



Written by [Bob Adelman](#) on August 2, 2011

Debt-limit Deals Trojan Horse: The Special Committee of 12

Those “deficit reductions” will be found and presented to Congress by the day before Thanksgiving, and then voted on, “up or down” with no amendments allowed, by both the House and the Senate, by December 23. If no agreement is reached by the committee, or if their bill fails in Congress, then budget cuts will be implemented automatically. Chances that the committee would choose “deficit reductions” in the form of tax increases are slim, according to House Speaker John Boehner:



The measure includes no tax hikes, a key principle that Republicans have fought for since day one. As further protection against any tax hikes, the Joint Committee ... will be scored on a current-law baseline. The committee would have to raise taxes by more than \$3.5 trillion above today’s rates before it would begin to count as “deficit reduction.” Since that is unlikely, there is little chance the Joint Committee will produce a bill that increases taxes.

By “current baseline” Boehner means the Congressional Budget Office’s projections based upon current law. One of the key assumptions by the CBO is that the Bush tax cuts, recently extended to the end of 2012, won’t be renewed. Which is another way of saying that there will be an automatic increase in taxes of approximately \$3.5 trillion, but the committee won’t be allowed to count that in their recommendations. This is music to the ears of the President, whose administration has pushed relentlessly for additional revenues to help close the deficit. Jay Carney, the President’s Press Secretary, [was ecstatic](#): “The suggestion that it is impossible for the joint committee to raise tax revenues simply is not accurate ... it’s false.”

That’s one of the reasons that Rep. Mike Lee (R-Utah) decided to vote against the bill: “Certainly, tax increases could be something we could face.”

The special committee will have wide authority and opportunity to look at any part of the government spending equation, including eliminating deductions and exemptions and “loopholes” such as the mortgage interest deduction. The words “tax increase” are never used anymore, but the effect is the same. Rejoicing over the inevitable increase in taxes that will take place through the committee was Maya MacGuineas, president of the liberal Committee for a Responsible Federal Budget:



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It is unfortunate we couldn't do more now, but luckily we'll get two more bites at the apple — when the committee reports at the end of this year, and when the tax cuts expire and the debt enforcement mechanism hits at the end of next year.

Ed Feulner, president of the Heritage Foundation, [wrote to his supporters](#), “White House officials took to the airwaves to assure their liberal base that the new ‘special’ committee would recommend tax hikes. This is one White House assurance you can take to the bank. This deal sets the conditions for a massive tax increase.”

One of the most prominent of those White House officials is economic advisor David Plouffe, [who was interviewed](#) on *ABC News* by George Stephanopoulos. Said Plouffe, “We want to make sure that there's focus on this committee acting ... any long-term deficit reduction is going to include revenues [tax increases].”

A writer for the *Washington Post*, Ezra Klein, saw through the Boehner falsehood of “little chance...[of] increase[d] taxes”:

Boehner is misleading his members to make them think taxes are impossible under this deal. But make no mistake: the Joint Committee could raise taxes in any number of ways. It could close loopholes and cap tax expenditures [another euphemism for tax deductions currently allowed that “cost the government money”]. It could impose a value-added tax, or even a tax on carbon....

That's actually good news for ... people who want to raise taxes.

But it's bad news for those citizens who thought they had elected hard-core, take-no-prisoners conservatives who would hold the line against more spending. In fact, it's bad news for these conservatives not just because of the tax issue, but also because it increases both the debt limit and spending — the purported cuts being based on cuts in future projected spending, not cuts in the absolute sense.

It's hard to believe that those voting for the Boehner Bill 2.0 didn't know what they were getting. But those who didn't are in for an unhappy surprise come November 23 when the Special Committee comes forth with tax increases, and there is no opportunity to amend them.

Photo: House Speaker John Boehner



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