





Trump's Budget Priorities

With the accustomed fanfare, the Trump administration released on March 11 its budget proposal for fiscal year 2020. Such budget proposals are little more than window-dressing, since it is Congress and not the White House that has authority under the Constitution to appropriate public funds. Such budgets are usually ignored by the denizens of Capitol Hill, especially when - as is now the case - the House of Representatives is controlled by the opposing party. Moreover, it has become the practice over the last dec-ade or so to operate without any sort of budgetary restraint whatsoever, Congress preferring to lurch from one debt-ceiling crisis to another without the limits of an agreed-upon budget.



Nevertheless, such budgets, however statutorily irrelevant, are useful bellwethers for getting a sense of fiscal priorities. It's a safe assumption that a congressional or presidential budgetary proposal will represent the absolute minimum that government is prepared to spend, and that actual expenditures — as well as the deficits they will generate — will far exceed those contemplated. This is because, for several generations and across party lines, government expenditures have been largely allocated to programs not authorized by the legal document that once set limits on federal government power and cost: the U.S. Constitution. Such irresponsible spending is the reason for the heavy burden of taxes Americans now bear — taxes that are routinely wasted on pie-in-the-sky government programs that benefit few besides the overpaid bureaucrats who administer them, or that are shoveled into the unappeasable maw of the national debt, for which interest payments alone now consume hundreds of billions of taxpayer dollars every year.

President Trump, in the introduction to his 2020 budget proposal, expresses a desire for significant cost-cutting. "This year," writes the president, "I have asked most executive departments and agencies to cut their budgets by at least 5 percent," laudable sentiments allegedly reflected throughout the budget. But that same introduction outlines a series of ambitious budget proposals to research childhood cancers, defeat HIV/AIDS, and confront the opioid epidemic — noble objectives all, but, like so much of modern Big Government, of very dubious constitutionality. Moreover, the budget introduction seeks to "invest in America's students and workers" by creating a "loan risk-sharing program" for educational institutions and by expanding eligibility for the federal government-subsidized Pell Grant program. Pledging also to support working families, the Trump budget also "includes a one-time, mandatory investment of \$1 billion for a competitive fund aimed at supporting underserved populations and stimulating employer investments in child care for working families" and will also "provide paid parental leave to help working parents." These, be it noted, are merely broad-brush statements in the brief introduction to the budget; as with Washington budgets since time immemorial,





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the devil is always to be found in the details.

Trump's budget has the reassuring label of "Cutting the Red Tape: Unleashing Economic Freedom." Under this heading, on page 13, the Trump administration touts its recent regulatory reforms: In 2018, the document claims, 12 regulations were removed for every one new one created, allegedly resulting in a savings of \$23 billion. Overall, the Trump administration claims to have eliminated \$33 billion in regulatory costs during its first two years in office. If true, these achievements are real successes — but they are only half of the recipe for good government. Not only must regulations be scaled back, costs must be drastically reduced. And it is with cost reduction that the Trump administration, alongside Congress, is continuing the legacy of fiscal irresponsibility that has gotten America into a quagmire of debt and economic hardship.

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For the Department of Agriculture, the Trump budget contemplates the usual multibillion-dollar baubles to a wide range of special interests, including \$5.8 billion for participants in the Special Supplemental Nutrition Program for Women, Infants, and Children, \$3 billion for loans to improve rural community infrastructure, and \$1.2 billion for the Agricultural Research Service. In all, the budget requests \$20.8 billion for the USDA, a 15-percent decrease from last year's budget, but a formidable figure nonetheless.

The Department of Commerce, by contrast, will enjoy a nine-percent budget increase, to \$12.2 billion, if the Trump administration has its way. Those funds will include \$688 million to the National Institute of Standards and Technology to pay for research in areas of high tech, such as quantum computing, artificial intelligence, and microelectronics. However worthy such research might be, the Constitution does not countenance the use of federal funds to subsidize science.

The Department of Education — a department with no constitutional legitimacy whatsoever — will have its budget cut by 10 percent, but will still be the beneficiary of a whopping \$64 billion in taxpayer funds. Among the larger-ticket items on the Department of Education's budget are \$15.9 billion in Title I grant monies to public schools serving low-income areas, \$1.4 billion for Impact Aid programs (for schools on military bases and Indian lands), \$13.2 billion for Individuals with Disabilities Education Act formula and discretionary grant programs, \$1.8 billion in Student Aid Administration at Federal Student Aid, and \$1.3 billion for Career and Technical Education state grants. Besides these, the government will continue to spend billions of dollars on the traditional array of student-loan subsidies and grant money — not one dollar of which passes constitutional muster. Since its creation by President Carter, the Department of Education, far from succumbing to repeated calls for its long-overdue closure, has mushroomed into one of the most wasteful of all federal government agencies. The current administration continues that almost-four-decade tradition, even while trumpeting cosmetic reductions in a few of the more egregious programs.

Another department of very dubious constitutionality, the Department of Health and Human Services, will see its funding cut by 12 percent under the Trump proposal, but will still enjoy \$87.1 billion worth of budgetary largess. Prominent among its allocations are several billion to combat the opioid epidemic, including \$1.5 billion for State Opioid Response grants and \$1 billion for opioid and pain research at the National Institutes of Health, \$33 billion for epidemiological research, and \$6.1 billion to the onerous





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FDA, whose bureaucratic exactions have hindered the progress of the food production and pharmaceutical sectors for decades. The Trump budget also pledges to "strengthen" and "protect" the Medicare program, one of the federal government's largest and most wasteful socialist boundoggles, which has been responsible for many of the distortions and inefficiencies in our healthcare system that President Trump has inveighed against. Seeking to rid the country of the socialist monstrosity of ObamaCare while propping up much of the creaky socialist bureaucracy that incentivized it is a typically Washingtonian exercise in political grotesquerie.

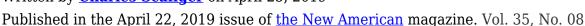
The Department of Labor is having its budget cut by more than nine percent, at least on paper. Yet the Trump administration has still managed to find \$10.9 billion worth of mostly frivolous activities for this bloated bureaucracy, activities that, by any constitutional or free market standard, should be left to market forces or to state and local governments. Among these activities are continuing to spend taxpayer dollars to train (or re-train) American workers in skills that will allegedly make them more competitive in the global economy, maintaining the Obama-era Job Corps for disadvantaged youth, "modernizing" the federal government's unemployment safety net (including the Unemployment Insurance and Trade Adjustment Assistance programs) and continuing the Occupational Safety and Health Administration, which for decades has been driving businesses into receivership over oftentrivial violations of federal government-imposed health and safety codes.

For the Department of State and "other international programs," the Trump budget requests \$40 billion (alongside \$1.6 billion for international programs housed at the Department of the Treasury). All of which prompts the question: Why does the federal government have any "international programs" at all? If false federal philanthropy masquerading as domestic programs is, in the main, blatantly unconstitutional, how much more so programs that, under any pretext whatsoever, dole out American taxpayer dollars to foreign governments, NGOs, or citizens? One case in point: The Trump budget proposal requests \$1.6 billion to be allocated to Multilateral Development Banks, including the International Bank for Reconstruction and Development, a subsidiary of the UN's World Bank. These banks loan money to poor countries to help with infrastructure development. That President Trump, whose anti-interventionist campaign rhetoric helped propel him to the White House, would countenance federal government giveaways of taxpayer money to international entities such as the World Bank is an insult to the Americanist constituency that elected him. That the Trump budget would expend significant ink on the maintenance of USAID (the agency primarily responsible for the issuance of foreign aid) is indicative of the degree to which this administration — like all others that have preceded it for at least the last 70 years — is held hostage by the internationalist establishment. To be sure, the language of the Trump budget proposal outlines efforts to make these agencies more cost-effective. But USAID ought to be abolished, not reformed. And the same can be said of the World Bank and its many subsidiaries, which the United States effectively props up by being its primary shareholder.

Anyone daring to hope that the Trump administration would bring welcome relief to hard-pressed American taxpayers by abolishing the odious Internal Revenue Service is in for a nasty surprise. Not only does the Trump budget continue to fund the IRS, it does so at levels virtually unchanged from the previous administration. Indeed, the entire Department of the Treasury is suffering only a minuscule overall budgetary cutback (around one percent), with a proposed \$12.7 billion piece of the budget pie. As for the IRS, to which most of the Treasury Department's budget funds are allocated:

The Budget proposes \$11.5 billion in base funding for IRS to ensure that IRS can fulfill its core tax







filing season responsibilities, continue critical IT modernization efforts, and provide acceptable levels of taxpayer service. The Budget also proposes legislation enabling additional funding for new and continuing investments to expand and strengthen tax enforcement.... The Budget also includes several proposals to ensure that taxpayers comply with their obligations and that tax refunds are only paid to those who are eligible, including: improving oversight of paid tax preparers; giving IRS the authority to correct more errors on tax returns before refunds are issued; requiring a valid Social Security Number for work in order to claim certain tax credits; and increasing wage and information reporting.

Translation: We're going to make the IRS even more aggressive and ruthlessly efficient in collecting America's already burdensome income taxes.

Other than the major departments, the executive branch also includes a number of gargantuan regulatory agencies — agencies whose task is to sustain an unconstitutional regulatory regime perpetrated by unelected bureaucrats. These agencies in effect do the bidding of political elites who cannot enact their reforms legislatively. One of these organizations is the execrable Environmental Protection Agency (EPA), whose nearly five-decade track record of stifling private-sector initiative in the name of the environment is unlikely to be challenged by the Trump administration. In requesting \$6.1 billion for the EPA in fiscal 2020, President Trump is all but assuring that the EPA will continue its crusade against American private enterprise for the foreseeable future. Under the usual rubric of enhancing emissions standards, protecting the nation's waterways, cleaning up toxic waste sites, and so forth, the Trump budget contemplates an EPA that will continue to carry out the agenda of Rachel Carson, Ralph Nader, and other environmental extremists to make America safer for endangered pupfish and flies, while doing everything it can to prevent further industrialization or use of the nation's natural resources at anything approaching rational levels of consumption.

The Small Business Administration (SBA) has long been a favorite of Republicans, because it purports to enlist the assets of the federal government to promote small businesses and capital formation. However laudable this (or any other) stated goal of any federal agency may be (who, after all, opposes more small businesses or, for that matter, a cleaner environment or safer schools?), it must always be remembered that such tasks are not to be borne by the federal government because the Constitution does not authorize them. So it is with the SBA, one of the few federal entities to enjoy a budgetary increase in the Trump proposal: Although the \$820 million requested is earmarked for the likes of "assist[ing] U.S. small business owners in accessing affordable capital to start, build, and grow their businesses," "promot[ing] investment in the nation's newest enterprises," and "strengthen[ing] support to entrepreneurs in emerging markets," all of these will be administered by federal entities, with the usual red tape, inefficiency, and political bias. The stimulation of business startups could be undertaken by state or local government where deemed appropriate, or — better still — left to the magisterial "invisible hand" of the free market.

While most federal departments and other entities would experience budgetary cutbacks under the Trump plan, the overall cost of government would continue to rise, to the tune of \$1 trillion-plus annual deficits for the next three years, to be followed by a gradual lessening of deficits throughout the rest of the 2020s. If this tune sounds familiar, it's because it is indistinguishable in principle from the budgetary priorities of President Trump's two predecessors, both of whom (with full complicity of Congress) saw fit to run up vertiginous near-term deficits and debts, while promising fiscal restraint in





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decades to come. Thus Trump envisages a deficit of "only" \$202 billion in 2029 — but deficits in the neighborhood of \$1 trillion in both 2022 and 2023.

In fairness to President Trump, many budgets of unconstitutional departments and agencies will be slashed, if anything resembling the Trump proposal carries the day. But "cuts" of the order of a few percent annually are mere window dressing. Even if a Democrat-controlled Congress were to approve such cuts (and it won't), they are not enough to reverse the course of the ship of state, which has very nearly run aground on the shoals of bankruptcy. Before long, a new administration will be in power, and whatever political will to "drain the swamp" that Donald Trump has brought to official Washington will be lost.

Why is there so little interest in Washington in restoring limited constitutional government? Because too many of the powerful and well-connected benefit by the system in place. It's a well-worn cliché, but true nonetheless: The special interests and their political myrmidons have no more concern for the long-term damage their policies are doing — to the economy, to the rule of law, to American traditional culture — than do parasites whose depredations will eventually kill the very host on which they depend. Thus every special interest, every dependent on federal giveaways, every employee of the bloated federal system, will argue vigorously in defense of "their" program, be it a crop subsidy, a loan subsidy, a research grant, or a regulatory agency protecting some important cause, because their livelihoods depend on it. The largest of all such programs, the unconstitutional Social Security program, is the costliest and most inefficient of them all, yet so sacrosanct is this program that — having literally entangled every American in its trans-generational web — it is not even included in the budget. It is an "entitlement," and every American ever compelled to pay into the Social Security system expects — not unreasonably — to be recompensed at retirement. No politician dares advocate for the reform or abolition of Social Security, the so-called "Third Rail" of American politics, because of this expectation.

In varying degrees, this is the case with all government programs. All of them are regarded as "entitlements" by the special interests they apply to, and their repeal portrayed as a moral outrage.

But none of the popular indignation or political posturing can alter the stark fact that America can no longer afford the luxury of playing fast and loose with constitutional limits on government power. With the official national debt adding \$1 trillion every 18 months or so, we are fast approaching the brink of the same fiscal cliff over which the likes of Argentina, Zimbabwe, Weimar Germany, and many other modern countries have already careened.

As with so many of America's political and economic problems, the solution to runaway government spending and debt is to be found in the hallowed pages of our Republic's founding document, the U.S. Constitution. It has been estimated that, were the federal government to be restored to its approximate constitutionally approved dimensions, the size of the federal budget would shrink by as much as 80 percent. Such a reduction would be reform indeed — and one that would speedily remedy America's debt crisis. But it will only come about if the political will is strong enough. And that will happen only when the American voting public loudly and steadfastly demands it.

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