

By Naively Putting Tax Hikes on the Table, Jeb Bush and Lindsey Graham Join the Charlie Brown Club

By Daniel J. Mitchell

6/15/2012

Even though America's fiscal problem is entirely the result of too much government spending, I wrote earlier this year that there were all sorts of scenarios where I would agree to a tax increase.

But I then pointed out that all of those scenarios were total fantasies and that it would be more realistic to envision me playing center field for the New York Yankees.

The fundamental problem is that politicians never follow through on promises to reduce spending – even if you use the dishonest Washington definition that a spending cut occurs whenever the budget doesn't rise as fast as previously planned.

And to make matters worse, they always seem to want class-warfare tax hikes that do heavy economic damage rather than the loophole closers that at least get rid of some of the inefficient corruption in the tax code.

That's why I like the anti-tax pledge of Americans for Tax Reform. You don't solve America's fiscal problems by saying no to all tax increases, but at least you don't move in the wrong direction at a faster rate.

Notwithstanding the principled and pragmatic arguments against putting tax increases on the table, some Republicans – in a triumph of hope over experience – are preemptively acquiescing to tax hikes.

Here's what Jeb Bush said.

Jeb Bush, the former Florida governor, said Friday that he could back a broad deficit plan that increased taxes, a stance that puts him at odds with other prominent Republicans. Bush told a House panel he could get behind a plan that combined 10 dollars in spending cuts for every dollar of new revenue... "The problem is the 10 never materializes," [Congressman Paul] Ryan said after Bush said he could support a revenue-increasing deficit deal. Norquist also has criticized deficit deals crafted in 1982 and 1990 – the latter agreed to by then-President George H.W. Bush, Jeb's father – for failing to deliver on the spending side.

Kudos to Paul Ryan for making the obvious point about make-believe spending cuts. And Grover is correct about the failure of previous budget deals.

Indeed, I cited a New York Times column that inadvertently revealed that the only budget deal that worked was the 1997 pact that cut taxes rather than raised them.

Jeb Bush isn't the only apostate. Here's what Senator Graham had to say.

Sen. Lindsey Graham (R-S.C.) said Tuesday he believed Republicans should consider eliminating loopholes in the tax code even if they aren't replaced by additional tax cuts, a move that would break with an anti-tax pledge many GOP lawmakers have signed with activist Grover Norquist. "When you eliminate a deduction, it's OK with me to use some of that money to get us out of debt. That's where I disagree with the pledge," Graham told ABC News. ..."I'm willing to move my party, or try to, on the tax issue. I need someone on the Democratic side being willing to move their party on structural changes to entitlements." Graham said, for instance, he would support a plan that included \$4 in spending cuts for every \$1 in tax increases. During a Republican debate last August, all eight Republican candidates in attendance said they would reject a proposal to trade \$10 in spending cuts for even \$1 in tax increases.

In some sense, Senator Graham's comments are reasonable. With real spending cuts and lessdamaging forms of tax hikes, an acceptable deal is possible. But only in Fantasia, not in Washington.

In the real world, all that Senator Graham has done is to move the debate slightly to the left.

I've noted that tax increases are political poison for the Republican Party, but I don't lose sleep worrying about the GOP.

But I do have nightmares about government getting even bigger, and that's why I don't want tax increases on the table. I don't even want them in the room. Or the house. Or the neighborhood.

That's why Jeb Bush and Lindsey Graham are the newest winners of the Charlie Brown Award. They've put blood in the water. I wonder if they'll act surprised when hungry sharks show up looking for a meal?

Daniel J. Mitchell

Daniel J. Mitchell is a top expert on tax reform and supply-side tax policy at the Cato Institute.

Be the first to read Daniel J. Mitchell's column. Sign up today and receive Townhall.com delivered each morning to your inbox.