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Trump's "Blueprint" Budget Is a Policy Statement; Real Budget to Follow

President Donald Trump's Office of Management and Budget (OMB) unveiled "America First — A Budget Blueprint to Make America Great Again" on Thursday, noting that the president's actual budget will be released in May. President Trump and his OMB Director Mick Mulvaney joined in outlining the "blueprint" without disclosing hard numbers, revenue projections, or even an economic outlook to back it up. It was, in other words, a policy statement, with details to follow.



Said Trump:

My Budget Blueprint for 2018:

- provides for one of the largest increases in defense spending without increasing the debt;
- significantly increases the budget for immigration enforcement....
- includes additional resources for a wall on the Southern border with Mexico....
- increases funding to address violent crime....
- puts America first by keeping more of America's hard-earned tax dollars here at home.

His plan is to fund the \$54 billion increase in defense spending in 2018 through "targeted reductions elsewhere." He didn't mention that "elsewhere" in the federal budget is severely limited to about onesixth of the total budget, thanks to mandatory spending (Social Security, Medicare, Medicaid) and interest payments on the national debt. He did not suggest the size of the budget to be presented in May, nor did he refer to former President Obama's last budget, which spent \$4.15 trillion while collecting far less than that, resulting in a deficit approaching \$600 billion. The president didn't say anything about the national debt, now approaching \$20 trillion and likely to hit \$25 trillion during his administration.

Instead, he glossed over all those incidentals: "The defense and public safety spending increases in this Budget are offset and paid for by finding greater savings and efficiencies across the Federal Government. Our Blueprint insists on \$54 billion in reductions to non-Defense spending programs. We are going to do more with less, and make the Government lean and accountable to the people."

He let his OMB director explain that this wasn't really a budget after all, but just a policy statement: "This Blueprint is not the full Federal budget [but] it does provide lawmakers and the public with a view of the priorities of the President and his Administration." Added Mulvaney, "Our \$20 trillion national debt is a crisis [but this 2018 Budget Blueprint] will not add to the deficit."

The "blueprint" highlighted just where those "reductions" would take place by outlining an impressive list of agencies whose budgets would be eliminated altogether:

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Written by **Bob Adelmann** on March 16, 2017



The African Development Foundation; the Appalachian Regional Commission; the Chemical Safety Board; the Corporation for National and Community Service; the Corporation for Public Broadcasting; the [Mississippi] Delta Regional Authority; the Denali [Alaska] Commission; the Institute of Museum and Library Services; the Inter-American Foundation; the U.S. Trade and Development Agency; the Legal Services Corporation; the National Endowment for the Arts; the National Endowment for the Humanities; the Neighborhood Reinvestment Corporation; the United States Institute of Peace; the United States Interagency Council on Homelessness; and the Woodrow Wilson International Center for Scholars.

While constitutionalists would argue that each of these agencies, and their related funding, fall outside constitutional constraints, the question as to whether cutting off their funding would even come close to covering the \$54 billion increase in defense spending Trump is proposing remains open. A look at just the four cuts most likely to be politically "toxic" — the Corporation for Public Broadcasting (CPB), the two National Endowments (Arts and Humanities), and the Institute for Museum and Library Services (IMLS) — reveals the answer, and Trump and Mulvaney's problem. Those four cuts — \$445 million for the CPB, \$150 million each for the endowments, and \$230 million for the IMLS — amount to less than one billion dollars out of a \$4 trillion-plus budget. Or, put another way, Trump and Mulvaney would still have \$53 billion to go in keeping their promise not to add to the deficit.

And there's still the wall to be built (the "blueprint" contains \$2.6 billion for that, with the balance of the estimated \$20 billion to come from somewhere else), and the infrastructure-restoration program of another trillion.

There will be much-needed and highly-laudable cuts to agencies such as the EPA, but there's going to be a heavy dose of pixie dust applied between now and May when the real budget, with real numbers, is scheduled to be released.

It is likely that Trump's "blueprint" is his attempt to set the boundaries of the conversation he wants to have with Congress when his real budget is offered. But that conversation won't take place for months afterward, as Congress is still battling over healthcare, to be followed by confirmation hearings for the balance of Trump's cabinet and his Supreme Court pick. And then there's tax reform.

Perhaps he's also setting up the American people for the shock that's likely to come in May, when taxpayers discover that his real budget will far exceed Obama's last year in office, with estimates ranging upwards of \$4.5 trillion.

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