



One-party rule doesn't rein in spending

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What does the brave new world of “unified government” portend? Thanks to the surprise victory of Donald Trump, the Republicans now control the White House, the Senate and the House of Representatives, and the new president may have the opportunity to appoint as many as four Supreme Court justices.

Will the party use its power to achieve its agenda of curtailing what it considers runaway government spending?

Unlikely. History suggests that whenever a single party grabs control of both the executive and the legislative branches, things go awry. While conventional wisdom holds that gridlock has frustrated attempts to rein in excessive spending, precisely the opposite may hold true.

The best account of this counterintuitive finding comes from the work of the late economist William Niskanen, long a fixture at the venerable Cato Institute and the onetime chair of Ronald Reagan’s Council of Economic Advisers. Niskanen liked to quote Thomas Jefferson’s quip about religion — “Divided We Stand, United We Fall” — as a guide to good government.

Niskanen, who had strong libertarian leanings, was most concerned about the metastatic growth of the federal government. When he crunched the numbers from the postwar era, he found that periods of divided government tended to yield relatively modest increases in per-capita government expenditures: approximately 1 percent a year. Unified government, by contrast, led to far greater increases: 5 percent a year, on average.

Equally important was his finding that neither party was any better at reining in spending. For a time, President Lyndon Johnson enjoyed a unified government, and his tenure coincided with a huge increase in outlays. The same was true of President George W. Bush.

Conversely, both parties proved equally good at keeping spending at a minimum under divided government. For example, when Dwight Eisenhower, a Republican, faced divided government, federal spending rose by a very modest 0.4 percent a year. When the Democrat Bill Clinton was in a similar situation, federal spending rose an average of 0.9 percent a year.

Though this would seem to suggest that Republicans might be marginally better at restraint, that’s not the case. The party’s takeover of the House in 2010, which deprived President Barack

Obama of unified government, led to a period of extreme “gridlock,” and per capita government spending increased an average of .09 percent a year — a miniscule amount.

Neither Republicans nor Democrats should take the credit — or assume the blame — for these outcomes. Both parties will go on a spending binge if they control the executive and legislative branches. Gridlock, by contrast, leads to reluctant restraint.

This isn't a finding that most political partisans want to hear, particularly Republicans, who have long claimed the mantle of “small government.” But it's worth contemplating as we enter into yet another period of “unity” in our political system.