

Tax cutting has run out of road

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The FT carries the most interesting article I have found in the media this morning. It [starts by saying](#):

The Republican party's raison d'Ãªtre is cutting taxes. It may even be its divine commission. God put Republicans on earth to cut taxes, the conservative columnist, Robert Novak, once said, and failure to do that means "they have no useful function".

And it continues:

Republicans should pray for a new purpose.

Justifying that by noting:

Big tax cuts, particularly for the wealthiest, do not work in an age of high inequality and heavy debt. Republicans need an economic agenda that respects markets while also recognising the challenges facing America and its anxious middle class.

And suggesting:

There are good reasons to view the next election as a last hurrah for Republican-style supply-side policy.

Because:

First, voters do not much care about taxes. Unlike a generation ago, more than half think their taxes are fair, according to a Gallup poll.

And:

Second, America's fiscal situation makes deep tax cuts implausible.

Which means:

Third, tax cuts look like an answer desperately searching for a problem.

All of which made me presume that this was something from someone associated with the Clinton or Sanders campaigns. But it isn't. The author is someone called James Pethokoukis, and as the article notes:

The writer is a scholar at the American Enterprise Institute

The AEI is, in my experience, one of the classic US libertarian, right wing think tanks. This is not where such opinion should come from. But as it does let me venture to suggest that the whole article can be summarised by the suggestion that tax cutting has run out of road.

People have realised that taxes are essential to ensure redistribution. And they're linked to a growing economy. Whilst the sense of well being that is created by the public services with which they are associated is key to the sense of community that was part of the American dream.

To put it another way, there is a Joy of Tax.

And the US, and the Republicans in particular, may have missed that fact. One article in the FT does not prove that, but it certainly is interesting.