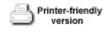
## Jon Stewart Hoodwinked by Liberal Myth: 'You Can't Be Pro-Tax Cut and Anti-Deficit'

Comedy Central host mocks Republicans for being against allowing Bush tax cuts to expire and anti-deficit at the same time.

By Jeff Poor Business & Media Institute 8/12/2010 11:51:56 AM



The wisdom of Comedy Central's Jon Stewart: defending the Bush tax cuts is only a useful gesture against President Barack Obama and not a serious policy position.

That sounds pretty weak at face value. But Stewart, or least his writers, took that side in the debate over whether allowing former President George W. Bush's tax cuts to expire is the cure-all for the mounting federal budget deficit that seems to exploded since Obama took office.

On "The Daily Show" Aug. 11, Stewart seemingly lambasted any Republican that appeared on television to argue against deficits, but supports tax cuts.

"Let's begin tonight in D.C.," Stewart said. "It's our nation's capital. For the last 18 or so months Barack Obama's been the president and Democrats have controlled both houses of Congress. Purely by coincidence, that's the exact same amount of time that Republicans have expressed a newfound concern for our nation's financial stability."

To set-up this "Republicans are hypocrites skit," Stewart played clips of Rep. Jeb Hensarling, R-Texas, Sen. Mitch McConnell, R-Ky., Rep. Eric Cantor, R-Va., Rep. John Boehner, R-Ohio, and former Republican



House Speaker Newt Gingrich warning against the budget deficit.

"The deficit wants to skull f\*\*k your mother!" Stewart shouted, after that montage of sound bites. "It wants to eat your children after it shows your wife a level of physical passion you've never been able to give. It's a powerful deficit is what I'm saying. Well, there is good news for concerned Republicans. Your prayers to the god of uncrushed children have been answered."

And here's where the whole lynch pin of the fallacy Stewart was promoting – that you can't be anti-deficit and pro-tax cut at the same time – came in. With all the liberal think tanks and their attacks on low-tax policy, Stewart cited CNN's Fareed Zakaria, a Newsweek columnist with an expertise foreign policy not taxes.

"You see, George Bush's massive tax cuts are the single-largest chunk of our structural budget deficit," Zakaria said in a clip from his Aug. 1, CNN program. "[W]ere the tax cuts to expire, the budget deficit would instantly shrink by about 30 percent, or more than \$300 billion."

But that's not really the case. Although it isn't clear where Zakaria came up with his data, the Heritage Foundation's Brian Riedl has research that indicates these tax cuts were a just a drop in the bucket of the overall federal budget deficit and the real culprit is the explosion in spending, not the oft-repeated liberal claim that Bush's tax cuts are responsible.

Riedl explained the budget surplus forecasted at the end of the Clinton presidency is set to shift to a \$6.1 trillion deficit and that the 2001 and 2003 Bush tax cuts were just responsible for a mere 14 percent of this shift. The true culprit, Riedl said, is the liberal sacred cow of entitlement spending.

"Instead of closing the long-term deficit by splitting the difference between tax hikes and spending cuts, lawmakers should address the source – rising entitlement costs," Riedl wrote.

But Stewart proceeded with this line of reasoning, as if Zakaria's word was gospel.

"Letting the Bush tax cuts expire shrinks the deficit by 30 percent, some say 25 percent," Stewart said. "As luck would have it, the Bush tax cuts are scheduled to expire at the end of 2010, the very year Republicans have expressed concern about deficit reduction. I love it when a plan comes together."

But that's still not the case. Even if the tax cuts are extended, revenues are projected to rise above the historical average by 2017. This leaves surging spending responsible for the entire increase in long-term deficits. Business & Media Institute adviser and Cato Institute fellow Daniel Mitchell refuted Zakaria's claim on an Aug. 4 podcast.

"Our real problem isn't that deficits are large," Mitchell said. "It is that the government is far, far too big. That's what we should focus on, so he's looking at a symptom rather than the underlying disease and then if we have to look at the issue of federal spending and federal revenue – even under the Obama budget projections – while low now because of the economic downturn – are going to climb to their historical post-World War average. We do not have, in other words, a shortage of revenue in the United States or in Washington, D.C. We have too much government spending."

Stewart's question is a fallacy: "How exactly can you be for deficit reduction and extending tax cuts? How the do those two diametrically opposed thoughts exist in the same party platform?" The problem with Stewart's logic – the two are not diametrically opposed. And a major factor (spending), is excluded from the liberal question.