

## **Is That All From the GOP Congress?**

*Editoriale*

The midterm elections are about 150 days away, and Republicans are already behaving like a governing coalition in twilight. The question is whether the GOP will exploit the coming weeks to pass accomplishments they can sell to voters—especially the President’s request for U.S. military preparedness.

The House and Senate are celebrating passage this week of \$70 billion for immigration enforcement, after President Trump nearly derailed that train with his “anti-weaponization” fund. Congress tried and failed on Thursday to renew the crucial intelligence-gathering tool known as Section 702 (see nearby).

But is that it from the GOP? “I think it’s safe to conclude there will not be another reconciliation bill,” GOP Sen. Mitch McConnell said this week, and Maine Sen. Susan Collins agreed. As appropriators they have some sway, but why the premature surrender?

Republicans would be crazy to squander the powerful tool of budget reconciliation that lets a tax and spending bill pass with 51 votes in the Senate. The GOP is likely to lose the House in November, and the Senate may also be gone. Meanwhile, Democrats are blocking anything that isn’t a progressive victory (see the pending housing bill.)

Another reconciliation bill may be the last Republican opening to accomplish anything consequential for years. It’s now or nothing—including for Mr. Trump.

The obvious anchor for a reconciliation bill is Mr. Trump’s defense money, if the President will fight for it. He’s proposed a \$1.5 trillion Pentagon budget that is appropriate for the world’s cascading threats, but some \$350 billion isn’t in the regular appropriation and assumes reconciliation.

Approve of the President’s strategy in Iran or not, huge numbers of Tomahawk missiles and air-defense interceptors were spent protecting the lives of American troops in

combat. The stocks need refilling. Some 727 of the U.S. Navy's 785 requested Tomahawks are penciled into a reconciliation bill. Ditto for a much-needed "drone dominance" initiative to confront changes in modern warfare.

"We need the whole bill," acting Navy Secretary Hung Cao says of the \$1.5 trillion proposal. "We need unmanned systems, we need submarines, we need ships, we need auxiliary ships. We also need quality of life for our sailors and Marines."

Ideally Congress would fund the U.S. military through regular appropriations that give the services and weapons makers predictable and stable funding. But Democrats would extract an enormous price for 60 votes, and they may not even allow that to deny Republicans another achievement before the election.

There are other good ideas for a reconciliation bill. Voters are suddenly awake to the fraud throughout the U.S. welfare system and student loans. That field is rich for saving money. Why not end "broad-based categorical eligibility" that lets people cross-qualify for programs without enough scrutiny? Or as Advancing American Freedom suggests, why not trim Medicaid money to states that don't police high error rates? Both would build on the GOP work requirements in welfare now taking effect.

Republicans could also do more than replay the first Trump tax cuts. One worthy idea is expanding access and contribution limits for health-savings accounts. They could also index the capital-gains tax for inflation—a matter of fairness after the Biden inflation.

If that's too ambitious, they could at least raise or eliminate the cap on the capital-gains exemption on the sale of a primary residence, plus indexing it for inflation. The \$500,000 exemption limit for joint filers is far too small given the inflated appreciation of recent years. The cap reduces the supply of housing on the market as people decide they'd rather stay put than sell and pay a giant tax.

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Republicans in close races will balk at another tough vote, and there's risk the project collapses amid narrow majorities. But Members in marginal districts are in trouble no matter what they do between now and Election Day. They need more accomplishments to talk about, and pounding the table about the Save America Act on voting rules that can't pass doesn't count.

The glue that can hold together reconciliation 3.0 is the U.S. military money. The President will try to shrug off any GOP loss in November as someone else's fault. But on the line is his legacy and whether he left the U.S. better off to deter China and Russia, or merely talked about it.