Doing something about the mounting debt is one of the driving factors in my life. I have spent most of my congressional career trying to warn about this peril and trying to offer reform to the spending system in Washington."

That's why Hensarling is so concerned about the \$700 billion bailout—which, the way he and the nonpartisan Congressional Budget Office figures it, is actually a \$1.1 trillion plan, once you consider the interest payments on that \$700 billion, all of which will have to be borrowed. He doesn't like all that borrowing, doesn't like it that his Claire and Travis and all the kids like them will have to pay that money back to "the Chinese, whom we're borrowing that money from."

To be fair, the Chinese hardly own all of our debt. And government debt is both an asset and a liability. If you own a U.S. Treasury security, you have the asset. The government has a liability to you, but you're the one who'll profit from the interest Uncle Sam will—well, ideally—someday pay. And it is a distinct possibility that you are not Chinese. Still, the debt is rocketing, and excessive debt is, as any economist, including Jeb Hensarling, will tell you, a serious danger to the nation.

But we're getting ahead of ourselves. First, back to his story.

There was something else that got young Jeb Hensarling into politics. Something besides the governor and the ostrich eggs. His grandfather on his mother's side became justice of the peace in Milam County, Texas, after retiring at 65 from a career that included stints as a cowboy, a truck driver, and, finally, an oilman—or, at least, a distributor for Magnolia Oil Company. "When we'd visit, I got to spend a lot of time hanging around the Milam County courthouse listening to all the tales of political intrigue in Cameron, Texas," Hensarling says from his office couch. The couch sits in a clouded corner, diagonally across the room from the angled desk. On the floor in between there's a large carpet bearing the state seal of Texas. "I really enjoyed the local politics in Cameron," he continues. "Now, how that all brought me to Congress beats the heck out of me. Maybe if Dr. Phil were here, he could figure it out."

Doubtful. But another Phil probably could: Phil Gramm, the longtime senator from Texas. He was one of Hensarling's professors during his undergraduate studies at Texas A&M, where he majored in economics. Gramm taught Hensarling about much more than just the Phillips Curve and the Law of Diminishing Marginal Utility. He taught him—though not intentionally—what it meant to be a Republican. "My grandparents were all Democrats," Hensarling says. "But my parents were Republicans. I liked to joke that we were one of 70 families in Texas that voted for Barry Goldwater in 1964. And I still remember that my mom cried for three days after he lost. Until I ran for office, she never worked on another political campaign."

"But even though I had grown up as a Republican, I didn't know why I was a Republican until I studied economics. I suddenly saw how free-market economics provided the maximum good to the maximum number, and I became convinced that if I had an opportunity, I'd like to serve in public office and further the cause of the free market as a Republican."

Gramm was apparently thinking the same thing. He ran for Congress in Hensarling's junior year, 1978. He won. The same, however, cannot be said for Hensarling. He ran for student body president that year and lost. "I came in second in a two-man race," Hensarling says. His victorious opponent, Bobby Tucker, recalls that the race was very close and "very aggressive." The two lost touch after college, but Tucker, now an associate pastor at Antioch Baptist Church in Conway, Arkansas, has followed Hensarling's career and says his old foe doesn't appear to have changed much. "I admire his consistency," Tucker says. "He is just as serious and dedicated now as he was then. And the convictions he fought for then are the same as they are now. Jeb was born to be a politician, but more importantly a public servant."

Losing was probably a good thing in retrospect. It gave Hensarling plenty of time to go work as a summer intern in Washington for the newly elected Gramm in 1980. "I stayed in an un-air-conditioned dorm room at Georgetown University," Hensarling says, shifting on his couch as if he recalls the discomfort of Washington's brutal summer humidity. "I filed. I answered phones. I thought I was going to write legislation. But I had to wait another 30 years for that."

After graduating from Texas A&M in 1979, Hensarling turned down a full-time job in Gramm's office to get his law degree from the University of Texas, then spent two years practicing law—corporate work, mostly—in San Antonio. "I loved the paychecks but hated the work," he recalls. So Hensarling rejoined Gramm, now a senator, in 1985, as Gramm's Dallas-based state director. In 1990 he ran Gramm's re-election campaign, then moved to Washington to serve as executive director of the National Republican Senatorial Committee, chaired by Gramm. The job largely involved fundraising

and drumming up support for Republican candidates, which proved good practice when Hensarling decided to leave Gramm's staff again, this time to pursue work in the corporate world, where he'd remain until Pete Sessions' 5th District seat opened.

Hensarling went to work for companies associated with Dallas billionaire and longtime Gramm supporter Sam Wyly. That included time at the ecofriendly Green Mountain Energy and a three-year stint at Maverick Capital, a hedge fund founded by Wyly. Hensarling's job was to raise cash from institutional investors, which was not entirely new to him, since he'd raised funds for Gramm and for other Senate Republicans. But he was by no means a hedge fund expert. "He was kind of learning on the job," says Rob Snyder, the chairman of Dallas-based Stream Energy whose family was one of the first investors Hensarling worked with at Maverick. "But he had such a good intellect that it wasn't a problem for him."

Snyder says he found Hensarling to be a "very principled guy, very straightforward." Besides that, Snyder says, "Jeb is the type of guy who'd be a good travel companion if you were taking a cross-country tour in a convertible Cadillac."

"I just have to realize that, when you're this deep in the minority, you're not going to legislate your way back into the majority. You're going to communicate your way back into the majority," Hensarling says.

Rep. Barney Frank enters the hearing room belly first. Dog-eared papers are stuffed under his arm as he shuffles awkwardly behind the chairs of several other lawmakers who have been waiting for him to arrive. This is the House Financial Services Committee, and Frank, the Democrat from Massachusetts, is the boss. Today, sitting immediately to the boss's right, is Jeb Hensarling. The hearing room cascades down in front of them, with dozens of committee members seated in several tiered rows. At the bottom, photographers crouch on the floor, jammed almost right up against Timothy Geithner, the U.S. Treasury secretary. He is here today to testify about how a new consumer credit protection agency would be structured. The agency may one day regulate, and possibly preapprove, all the types of "financial instruments"—credit cards, mortgages, car loans, etc.—that banks offer us regular folks. Geithner, one of President Obama's most important cabinet members, thinks the agency is a good idea. And Barney Frank wants it. A lot.

The very idea of the agency, and of the new layer of regulation it would bring, makes Hensarling cringe. But guess what? Democrats consider it a priority, so Congress will create the agency anyway.

Even so, Hensarling mounts an argument to limit the agency's scope, if nothing else. "This recession wasn't created by a lack of regulation," Hensarling tells Geithner during the five minutes he's allotted. Five minutes. That's it. Hensarling is the top Republican on the Financial Institution subcommittee, and the No. 2 Republican on the very powerful budget committee, and he's also the only member of Congress, and one of two Republicans, on a five-person congressional panel set up to oversee the \$700 billion economic bailout package—that same package he voted against last October. And yet the most he will get out of the Obama administration's top economic official is five minutes. And he'll get those five minutes only when Barney Frank wants to schedule a hearing. Such is life in the minority.

"The Democrats have such great numbers that they don't really need to negotiate with Republicans," Hensarling says. "And, of course, that's frustrating. But I can't stay frustrated all the time. I just have to realize that, when you're this deep in the minority, you're not going to legislate your way back into the majority. You're going to communicate your way back into the majority."

Which is why, halfway through a three-hour hearing, Hensarling leaves his seat, walks through a crowded staff lounge behind the hearing room, and steps into the corridor outside 2128 Rayburn. There, a CNBC cameraman is waiting to put Hensarling on the network's Power Lunch show live. It is his third national TV interview this week, and his second on CNBC. "I like having Hensarling on because he knows his subject matter—really knows it and can really communicate it well," says one CNBC on-air personality. "And he's also able to debate the issues in a civil tone, which is good on our air."

Indeed, though he has been mocked on The Daily Show for suggesting that the government also adopt a "Cash for Cluckers" program—chickens!—to go along with the Cash for Clunkers plan, Hensarling has stuck to the issues when criticizing his Democratic opponents. Sure, he has said he believes the country is teetering on the brink of destroying the free market in favor of "European-style socialism." ("If the people in my district wanted to live in France, they would have moved to France," he said.) But he hasn't been going around calling the president a Nazi who was born in Kenya. Which is, well, something. "For a right-wing, very conservative Republican, Hensarling seems pretty reasonable," says one Democratic staffer who works for a congressman on the Financial Services Committee and who, not surprisingly, asked not to be named.

Hensarling seems pretty reasonable today on Power Lunch as well. So, too, does his debate opponent, Rep. Brad Sherman, a California Democrat who sits one tier down from Hensarling on the Financial Services Committee. Their segment lasts nearly 10 minutes, twice as much time as he got with Geithner. In it, Hensarling peppers his points with the words "systemic," "exigent," and "perpetuity." He will almost certainly regret uttering all three.

Because here's the challenge: if you can't legislate—and the Republicans really, really can't legislate, at least until after the 2010 midterm elections—then you must communicate, and you must communicate in terms that everyone can understand. Otherwise, Republicans have no chance to connect with an electorate that bounced so many GOPers out of Washington in both 2006 and 2008. And, in Hensarling's case, the subject matter he's communicating about isn't as simple as, say, God and country (although he clearly favors both, having backed anti-flag-burning measures and backed marriage specifically "between a man and a woman"). No, in his case, the subject matter is \$11.8 trillion in federal debt, a federal budget system based on earmarks, a multibillion dollar bailout of the automotive industry, or the \$700 billion Troubled Asset Relief Program, aka, TARP, and so forth and so on, all the way down into a rabbit hole that only someone with an economics degree could find his way out of. How do you make any of that fathomable to your average insurance salesman in Lakewood or a chicken farmer near Palestine, Texas? "You just put these things in terms that everyone can understand," Hensarling says. "What is TARP? TARP is a \$700 billion revolving bailout slush fund. What TARP was designed to do is different from what it did is different from what it does. But now it is a \$700 billion slush fund for the administration to advance their social and

political agenda. Period. Paragraph.”

Barney Frank would certainly choose to “insert text”—very, very contradictory text—somewhere before that period or after that paragraph. But you get the point: keep it simple.

“Hensarling’s communication skills are very good,” says David Johnson, a Republican pollster and strategist and CEO of Atlanta PR firm Strategic Vision. “He can talk about complex issues but make it so the person on the street can understand what he’s talking about.”

A half hour before the Geithner hearing and the CNBC interview, in the lobby of Rep. Jeb Hensarling’s office, two young interns are discussing *Charlie Wilson’s War*, the Tom Hanks movie about a foul-mouthed, whiskey-swilling, womanizing Texas congressman. “It would be totally interesting to work for someone like Charlie Wilson,” says one of the interns (a guy). “Well, maybe,” demurs the other intern (a girl).

The phone rings. Someone is on the line and would like to give his opinion to the congressman. Said opinion takes one of the interns 10 minutes to type into a database. She explains, “No, I’m sorry, the congressman is not available to talk right now.” That’s true, because Hensarling is about to leave for the hearing, which is titled “Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals, Part Two.”

Totally interesting? Not in the least. Charlie Wilson (or at least Tom Hanks’ version of Wilson) had black ops, busty aides, and booze behind every cabinet door in his office. Hensarling has that framed “Rep. Budget Reform” article on his wall.

You play to your strengths. Wilson’s expertise was shoulder-launched anti-aircraft missiles. Hensarling’s is earmarks, those expensive little additions to legislation that funnel federal money into, say, an HVAC system in Manhattan or maybe bridges in Dallas. “I have people saying to me all the time, ‘Why are we debating this earmark?’” Hensarling says. “It’s only a half a million, \$2 million, \$3 million. We ought to be trying to talk about the real money.’ But it is real money, and if you don’t have the fiscal discipline to take care of the pennies and the nickels, you’ll never have the discipline to take care of the dollars.”

It’s this zeal for the minutiae (if millions of dollars can be considered as such) that has made Hensarling a good heir to Gramm, who espoused fiscal conservatism. Now, as they say, the student has become the master. “Jeb is probably the strongest spokesman for fiscal restraint in the country today,” Gramm says of his protégé. “He has become a national leader, and especially a leader on trying to control spending and reduce the deficit. If there’s ever been a time that we need a leader on that, it is now.”

Earning that reputation didn’t come easy for Hensarling. He cut his congressional teeth pushing his Republican colleagues to okay a cost-containment mechanism in a prescription drug benefit for Medicare. The bill and the cost cap passed by one vote.

In that case, the White House was onboard. But in other cases, Hensarling’s distaste for what he considered wasteful spending programs put him at odds with the Republican powers that be. Or, that is, powers that were. From his first year in office, Hensarling was concerned that his party was abandoning its roots by spending more money than the nation could afford. The leadership, of course, didn’t always agree. “I have had tussles with my party leadership,” says Hensarling, back on his office couch after the hearing with Frank, his legs carefully crossed so as not to disturb the crease on his navy blue suit trousers. “And, frankly, that’s about the most unpleasant thing that has happened to me in Congress. It is not nice to be called into the woodshed in the speaker’s office. It is not a lot of fun to be called into the woodshed in the White House. Actually, I think I was called over to the White House more often for woodshed purposes than other purposes.

“But I couldn’t look myself in the mirror and say I voted against my principles just because my party members told me to do it.”

Don’t be confused. Jeb Hensarling did not go to the woodshed because he voted in favor of, say, federal funding for embryonic stem cell research or taxpayer funding for partial-birth abortion. Because he most certainly did not. Indeed, The National Journal, in its latest vote rankings, scored Hensarling as tying with two others for the most conservative member of the House.

That voting record was one of the reasons he was elected, in 2006, to head the Republican Study Committee, a 100-member group representing the most conservative Republicans in Congress. Hensarling did not seek re-appointment to that group in this session of Congress. He also backed away this year from a run at Republican Conference chairman, the No. 3 leadership position among House Republicans. That job, instead, went to Rep. Mike Pence of Indiana, whom Hensarling describes as “a dear friend.” House Minority Leader John Boehner of Ohio reportedly pushed Pence’s conference chairmanship.

Boehner was majority leader when Republicans lost the House to Democrats in 2006, and his hold on power is seen by many Hill watchers as tenuous. Indeed, there are some who expect him to be replaced by Hensarling ally Eric Cantor of Virginia after the 2010 elections. That would clear the way for Hensarling to rise as high as the No. 2 job of minority whip.

Yes, national politics can sound a lot like high school. Either way, Hensarling—who has also been mentioned as a potential 2012 U.S. Senate candidate—looks poised to grab more power in his party.

“But I couldn’t look myself in the mirror and say I voted against my principles just because my party members told me to do it.”

“Hensarling is an up-and-comer,” says Johnson, the Republican strategist. “He’s definitely one of the future leaders. He’s got a lot of support among traditional conservatives who feel like no one is speaking for the party right now. And that’s helpful, because if he has to run toward the middle at times, he’s earned the trust of conservatives, so they’ll allow him to do that.”

For his part, Hensarling is coy about what title, if any, he'd like to add to his résumé next. He interviews himself thusly: "Am I thinking about what I'm going to do in the next two or three congresses, assuming the people of the 5th District choose to renew my contract? No. I don't spend a lot of time thinking about that. But I am looking for ways to advance the cause, so we'll see what comes." And what if what comes is a shot at a House leadership position or maybe a Senate run? "I just don't precisely know what the future holds for me," he says. "I don't say no right now. I don't say yes."

And so what? Really, so what if he says yes or says no or says "exigent"? So what if USA Today, which called him "the face of the Republican mutiny against the \$750 billion federal bailout plan," also mistakenly said he had a "mop of black hair," when clearly he doesn't have a mop head but rather helmet hair that makes him look like a vintage Lego man? What difference does any of it make? Democrats outnumber Republicans in the House 256 to 178. With those numbers, Republicans not only have no hope of getting any major legislation passed, they have virtually no chance of getting a bill introduced. So why even bother sitting in those hearing rooms for hours at a time?

"The Democrats have such great numbers that they set the agenda," Hensarling says. "I understand that. But I also wake up every morning and I look at what the Democrats in Congress are attempting to do to my country, and I find it very, very disconcerting. So you have two choices: wake up, curl up in the fetal position, and cry, or get out of bed, put a smile on your face, and, as Margaret Thatcher used to say, first go out and win the debate and then win the vote. That's what I'm trying to do, and that's what I think we're going to do."

But, are they? Hensarling shakes his head—his hair remaining securely in place—and squints. "Yeah," he says, sounding uncertain. "To some extent, we're having an impact on the national debate. The national energy tax in Senate might not happen. The health care plan slowed." And what about the consumer credit protection agency? Can Hensarling change the shape of it, or will Barney Frank have his way? "Well, I hope and believe that we'll have some impact on that as well."

There's always hope.

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