



Trump's Budget: What Is Seen and Unseen

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Donald Trump has unveiled his glorious Talk Show Fodder Bill unto the quislings and quizlings in the journalistic profession and the rest of America, and it is a perfect example of a Republican giving the GOP a smokescreen to claim they are “cutting” the size of government and for the Democrats to claim the GOP is cruelly “slashing” needed programs.

Neither is the case. In fact, Mr. Trump’s budget barely makes a dent in overall federal spending over the next decade (as projected by the magicians in D.C.), it depends on rosy assumptions about Medicaid reform and the “repeal” (not really a repeal) of “Obamacare,” adds huge new burdens to the spending on the U.S. military, adds immense expenses for “The Wall,” and adds another federal expense onto an already fascistic mandate in the form of “paid” parental leave.

First, the overall claims. As Chris Edwards points out for the Cato Institute, Trump’s overall budget would cut federal spending \$4.6 trillion over the course of 10 years. But this is “just 9 percent of the \$53.5 trillion in projected spending over the period.” In other words, the federal government will continue to grow, it’ll just be 9 percent less “as big” as it was going to grow. The monster gets bigger, but by not as much.

Second, the Trump budget will do virtually nothing to Medicare. Peter Suderman points out for Reason that Mr. Trump promised not to touch the unconstitutional Johnson-created scheme, possibly because many of his GOP supporters are in the age range to receive “benefits” from the program, or are receiving them now. However, the system is unsustainable, and will be insolvent in a little more than ten years. Suderman notes:

“That’s a problem for the nation’s finances, because it leaves the largest driver of the debt untouched. It’s ugly politics, because it treats government as a dealer of zero-sum handouts, pitting the interests of one group of Americans against another. And it’s poor health policy, because it helps perpetuate an environment where deep systemic reforms remain essentially impossible. It’s not exactly new for Republicans. (Amongst the GOP’s chief criticisms of Obamacare was that it cuts Medicare.) But it is telling.”

And Medicaid? Well, the “cuts” there are “there,” but they depend on a number of factors to actually come about. Suderman explains:

“Trump’s budget starts by assuming that the Medicaid reforms included in the American Health Care Act (AHCA), the House bill to rewrite Obamacare, would go into effect. If the AHCA

became law, the bill, which passed the House early this month, would convert Medicaid from a program of essentially unlimited federal matching funds into a system of per-capita block grants, meaning that federal payments to states would continue but be capped based on the number of individuals enrolled in the program, with increases determined by formula.”

So what happens if the AHCA reform of “Obamacare” doesn’t pass? The Medicaid “reform” is dead. And what happens if states realize they can get matching funds from the feds and increase their budgets dramatically, rather than holding the line or decreasing them? Yep, overall federal spending on the scheme could go up, not down.

In fact, not only does the Trump budget count on the states holding the line, it counts on 3 percent annual GDP growth for the next 10 years in order to pull in the tax cash that would, as he and his staff claim, “balance the budget.”

Then there is Trump’s warm and fuzzy plan for “paid parental leave.” Despite claiming in his article for US News that Trump “cuts” Medicaid, David Catanese seems very pleased with this:

“In one of the most progressive gestures in the budget, Mulvaney announced the first-ever national paid parental leave program – costing \$25 billion over a decade – in order to protect working families from economic injury. The plan would provide six weeks of paid leave to new mothers and fathers, including adoptive parents.”

Isn’t that nice? Already, businesses with 50 or more employees are forced by U.S. politicians and their army of bureaucrats to offer 12 weeks unpaid parental leave. And now, the feds will offer pay to the parents for leaving.

What is the effect of this kind of policy? Generally, it means higher costs for consumers, and as Eric Schuler notes for the Libertarian Institute, employers have less incentive to hire women entering child-bearing age.

To be fair, Trump’s plan does slow down the rate of growth in numerous areas. But it is a far cry from “slashing” the federal budget. The problem seems endemic to Washington, but it could also be a symptom of an American populace that has become so accustomed to the idea that federal bureaus and programs handle and micromanage their lives that they actually fear the idea of fewer government handouts and controls.

It will take much more to stop the bankruptcy of the U.S. nation-state, and much more education about individual rights and economics, to convince more Americans that deeper cuts and total elimination of programs and bureaus is important in the nation -- not just for the economic well-being of future generations, but for the moral exercise of individual initiative.