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RECKONINGS / By PAUL KRUGMAN

Trillions and Trillions

An old classmate of mine, who went on to become a Latin American finance minister, once brought his technical experts to a meeting with a U.S. Treasury official. The official was furious. "Get your [expletive] numbers guys out of here," he yelled -- which was how the U.S.-educated technical team subsequently referred to themselves.

All of which is by way of apology for today's column, in which I am going to be, at least a bit, a numbers guy. But then my subject is a numbers issue: how big a tax cut can a presidential candidate responsibly offer?

Of course, it depends on what the candidate plans to do about spending. Big tax cuts won't break the budget if they go along with, say, significant reductions in Social Security and Medicare benefits. But the truth -- or at least the conventional wisdom -- is that post-Clintonian America has reached a sort of equilibrium, in which the median voter wants a government that is neither much bigger nor much smaller than it currently is. And assuming that it is a Bush-Gore election (despite last night's results), both candidates will at least pretend to respect that equilibrium. How much money does that leave on the table?

If you have been reading the headlines, you probably think that the answer is, quite a lot.

After all, didn't the Congressional Budget Office just estimate that thanks to our booming economy the federal government will run a surplus over the next decade of $1.9 trillion? And doesn't this mean that the budget can easily accommodate even the $1.3 trillion in tax cuts being proposed by George W. Bush?

No. To see why, you have to look at the, um, numbers.

The key question is, What would it mean to keep the size of government about the same as it currently is? A reasonable man -- and Mr. Bush's economists are, as I said last week, reasonable men -- might guess that it means keeping "real discretionary spending per person" more or less constant. Note the modifiers. "Discretionary," meaning that nobody is proposing to scale back the big-ticket entitlement programs; "real," because if prices rise it costs more to provide the same services; "per person," because more people means more need for government services, which is why a populous state like -- to take a random example -- Texas has a bigger budget than its less populous neighbors.

Alas, that $1.9 trillion estimate was not based on anything like this reasonable notion. It was based on the assumption that total spending on discretionary programs will remain constant -- in ordinary, non-inflation-adjusted dollars -- for the next 10 years. Since the projection also assumes roughly 2 percent inflation, this means a large reduction in real spending. And since the population is going to grow over time, it means an even bigger cut in real spending per person. In other words, that big surplus number is based on the assumption of a drastic, even draconian reduction in government services.

As it happens, the C.B.O. also offered a more realistic projection based on the assumption that discretionary spending grows with inflation. That simple adjustment lops off more than a trillion dollars. But because the population is growing, that still means a substantial decline in per capita spending -- and since some programs cannot or will not be cut, it means deep cuts in what remains.

How much is really on the table? I've done my own back-of-the-spreadsheet calculation of how the C.B.O.'s surplus projection would change
if real spending grew with population; the adjustment brings the total down to around $400 billion. 

So how can those reasonable men advising George Bush think that he can offer $1.3 trillion in tax cuts? Assuming that they are neither planning to raid Social Security nor counting on favorable revenue surprises to save them (unfavorable surprises are, of course, out of the question), they must have in mind a sharp scaling back of government programs.

But that, of course, is not at all what the candidate's rhetoric suggests. He seems to be saying that he only wants to stop those Washington politicians from initiating grandiose new spending schemes. There is little hint that his "compassionate conservatism" can be financed only if the government sharply cuts back on what it is doing now.

If you ask me, it's time he had a little chat with his numbers guys.