President Trump has fallen behind in submitting his budget request: all that has been released so far are his estimates of expenditures.

Spending would be trimmed slightly, as hefty increases in defence budgets are offset by drastic cuts in other departments.

As to revenues, the picture is totally opaque. Promises were made on the campaign trail, but no draft bills have been released yet. Tax reform certainly should not be ruled out, but that is about all we can say.

In the aftermath of November’s presidential elections, some wanted to believe that a fiscal stimulus was on its way through tax cuts and higher spending. Today, it is hard to say with any certainty what to expect in terms of Federal funding. Looking beyond the “normal” complexity of the budget process (see box), virtually no details have been released. Although it is fairly common for deadlines to be missed, especially in a new administration’s first year, the lack of precision this time round is particularly glaring. The President still has not published his complete budget request. All we have are his proposals for spending.

Based on the few pages released so far, it is impossible to say anything about a possible stimulus. Mr. Trump is calling for a very slight reduction in spending, by USD 2.7 billion (-0.3%). Granted, he does plan to increase appropriations to the department of defence and the veterans’ administration, by USD 52.3 billion (+10%) and USD 4.4 billion (+5.9%), respectively. And he has earmarked USD 3 billion for the construction of a wall along the Mexican border.

These amounts are more than offset by spending cuts elsewhere. For some departments, the cutbacks are drastic: -28.7% for the State department and international development programs, -20.7% each for the Agriculture and Labor departments, and -16.2% for the Health department. These figures counter the notion that spending would be increased to stimulate US growth. They also seem to shoot down plans for infrastructure spending.

Note that candidate Trump never promised to increase spending. His famous “trillion dollar infrastructure plan” was never more than a corporate tax credit estimated at USD 167 billion, which thanks to a big multiplier effect, would generate spending of USD 1,000 billion. We must wait for the release of his revenue projections to know whether or not this plan will be maintained. As to fiscal policy, candidate Trump promised income tax cuts and corporate tax reform.

In brief, if all these campaign promises were approved today – and that is a big if, especially following the withdrawal of the draft proposal to repeal and replace Obamacare – the Federal budget deficit would not contract, much to the contrary. With spending virtually unchanged, any tax cuts would widen the deficit, especially since interest rates – which are still low – have been trending upwards since November.

To counter this reasoning, growth forecasts would have to be very dynamic. As part of the monitoring of President Obama’s stimulus package, the Congressional Budget Office (CBO) published precise estimates of these fiscal multipliers. Unsurprisingly, they were particularly high for investment spending, and particularly low for tax cuts, and even negative when high-income households were the main target.

We will have to follow the ups and downs of this debate, which has not really started yet, knowing that this is not the most urgent matter on the agenda. To avoid another shutdown – in which only the most essential Federal services are maintained – Congress must approve an appropriations bill before the end of April. Once again, the news cycle will focus on the debt ceiling issue this spring.