

## Donald Trump, Paul Ryan and the con man caucus

By Paul Krugman

November 3, 2017 – *The New York Times*

It really is amazing to watch this chaotic horror show play out at the highest levels of a great nation's government. But I guess this is what you have to expect when you hand over the reins of power to a con man, whose whole career has been based on convincing naïve marks that he's a brilliant deal maker, but turns out to have no idea how to actually govern.

Oh, wait — did you think I was talking about Donald Trump? I'm talking about Paul Ryan, the speaker of the House, an obvious phony who nonetheless convinced the rubes — that is, much of the news media and the political establishment — that he was a brilliant fiscal expert. What we're witnessing now is the end of the charade, the political equivalent of what happened when graduates of Trump University tried to get some value in return for their money.

On Thursday, House Republicans unveiled a tax "reform" bill with the same good order and careful deliberation with which they unveiled their various attempts to repeal Obamacare. That is, after having had years to prepare, the G.O.P. waited until the last minute to throw something together, without any hearings or serious analysis.

Budget wonks are frantically going through the legislative language, trying to figure out what it means and what it would do — but they can take some comfort in the fact that the bill's authors are almost equally in the dark.

O.K., some things are clear: The bill would give huge tax breaks to corporations and the wealthy, especially wealthy heirs, while opening vast new opportunities for tax avoidance. You won't go far wrong if you think of the big tax cuts in the law as having been custom designed to benefit the Trump family.

But these big tax cuts would blow a multitrillion-dollar hole in the budget, so Republicans have been scrambling to find "pay-fors" that limit the addition to the deficit. What they came up with was a hodgepodge of stuff: ending deductions for some state and local taxes, limiting deductions for mortgage interest, phasing out child tax credits, and so on.

Since the point of these measures is to offset tax cuts for the rich, they will, more or less by definition, end up raising taxes on large numbers of middle-class families.

Will this bill pass the House? Unclear: Some important interest groups, like homebuilders and the small-business lobby, have already declared opposition. In any case, it almost surely can't become law in anything like its current form: A tax bill can't pass the Senate with less than 60 votes if it raises the long-term budget deficit, which this bill surely does. In fact, this bill might not even get a simple Senate majority.

So right now tax cuts are looking like health care redux: With many years to prepare, Republicans turn out to be completely unready for prime time. But how did they get to this point?

The answer is that this week's debacle was predictable from the moment, more than seven years ago, that Ryan began establishing himself as a media darling by publishing impressive-looking blueprints for fiscal reform with titles like "Roadmap for America's Future."

Like the bill just released, all these blueprints included huge tax cuts for corporations and the wealthy; but Ryan insisted that any revenue losses would be made up for by ending unjustified tax breaks. Which tax breaks would he eliminate? He refused to say.

These evasions worked brilliantly as a public relations strategy. Those who warned about his plans' phoniness were ignored. Ryan even received awards for fiscal responsibility.

But actual legislation can't close huge fiscal gaps with vague promises. To hand out those big tax cuts while raising the deficit by "only" \$1.5 trillion, Republicans needed to find real money somewhere, and that turns out to be really hard.

The big question should be, why do any of this? Ryan used to claim that his plans were about reducing the budget deficit, but he has now given up that pretense.

And why should tax cuts even be on the table? We have budget deficits, not surpluses, and lots of unmet needs for future spending. U.S. taxes are low, not high, compared with other wealthy

countries. Predictions that tax cuts will lead to rapid economic growth have been wrong time and again. And by large margins, voters want taxes on corporations and the wealthy to go up, not down.

The ruling theory among Republicans seems to be that going into the midterm elections they need a "win" to offset their failure to repeal Obamacare. I guess this might be right, although it's a theory that reveals extraordinary contempt for voters, who are supposed to be impressed by the G.O.P.'s ability to ram through policies that only benefit a tiny elite.

However the politics turn out, this is remarkably terrible policy, devised via a remarkably terrible process. Most Americans realize that Donald Trump is a very bad president; they need to realize that his party's congressional leadership is pretty awful, too.