



Welcome Back, Big Spenders

Congress, with the GOP in charge, is on a path back to growing deficits and debt.

By [Michael Tanner](#)

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The new Republican-led Congress has barely been sworn in, yet there are already troubling signs that Republicans are slipping back into their big-spending ways.

The election ballots had barely been counted in November when Representative Mike Rogers of Alabama suggested that the House abandon the ban on earmarks that it had enforced since 2010. The Republican caucus rejected Rogers's proposal, but amazingly, 67 Republicans backed it. That more than a quarter of House Republicans would let congressmen slip pet spending projects into bills should have sent up warning flags everywhere.

Shortly thereafter, Congress approved the \$1.1 trillion "CRomnibus" spending bill funding the government through 2015. While many conservatives objected to the bill's continued funding for Obamacare and its failure to challenge President Obama's executive action on immigration, it was less noticed that the spending measure locked in the December 2013 Ryan-Murray budget agreement, which partially reversed some of budget cuts from the sequester. The result is that spending will be roughly \$21.6 billion higher in 2015 than it would have been if the sequester budget caps had remained in place. The budget deal also included an additional \$64 billion for overseas military operations (including \$5 billion to fight ISIS).

The sequester caps are scheduled to resume in 2016, but already some Republicans are looking to undo them. In the Senate, defense hawks, led by John McCain and Lindsey Graham, plan to make reversal of sequester caps on defense spending a top priority. And while some Senate Appropriations Committee staff have been quoted as saying this could be done by simply refusing to budget at the reduced spending levels, thereby eliminating the caps, Democrats would almost certainly demand increases in domestic spending to maintain the one-to-one ratio included in both the original sequester agreement and the Ryan-Murray deal (which increased spending for domestic programs such as Head Start, the EPA, and home weatherization in exchange for loosening the caps on defense).

Democrats such as Chuck Schumer have already signaled a willingness to increase defense spending in exchange for increased domestic spending. "I think the budget deficit, while still a

problem, is in a lot better shape than it was three, four years ago,” Schumer said last month, “and they don’t have the same velocity to make the same kinds of magnitude of cuts on the defense or nondefense side.”

Schumer is correct that the deficit has come down in the last few years. This year, we will spend only — only! — \$469 billion more than we take in. Whatever modest comfort we might take in this temporary respite in the flood of red ink, we should remember that it is just temporary.

As early as next year, the CBO projects the deficit to begin rising again. By 2024, we will have returned to an era of near-trillion-dollar annual shortfalls. As a result, the national debt is expected to hit \$26.5 trillion in the next ten years. Worse, those numbers all rely on an unduly optimistic baseline that assumes, for example, that Congress will not pass the so-called “tax extenders” bill. And outside the ten-year budget window, the flood of red ink grows exponentially as entitlement spending really kicks in.

That is not to say that we’ve seen no progress. Government spending has declined as a share of GDP, though it still remains higher than it was in 2008 before President Obama took office. This is partly due to the expiration of stimulus spending and the repayment of TARP, but it also owes to sequestration and other Republican efforts to hold down spending growth. From 2010 until 2014, federal spending grew at just slightly more than 1 percent annually. But now we are slipping. Spending last year was up \$50 billion over 2013.

So far the slippage has been modest. But the big spenders in Congress have not gone away. If tea partiers and conservatives in Congress take their eyes off the ball, distracted by fights over immigration and other issues, our hard-won fiscal progress could be quickly lost.

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