

The Trump tax scam

Deficits are up? Cut Medicare and Social Security!

By Paul Krugman

October 18, 2018 – *The New York Times*

When the Trump tax cut was on the verge of being enacted, I called it “the biggest tax scam in history,” and made a prediction: deficits would soar, and when they did, Republicans would once again pretend to care about debt and demand cuts in Medicare, Medicaid and Social Security.

Sure enough, the deficit is soaring. And this week Mitch McConnell, the Senate majority leader, after declaring the surge in red ink “very disturbing,” called for, you guessed it, cuts in “Medicare, Social Security and Medicaid.” He also suggested that Republicans might repeal the Affordable Care Act — taking away health care from tens of millions — if they do well in the midterm elections.

Any political analyst who didn’t see this coming should find a different profession. After all, “starve the beast” — cut taxes on the rich, then use the resulting deficits as an excuse to hack away at the safety net — has been G.O.P. strategy for decades.

Oh, and anyone asking why Republicans believed claims that the tax cut would pay for itself is being naïve. Whatever they may have said, they never actually believed that the tax cut would be deficit-neutral; they pushed for a tax cut because it was what wealthy donors wanted, and because their posturing as deficit hawks was always fraudulent. They didn’t really buy into economic nonsense; it would be more accurate to say that economic nonsense bought them.

That said, even I have been surprised by a couple of things about the G.O.P.’s budget bait-and-switch. One is the timing: I would have expected McConnell to hold his tongue until after the midterms. The other is the lying: I knew Donald Trump and his allies would be

dishonest, but I didn’t expect the lies to be as baldfaced as they are.

What are they lying about? For starters, about the causes of a sharply higher deficit, which they claim is the result of higher spending, not lost revenue. Mick Mulvaney, Trump’s budget director, even tried to claim that the deficit is up because of the costs of hurricane relief.

The flimsy justification for such claims is that in dollar terms, federal revenue over the past year is slightly up from the previous year, while spending is about 3 percent higher.

But that’s a junk argument, and everyone knows it. Both revenue and spending normally grow every year thanks to inflation, population growth and other factors. Revenue during Barack Obama’s second term grew more than 7 percent a year. The sources of the deficit surge are measured by how much we’ve deviated from that normal growth, and the answer is that it’s all about the tax cut.

Dishonesty about the sources of the deficit is, however, more or less a standard Republican tactic. What’s new is the double talk that pervades G.O.P. positioning on the budget and, to be fair, just about every major policy issue.

What do I mean by double talk? Well, consider the fact that even as McConnell blames “entitlements” (that is, Medicare and Social Security) for deficits, and declares (falsely) that Medicare in particular is “unsustainable,” Paul Ryan’s super PAC has been running ads accusing *Democrats* of wanting to cut Medicare. The cynicism is breathtaking.

But then, it’s no more cynical than the behavior of Republicans like Dean Heller, Josh Hawley and even Ted Cruz who voted to repeal the Affordable Care Act, which protects

Americans with pre-existing medical conditions, or supported a lawsuit trying to strip that protection out of the act, and are now running on the claim that they want to ... protect people with pre-existing conditions.

The point is that we're now in a political campaign where one side's claimed position on every major policy issue is the opposite of its true position. Republicans have concluded that they can't win an argument on the issues, but rather than changing their policies, they're squirting out clouds of ink and hoping voters won't figure out where they really stand.

Why do they think they can get away with this? The main answer is obviously contempt for their own supporters, many of whom get their news from Fox and other propaganda outlets that slavishly follow the party line. And even in appeals to those supporters who rely on other sources, Republicans believe that they can neutralize the deep unpopularity of their actual

policies by misrepresenting their positions, and win by playing to racism and fear.

But let's be clear: G.O.P. cynicism also involves a lot of contempt for the mainstream news media. Historically, media organizations have been remarkably unwilling to call out lies; the urge to play it safe with he-said-she-said reporting has very much worked to Republicans' advantage, given the reality that the modern G.O.P. lies a lot more than Democrats do. Even the most blatant falsehood tends to be reported with headlines about how "Democrats say" it's false, not that it's actually false.

Anyway, at this point Republicans are proclaiming that war is peace, freedom is slavery, ignorance is strength and the party that keeps trying to kill Medicare is actually the program's greatest defender.

Can a campaign this dishonest actually win? We'll find out in less than three weeks.