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Will Republicans Tank Trump's Spending Cuts?

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Fiscal Policy: President Trump hasn't released a detailed budget plan yet, but already some Republicans are signaling their disinterest in making deep cuts to federal spending. The biggest obstacle to the conservative parts of Trump's agenda could be his own party.

Trump hasn't been shy about wanting to see big changes in federal spending. Shortly before taking the oath of office, news came out that he is aiming for 10% spending cuts and a 20% cut in federal staffing.

On his first full day in the White House, he announced a halt to hiring federal workers and a freeze on pay raises. Top advisor Kellyanne Conway said over the weekend that Trump plans to convert the giant, out-of-control Medicaid program into block grants.

Trump's actual budget plan is still more than a month away, but talk of spending cuts has already started to raise alarm bells. Not from Democrats who can be counted on to fight every spending cut — outside of Defense — but from supposedly fiscally conservative Republicans.

As The Hill notes, Trump "may be headed into a big fight with Republican lawmakers with his plans for dramatic cuts to federal spending."

It quotes a number of top Republicans warning the newly elected Republican president against cutting programs big and small.

Sen. Orrin Hatch says that shuttering the highly politicized Legal Services Corp. isn't worth the fight. Sen. Lisa Murkowski doesn't want any cuts to the federal government's "essential air service program." Missouri Republicans say they'll fight to protect a federal catfish inspection program.

These are all nickel-and-dime programs. But the early resistance to getting rid of even these piddly programs is emblematic of the larger problem — Republicans talk a good game on spending cuts, but tend to wilt once actual spending cuts get proposed.

It's worth pointing out that the last time Republicans controlled the White House and Congress during President Bush's first six years in office, there was an explosion in federal spending.

When Bush issued his first budget in 2001, he proposed holding overall spending growth to an average 3.5% in his first five years. Actual spending shot up 7%.

True, Bush was fighting a war on terror, but spending on domestic programs increased almost as fast as military spending during those years.

"Even after excluding spending on defense and homeland security, Bush is still the biggest-spending president in 30 years," noted the Cato Institute at the time.

Trump's Medicaid block grant proposal is in for a similar internecine battle, this time with Republican governors who want to defend ObamaCare's Medicaid expansion.

ObamaCare offered to pay all the costs of this expansion for the first few years, going down to 90% after a few years. Despite the fact that Medicaid is already swamping state budgets, more than a dozen GOP governors couldn't resist the "free" money.

Now they're whining about the possibility that block grants could force them to get their own Medicaid spending under control.

"Republican governors are more cautious about turning Medicaid into a block grant program that would send a fixed amount of federal funds to the states," notes CNN.

Just what we need. Republican governors defending the welfare state.

It's not clear what Trump's plans are for overall federal spending. He's talked about a massive new infrastructure plan, wants to build a wall on the Mexico border, and plans to spend more on the military. Trump has also ruled out money-saving reforms of Medicare and Social Security, the two biggest drivers of federal spending. Trump could end up vastly expanding the size of government, even while cutting deeply into some areas of it.

But to the extent that Trump does want a smaller federal government, the GOP would be well advised not to kill the effort by circling the wagons around even the smallest and most useless federal programs.