



## **Trump presidency: An economic report card**

Daniel Mitchell

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We have reached the 50th full day of the Trump Presidency.

In that span of time, we've had lots of political wrangling between Donald Trump and the media. We've been introduced to the concept of the "Deep State" (yes, there is a permanent bureaucracy that acts to protect its own interests, but it's silly to call it a conspiracy). There have been some controversial executive orders. And Trump made his big speech to Congress.

Lots of noise, though, does not mean lots of action. The President hasn't signed any big legislation to repeal Obamacare, or even any legislation to tinker with Obamacare. There haven't been any big changes on fiscal policy, either with regards to spending or taxes.

Heck, Trump hasn't even told us what he really thinks on some of these issues.

What does he really want to do on tax cuts and tax reform? His original plan is off the table, but otherwise we don't know.

Is he going to kill the border-adjustable tax, for instance? I hope so, but I have no idea.

Will there be a plan to address the entitlement crisis? I alternate between complete pessimism and mild optimism.

Is his infrastructure plan going to be wasteful "bridges to nowhere" or genuine reform? Your guess is as good as mine.

What about trade? We'll presumably move in the wrong direction, but it's unclear how far or how fast.

And regulation? I'm guessing a shift in the right direction, but this is another example where we don't know how far or how fast.

In other words, the biggest takeaway after 50 days is that we still don't know whether Trump is going to make government bigger or smaller.

I addressed some of these issues in two recent interviews. In a discussion on the day of Trump's joint address to Congress, I focused mostly on the need for entitlement reform and explain how Trump could do the right thing for America ... if he wants to.

In a second interview, which occurred a couple of days later, I started the conversation by fretting about how the border-adjustable tax could kill the chances of getting good tax policy.

The discussion shifted to infrastructure, and I made the rare point that we should copy Europe and get the private sector more involved. (It's generally a good idea to do the opposite of Europe, to be sure, but there are a small handful of other areas – including corporate tax rates, Social Security, and privatized postal services – where various European countries are ahead of us.)

The bottom line is that we didn't know before the election whether Trump wants to limit the burden of government, and we still don't know today. My guess last year was that we'll get the wrong answer, though I confess that the jury is still out.

*Daniel J. Mitchell, a senior fellow at the Cato Institute and chairman of the Center for Freedom and Prosperity, is on the Editorial Board of the Cayman Financial Review.*