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Winning the Government-Shutdown Fight

Why Republicans can't back down

With the GOP-led House and the Democratic Senate and White House far apart on a measure to pay the federal government's bills past March 4, Washington is rumbling toward a repeat of the 1995 government-shutdown fight (actually two shutdown fights, one in mid-November of that year and the other in mid-December).

This makes some Republicans nervous. They think Bill Clinton "won" the blame game that year, and they're afraid they will get the short end of the stick if there is a 1995-type impasse this year.

A timid approach, though, is a recipe for failure. It means that President Obama and Senate Majority Leader Harry Reid can sit on their hands, make zero concessions, and wait for the GOP to surrender any time a deadline approaches.

In other words, budget hawks in the House have no choice. They have to fight.

But they can take comfort in the fact that this is not a suicide mission. The conventional wisdom about what happened in November of 1995 is very misleading.

Republicans certainly did not suffer at the polls. They lost only nine House seats, a relatively trivial number after a net gain of 54 in 1994. They actually added to their majority in the Senate, picking up two seats in the 1996 cycle.

More important, they succeeded in dramatically reducing the growth of federal spending. They did not get everything they wanted, to be sure, but government spending grew by just 2.9 percent during the first four years of GOP control, helping to turn a \$164 billion deficit in 1995 into a \$126 billion surplus in 1999. And they enacted a big tax cut in 1997.

If that's what happens when Republicans are defeated, I hope the GOP loses again this year.

So what actually happened in 1995, and why do Republicans have such unpleasant memories?

The debate that year hinged on some issues that favored the GOP, such as whether the budget should be balanced within seven years, and whether to use scoring from the Congressional Budget Office instead

of the executive branch's Office of Management and Budget. But there were also some issues that favored the Clinton administration, such as whether the elderly should pay higher Medicare premiums.

And it's worth pointing out that 1995 was a perfect storm of fiscal-policy conflicts, featuring fights over appropriations (annual spending), reconciliation (taxes and entitlements), and the debt limit. This year's fight — at least at this early stage — is only about appropriations for the rest of 2011.

Also key is that 1995 was a fight between an unstoppable force and an immovable object. Republicans sent legislation to the White House; Bill Clinton used his veto pen. Republicans said Bill Clinton was shutting down the government by vetoing legislation; Bill Clinton said Republicans were shutting down the government by sending him unacceptable proposals.

They eventually struck a deal, of course, with Republicans winning on their issues (balanced budget in seven years with CBO scoring) and Bill Clinton winning on his issues (such as Medicare premiums). But since the polling data favored the White House, Bill Clinton was declared the victor.

But what very few people remember today is how Republicans actually held the upper hand during the shutdown — especially on the issue of appropriations. Let's peruse some news reports from November 14–19, the days the government was closed.

On November 16, the *Dallas Morning News* published an article remarking that "[Clinton chief of staff Leon] Panetta's remarks reflected Democratic discomfort about being forced to vote against a seven-year time frame for eliminating the deficit." On the same day, the *New York Times* reported that "privately, Congressional Democrats and White House aides acknowledged that the pressure to pass a temporary spending measure would not abate and that it could quickly become harder to keep Democrats from voting against such a measure simply because it included a promise to balance the budget in seven years."

Indeed, when the Senate approved a temporary spending bill on November 16, 48 of the 51 senators who crossed party lines were Democrats. The next day, the *Washington Post* reported "signs" that "congressional Democrats are becoming uneasy with Clinton's opposition to a seven-year route to a balanced budget. In the past 48 hours they have started to warn the White House that enough Democrats could abandon their support over the issue that Clinton could lose a veto fight, increasing the urgency for a compromise." Things began to look worse for the Democrats on November 18; according to a *Washington Post* report:

Although nationwide surveys this week have indicated more public support for the White House position than that of the Republicans, that support appeared to be slipping by yesterday morning as the shutdown continued. . . . The pressure was compounded when nearly 80 House members — more than half of them Democrats — by late afternoon had signed a letter . . . urging passage of a new continuing resolution and instructing the president to work with Congress to develop a seven-year balanced budget "without preconditions."

And on November 19, the New York Times reported that

the White House faced increasing pressure from many moderate and conservative Democrats in Congress who were reluctant to vote against a stopgap spending measure solely on the grounds that it included the goal of balancing the budget in seven years. The consensus on Capitol Hill was that Mr. Clinton would have had a hard time sustaining a veto if Democrats were given another chance to vote on such a proviso, since the last one passed in the House just six-votes short of the two-third margin needed to override a Presidential veto.

On November 20, the *Times* further explained:

White House aides, led by Vice President Al Gore, spent an anxious night of nose counting, worried that support for the President's position was slipping away. Though public opinion polls continued throughout the weekend to show more Americans blamed Congress than the President for the shutdown, the White House fretted that the Republicans were successfully framing the debate — in the very way Mr. Clinton has sought to avoid for months — as whether the budget should be balanced, not how.

The next day, a *Times* editorial echoed this analysis in explaining why "President Clinton swallowed hard over the weeked before agreeing to the Republicans' key budget demand — a balanced budget within seven years according to the Congressional Budget Office."

The GOP's relative success was especially impressive considering they had to deal with two political handicaps: Newt Gingrich's complaining about how he was treated on Air Force One (a widely reported controversy at the time) and the never-popular proposal to require seniors to pay higher premiums for their Medicare benefits.

Since a government shutdown this year looks very likely, what are the lessons that the GOP can learn from 1995?

- 1. First and foremost, Republicans should keep passing bills to reopen the entire government. They should stress that they want the government open and explain that it is only closed because of Harry Reid's obstinate support for big government and/or Barack Obama's use of his veto pen on behalf of special interests.
- 2. Keep passing bills to reopen the parts of the government that voters actually care about, such as VA hospitals, the Social Security Administration, and national parks. Simply stated, some government workers get classified as "non-essential," but they do things people actually care about. Those are the parts of the government that GOPers should specifically seek to open, while leaving places such as the Department of Housing and Urban Development shuttered (ideally, on a permanent basis).
- 3. Remember that a government shutdown generally puts more financial pressure on the Left. If there is a lengthy showdown, Democratic constituencies begin to squeal. The establishment press will portray

this as a GOP problem, but it really means more pressure on Democrats to find agreement.

4. Speaking of the establishment press, don't let them define the issues. In 1995, Republicans had to deal with a very hostile press corps. There was no Fox News, no Internet as we know it today, and no cadre of talk-radio hosts to augment Rush Limbaugh. So while it is true that CBS, NBC, ABC, CNN, the *New York Times*, and the *Washington Post* will regurgitate Democratic talking points, many voters will have access to conservative news sources, something that was not the case in 1995.

With Harry Reid in charge of the Senate and Obama in the White House, it is very unlikely that House Republicans will win a clear-cut victory in this battle. But so long as they show real commitment and extract real concessions, they will accomplish three things that are very important.

First, they will slightly reduce the burden of government spending. It will be only a small slice, but after ten years of irresponsible spending by Bush and Obama, that's no trivial achievement.

Second, they will keep faith with the Tea Party activists and other voters who sent them to Washington to limit the size and scope of the federal government. This will keep the conservative base from getting dispirited and tuning out, as happened during the Bush years.

Third, they will set a good tone for future budget battles, including the 2012 budget this spring, the debt-limit fight this summer, and the appropriations fight this fall. A Republican surrender today, by contrast, would make it almost impossible to prevail in any subsequent fights.

To put it simply, Republicans need to hold firm and fight hard. There is no alternative.

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