

NATIONAL REVIEW

Is Trump Serious about Cutting the Deficit and the National Debt?

If he is, a series of tough choices awaits.

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Even before President Trump was sworn in, Washington was abuzz with leaks about his coming budget. According to some reports, he would propose as much as \$10.5 trillion in cuts over the next ten years. Among the cuts would be programs that have long been examples of wasteful, unnecessary, or counterproductive spending, including the Corporation for Public Broadcasting, the National Endowment for the Arts, and the Legal Services Corporation. The budgets for agencies such as the Departments of Energy and Commerce would be slashed. Conservatives would swoon.

Yet, at the same time, Trump and his cabinet nominees reiterated their intention to do nothing about reforming the major entitlement programs, particularly Social Security and Medicare, which are the real drivers of the nation's exploding debt.

Reince Priebus, Trump's chief of staff, told Face the Nation that the new president would not "meddle" with Social Security and Medicare. The incoming secretary of health and human services, Tom Price, said at his confirmation hearing that Trump remains opposed to making any changes to the programs. And Trump's pick for treasury secretary, Steve Mnuchin, admitted to senators that he had no idea about Medicare's finances or how to reform them. All of this was, as President Trump might put it, not good

Without making changes to our insolvent entitlement programs — Social Security and Medicare alone face some \$80 trillion in future red ink — there is simply no way to get anywhere near \$10.5 trillion in spending cuts. Non-defense discretionary spending, which Trump appears most open to cutting, is roughly 16 percent of the federal budget. Even if he were to do the politically impossible and eliminate every dollar of non-defense discretionary spending over the next decade, he would still be \$4 trillion short of his goal.

Lest we forget, the president has also called for increased spending in some areas: a trillion-dollar infrastructure program, increased defense funding, more money for veterans, a new child-care program, and so on. If all this new spending added up to around, say, \$2 trillion, that would leave the administration \$6 trillion dollars short of its target (assuming, again, that Trump could cut every dollar of non-defense discretionary funding in the budget, which he can't).

Of course, we should hardly look a gift horse in the mouth. Some \$6 trillion in budgetary savings would be more than any other president in our nation's history has managed. But it would not balance the budget. And without changes to entitlement spending, deficits — and the debt — would begin rising once more outside the ten-year budget window.

None of these calculations even account for the revenue reductions that would result from the president's proposed tax cuts, currently estimated at \$2-4 trillion on a dynamic basis.

Without getting too deep into the weeds of federal budgeting, it is important to understand the limits of President Trump's approach to fiscal policy. As a disrupter willing to tackle entrenched special interests, he offers an opportunity to cut federal spending in a way that we haven't seen since at least the Reagan administration. But, at the same time, his populist insistence on protecting programs that are popular with his aging, working-class constituency makes it impossible to truly stop the rising tide of red ink that threatens to drown our nation.

Candidate Trump rightly complained about our \$20 trillion and growing national debt. President Trump has an opportunity to do something about it. How he responds will tell fiscal conservatives a great deal about both the promise and the peril of his new administration.

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