



## Talking Fiscal Cliff and GOP Fecklessness with the Instapundit

By: Daniel J. Mitchell – November 30<sup>th</sup>, 2012

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Unless the law is changed, big tax increases will be imposed on all taxpayers next year. This is the so-called fiscal cliff, and President Obama is using this unpalatable situation as an excuse to push for his class-warfare tax policy.

I talk about the political and economic ramification of this fight with Glenn Reynolds, author of the famous Instapundit blog.

As is my habit, there are a couple of points that deserve some elaboration.

Budget deals don't work – I wrote about this issue back in 2010, but I think the most persuasive piece of evidence came from the New York Times, which inadvertently admitted that the only successful budget deal was the 1997 pact that cut taxes rather than raising them.

We should only raise taxes on those who say they want higher taxes – Since the Hollywood left (with some noble exceptions such as Jon Lovitz and Rob Schneider) is in favor of bigger government and higher tax rates, Glenn has suggested a restoration of the federal tax on movie receipts. That hasn't worked very well in Spain, but I like the idea. In the same spirit, I've proposed a tax on CEO salaries since the big business community is trying to curry favor with the political class by endorsing tax hikes.

Republicans won this fight in 2010 when they had less power – The same fiscal cliff fight took place two years ago, before the Republicans controlled the House and when they had fewer seats in the House. Yet GOPers prevailed because Senate Republicans stuck together. It would be a sign on remarkable incompetence if they lost this year's fight since they now have much more power.

Long-term incumbents get too comfortable with big government – I joked about politicians who come to Washington thinking it's a cesspool, but eventually think it's a hot tub, but that's actually a very serious point. As I explain in this post, too many GOPers get corrupted by big government.

It's simple to balance the budget with modest spending restraint – According to Congressional Budget Office data, we can make the Bush tax cuts permanent and balance

the budget in just 10 years if lawmakers simply exercise some modest fiscal restraint and limit spending so it grows by an average of 2.5 percent yearly.

Most important, I sneak in an endorsement of my beloved Bulldawgs at the end of the interview – I've been very restrained and have not used this blog as a platform to celebrate Georgia being two wins away from the national title. Actually, the SEC Championship Game this weekend is the de facto national title game, though whichever team that prevails will have to take the pro forma step of mopping the floor with Notre Dame in January. This cartoon shows the state of play.

P.S. I appreciated Glenn's reference to Lucy, Charlie Brown, and the football. To see my re-creation of that Peanuts classic, look at the cartoon in this post.