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Presidential Hopefuls: Ted Cruz

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“When we faced oppression in Cuba,” Sen. Ted Cruz, who is battling for the GOP presidential nomination, likes to recall being told as a boy by his pastor father, “I had a place to flee to. If we lose our freedom here, where do we go?”

Given his background, it is perhaps not surprising that the firebrand Texas senator and Princeton-educated son of an evangelical preacher has adopted defending the U.S. Constitution — which he says recent administrations have defied — free speech and the cause of religious liberty as key parts of his agenda.

While serving as solicitor general of Texas, Cruz successfully argued before the U.S. Supreme Court that the state of Texas had a constitutional right to display a monument with the Ten Commandments on the grounds of the Texas Capitol.

Cruz joined several other Republican senators in an amicus brief defending the religious liberty of the owners of Hobby Lobby and Conestoga Wood Specialties when the Obama administration sought to force them to pay for health-insurance policies that violated their religious consciences.

When Kim Davis, the Rowan County clerk in Kentucky, was arrested last year because, citing her religious convictions, she refused to sign marriage licenses for same-sex couples, Cruz also put out a statement in support of Davis.

“I stand with Kim Davis,” Cruz said in the statement. “Unequivocally. I stand with every American that the Obama administration is trying to force to choose between honoring his or her faith or complying with a lawless court opinion.”

The National Organization for Marriage (NOM), which supports traditional marriage, has endorsed Cruz for president. “He has stood with us time and time again, and he has co-sponsored key legislation,” Brian Brown, president of NOM, said.

Cruz supports an amendment to the Constitution that would give the states the right to define marriage, a key goal of NOM, and is co-sponsor of the First Amendment Defense Act, which

would prevent the federal government from discriminating against somebody based on a conviction that homosexual “marriage” is morally wrong.

Cruz, who has a 100% pro-life voting record according to the National Right to Life Committee, has been one of the most vocal senators opposing taxpayer funding for Planned Parenthood. He spoke on the senate floor of Planned Parenthood officials “laughing, sipping Chardonnay” as they appear to discuss harvesting the body parts of aborted children on controversial investigative videos.

“Sen. Cruz is a longtime defender of life and has been an ally to the unborn and women in the U.S. Senate,” said Marjorie Dannenfelser, president of the pro-life Susan B. Anthony List. “Like Sen. [Marco] Rubio, he has used his platform as a senator and presidential candidate to draw attention to the tragedy of nearly 4,000 abortions each day in our nation. He has said that, if elected president, he will leave a seat open during his State of the Union address in honor of the lives lost.”

Economic Proposals

While there is no mistaking Cruz’s position on social issues, his economic proposals are considered harder to assess and draw praise and criticism, even among conservatives.

“Jobs, growth and opportunity will reignite promise for millions of American families who are currently being crushed by the Obama economy,” a Cruz statement declares. “The best way to jump-start growth is through fundamental tax reform.” As far as individuals and couples, Cruz proposes a simple flat tax of 10%. A family of four will pay no federal income taxes on the first \$36,000. The Cruz campaign asserts that Cruz’s flat tax will mean the “IRS will cease to exist as we know it.”

The second — and highly controversial — plank of Cruz’s tax reform would be eliminating corporate income tax and replacing it with a 16% “business transfer tax” or value-added tax (VAT). Cruz has said that businesses would pay tax on “gross receipts from sales of goods and services, less purchases from other businesses, including capital investment.”

Mindful of Europe’s experiences with value-added taxes, which started out fairly low but have steadily risen, Cruz tries to steer clear of the VAT terminology, preferring instead to call his plan “a business flat tax.” Economist Alan Viard at the American Enterprise Institute, however, has written that this definition sounds very much like a VAT.

Since the value-added tax would be collected only from businesses and not individuals, individuals would not see in their own lives that taxes were going up — and that, say critics of Cruz’s plan, is precisely the problem. It would be easy to raise taxes without the public really grasping what was happening, some experts say. “The 10% income tax that voters see,” said Chris Edwards, the Cato Institute’s director of tax-policy studies and editor of the DownsizingGovernment.org project, “only reflects one-fourth of the cost of the federal government because the hidden business VAT collects most of the government money.”

“European VATs started out low a few decades ago,” Edwards continued, “but governments have steadily raised them over time. The current VAT ‘base’ or coverage is so wide, each

percentage point raises a huge amount of money. It is deceptive for the government to collect so much tax from business. This is a democracy, so we should see the burden directly.”

In an interview with the Register, Viard said something similar: “The tax is collected from business, which writes the check. But who writes the check is not important, and to pretend that nobody but business will pay for this tax is inexcusable. The worst thing is pretending that this tax would not create a burden for working people. People ought to be able to see the taxes they are paying.”

“A VAT is much more growth-friendly than the income tax because it does not penalize saving and investment,” Viard has written. “However, it places more of the tax burden on those who are less well off. And giving the government another major revenue source might make it harder to restrain entitlement spending growth.”

Health care and entitlement-reform expert Avik Roy of *Forbes* magazine (and an adviser to Sen. Marco Rubio) has called Cruz’s VAT plan “naive.” Like Edwards, Roy believes a VAT would tempt the government to raise taxes because most citizens would not directly see the new taxes. Roy argues that the costs will be passed on to citizens, but they won’t be able to see it, and thus there would be less urgency about reforming entitlement spending.

“If the burden of national taxation is going to be transferred to businesses,” Roy has written, “then businesses will have to increase their prices to pass on the effects of that tax. In other words, while individuals might have higher wages, their cost of living will also go up significantly — possibly at a higher rate than wage growth.”

Michael Schuyler, a senior fellow at the Tax Foundation, an independent tax-policy research organization, however, has a more sanguine take on Cruz’s tax proposals. Schuyler and Kyle Pomerleau, director of federal projects at the Tax Foundation, performed a detailed analysis of the Cruz tax plans. Schuyler told the Register that the Cruz plan had the potential to be “very pro-growth. We figure that people would respond to the more growth-oriented climate,” leading over time to higher wages and more full-time jobs. Their study projected that, accounting for growth, all taxpayers would see a 14% increase in their after-tax income by the end of a decade.

Foreign Policy and Immigration

Cruz’s foreign policy hinges on the notion that the United States “is an exceptional nation, the nation other countries aspire to be like.” Cruz would make all decisions based on what is best for the United States. He would cancel President Obama’s Iran nuclear deal, as he likes to say, “on day one.”

As might be expected of someone with an evangelical background, Cruz is pro-Israel and says he would recognize the disputed city of Jerusalem as the “eternal, undivided capital of Israel.” That would not be the only irritant for the Palestinians: Cruz would also re-evaluate U.S. policy towards Palestinians because “not one penny” of American taxpayer largesse should go to an organization that unites with the terrorist Hamas group to fight Israel.

Perhaps the issue with which Cruz is most identified is immigration. Cruz has relentlessly attacked Rubio, the other son of Cuban immigrants in the race for the White House, for his

participation in the so-called “Gang of Eight” bill put together by a bipartisan group of senators that would have allowed a path to citizenship for illegal immigrants.

Rubio made the conditions for citizenship more stringent than otherwise would have been the case, before unceremoniously withdrawing support for the bill.

“When ‘Establishment Republicans’ teamed up with Democrats to reward millions of illegal immigrants with amnesty, I engaged millions of men and women across the country [to stop the Gang of Eight bill],” Cruz has said. Cruz had proposed five amendments to the bill, which he later said were “poison pill” amendments meant to defeat the bill and not, as Rubio and other critics have claimed, an indication that he supported the bill.

“It’s not that we don’t know how to solve illegal immigration,” Cruz says on his website. “What is missing is the political will to get it done. And, as president, I will get it done. We will secure the borders.”

Cruz would secure the border by building a wall, tripling the number of border agents, and beefing up surveillance. Cruz would end the catch-and-release policy that allows illegal immigrants to remain in the U.S. More controversially, Cruz has gone so far as to argue for deporting illegal immigrants.

A little noticed proposal: Cruz would limit the number of H-1B (non-immigrant) visas. These are visas that permit sponsored immigrants to work temporarily in such specialized fields as chemistry or biotechnology.

Tamar Jacoby, CEO of Immigration Works USA, said that, with the immigration issue, Cruz “saw an opportunity and has driven off the cliff with it. Most scary to me is that he is talking about a pause in legal immigration.”

In contrast, Mark Krikorian, executive director of the Center for Immigration Studies, said that Cruz had grown “more hawkish” on immigration. “Cruz was once in favor of increasing legal immigration, but he has walked that back,” Krikorian said approvingly.

While he didn’t use the term bluster, Krikorian seems to think that talk of massive deportations, whether from Cruz or Donald Trump, is just that. Large-scale deportation, he said, would be impossible, but Krikorian added that it is practical to deport illegal immigrants who commit illegal actions or get in trouble. “Anyone who comes across your radar as an illegal immigrant, you can deport,” he said.

Cruz, meanwhile, sees his immigration and border proposals as a way to, as his website puts it, “restore the value of American citizenship and the rule of law.”

Formed by His Father’s Experiences

Whatever one thinks of Cruz’s immigration proposals, it is not farfetched to see them as derived from the legend of his father, Rev. Rafael Cruz, who came to the United States legally in 1957, not knowing English but willing to work hard to prosper.

Rafael Cruz learned English and attended the University of Texas. He then worked in the oil and gas industry, until deciding to become an evangelical pastor. Like his son, Rafael Cruz is an

impassioned speaker. Rafael was involved with the Castro guerilla movement before he rejected it and fled. A Catholic by birth, Rafael Cruz became an evangelical Protestant.

According to a profile of the Cruz father-son relationship in *Politico*, Rafael recalled that he had made his famous remark, about having no place to go if the United States lost its freedom, during the lead-up to the election of Ronald Reagan (for whom the elder Cruz campaigned). “Those words profoundly impacted Ted’s life,” Rafael Cruz was quoted as saying.

It is not a stretch to say that they will also effect his agenda — if elected president.