



Cato's Dan Mitchell: 'Trump Should Learn from Maine's Gov. Paul LePage How to Win a Government Shutdown Fight'

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The Cato Institute's Dan Mitchell argues that if President Donald Trump wants to "win big league" on his upcoming budget battle, he should learn from Maine's Gov. Paul LePage's budget victory.

Maine Republican Gov. Paul LePage said last week that he would reject the latest budget deal from a bipartisan group of legislators, warning that state government would shut down if Democrats do not agree to cut taxes and reduce spending.

Gov. LePage demanded that the two-year budget proposal rescind a three-percent surcharge tax on household income more than \$200,000 that voters approved in a referendum last fall. The proposed budget would also increase education funding by \$162 million.

Both the leaders of the Democrat-controlled House of Representatives and Republican-controlled Senate supported the compromise budget. However, pundits remain unsure whether the budget proposal has the support to pass through both chambers.

Amazingly, the Democrats in the state legislature agreed to repeal the three-percent surcharge tax increase on wealthy Maine citizens as well as an increase in the state's lodging tax.

Dan Mitchell, a senior fellow at the Cato Institute, argued that President Trump should take the offense when negotiating with Sen. Majority Leader Chuck Schumer and House Minority Leader Nancy Pelosi. Mitchell explained:

One of the lessons is to stake out the high ground. Have the fight over something important. LePage wanted to kill the lodging tax and the referendum surtax. Since those taxes were so damaging, it was very easy for the Governor to justify his position.

Another lesson is to go on offense. Republicans in Maine explained that higher taxes would make the state less competitive.

The Cato senior fellow contends that Trump should employ similar tactics against the Democrats. Mitchell said:

Trump should do something similar. The fight later this year in DC (assuming the President is willing to fight) will be about spending levels. And leftists will be complaining about “savage” and “draconian” cuts.

So the Trump Administration should respond with charts showing that the other side is being hysterical and inaccurate since he’s merely trying to slow down the growth of government.

But the most important lesson of all is that Trump holds a veto pen. And that means he (just like Gov. LePage in Maine) controls the situation. He can veto bad budget legislation. And when the interest groups start to squeal that the spending faucet is no longer dispensing goodies because of a shutdown, he should understand that those interest groups feeling the pinch generally will be on the left. And when they complain, it is the big spenders in Congress who will feel the most pressure to capitulate in order to reopen the faucet. Moreover, the longer the government is shut down, the greater the pinch on the pro-spending lobbies.

Mitchell concluded, “Trump has the leverage, if he is willing to use it.”