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Will Today's GOP Repeat the 'Contract with America' Bait and Switch?

By Chuck Rogér

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In the first year as a majority in both Houses of Congress, the GOP generally satisfied the language of 1994's <u>Contract with</u> <u>America</u>. Most of the Contract's actionable items were brought to a House vote. But Republicans' delivery on the Contract's core promise of fiscal responsibility took on a different tone. After a budget-cutting 1995, Republicans began a steady backslide into big-spending ways.

Two GOP-engineered government shutdowns from November 1995 to January 1996 were seized-upon by the liberal media to blast Republicans as reckless. The shutdowns provided President Bill Clinton with political capital. Clinton used the capital to get congressional Republicans to increase discretionary spending in a big way from 1997 onward. In 2000, Cato Institute's Stephen Moore and Stephen Slivinski <u>wrote</u>:

In 1995 [Republicans] courageously tried to unplug, all at once, a multitude of federal government programs that don't work or are counterproductive. Having lost that battle to Clinton during the government shutdown, the gun-shy GOP has concluded that it mustn't shoot at anything at all.

In 1993, Republicans had already failed to stop a Clinton tax increase. The high-flying late 1990s economy was <u>mostly due</u> to holdover effects from Reagan era tax cuts and economic policies. Only to a minor extent could the high-tech-fueled economic boom be attributed to measures enacted from Contract with America.

Only five years after Republicans' 1995 takeover of Congress, the GOP had firmly brushed aside Contract with America's fiscal responsibility promise. In 2000, Stephen Moore and Stephen Slivinski <u>reported</u>:

- About 200 federal programs eliminated from 1995 to 1997 (a good start).
- Between 1996 and 2000, domestic budgets increased 14 percent over inflation. (The backslide to big-spending was well underway.)
- In the 2000 budget alone, Republicans approved a domestic discretionary spending increase of 6.4 percent -- the biggest rise since the Jimmy Carter days.
- In the case of ninety-five domestic programs originally targeted for elimination by Contract-inspired Republicans, the programs not only survived, but spending rose 14 percent by 2000.
- Between 1995 and 2000, AmeriCorps funding rose 248 percent, farm subsidy-associated funding by 162 percent, the "Goals 2000" program by 112 percent, and bilingual education by 80 percent.
- From 1997-1999, Republican-approved discretionary budgets exceeded Clinton's requests by more than \$30 billion.
- After enacting higher spending targets in 1997, Republicans exceeded even the revised caps by \$40 billion in 1999 and 2000. By 2001, the GOP was considering eliminating spending caps altogether.

Cato's Moore and Slivinski felt sufficiently strongly about 1998's fiscal excesses in particular to <u>conclude</u> that the "budget was in every way a rout of the very ideals that won Republicans the majority in Congress in the first place." Representative Newt Gingrich, Contract with America's author, had earmarked \$450 million for seven C-130J airplanes. The Pentagon had asked for only one. Curiously, the aircraft were being manufactured in Gingrich's old district of Marietta, Georgia. So three years after implementation, Contract with America had faded in memory.

In their 2000 analysis, Moore and Slivinski wrote:

A major reason for all the new spending is the inability or unwillingness of Republicans to eliminate virtually any government program.

Congress has violated its own "spending caps" virtually every year... Comparison of actual spending from 1996 to 2000 with the original expenditure targets set in 1995 reveals that excess spending over the baseline totals \$187 billion.

In 2000, \$187 billion was real money. And the big spending marched forward.

In 2004, Veronique de Rugy <u>documented</u> that under a Republican Congress and president, increases in discretionary spending from 2002 through 2004 comprised three of the five biggest annual increases in forty years and ushered in not fiscal responsibility, but a "return to massive budget deficits." Discretionary spending jumped 64 percent between 1998 and 2004. To illustrate Republicans' excesses, De Rugy specifically called out George W. Bush initiatives resulting in \$300 million of increased funding to help formerly incarcerated criminals find work, \$120 million more to train teachers, \$28 million for an advanced school placement programs, and a quarter-billion dollars added to "job training" efforts.

De Rugy noted:

In their Contract with America in 1994, Republicans committed to "restoring fiscal responsibility to an out-ofcontrol Congress, requiring them to live under the same budget constraints as families and businesses." Not only have they failed to achieve that goal, they have gone in the exact opposite direction in recent years.

Interestingly, the 1995 Republican House, energized by the Contract with America, did indeed approve a plan to eliminate three cabinet departments: Education, Commerce, and Energy. But the plan was all window dressing. By 2004, under a Republican Congress and White House, not only did all three departments <u>still exist</u>, but Education's budget had more than doubled, Commerce's budget grew by 82 percent, and the Department of Energy's spending grew by 26 percent in the three years leading up to 2004 alone.

So far, a 2011 Republican House majority is saying all the right things about reducing spending and debt. But no matter what deals get made and goals get set in the upcoming debt ceiling battles, a key question will remain unanswered until a few years down the road. Will today's reenergized GOP go down in history as a fiscal and economic game changer or as just another chatty bunch that makes dreamy promises only to create horrific nightmares?

A writer, physicist, and former high tech executive, Chuck Rogér invites you to sign up to receive his "Clear Thinking" blog posts by email at <u>www.chuckroger.com</u>. Contact Chuck at <u>swampcactus@chuckroger.com</u>.

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