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The Selective Deficit Hawk

Budget Director and Former Congressman Mick Mulvaney is a Deficit Hawk for the Poor, the Sick, the Homeless, and the Hungry. But a Deficit Dove for Wall Street, the Wealthy, and Corporations.

Acknowledgments

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Introduction

When President Donald Trump selected South Carolina Congressman Michael "Mick" Mulvaney to be his budget director, many people were puzzled by the choice. As noted in the *New York Times*, Mulvaney had been known as a "fierce advocate of deep spending cuts."[1] Mulvaney had been – and still is – commonly been referred to as "fiscal hawk."[2]

Many wondered why Trump – the self-proclaimed "king of debt"[3] – would pick someone like Mulvaney as his budget director. But a more detailed look at Mulvaney's time as in Congress and a review of his roughly 100 days of service in the Trump administration shows that Mulvaney's hatred of deficits is situational.

While Mulvaney has no doubt been passionate about reducing the nation's deficit and debt at times, he has also been selective about when the debt is important and who should bear the brunt of reducing it.

Further, now that he is the Trump administration's budget director, an important question arises: How long should Mulvaney be given credit for past "hawkishness" as a member of Congress when as budget director he advocates for legislation that appears to be the antithesis of what he said he stood for?

Congressman Mulvaney on Deficits and Debt

Mick Mulvaney was elected to the U.S. House of Representatives during the 2010 Tea Party wave, and is a founding member of the far-right Republican Freedom Caucus.[4]

As a congressman, Mulvaney made it clear that he believed the growing federal debt was a problem of the highest order. On the "Jobs & Economy" section of his former congressional website, Mulvaney quotes former Clinton administration White House Chief of Staff Erskine Bowles as saying, "this Debt is like a cancer … It is truly going to destroy the country from within."[5] Bowles made that comment to the National Governors Association in 2010,[6] during the time that he and former Wyoming Senator Alan Simpson headed President Obama's national debt commission.[7]

In 2011, Mulvaney supported a "Cut, Cap & Balance pledge"[8] because in his view, the national debt is a "fiscal nightmare."[9] He supported cutting defense spending in 2013.[10] And due to "the alarming

[1] Michael D. Shear, *Trump Picks Mick Mulvaney, South Carolina Congressman, as Budget Director*, THE NEW YORK TIMES (Dec. 16, 2016), http://nyti.ms/2rz6Z6c.
[2] Abby Phillip, *Trump Names Rep. Mick Mulvaney, a Fiscal Hawk, to Head Budget Office*, THE WASHINGTON POST (Dec. 17, 2016), http://wapo.st/2qyH7IS.
[3] Louis Nelson, *Trump: "I'm the King of Debt,"* POLITICO (June 22, 2016), http://politi.co/2qLA2VN.
[4] Michael D. Shear, *Trump Picks Mick Mulvaney, South Carolina Congressman, as Budget Director*, THE NEW YORK TIMES (Dec. 16, 2016), http://nyti.ms/2rz6Z6c.
[5] *Issues: Jobs & Economy*, CONGRESSMAN MICK MULVANEY (viewed on May 19, 2017), http://bit.ly/2qB0S37.
[6] Abby Goodnough, *Governors Voice Grave Concerns on Immigration*, THE NEW YORK TIMES (July 11, 2010), http://nyti.ms/2rlVamn.
[7] *Id.*
[8] Press Release, Congressman Mick Mulvaney, *Mulvaney Signs Cut, Cap & Balance Pledge* (June 22, 2011), http://bit.ly/2rz12G4.

condition of our nation's debt, our record deficits, and the out-of-control spending in Washington,"[11] he said that members of Congress should not be paid if they don't pass a budget.

"At a time when millions of Americans must tighten their collective belts, Congress needs to do the same,"[12] reads the "Budget" section of Mulvaney's archived congressional website.

In an attempt to show he meant business, in 2011 and 2012, Mulvaney returned to the government $160,000 in funds allotted to his office and asked Speaker John Boehner to "use this money to pay down the national debt."[13] "I was elected on a promise to change the way Washington works. And for far too long, Washington's red tape has led to out-of-control spending and increasing debt. With our national debt now topping $15.3 trillion, it's time to lead by example, and change the way Washington does business," Mulvaney continued.[14] Mulvaney's message on federal deficits and debt was clear: "We can't do this anymore."[15]

Mulvaney was so concerned about the nation's debt, he voted against raising the debt ceiling in 2011[16] and believed the decision to shut down the government in 2013 over the issue of debt was "good policy."[17]

But Mulvaney's record on policy has not always matched his strong statements on the deficit and debt. His record is more complex than the simple "fiscal hawk" description implies. It may be that he is more aptly defined as a "selective fiscal hawk."

Congressman Mulvaney Displayed Blatant Hypocrisy on Disaster Relief

In 2013, then Congressman Mulvaney opposed a Hurricane Sandy relief bill because "it is not paid for."[18] Explaining his rationale, Mulvaney said: "We're borrowing this additional money to do this and I just think that's wrong."[19] Mulvaney told *CNN* he hoped "to pay for this [Sandy relief] without adding to the debt."[20] New Jersey politicians criticized Mulvaney, saying he "once took a personal government-backed loan to help his business recover from a South Carolina storm."[21]

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[9] *Id.*
[10] James Rosen, *Turning Tide? Lawmakers Look to Pentagon for Budget Cuts*, McClatchy DC Bureau (Jan. 28, 2013), http://bit.ly/2rlTHwg.
[11] Mick Mulvaney, *Monthly Column: No Budget, No Pay*, Website of Rep. Mick Mulvaney (Feb. 12, 2015), http://bit.ly/2qEU9mT.
[12] *Issues: Budget*, Congressman Mick Mulvaney (viewed on May 19, 2017), http://bit.ly/2qyZPAn.
[13] Press Release, Congressman Mick Mulvaney, *Rep. Mulvaney Returns over $160k From 2012 Office Budget* (Feb 21, 2013), http://bit.ly/2rlWu8Y.
[14] *Id.*
[15] Greg Jaffe, *As budget Cuts Hit S.C., a Congressman Is Surprised at Constituents' Reactions*, The Washington Post (May 28, 2013), http://wapo.st/2q0RItu.
[16] Press Release, Congressman Mick Mulvaney, *Mulvaney Statement on Tonight's Debt Ceiling Vote* (Aug. 1, 2011), http://bit.ly/2q40KFv.
[17] Dave Weigel, *The GOP's Alamo*, Slate (Oct. 16, 2013), http://slate.me/2qFpK7Y.
[18] *Rep. Mulvaney to Vote Against Sandy Relief Bill Because 'It Is Not Paid For'*, CNN (Jan. 15, 2013), http://cnn.it/2qz11Dy.
[19] *Id.*
[20] *Id.*
[21] Jarret Renshaw, *Hurricane Sandy Aid: Some Worried South Carolina Rep. Could Jeopardize Passage*, The Star-Ledger (Jan. 15, 2013), http://bit.ly/2rlNwsk.

But when historic flooding struck South Carolina in 2015, Mulvaney changed his tune regarding paying for disaster relief upfront. "There will be a time for a discussion about aid and how to pay for it, but that time is not now," [22] Mulvaney said. "The danger is still real, and it is immediate. Keeping folks safe is the priority right now."[23]

Congressman Mulvaney Proposed the Sixth-Most Specialized Tariff Reductions, or "Earmarks," in the 112th Congress, Which Would Have Cost the Government $36 Million if Enacted

According to the International Trade Administration, a Miscellaneous Tariff Bill (MTB) "is a law that temporarily reduces or suspends the import tariffs paid on particular products imported into the United States."[24] Essentially, MTBs suspend tariffs on products "only available overseas"[25] that are imported for use by relatively few companies. If a company no longer has to pay the tariff on a product, it makes it cheaper to purchase, saving the company money. But it also reduces U.S. Customs revenue.

In 2016, Congress created a new process for determining which products would have their tariffs reduced or suspended. Under the new law, "final determination on whether to include a requested product in an MTB falls to the U.S. International Trade Commission (USITC)." But prior to the 2016 law, "Congress had played the predominant role in the MTB process."[26] Congress' role in the process became a point of controversy during the Tea Party wave of 2010, with the increased scrutiny on federal debt and earmarks.

When Republicans took the majority in the House in 2010, largely riding the Tea Party wave, one of their first acts was banning earmarks.[27] Mulvaney signed the Tea Party-inspired "Contract from America,"[28] which was explicit regarding earmarks: "Stop the Pork: End all earmarks."[29] As such, MTBs presented a problem for Tea Party-aligned politicians like Mulvaney: The Tea Party largely viewed an MTB as an earmark by another name, and considered it a "cronyism vehicle."[30] As the *Washington Post* noted, the old MTB process resulted in "hundreds of narrow bills, each intended to benefit one manufacturer's bottom line."[31]

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[22] Andrew Taylor and Mary Clare Jalonick, *Massive Floods Push S.C. to Ask for Aid*, U.S. NEWS & WORLD REPORT (Oct. 6, 2015),http://bit.ly/2rtFy0q.
[23] *Id.*
[24] *Miscellaneous Tariff Bills*, INTERNATIONAL TRADE ADMINISTRATION (viewed on May 22, 2017), http://bit.ly/2q94NRz.
[25] Colby Itkowitz, *How Congress Hopes to De-Earmark Trade Earmarks*, THE WASHINGTON POST (May 19, 2015), http://wapo.st/2rKJztE.
[26] *Miscellaneous Tariff Bills*, INTERNATIONAL TRADE ADMINISTRATION (viewed on May 22, 2017), http://bit.ly/2q94NRz.
[27] Russell Berman, *Republicans Get Ready to Welcome Back Earmarks*, THE ATLANTIC (Nov. 25, 2016), http://theatln.tc/2rKIEcz.
[28] *See Signers,* http://contractfromamerica.org/signers/.
[29] *See* Contract from America web site (viewed on May 22, 2017), http://contractfromamerica.org/.
[30] HERITAGE ACTION FOR AMERICA, SENTINEL BRIEF, THE RETURN OF EARMARKS: TARIFF BILLS (viewed on May 22, 2017), http://bit.ly/2q9dwDw.
[31] Colby Itkowitz, *How Congress Hopes to De-Earmark Trade Earmarks*, THE WASHINGTON POST (May 19, 2015), http://wapo.st/2rKJztE.

According to the Sunlight Foundation, in the 112th Congress, "166 lawmakers – 134 members of the House and 32 senators – proposed 1,270 tariff suspensions."[32] Mulvaney proposed 37 MTBs, 27 of which were ultimately approved by the USITC.[33] Mulvaney's 27 approved MTBs were the sixth-most of any lawmaker from either chamber. [See table below.]

112th Congress – Lawmakers With Approved MTBs (25 or more approved)

Member	# Approved[34]
Rep. Mel Watt (D-N.C.)	57
Sen. Robert Menendez (D-N.J.)	37
Rep. Blaine Luetkemeyer (R-Mo.)	37
Rep. Jim Gerlach (R-Pa.)	30
Rep. Dan Burton (R-Ind.)	28
Rep. Mick Mulvaney (R-S.C.)	27
Rep. John Carney (D-Del.)	26
Rep. Tim Huelskamp (R-Kan.)	26
Rep. Sanford D. Bishop Jr. (D-Ga.)	26
Rep. Tim Scott (R-S.C.)	26

Source: U.S. International Trade Commission

Mulvaney's proposed MTBs would have helped six companies: Hunter Douglas,[35] InVista,[36] Milliken & Company,[37] Nation Ford Chemical,[38] Special Materials Company,[39] and Westinghouse Electric Company.[40] If all of the Mulvaney sponsored MTBs had been enacted, the reduced tariffs for the six companies would have reduced U.S. Customs revenue by more than $36 million by 2017.

While each MTB is introduced separately, all the bills are eventually combined into one final larger bill. In the end, Congress was unable to reach an agreement on MTBs in 2012, so none of the proposed bills became law. But Mick Mulvaney's proposed MTBs provide important insight into who he apparently thinks should get special treatment, even if it costs the government millions.

According to the Sunlight Foundation, Mulvaney is quoted as saying: "It is our responsibility and our privilege to serve our constituents — not special interests, and certainly not personal interests."[41]

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32 Ryan Sibley, *House Freshmen: New Members Find new Earmarks?*, SUNLIGHT FOUNDATION (Aug. 16, 2012), http://bit.ly/2qOxPHf.
33 *Congressional Bill Reports 112th Congress*, UNITED STATES INTERNATIONAL TRADE COMMISSION, http://bit.ly/2q38kF5.
34 *Id.*
35 *See* Hunter Douglas web site (viewed on May 22, 2017), https://www.hunterdouglas.com/.
36 *See* Invista web site (viewed on May 22, 2017), http://www.invista.com/.
37 *See* Milliken & Company web site (viewed on May 22, 2017), http://www.milliken.com/en-us/Pages/default.aspx.
38 *See* Nation Ford Chemical web site (viewed on May 22, 2017), http://www.nationfordchem.com/.
39 *See* Special Materials Company web site (viewed on May 22, 2017), http://www.smc-global.com/products.php.
40 *See* Westinghouse web site (viewed on May 22, 2017), http://www.westinghousenuclear.com/.
41 Ryan Sibley, *House Freshmen: New Members Find new Earmarks?* SUNLIGHT FOUNDATION (Aug. 16, 2012), http://bit.ly/2qOxPHf.

During his 2010 campaign, Mulvaney received $1,300 from Roger Milliken, a "conservative tycoon"[42] and former owner of "one of the largest textile and chemical firms in the nation,"[43] Milliken & Company. Mulvaney proposed two MTBs that listed Milliken & Co. as the interested entity.[44] If the two MTBs had become law, they would have reduced U.S. Customs revenue by more than $2.6 million dollars.

Two additional MTBs that Mulvaney proposed would have benefited InVista, "a special materials manufacturer and a subsidiary of Koch Industries,"[45] and received special scrutiny in the press.[46] During the 2012 election cycle, a Koch-sponsored super PAC donated $17,000 to Mulvaney.[47] If the two InVista MTBs had become law, they would have reduced U.S. Customs revenue by more than $3.8 million.

When Mulvaney voted against the 2013 debt deal in the following year, he stated: "The 'deal' is full of pork. A dam project in Kentucky got extra money; and the state of Colorado got money to help with its flooding. Those may be worth discussing, but that will never happen now, as they were crammed into this 'deal' in order to help it pass."[48]

Mulvaney Sponsored Legislation in Congress That Would Have Added Hundreds of Millions to the Deficit

Mulvaney was a member of Congress from 2011 until being confirmed as director of the Office of Management and Budget in February 2017.[49] While in Congress, he sponsored 63 bills.[50] None of the bills he sponsored ever became law.

Seven of Mulvaney's sponsored bills were scored by the non-partisan Congressional Budget Office (CBO). Five of the seven affected mandatory spending and were subject to pay-as-you-go (PAYGO) procedures, which prompts the CBO to estimate the bill's net effect in the deficit.

Two of the bills for which PAYGO applied would have had a tangible effect on the deficit (the other three were estimated to have a negligible effect on the deficit). If the two bills had become law, they would have increased the debt by $273 million in the decade after passage. Both bills were supported by the financial industry.

[42] Timothy Williams, *Roger Milliken, Conservative Tycoon, Dies at 95*, THE NEW YORK TIMES (Dec. 31, 2010), http://nyti.ms/2r9pCk3.
[43] *Id.*
[44] Memorandum on Proposed Tariff Legislation of the 112th Congress, UNITED STATES INTERNATIONAL TRADE COMMISSION, http://bit.ly/2qHoh2r & http://bit.ly/2qOKXfH.
[45] Ryan Sibley, *House Freshmen: New Members Find new Earmarks?*, SUNLIGHT FOUNDATION (Aug. 16, 2012), http://bit.ly/2qOxPHf.
[46] Nick Lyell, *Freshman Rep. Mulvaney (R-SC) Won His Seat With Koch Industries Support, Now Offers Earmarks To His Benefactor*, REPUBLIC REPORT (July 2, 2012), http://bit.ly/2qOhX7W.
[47] *See* 2012 Cycle, Other Committees Contributions, Mulvaney, John Michael 'Mick', Koch Industries Inc Political Action Committee (Kochpac), FEDERAL ELECTION COMMISSION, http://bit.ly/2qa9zys.
[48] Press Release, Congressman Mick Mulvaney, *Rep. Mulvaney Releases Statement on "Debt Deal"* (Oct. 17, 2013), http://bit.ly/2qciA98.
[49] *How Senators Voted on Mick Mulvaney for Budget Director*, THE NEW YORK TIMES (Feb. 16, 2017), http://nyti.ms/2rIDDSQ.
[50] *See* Legislation Sponsored or Cosponsored by Mick Mulvaney, CONGRESS.GOV (viewed on May 22, 2017), http://bit.ly/2qclkU6.

H.R. 3868: Small Business Credit Availability Act[51] Would Have Increased Deficits by a Total of $95 Million Over 10 Years In Order to Help the Financial Sector

According to the CBO, Mulvaney's Small Business Credit Availability Act would have directed "the Securities and Exchange Commission (SEC) to amend certain regulations that affect business development companies (BDCs)."[52] BDCs were created to help "operating companies that directly provide goods and services,"[53] according to the *Wall Street Journal*. But Mulvaney's legislation would have allowed BDCs to shift resources to "financial institutions that serve primarily as conduits of capital,"[54] according to SEC Chairwoman Mary Jo White, diverting "capital from small, growing businesses that BDCs were originally created to help."[55] The legislation would have also allowed "BDCs to take on additional debt, increasing the amount they can borrow to a maximum of $4 for every $6 they hold in assets; under current law, they can borrow up to $3 for every $6 they hold in assets,"[56] according to the CBO.

White thought the increased leverage raised "significant investor protection concerns."[57] Public interest groups agreed. Americans for Financial Reform believed the legislation "would increase risk to retail investors and retirees by exposing them to greater leverage."[58] Under the legislation, "funds from additional borrowing [were] likely to flow to other financial entities rather than real economy operating companies."[59]

The bill passed the House Financial Services Committee with bipartisan support (53-4), but ultimately did not become law. According to the CBO, the "legislation would reduce tax revenues by $95 million over the 2016-2026 period."[60]

H.R. 4804: Bureau Examination Fairness Act[61] Would Have Increased Deficits by a Total of $178 Million Over 10 Years and Strained the Resources of the Consumer Financial Protection Bureau

According to the CBO, Mulvaney's Bureau Examination Fairness Act would "set deadlines for the Bureau of Consumer Financial Protection (CFPB) to meet when examining institutions regulated by

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[51] CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE, H.R. 3868 SMALL BUSINESS CRED AVAILABILITY ACT (March 17, 2016), http://bit.ly/2q3io0Z.
[52] *Id.*
[53] Yuka Hayashi and Andrew Ackerman, *SEC Chair White Criticizes Bipartisan Bill Easing Investment Rules*, THE WALL STREET JOURNAL (Nov. 5, 2015), http://on.wsj.com/2rL0JHH.
[54] *See* Mary Jo White Letter to Financial Services Committee, SECURITIES AND EXCHANGE COMMISSION (Nov. 2, 2015), http://bit.ly/2rKZeJo.
[55] *Id.*
[56] CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE, H.R. 3868 SMALL BUSINESS CRED AVAILABILITY ACT, p. 2 (March 17, 2016), http://bit.ly/2q3io0Z.
[57] *See* Mary Jo White Letter to Financial Services Committee, SECURITIES AND EXCHANGE COMMISSION (Nov. 2, 2015), http://bit.ly/2rKZeJo.
[58] *See* AFR Opposition Letter H.R. 3868, AMERICANS FOR FINANCIAL REFORM (Nov. 3, 2015), http://bit.ly/2qcdWIn.
[59] *Id.*
[60] CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE, H.R. 3868 SMALL BUSINESS CRED AVAILABILITY ACT, p. 2 (March 17, 2016), http://bit.ly/2q3io0Z.
[61] CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE, H.R. 4804 BUREAU EXAMINATION FAIRNESS ACT, (Aug. 20, 2014), http://bit.ly/2rL0lc2.

the bureau" and would "limit simultaneous examinations of the same entity by the CFPB and establish new rules for how the bureau requests data from institutions under examination."[62]

The legislation would have required the CFPB to complete examinations in 60 days that historically have taken 80 days to complete. According to the CFPB, if the bill became law, the agency would have had to hire 110 additional staffers. The potential "additional positions would represent a 20 percent increase in the CFPB's expected staffing level,"[63] the CBO found.

As such, "H.R. 4804 would increase direct spending, or have a net increase in the deficit, by $178 million over the 2015-2024 period,"[64] the CBO found.

It is surprising that Mulvaney would sponsor legislation that would increase the size of the CFPB. Mulvaney has referred to the CFPB as "a joke … in a sick sad kind of way," and has said that he would like to "get rid of it."[65]

These two bills by no means represent Mulvaney's entire legislative history. He also co-sponsored 683 bills[66] as a member of Congress, many of which undoubtedly stood to reduce the deficit and debt. But the two scored bills that he sponsored provide insight into his priorities, and when he is willing to bend his position on deficits and debt.

The security and investment industry contributed the third most of any industry to Mulvaney over his career.[67] For these industries, Mulvaney appears to have been willing to be less hawkish on deficit and debt.

Budget Director Mulvaney's Record on Federal Debt

After a somewhat contentious confirmation process that included the revelation that he "failed to pay more than $15,000 in payroll taxes for a household employee,"[68] Mulvaney was confirmed as director of OMB in mid-February 2017.[69]

In his opening statement during his hearing to become budget director, Mulvaney stated: "I believe as a matter of principle the debt is a problem that must be addressed sooner rather than later."[70]

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62 *Id.*
63 CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE, H.R. 4804 BUREAU EXAMINATION FAIRNESS ACT, p. 2 (Aug. 20, 2014), http://bit.ly/2rL0lc2.
64 *Id.*
65 Interview of Mick Mulvaney by Nicholas Ballasy, CREDIT UNION TIMES (Sept. 10, 2014), http://bit.ly/2qHxxDL.
66 *See* Legislation Sponsored or Cosponsored by Mick Mulvaney, CONGRESS.GOV (viewed on May 22, 2017), http://bit.ly/2rL4Jbc.
67 Open Secrets, *Rep. Mick Mulvaney: Top Industries, Career Contributors*, CENTER FOR RESPONSIVE POLITICS, http://bit.ly/2r9sddM.
68 Jennifer Steinhauer, *Trump Budget Nominee Did Not Pay Taxes for Employee*, THE NEW YORK TIMES (Jan. 18, 2017), http://nyti.ms/2qN8LT2.
69 *How Senators Voted on Mick Mulvaney for Budget Director*, THE NEW YORK TIMES (Feb. 16, 2017), http://nyti.ms/2rIDDSQ.
70 OMB Director Nominee Mick Mulvaney Opening Statement, C-SPAN (Jan. 24, 2017), http://bit.ly/2qOPb6W.

But in his brief time so far as budget director, it appears that the supposed "cancer" of federal debt "that must be addressed sooner rather than later"[71] has become far less important to Mulvaney than tax cuts for the wealthy and corporations.

Mulvaney Is Advocating for a 2018 Budget That Would Raise Defense Spending and Uses Accounting Gimmicks, In Conflict With His Past Positions

On May 23, 2017, the Trump administration released its proposed 2018 budget.[72] According to a *New York Times* analysis, the budget "would cut deeply into programs for the poor, from health care and food stamps to student loans and disability payments, laying out an austere vision for reordering the nation's priorities."[73]

The administration's budget is partially based on a budget blueprint[74] released in March 2017. Mulvaney boasted about the "hard power"[75] blueprint released by his office. "Not since early in President Reagan's first term have more tax dollars been saved and more government inefficiency and waste been targeted. Every corner of the federal budget is scrutinized, every program tested, every penny of taxpayer money watched over,"[76] Mulvaney noted in a message attached to the March blueprint.

But when one scrutinizes Mulvaney's alleged "government inefficiency and waste" cited in the blueprint – and now the budget – it becomes clear that "government inefficiency and waste" really just means programs for low-income individuals, the sick, the hungry and the elderly.

The budget would cut Medicaid by almost $1.5 trillion, food stamps by $191 billion, Temporary Assistance for Needy Families (welfare) by $21 billion, and the earned income tax credit by $40 billion, according to *Vox*.[77]

According to the *Washington Post*, cuts in funding for the Agriculture Department would include eliminating the program that aims "to reduce hunger and improve literacy and primary education, especially for girls."[78] Also proposed are cuts to a program that provides "grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk."[79]

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71 *Id.*
72 OFFICE OF MANAGEMENT AND BUDGET, A NEW FOUNDATION FOR AMERICAN GREATNESS, http://bit.ly/2qSVGFP.
73 Julie Hirschfeld Davis, *Trump's Budget Cuts Deeply Into Medicaid and Anti-Poverty Efforts*, THE NEW YORK TIMES (May 22, 2017), http://nyti.ms/2q7thyC.
74 OFFICE OF MANAGEMENT AND BUDGET, A BUDGET BLUEPRINT TO MAKE AMERICA GREAT AGAIN, http://bit.ly/2rLiypU.
75 Dan Merica, *Trump's 'Hard Power Budget' Increases Defense Spending, Cuts to State Dept., EPA*, CNN (March 16, 2017), http://cnn.it/2r9KWpp.
76 OFFICE OF MANAGEMENT AND BUDGET, A BUDGET BLUEPRINT TO MAKE AMERICA GREAT AGAIN, http://bit.ly/2rLiypU.
77 Dylan Matthews, *The Trillions in Shocking Cuts in Donald Trump's Budget, Explained*, VOX (May 22, 2017), http://bit.ly/2qSHA9t.
78 *See* McGovern-Dole Food for Education Program, UNITED STATES DEPARTMENT OF AGRICULTURE FOREIGN AGRICULTURAL SERVICE, http://bit.ly/2rxCWyz.
79 *See* Women, Infants, and Children (WIC), UNITED STATES DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE, http://bit.ly/2qHN06F.

Cuts to the Education Department "would downsize or eliminate a raft of grants, including for teacher training, afterschool programs, and aid to low-income and minority college students,"[80] according to the *Washington Post*.

Cuts to the Department of Labor "reduces funding for job training programs that benefit seniors and disadvantaged youth"[81] according to the *Washington Post*.

Housing and Urban Development's Community Development Block Grants,[82] which fund "local improvement efforts and anti-poverty programs,"[83] would be eliminated.

The Environmental Protection Agency received the proposed steepest cuts of any agency: 31 percent of its budget.[84] Along with eliminating a fifth of its workforce, the administration's budget would cut "funding for the Superfund cleanup program,"[85] and "discontinues funding for international climate-change programs,"[86] according to the *Washington Post*.

"Our $20 trillion national debt is a crisis, not just for the nation, but for every citizen,"[87] the message from Mick Mulvaney attached to the March blueprint stated.

But instead of applying the savings from budget cuts to pay down the debt, the budget proposes a $52 billion increase in spending for the Defense Department. According to the *Washington Post*, the budget would increase the "size of the Army and Marine Corps," expand the Navy's fleet, and sped-up the purchase of "F-35 Joint Strike Fighters."[88]

Enacting brutal budget cuts across many federal agencies in order to *increase* defense spending is a practice that stands in stark contrast to Mulvaney's past words.

In 2013, Congressman Mulvaney believed it was hypocritical for Republicans to advocate for large cuts in funding for federal agencies while selectively excluding the Defense Department. "It undermines Republicans' credibility on spending issues,"[89] Mulvaney reportedly told James Rosen of *McClatchy's Washington Bureau*, if "we're not willing to also look at the defense budget for possible savings."[90]

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[80] Kim Soffen and Denis Lu, *What Trump Cut in his Budget*, THE WASHINGTON POST (March 23, 2017), http://wapo.st/2qHMbLp.
[81] *Id.*
[82] *Id.*
[83] Alicia Parlapiano and Gregor Aisch, *Who Wins and Loses in Trump's Proposed Budget*, THE NEW YORK TIMES (March 16, 2017), http://nyti.ms/2qcsg3K.
[84] Kim Soffen and Denis Lu, *What Trump Cut in his Budget*, THE WASHINGTON POST (March 23, 2017), http://wapo.st/2qHMbLp.
[85] *Id.*
[86] *Id.*
[87] OFFICE OF MANAGEMENT AND BUDGET, A BUDGET BLUEPRINT TO MAKE AMERICA GREAT AGAIN, http://bit.ly/2rLiypU.
[88] Kim Soffen and Denis Lu, *What Trump Cut in His Budget*, THE WASHINGTON POST (March 23, 2017), http://wapo.st/2qHMbLp.
[89] James Rosen, *Turning Tide? Lawmakers Look to Pentagon for Budget Cuts*, MCCLATCHY DC BUREAU (Jan. 28, 2013), http://bit.ly/2rlTHwg.
[90] *Id.*

"It's hard to go home and say that we want to cut everything but not cut a penny on defense," Congressman Mulvaney reportedly said in 2013, when he advocated for defense cuts. "People don't believe that."[91]

Congressman Mulvaney's belief in 2013 that savings could be found in the defense budget was validated by a 2016 *Washington Post* report about an internal Pentagon study "that exposed $125 billion in administrative waste in its business operations."[92] The report was buried by the Pentagon "amid fears Congress would use the findings as an excuse to slash the defense budget,"[93] according to the *Washington Post*.

Mulvaney's change of heart on defense spending is not the only time he appears in conflict with an earlier version of himself when advocating for the administration's budget.

In 2012, Congressman Mulvaney talked about how he came to Congress to "eliminate Washington accounting gimmicks."[94] But Budget Director Mulvaney's budget is rampant with assumptions and gimmicks.

For example, the budget estimates $6.8 billion in savings (cuts) from the Consumer Financial Protection Bureau (CFPB) over the next decade.[95] As the CFPB's budget was "roughly $600 million" in 2016, the savings "sounds more like total elimination,"[96] according to *Time*. The problem is "Congress currently has no authority to implement"[97] these cuts as the CFPB is funded through the Federal Reserve – not Congress. "There seems to be a massive assumption baked into this cost savings – either that, or the White House does not understand which agencies are covered by the federal budget,"[98] concluded *Time's* Megan Leonhardt.

But perhaps the most the most egregious accounting gimmick occurs when the administration uses the same $2.1 trillion dollars to pay for *two* separate policies.

The budget uses a process known as "dynamic scoring" (discussed in more depth below) to paint a very optimistic picture about future economic growth. The use of dynamic scoring allowed the administration to project an economic growth rate 3 percent in its budget, as opposed to the 1.9 percent currently projected by the CBO.[99] This rosy projection, "that economists believe is unlikely

[91] James Rosen, *Turning Tide? Lawmakers Look to Pentagon for Budget Cuts*, McClatchy DC Bureau (Jan. 28, 2013), http://bit.ly/2rlTHwg.
[92] Craig Whitlock and Bob Woodward, *Pentagon Buries Evidence of $125 Billion in Bureaucratic Waste*, The Washington Post (Dec. 5, 2016), http://wapo.st/2qgbe5p.
[93] *Id.*
[94] Press Release, Congressman Mick Mulvaney, *Mulvaney Returns More Than $160K, Requests Speaker Boehner Pay Down National Debt* (Feb. 1, 2012), http://bit.ly/2qFl02d.
[95] Office of Management and Budget, Major Savings and Reforms, Budget of the U.S. Government Fiscal Year 2018, p. 158, http://bit.ly/2rQAobg.
[96] Megan Leonhardt, *Buried in Trump's Budget: A New Attempt to Kill a Powerful Consumer Watchdog*, Time (May 23, 2017), http://ti.me/2q8TInR.
[97] *Id.*
[98] *Id.*
[99] Dylan Matthews, *The Trillions in Shocking Cuts in Donald Trump's Budget, Explained*, Vox (May 22, 2017), http://bit.ly/2qSHA9t.

… will yield $2.1 trillion in new revenue,"[100] according to the *Washington Post*. The administration spends this $2.1 trillion in its budget. But the administration is also relying on this same $2.1 trillion to pay for future tax cuts.

"It appears to be the most egregious accounting error in a presidential budget in the nearly 40 years I have been tracking them,"[101] wrote former U.S. Treasury Secretary Lawrence Summers.

As *Vox's* Dylan Matthews notes: "Assuming growth that probably won't materialize is one thing. To double-count it, and assume it pays for both deficit reduction and tax cuts, makes the problem twice as bad. "[102]

Mulvaney Defends the Deficit-Ballooning Trump Administration Tax Plan

On April 19, 2017, four conservative economists, Steve Forbes, Larry Kudlow, Arthur Laffer and Stephen Moore published an op-ed in the *New York Times* titled: "Why Are Republicans Making Tax Reform So Hard?"[103] The op-ed was critical of the White House for moving too slowly on a tax policy package. The piece outlined four main recommendations: lower the corporate tax rate, set up a fund dedicated to infrastructure, allow businesses to deduct all capital purchases, and allow companies to bring foreign profits kept overseas back at a low rate.[104]

According to reporting by *Politico*, a White House staffer "flagged" the op-ed for Trump.[105] After reading the piece, Trump "summoned staff to talk about it," and ordered his staff to use the op-ed as the basis for his tax plan, *Politico* reported.[106] Just days later, Trump indicated to the press that a tax policy would be announced as early as the following week.

Mulvaney again wavered from his obsession with deficits.

In anticipation of the plan, Mulvaney told Bloomberg TV that while deficits are "certainly" part of the discussion, they "are not driving the discussion."[107] "But we're not starting off saying, 'How do we do something that's deficit-neutral?'"[108] Mulvaney continued, "We're starting off saying, 'How do we get economic growth?'"[109]

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[100] Max Ehrenfreund, *President Trump's 'Balanced' Budget Relies on $2,062,000,000,000 in Mystery Money*, THE WASHINGTON POST (May 23, 2017), http://wapo.st/2qTEL66.
[101] Lawrence Summers, *Larry Summers: Trump's Budget Is Simply Ludicrous*, THE WASHINGTON POST (May 23, 2017), http://wapo.st/2q8cdsl.
[102] Dylan Matthews, *The Trillions in Shocking Cuts in Donald Trump's Budget, Explained*, VOX (May 22, 2017), http://bit.ly/2qSHA9t.
[103] Steve Forbes *et al.*, *Why Are Republicans Making Tax Reform So Hard?*, THE NEW YORK TIMES (April 19, 2017), http://nyti.ms/2rLlN0P.
[104] *Id.*
[105] Shane Goldmacher, *How Trump Gets his Fake News*, POLITICO (May 15, 2017), http://politi.co/2qa4gia.
[106] *Id.*
[107] Lynnley Browning and Rich Miller, *Trump's Plan Can Cut Taxes, But Only Temporarily*, BLOOMBERG POLITICS (April 22, 2017), https://bloom.bg/2r9JTG7.
[108] Lynnley Browning and Rich Miller, *Trump's Plan Can Cut Taxes, But Only Temporarily*, BLOOMBERG POLITICS (April 22, 2017), https://bloom.bg/2r9JTG7.
[109] *Id.*

One week after the *New York Times* op-ed was published, on April 26, 2017, the Trump Administration released a one-page tax proposal.[110] While very limited on details, the "skeletal outline"[111] was broken down into four parts: Goals for tax reform, individual reform, business reform, and process.[112] The administration is touting is policy as "the biggest individual and business tax cut in American history."[113]

The Committee for a Responsible Federal Budget (CRFB) wrote: "Based on what we know so far, the plan could cost $3 [trillion] to $7 trillion over a decade – our base-case estimate is $5.5 trillion in revenue loss over a decade."[114]

As the *New York Times* points out: "After years of fiscal hawkishness, conservatives now face a moment of truth about whether they truly believe America's economy is drowning in debt."[115]

Mulvaney acknowledged on CNBC that "I've seen ranges out this morning from $2 trillion of additional debt to $8 trillion."[116] But he was critical of any estimates of the impact on the deficit of the Trump administration's outline, saying: "There's no way to score what we put out yesterday."[117]

CRFB's analysis, which it acknowledged is "rough,"[118] breaks down the debt impact of each policy. For what could be scored, CRFB estimated that eight different tax policies proposed would add $7.5 trillion and debt. Just one aspect of the proposal – which would "repeal most deductions except for mortgages, charitable giving, and retirement"[119] – would reduce the debt, by $2 trillion.

Cutting the corporate tax rate from 35 to 15 percent, as called for in the administration's outline, would add $3.7 trillion to the deficit over the next decade,[120] according to the *New York Times*. This policy, alone, costs almost twice as much as the one deficit reducing policy included in the outline saves.

In defense of the proposal, Mulvaney said "look, this is the first discussion."[121] If the Trump administration ever releases a detailed tax plan, it may add *less* than $5.5 trillion in debt. But if it is even loosely based on the online, it is very hard to envision a scenario in which it wouldn't add

110 *The 1-Page White House Handout on Trump's Tax Proposal*, CNN (April 26, 2017), http://cnn.it/2q3lwtr.

111 Julie Hirschfeld Davis and Alan Rappeport, *White House Proposes Slashing Tax Rates, Significantly Aiding Wealthy*, THE NEW YORK TIMES (April 26, 2017), http://nyti.ms/2qNdHrd.

112 *The 1-Page White House Handout on Trump's Tax Proposal*, CNN (April 26, 2017), http://cnn.it/2q3lwtr.

113 *Id.*

114 *How Much Will Trump's Tax Plan Cost?*, COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET (April 26, 2017), http://bit.ly/2qNhdC3.

115 Alan Rappeport, *Trump's Tax Plan Is a Reckoning for Republican Deficit Hawks*, THE NEW YORK TIMES (April 26, 2017), http://nyti.ms/2qL7MTP.

116 Jacob Pramul, *Trump's Tax Plan Was Intentionally Vague, White House's Mulvaney Says*, CNBC (April 27, 2017), http://cnb.cx/2rLp6oy.

117 *Id.*

118 *How Much Will Trump's Tax Plan Cost?* COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET (April 26, 2017), http://bit.ly/2qNhdC3.

119 *Id.*

120 Wilson Andrews *et al*., *What Trump's Tax Proposal Will Cost*, THE NEW YORK TIMES (April 26, 2017), http://nyti.ms/2qcC6m1.

121 Jacob Pramul, *Trump's tax Plan Was Intentionally Vague, White House's Mulvaney Says*, CNBC (April 27, 2017), http://cnb.cx/2rLp6oy.

trillions in debt. And it is almost impossible to imagine that it would reduce the "cancer" of debt that is "going to destroy the country from within."[122]

A *New York Times* analysis explained the winners and losers of a potential plan based on the Trump budget outline. It found the winners to be "high-income earners," "people with creative accountants," "multimillionaires who want to pass money to their heirs tax-free," and "Donald J. Trump."[123] The *Times* found some of the losers to be "upper-middle-income people in blue states," and notably, "deficit hawks."[124]

The Magic Sauce: "Dynamic Scoring"

The Trump tax plan, although not yet released in detail, appears to rely on a practice known as "dynamic scoring"[125] in order to avoid adding trillions to the debt in OMB's projections.

The term "dynamic scoring" is based on the economic theory known as the "Laffer Curve." The theory, originally drawn on a napkin[126] by economist Arthur Laffer, is "that cutting taxes would spur enough economic growth to generate new tax revenue,"[127] according to the *New York Times*. Laffer was one of the authors of the recent *New York Times* tax reform op-ed[128] that was reportedly used by Trump as a model for his tax plan outline.[129]

Dynamic scoring is rooted in the "supply side" economic theory that tax cuts increase economic growth and, therefore, do not reduce federal revenue by as much as the cuts themselves would suggest. Supporters of tax cuts often agitate for the CBO to use dynamic scoring in assessing tax cut proposals. In fact, the CBO incorporates some consideration of the beneficial effects of tax cuts in its analyses, but not nearly to the extent that dynamic scoring advocates would like. The most extreme advocates of dynamic scoring claim that tax cuts completely pay for themselves. Nearly all economists reject these claims.[130]

The theory of dynamic scoring has been tested across two presidential administrations. Taxes were cut dramatically at the beginning of the administration of President Ronald Reagan in 1981. Reagan's own economist called the theory that taxes would pay for themselves "hyperbole"[131] and

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122 *Issues: Jobs & Economy*, CONGRESSMAN MICK MULVANEY (viewed on May 19, 2017), http://bit.ly/2qB0S37.
123 Neil Irwin, *Winners and Losers in the Trump Tax Plan*, THE NEW YORK TIMES (April 26, 2017), http://nyti.ms/2r9TxbH.
124 *Id.*
125 Jonathan Weisman, *House Republicans Change Rules on Calculating Economic Impact of Bills*, THE NEW YORK TIMES (Jan. 6, 2015), http://nyti.ms/2rIRZml.
126 *See* Laffer Curve Napkin, THE NATIONAL MUSEUM OF AMERICAN HISTORY, http://s.si.edu/2rIYEgf.
127 Peter Baker, *Arthur Laffer's Theory on Tax Cuts Comes to Life Once More*, THE NEW YORK TIMES (April 25, 2017), http://nyti.ms/2rIQaWi.
128 Steve Forbes *et al.*, *Why Are Republicans Making Tax Reform So Hard?*, THE NEW YORK TIMES (April 19, 2017), http://nyti.ms/2rLlN0P.
129 Shane Goldmacher, *How Trump Gets his Fake News*, POLITICO (May 15, 2017), http://politi.co/2qa4gia.
130 Steven Mufson, *Before Trump's Tax Plan, There Was 'Voodoo Economics' And 'Hyperbole'*, WASHINGTON POST (December 23, 2016), http://wapo.st/2rtCFwg and Jason Furman, *A Short Guide to Dynamic Scoring*, CENTER ON BUDGET AND POLICY PRIORITIES (Aug. 24, 2005), http://bit.ly/2rIKjk3.
131 Steven Mufson, *Before Trump's Tax Plan, There Was 'Voodoo Economics' And 'Hyperbole'*, WASHINGTON POST (Dec. 23, 2016), http://wapo.st/2rtCFwg.

his budget director called the premise of supply side economics "dead wrong."[132] During the 1980 GOP primary, GOP presidential candidate George H.W. Bush, attacked Reagan's supply-side proposal as "voodoo economics."[133] By the time Reagan's presidency was over, the national debt had tripled.[134]

Taxes were again cut significantly at the outset of the administration of President George W. Bush in the early 2000s. The federal budget quickly went from a significant surplus to soaring deficits. The tax cuts were the biggest cause of those deficits and, though partially repealed, remained the biggest cause of current deficits well into the Obama administration, according to the Center on Budget and Policy Priorities.[135]

Mulvaney, who has said he was against "Washington accounting gimmicks"[136] has a limited history on the issue in terms of public statements and actions.

Mulvaney voted "present" in January 2015 on a rules package in the 114th Congress[137] that included a rule change that would require the CBO and the Joint Committee on Taxation (JCT) to include dynamic scoring, or "macroeconomic analysis,"[138] in their cost estimates of major legislation.[139] Along with Mulvaney's "present" vote, four Republicans voted against it.[140]

Democrats argued that the dynamic scoring rule change was a ploy to provide tax cuts to the wealthy: "It's motivated primarily by this idea that if you provide big tax breaks to people at the very high end of the income ladder, it will trickle down and lift up all the boats,"[141] said Rep. Chris Van Hollen (D-Md.), who voted against the rules package. "We saw how well that worked in the 2000s."[142]

In April 2017, CNBC's John Harwood asked Mulvaney about dynamic scoring: "Do you use dynamic scoring, assuming tax cuts and spending stimulus, to come up with your growth estimates?"[143]

"Yes, we use a little bit dynamic scoring just like everybody who does or should. The CBO doesn't use it nearly enough,"[144] Mulvaney responded.

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132 *Id.*
133 Peter Baker, *Arthur Laffer's Theory on Tax Cuts Comes to Life Once More*, THE NEW YORK TIMES (April 25, 2017), http://nyti.ms/2rIQaWi.
134 Martin Tolchin, *Paradox of Reagan Budgets: Austere Talk vs. Record Debt*, THE NEW YORK TIMES (Feb. 16, 1988), http://nyti.ms/2qHAO63.
135 Kathy Ruffing and Joel Friedman, *Economic Downturn and Legacy of Bush Policies Continue to Drive Large Deficits*, CENTER ON BUDGET AND POLICY PRIORITIES (Feb. 28, 2013), http://bit.ly/2rtz55u.
136 Press Release, Congressman Mick Mulvaney, *Mulvaney Returns More Than $160K, Requests Speaker Boehner Pay Down National Debt* (Feb. 1, 2012), http://bit.ly/2qFl02d.
137 *See* H.Res. 5: Adopting rules for the One Hundred Fourteenth Congress, GOVTRACK.US, http://bit.ly/2rucVAe.
138 *See* The Need for Macroeconomic Analysis, U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON THE BUDGET, http://bit.ly/2qPpmnq.
139 *See* H.Res. 5: Adopting rules for the One Hundred Fourteenth Congress, GOVTRACK.US, http://bit.ly/2rucVAe.
140 *Id.*
141 Pete Kasperowicz, *House Approves 'Dynamic' Scoring*, THE HILL (April 4, 2014), http://bit.ly/2rJ9DGy.
142 *Id.*
143 John Harwood, *Trump's Budget Director on What's on, and off, the Table for Cuts*, CNBC (April 12, 2014), http://cnb.cx/2qcDo0r.

On May 23, 2017, the Trump administration released detailed budget plan, largely based on the March 16 budget blueprint, which relies on a prediction of sustained 3 percent economic growth. *The New York Times* referred to the "promise of 3 percent economic growth" as "wildly optimistic"[145] and "wishful thinking."[146]

The combination of projected economic growth plus draconian cuts to domestic programs allowed the budget drafters to forecast decreasing deficits, and eventually a surplus in 2027. The rosy deficit picture is achieved through more than $2 trillion in increased revenue due to the "effects of economic feedback," which is another term for "dynamic scoring," to account for expected economic growth caused by tax cuts.[147]

But the tax plan's cuts for corporations and the wealthy are so great that even using dynamic scoring and making draconian cuts in nonmilitary discretionary spending would leave huge deficits. To cover the gap, the budget embeds the fatal double counting error. The budget proposal's text explains that "the budget assumes deficit neutral tax reform, which the Administration will work closely with the Congress to enact." The only way that the forthcoming tax cuts Trump will propose could be "deficit neutral" would be if they stimulate massive amounts of economic growth, thus generating benefits to the Treasury in spite of lower tax rates. But as noted in a previous section, the administration's budget already assumes and "spends" these anticipated benefits.[148]

"This is an elementary double count. You can't use the growth benefits of tax cuts once to justify an optimistic baseline and then again to claim that the tax cuts do not cost revenue," wrote former U.S. Treasury Secretary Lawrence Summers.

Mulvaney's Displays Hawkishness on Healthcare, But it Comes at the Expense of the Most Vulnerable

As budget director, healthcare is one issue on which Mulvaney has been extremely hawkish. But even here, his hawkishness seems more directed at cutting assistance to the vulnerable and aiding the wealthy than reducing the federal deficit.

Various versions of the Trump administration's healthcare plan – for which Mulvaney has arguably been the administration's lead defender – would modestly reduce the national debt, according to

[144] *Id.*
[145] Julie Hirschfeld Davis, *Trump's Budget Cuts Deeply Into Medicaid and Anti-Poverty Efforts*, THE NEW YORK TIMES (May 22, 2017), http://nyti.ms/2q7thyC.
[146] Binyamin Appelbaum and Alan Rappeport, *Trump's First Budget Works Only if Wishes Come True*, THE NEW YORK TIMES (May 22, 2017), http://nyti.ms/2q7Fdk9.
[147] Budget Of The U. S. Government: A New Foundation For American Greatness, Fiscal Year 2018, U.S. Office of Management and Budget (May 23, 2017), http://bit.ly/2q8bXJL.
[148] Budget Of The U. S. Government: A New Foundation For American Greatness Fiscal Year 2018

CBO reports.[149] The savings are largely derived from an $880 billion cut to Medicaid, the federal program that provides "health care to the poor, elderly, and disabled."[150]

Ironically, the cuts to Medicaid and other programs included in the bill would have provided substantially more deficit savings for the administration but they chose to offset much of it with massive tax cuts for wealthy individuals. According to the *New York Times*, the tax cuts "amount to nearly $1 trillion over a decade" and "the beneficiaries would be the richest Americans who for years have complained that the Affordable Care Act unfairly burdened them with the responsibility of subsidizing insurance for the poor."[151]

Conclusion

Mick Mulvaney has been selective about when the deficit and debt is important – a practice he began as a congressman and now has expanded as budget director. Further, in his brief time as budget director, Mulvaney has proved that many of the beliefs he espoused as a congressman no longer apply.

In 2013 Congressman Mulvaney believed it was hypocritical and damaging to Republicans' credibility to advocate for cuts to federal agencies while exempting the Defense Department.

But in 2017, Budget Director Mulvaney heaped praise on the Trump administration's proposed budget blueprint, which would have cut funding to many federal agencies in order to *increase* defense spending. The plan was "crafted much the same way any American family creates its own budget while paying bills around their kitchen table; it makes hard choices,"[152] Mulvaney wrote.

It's hard to imagine many American families sitting around the kitchen table saying, "you know what, we need to cut after school programs, poverty programs, and funding for nutrition and food assistance for at-risk pregnant woman and infants, so we can speed up the purchase of F-35 Joint Strike Fighters."

Early in Mulvaney's term as budget director the message is clear: Deficits and debt don't matter when it comes to policies that benefit the wealthy and large corporations. Policies that benefit the most vulnerable among us – the old, the sick, the poor – on the other hand, must be cut in the name of debt reduction.

This appears to be the Mulvaney Doctrine.

149 Congressional Budget Office, *Cost Estimate, the American Health Care Act* (March 13, 2017), http://bit.ly/2qjpq1k .

150 Matthew Yglesias, *The Most Important Part of the Republican Health bill Is Mostly Getting Ignored*, VOX (May. 9, 2017), http://bit.ly/2qC3k7u.

151 Alan Rappeport, *One Certainty of G.O.P. Health Plan: Tax Cuts for the Wealthy*, THE NEW YORK TIMES (March 15, 2017), http://nyti.ms/2pYKTIN.

152 OFFICE OF MANAGEMENT AND BUDGET, A BUDGET BLUEPRINT TO MAKE AMERICA GREAT AGAIN, http://bit.ly/2rLiypU.