

A Case for Divided Government



For those of you with a partisan bent, I have some bad news: Our federal government may work better (less badly) when at least one house of Congress is controlled by a party other than the party of the president. The general reason for this is that each party has the opportunity to block the most divisive measures proposed by the other party. Other conditions, of course, also affect political outcomes, but the following types of evidence for this hypothesis are too important to ignore:

1. The rate of growth of real (inflation-adjusted) federal spending is usually lower with divided government.

The table presents the annual percentage increase in real federal spending by administration, in each case with the percentage increase in the first year of a new administration attributed to fiscal decisions made in the prior administration.

Administration	Years	Divided/United	Annual % Increase
Eisenhower	8	D	0.4
Kennedy/Johnson	8	U	4.8
Nixon/Ford	8	D	2.5
Carter	4	U	3.7
Reagan	8	D	3.3
Bush	4	D	3.4
Clinton	8	D	0.9

The only two long periods of fiscal restraint were the Eisenhower administration and the Clinton administration, during both of which the opposition party controlled Congress. Conversely, the only long period of unusual fiscal expansion was the Kennedy/Johnson administration, which brought us both the Great Society and the Vietnam War with the support of the same party in Congress.

The annual increase in real federal spending during the current Bush administration, by the way, is 4.3 percent, not a happy state of affairs, given the prospect of a war and a renewed majority of the president's party in both houses of Congress.

2. The probability that a major reform will last is usually higher with a divided government, because the necessity of bipartisan support is more likely to protect the reform against a subsequent change in the majority party.

The Reagan tax laws of 1981 and 1986, for example, were both approved by a House of Representatives controlled by the Democrats and have largely survived. The major potential reforms of agriculture, telecommunications, and welfare in 1996 were approved by Clinton and a Republican Congress, although only the welfare reform has survived subsequent legislative and regulatory changes. The primary exception to this pattern, of course,

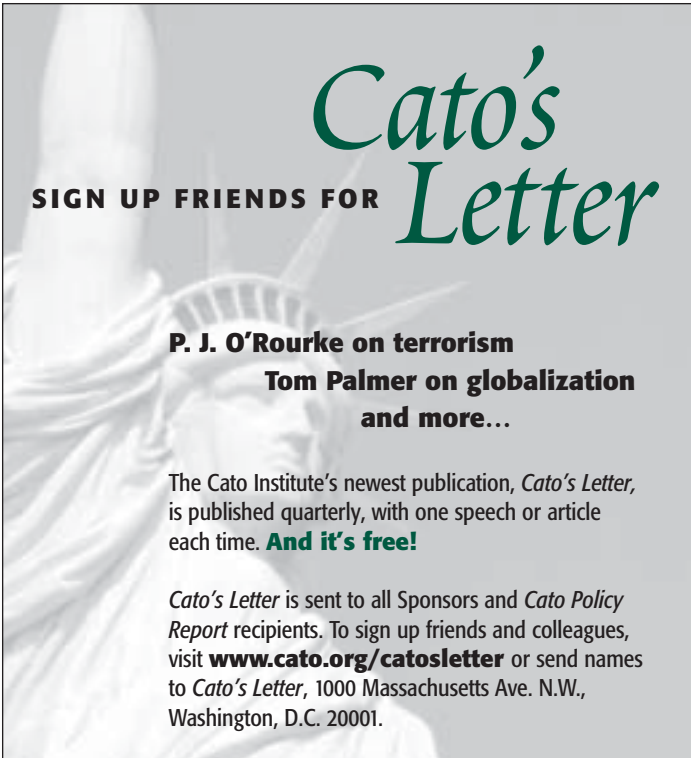
is the Great Society. My judgment, however, is that the prospect for a major reform of the federal tax code, Medicare, or Social Security will be dependent on more bipartisan support than now seems likely in a united Republican government.

3. The prospect of a major war is usually higher with a united government.

Each of the four major American wars in the 20th century, for example, was initiated by a Democratic president with the approval of a Congress controlled by Democrats. At the time I write these words, the prospective war in Iraq would be the first military conflict lasting more than a few days to be initiated by a Republican president in over a century, again, consistent with this pattern, with the support of a Congress controlled by the president's party.

American voters, in their unarticulated collective wisdom, have voted for a divided federal government for most of the past 50 years. Divided government is not the stuff of which legends are made, but the separation of powers is probably a better protection of our liberties when the presidency and the Congress are controlled by different parties.

—William A. Niskanen



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