



Does anyone care about budget deficits?

Michael Tanner

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Do you remember when Republicans at least pretended to care about government overspending? Recently the Congressional Budget Office announced that the budget deficit for 2017 will top \$665 billion, the highest level since 2013. Worse, while the deficit in 2013 was still being driven in part by one-time spending items, including TARP and the stimulus bill, the current tide of red ink appears to be more structural in nature, the result of rising entitlement costs and routine overspending.

In fact, the federal government will actually take in more in taxes this year than it did last year, the result of increased economic growth. But those increased revenues are more than offset by \$130 billion in higher spending. As a result, the CBO projects that we will return to the era of trillion-dollar deficits as soon as 2022. Within a decade, the deficit will reach an all-time high of \$1.5 trillion. After that, the red ink will continue to grow for as far as the eye can see.

The CBO now expects the national debt to reach \$30 trillion by 2027 and double as a share of the national economy by mid-century. Debt of such enormous proportions will have very real economic consequences. The CBO estimates the economy will grow 3 percent slower than it would in the absence of the debt, which will lower the average income by \$4,000 from what it would be if the debt were held in check.

Moreover, this is likely the good news. If, as will almost certainly happen, Congress simply extends various expiring tax cuts and eliminates sequestration, the debt will rise even higher and faster.

Yet, as we sink deeper and deeper into this ocean of red ink, both congressional Republicans and the Trump administration seem blithely unconcerned. Apparently, Republican concern over the debt ended the moment Barack Obama left office.

Speaking on Meet the Press two weeks ago, OMB director Mick Mulvaney confessed that, despite warnings about the debt, President Trump remains stubbornly opposed to any attempts to reform entitlement programs such as Social Security or Medicare. Social Security may be facing

unfunded liabilities in excess of \$34 trillion according to the program's trustees, and Medicare may be facing a shortfall of more than \$50 trillion, but the president simply refuses to acknowledge the problem.

Of course, this is a president who told Sean Hannity that stock-market gains over the past year somehow offset the government's debt. Yeah, it doesn't quite work that way.

Meanwhile, Republicans in Congress are focused monomaniacally on tax cuts. Last week they pushed through a budget resolution that paves the way for cuts that could increase the debt by as much as \$1.5 trillion over the next ten years. In fact, the budget resolution essentially abandons all of the proposed discretionary cuts that the Trump administration suggested in its budget outline last spring, and it contains no changes to entitlement spending. It does, however, increase defense spending by as much as \$90 billion over the current sequestration cap.

The budget resolution passed 216-212 in the House, 51-49 in the Senate. Just 20 Republican House members and one Republican senator (Rand Paul) voted no. Even the House Freedom Caucus went along.

Of course, that budget resolution was less about budgeting than it was about paving the way for a tax bill under reconciliation rules. There is no doubt that American businesses and workers would benefit from tax cuts (and tax reform). Moreover, failure to pass a tax bill would be a political catastrophe for the Republican party. But without even a tiny effort at fiscal restraint, passing a tax cut could well be the most Pyrrhic of victories.

Before Democrats climb too far up on their high horse though, there is more than enough hypocrisy to go around. Those Democrats now posturing as fiscal hawks were enthusiastic backers of an Obama administration that effectively doubled the debt. Never having met a proposal for higher spending that they didn't love, their recently discovered concern for the deficit is merely a disguised call for higher taxes.

Republicans, Democrats, and Donald Trump are all far more interested in buying votes today than in reining in unnecessary government spending.

As a result, our children and our grandchildren will be left to pay the bill. As President Trump might tweet, if he cared: Sad.

Michael Tanner is a senior fellow at the Cato Institute and the author of "Going for Broke: Deficits, Debt, and the Entitlement Crisis." Send comments to awoods@tribtown.com.