

Can President Bush hold the line on spending?

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Congress will soon ship the White House a bill that throws huge amounts of new dollars at the government's health-insurance program for children. President Bush will veto it. What happens next will demonstrate whether the beleaguered Mr. Bush has any hope of getting his party to toe the fiscal line in upcoming spending battles, and by consequence whether Republicans have any hope of restoring their fiscal credibility with voters.

It's a big moment, all the more so because the battle over the State Children's Health Insurance Program, or Schip, is a perfect first example of how Democrats intend to play their spending fights this fall. They're demanding at least \$30 billion more than Mr. Bush's own generous \$5 billion Schip increase. Any congressional Republican who votes against this hike will be accused of leaving "poor kids" to suffer without health care. The goal here, as it will be in all the big money fights to come--appropriations bills, a farm bill--will be to make it too politically hot for Republicans to stand by their spending principle.

So far, that strategy is working a treat. Sen. Mitch McConnell and Rep. John Boehner both understand that this fall is their big opportunity to make things right with the base, at least on spending, prior to next year's election. They've been exhorting--or perhaps better to say begging, pleading, beseeching--their members to think about the lost GOP brand, and to help President Bush snap shut the government wallet. At least in private, the members keep assuring their leaders that, yes, yes, they get it.

But as Schip shows, this resolve wafts away in the face of any Democratic press conference accusing Republicans of meanness toward children. It was none other than ranking Finance Committee Sen. Chuck Grassley who helped craft the \$35 billion Senate Schip increase; the Iowa senator went so far as to suggest he was being a fiscal prude because his bill was cheaper than the blowout \$50 billion expansion from House Democrats. That proved a good-enough excuse for more than a dozen other spend-happy Republicans to help give Democrats 68 votes for the bill in early August. For the record, that's one more vote than Sen. Harry Reid needs to override a presidential veto.



This bodes ill for big spending battles to come. Despite last year's pledges to restore budget discipline, Democrats have been so busy chasing phantom Justice Department corruption and paying back campaign contributors with symbolic votes that they've yet to finish a single spending bill. With just nine days left in the fiscal year, they'll have to pass a continuing resolution next week to allow the government to keep running.

It also means Democrats are all but assured to try to finish the budget by wrapping most or all of the spending bills into one giant omnibus provision. You can bet that jalousy will screech in at many billions of dollars higher than Mr. Bush's top line number. You can also bet that hanging from its sides will be special-interest booty galore--money for roads, bridges, Katrina victims, low-income seniors, homeless veterans and border security. All this will be designed to make it difficult for Republicans to vote it down. And if temptation isn't enough, Democrats will also claim that GOP members who sustain a presidential veto will be responsible for shutting down government.

Or take the farm bill, the House version of which has earned a veto threat because of its lack of reform, and because it is the first in decades to include a hefty tax increase to pay for all its handouts. Democrats will allege that farm-state Republicans who vote against it are traitors to their ag constituents, who stand to continue getting big subsidies.

Sitting between his party and a potential spending binge is, therefore, the president's veto pen. The fight over Schip has moved to the House, where most Republicans, to their credit, voted against the initial bill. But with House Democrats now promising to pare back the legislation to Senate size, and to remove its more offensive provisions, GOP opposition is crumbling. More than a few are thinking about next year's elections, and how nice it would be to avoid claims that they helped throw impoverished kiddies to the health-care wolves.



Many House Republicans in fact are working under the assumption that Mr. Bush will compromise, and give them cover for blowing through his initial Schip limit. They can't quite bring themselves to believe that the White House would put them in the very public and embarrassing position of having to override their own president on a question of fiscal responsibility.

And, to be fair, why should they? For six years the administration failed to pick a fight on spending when Republicans controlled Congress, instead letting every highway bill, farm giveaway and pork project rush through. The White House's newfound spending religion has unfortunately come at about the same time the president's poll numbers have gone in the tank. Don't think at least a few Republicans won't use that as an excuse to buck him now.

Yet it's precisely the position Mr. Bush is going to have to put his own Republicans in if he hopes to remain relevant in the ensuing spending fights. The big spenders on both sides of the aisle are sniffing for any sign of White House weakness, and will rightly view any slipping or sliding as license to break the piggy bank. If the president rolls on Schip, he'll be rolled on every spending question from now until he packs the china. Mr. Bush seems to understand the bigger stakes, and only yesterday gave a feisty speech outlining yet again why he intends to veto the current Schip legislation, and warning yet again that he won't back down.

Congressional Republicans would be wise to take him at his latest word, for their own sake. The recent GOP campaign over earmark disclosure is good politics and a start to recognizing voter anger over Washington's spending ways. But it's also a one-trick pony. Conservatives voters will see the bigger test of re-found fiscal responsibility in

whether its Washington representatives are willing to say no to big new government spending. That begins with Schip.

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