



Written by [Ron Paul](#) on September 3, 2024

Trump and Harris Ignore a Great Danger Facing America

The Penn Wharton Budget Model, a think tank headquartered at the University of Pennsylvania, recently released a study claiming former President Donald Trump's economic plans would add about four trillion dollars to the national deficit over ten years while Vice President Kamala Harris's economic plans would add about two trillion dollars.



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Vice President Harris would increase the deficit largely through expanding refundable tax credits such as the child tax credit. Low-income Americans can qualify for refundable tax credits even if they have less federal tax liability. So this proposal includes a welfare program disguised as a tax credit. Vice President Harris also proposes spending 40 billion dollars on an "innovation fund" to increase the supply of "affordable" housing. Another of the vice president's proposals is providing first-time homebuyers with up to 25,000 dollars in downpayment assistance.

Harris's proposals could contribute to a new housing bubble. This bubble would inevitably burst, leading to an economic crisis likely worse than the "Great Recession" that followed the bursting of the last housing bubble. One reason it could be worse is that it may be accompanied by the bursting of several other bubbles and the rejection of the dollar's world reserve currency status.

According to the study, President Trump will increase the deficit by cutting taxes without also cutting spending. President Trump has pledged to renew the 2017 tax cuts and also promised to stop taxing Social Security benefits. Trump's tax cuts would help spur economic growth, job creation, and higher tax revenue. The study indicates that the pro-growth effects of Trump's tax cuts are the reason it projects Trump's tax policy will "only" increase the federal deficit by 4.1 trillion dollars over ten years as opposed to 5.8 trillion dollars.

It is common to describe tax cuts as "costing" the government. Saying tax cuts cost the government assumes that the government has a moral claim over an individual's earnings, so anytime those running the government allow individuals to keep more of their money the rulers are being generous. The truth is that income belongs to the people who earn it and that saying tax cuts cost the government is like saying burglar alarms cost thieves. Therefore, any legislation that cuts taxes is a victory for liberty.

We should never allow concerns about government debt to prevent us from supporting tax cuts. Instead, we must focus on the real cause of the debt crisis — ever-increasing spending in a futile effort to run the world, run the economy, and run our lives. Increasing federal deficits will result in tax increases, either directly via Congress and the IRS or indirectly via the Federal Reserve's inflation tax



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that results from the Fed's monetization of federal debt.

Unless the federal government starts cutting spending and paying down the debt, America will experience an unprecedented economic crisis. Yet, neither Donald Trump nor Kamala Harris is even talking about this issue, much less proposing a serious plan to roll back the welfare-warfare state, reduce spending, and start to reduce the debt. Instead, both candidates are likely to increase spending. This is one reason it is difficult to take seriously the claim that this is the most important election in history.

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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