

Op-Ed Columnist

Brewing Up Confusion

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Howard Schultz, the C.E.O. of Starbucks, has a reputation as a good guy, a man who supports worthy causes. And he presumably thought he would add to that reputation when he posted an open letter urging his employees to promote fiscal bipartisanship by writing “Come together” on coffee cups.

In reality, however, all he did was make himself part of the problem. And his letter was actually a very good illustration of the forces that created the current mess.

In the letter, Mr. Schultz warned that elected officials “have been unable to come together and compromise to solve the tremendously important, time-sensitive issue to fix the national debt,” and suggested that readers further inform themselves at the Web site of the organization Fix the Debt. Let’s parse that, shall we?

First of all, it’s true that we face a time-sensitive issue in the form of the fiscal cliff: unless a deal is reached, we will soon experience a combination of tax increases and spending cuts that might push the nation back into recession. But that prospect doesn’t reflect a failure to “fix the debt” by reducing the budget deficit — on the contrary, the danger is that we’ll cut the deficit too fast.

How could someone as well connected as Mr. Schultz get such a basic point wrong? By talking to the wrong people — in particular, the people at Fix the Debt, who’ve been doing their best to muddle the issue. For example, in a new fund-raising letter Maya MacGuineas, the organization’s public face, writes of the need to “make hard decisions when it comes to averting the ‘fiscal cliff’ and stabilizing our national debt” — even though the problem with the fiscal cliff is precisely that it stabilizes the debt too soon. Clearly, Ms. MacGuineas was trying to confuse readers on that point, and she apparently confused Mr. Schultz too.

More about Fix the Debt in a moment. Before I get there, however, let’s move on to Mr. Schultz’s misdiagnosis of the political problem we face.

Look, it’s true that elected politicians have been unable to “come together and compromise.” But saying that in generic form, and implying a symmetry between Republicans and Democrats, isn’t just misleading, it’s actively harmful.

The reality is that President Obama has made huge concessions. He has already cut spending sharply, and has now offered additional big spending cuts, including a cut in Social Security benefits, while signaling his willingness to retain many of the Bush tax cuts, even for people with very high incomes. Taken as a whole, the president’s proposals are arguably to the right of those made by Erskine Bowles and Alan Simpson, the co-chairmen of his deficit commission, in 2010.

In return, the Republicans have offered essentially nothing. Oh, they say they're willing to increase revenue by closing loopholes — but they've refused to specify a single loophole they're willing to close. So if there's a breakdown in negotiations, the blame rests entirely with one side of the political divide.

Given that reality, think about the effect when people like Mr. Schultz respond by blaming both sides equally. They may sound virtuously nonpartisan, but what they're actually doing is rewarding intransigence and extremism — which, in the current context, means siding with the G.O.P.

I'm willing to believe that Mr. Schultz doesn't know what he's doing. The same can't be said, however, about Fix the Debt.

You might not know it reading some credulous reporting, but Fix the Debt isn't some kind of new gathering of concerned citizens. On the contrary, it's just the latest addition to a group of deficit-scold shops supported by billionaire Peter Peterson, a group ranging from think tanks like the Committee for a Responsible Federal Budget to the newspaper The Fiscal Times. The main difference seems to be that this gathering of the usual suspects is backed by an impressive amount of corporate cash.

Like all the Peterson-funded groups, Fix the Debt seems much more concerned with cutting Social Security and Medicare than with fighting deficits in general — and also not nearly as nonpartisan as it pretends to be. In its list of “core principles,” it actually calls for lower tax rates — a very peculiar position for people supposedly horrified by the budget deficit. True, the group calls for revenue increases via unspecified base broadening, that is, closing loopholes. But that's unrealistic. And it's also, as you may have noticed, the Republican position.

What's happening now is that all the Peterson-funded groups are trying to exploit the fiscal cliff to push a benefit-cutting agenda that has nothing to do with the current crisis, using artfully deceptive language — as in that MacGuineas letter — to hide the bait and switch.

Mr. Schultz apparently fell for the con. But the rest of us shouldn't.

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