



Save Big Bird, reform entitlements

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President Trump's first budget proposal is being savaged for slaying Big Bird, running Meals on Wheels off the road, even ushering in a new dark ages.

It is a rite of passage for a Republican president. We've been arguing about how "Sesame Street" would survive the elimination of the Corporation for Public Broadcasting since Newt Gingrich was speaker of the House. (It would survive.)

What's different is that Trump's budget even won praise from fiscal conservatives who weren't expected to have much to cheer for from this White House.

The \$54 billion in increased defense spending is wholly offset by cuts to domestic discretionary spending, leading the Cato Institute's Chris Edwards to note that Trump's "Republican predecessor in office pushed for large increases in defense, education, health care, and other spending without sufficient offsets, thus putting us on our current path of endless deficits and rising debt."

Instead under this budget, a slew of small government programs are targeted for cuts, reforms and outright elimination.

The Manhattan Institute's Brian Riedl hailed the "skinny budget" as an "historic reform of the federal government's discretionary-spending budget" that contains "bold and innovative reforms to discretionary spending."

But as befits a president who explicitly ran against major entitlement reforms during last year's campaign, promising to protect Social Security and Medicare from any cuts just like Bill Clinton in 1996, two-thirds of federal spending is off the chopping block.

Entitlement spending isn't even a part of this budget blueprint. If you are going to increase defense spending and ignore entitlements, you need to cut a lot of non-defense discretionary spending.

In fact, there will be more cutting to come, regardless of what the president's priorities are, if the federal government continues its current trajectory.

According to the Congressional Budget Office, whose forecasts are very much in vogue right now, within a decade entitlements and interest on the national debt will consume 99 percent of federal revenues.

That means bigger deficits or smaller discretionary spending — and probably both.

The deficit reduction that occurred between 2009 and 2015, partly thanks to the much maligned sequester, will be a thing of the past. By 2023, deficits are expected to be back in the \$1 trillion range.

Interest on the debt along with Social Security, Medicare, Medicaid and all the other healthcare entitlements will spike from 57 percent of federal spending today to 82 percent of all new spending over the next decade.

Lots of Meals on Wheels type stuff is going to get cut. The rest is going to wind up on a credit card. The national debt is expected to reach its largest share of the economy since World War II. Net interest costs may explode past \$700 billion in 2027.

As it happens, the community development block grants that have everyone up in arms are a tiny fraction of Meals on Wheels' budget and do not even constitute all the program's federal support. But some worthy projects are likely to take a hit as entitlements and interest on the debt start crowding other things out.

National defense, incidentally, is discretionary spending.

CBO projections can be wrong, as we have frequently been reminded recently. But that is cold comfort, since the real numbers could look worse as well as better. The eight-year deficit spending at the end of President Obama's administration was double what was expected when he took office, the early prognostications factoring in the Great Recession.

If something isn't done to bring the automatically growing parts of the budget under some kind of control, other spending programs will starve and public debt will rise. Trump has so far been reluctant to embrace this challenge and many Democrats want to expand entitlements.

Your budget priorities might be repealed and replaced.