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Cutting Military Spending Would Make for a Big and Beautiful Bill

Last week, Moody's Ratings lowered the United States credit rating. Fitch Ratings and S&P Global Ratings had already lowered the US rating. This new downgrade was driven by Congress's failure to make any efforts to reduce the almost 37 trillion dollars national debt.



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When Moody's made its announcement, the House Budget Committee was scrambling to get the votes to pass legislation extending the 2017 tax cuts.

President Trump has dubbed this the "big beautiful bill." The bill also has new tax cuts including repealing federal taxes on tips and overtime. The bill "offsets" the "lost" revenue from the cuts by making some cost saving reforms in domestic welfare programs, most notably Medicaid and food stamps. However, it increases spending in other areas, most notably military spending.

According to the Committee for a Responsible Federal Budget, the "big beautiful bill" would increase the national debt by at least 3.3 trillion dollars over ten years. This number is likely to rise because several moderate Republicans are threatening to vote against the bill unless the Medicaid and food stamps "reforms" are limited or dropped.

Tax cuts are always worth supporting because they advance liberty and sound economics by ensuring the people have more and the government has less. However, tax cuts that are not combined with real spending cuts are delayed tax increases. This is because cutting taxes without cutting spending leads to more debt that leads to higher taxes. These tax increases are likely to come from the Federal Reserve's monetization of debt, which weakens the dollar's purchasing power. This "inflation tax" benefits political and financial elites while hurting most Americans.

The reason Republicans are finding it difficult to offset their tax plan in a way that is politically palatable is that they are following exactly the opposite of the politically smart path to cut spending. Instead of starting by cutting welfare for the poor, Republicans should have started by cutting welfare for the rich, particularly the military-industrial complex.

Last week, while visiting the Middle East, President Trump delivered an important speech refuting the neocon crusade that has dominated American foreign policy thinking since 9-11. Yet, President Trump is proposing to increase the military budget to one trillion dollars.

President Trump and congressional Republicans will never cut spending until they stop pretending they can pay down the national debt, cut taxes, and continue massive spending on militarism. Similarly, fiscal conservatives need to stop targeting single mothers on food stamps while increasing federal spending on foreign intervention.

The debt that caused Moody's and other credit rating agencies to lower the US government's credit rating is because of spending, not tax cuts. Congress should be giving the people more tax cuts and offsetting them with deep cuts in military spending. Cutting spending wasted on a futile pursuit of a global empire is not just a fiscal necessity. It is also the best thing Congress can do to promote peace



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and prosperity. Congress should then begin phasing out welfare programs in a manner that does not harm those currently reliant on the programs. Congress should also rein in the welfare-warfare state's great enabler by auditing then ending the Federal Reserve. It should also repeal the 16th Amendment. These actions would free the people from 1913's great mistakes — fiat money and income taxes.

Ron Paul is a former U.S. congressman from Texas. This [article](#) originally appeared at the Ron Paul Institute for Peace and Prosperity and is reprinted here with permission.



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