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At Last Night's Debate: Romney Told 27 Myths In 38 Minutes

By Igor Volsky

Pundits from both sides of the aisle have lauded Mitt Romney's strong debate performance, praising his preparedness and ability to challenge President Obama's policies and accomplishments. But Romney only accomplished this goal by repeatedly misleading viewers. He spoke for 38 minutes of the 90 minute debate and told at least 27 myths:

1) "[G]et us energy independent, North American energy independent. That creates about 4 million jobs". Romney's plan for "energy independence" actually relies heavily on a study that assumes the U.S. continues with fuel efficiency standards set by the Obama administration. For instance, he uses Citigroup research based off the assumption that "the United States will continue with strict fuel economy standards that will lower its oil demand." Since he promises to undo the Obama administration's new fuel efficiency standards, he would cut oil consumption savings of 2 million barrels per day by 2025.

2) "I don't have a \$5 trillion tax cut. I don't have a tax cut of a scale that you're talking about." A Tax Policy Center analysis of Romney's proposal for a 20 percent across-the-board tax cut in all federal income tax rates, eliminating the Alternative Minimum Tax, eliminating the estate tax and other tax reductions, would reduce federal revenue \$480 billion in 2015. This amount to \$5 trillion over the decade.

3) "My view is that we ought to provide tax relief to people in the middle class. But I'm not going to reduce the share of taxes paid by high-income people." If Romney hopes to provide tax relief to the middle class, then his \$5 trillion tax cut would add to the deficit. There are not enough deductions in the tax code that primarily benefit rich people to make his math work.

4) "My — my number-one principal is, there will be no tax cut that adds to the deficit. I want to underline that: no tax cut that adds to the deficit." As the Tax Policy Center concluded, Romney's plan can't both exempt middle class families from tax cuts and remain revenue neutral. "He's promised all these things and he can't do them all. In order for him to cover the cost of his tax cut without adding to the deficit, he'd have to find a way to raise taxes on middle income people or people making less than \$200,000 a year," the Center found.

5) "I will not under any circumstances raise taxes on middle-income families. I will lower taxes on middle-income families. Now, you cite a study. There are six other studies that looked at the study you describe and say it's completely wrong." The studies Romney cites actually further prove that Romney would, in fact, have to raise taxes on the middle class if he were to keep his promise not to lose revenue with his tax rate reduction.

6) "I saw a study that came out today that said you're going to raise taxes by \$3,000 to \$4,000 on middle-income families." Romney is pointing to this study from the American Enterprise Institute.

It actually found that rather than raise taxes to pay down the debt, the Obama administration's policies — those contained directly in his budget — would reduce the share of taxes that go toward servicing the debt by \$1,289.89 per taxpayer in the \$100,000 to \$200,000 range.

7) “And the reason is because small business pays that individual rate; 54 percent of America’s workers work in businesses that are taxed not at the corporate tax rate, but at the individual tax rate....97 percent of the businesses are not — not taxed at the 35 percent tax rate, they’re taxed at a lower rate. But those businesses that are in the last 3 percent of businesses happen to employ half — half of all the people who work in small business.” Far less than half of the people affected by the expiration of the upper income tax cuts get any of their income at all from a small businesses. And those people could very well be receiving speaking fees or book royalties, which qualify as “small business income” but don’t have a direct impact on job creation. It’s actually hard to find a small business who think that they will be hurt if the marginal tax rate on income earned above \$250,000 per year is increased.

8) “Mr. President, all of the increase in natural gas and oil has happened on private land, not on government land. On government land, your administration has cut the number of permits and licenses in half.” Oil production from federal lands is higher, not lower: Production from federal lands is up slightly in 2011 when compared to 2007. And the oil and gas industry is sitting on 7,000 approved permits to drill, that it hasn’t begun exploring or developing.

9) “The president’s put it in place as much public debt — almost as much debt held by the public as all prior presidents combined.” This is not even close to being true. When Obama took office, the national debt stood at \$10.626 trillion. Now the national debt is over \$16 trillion. That \$5.374 trillion increase is nowhere near as much debt as all the other presidents combined.

10) “That’s why the National Federation of Independent Businesses said your plan will kill 700,000 jobs. I don’t want to kill jobs in this environment.” That study, produced by a right-wing advocacy organization, doesn’t analyze what Obama has actually proposed.

11) “What we do have right now is a setting where I’d like to bring money from overseas back to this country.” Romney’s plan to shift the country to a territorial tax system would allow corporations to do business and make profits overseas without ever being taxed on it in the United States. This encourages American companies to invest abroad and could cost the country up to 800,000 jobs.

12) “I would like to take the Medicaid dollars that go to states and say to a state, you’re going to get what you got last year, plus inflation, plus 1 percent, and then you’re going to manage your care for your poor in the way you think best.” Sending federal Medicaid funding to the states in the form of a block grant would significantly reduce federal spending for Medicaid because the grant would not keep up with projected health care costs. A CBO estimate of a very similar proposal from Paul Ryan found that federal spending would be “35 percent lower in 2022 and 49 percent lower in 2030 than current projected federal spending” and as a result “states would face significant

challenges in achieving sufficient cost savings through efficiencies to mitigate the loss of federal funding.” “To maintain current service levels in the Medicaid program, states would probably need to consider additional changes, such as reducing their spending on other programs or raising additional revenues,” the CBO found.

13) “I want to take that \$716 billion you’ve cut and put it back into Medicare.... But the idea of cutting \$716 billion from Medicare to be able to balance the additional cost of Obamacare is, in my opinion, a mistake. There’s that number again. Romney is claiming that Obamacare siphons off \$716 billion from Medicare, to the detriment of beneficiaries. In actuality, that money is saved primarily through reducing over-payments to insurance companies under Medicare Advantage, not payments to beneficiaries. Paul Ryan’s budget plan keeps those same cuts, but directs them toward tax cuts for the rich and deficit reduction.

14) “What I support is no change for current retirees and near-retirees to Medicare.” Here is how Romney’s Medicare plan will affect current seniors: 1) by repealing Obamacare, the 16 million seniors receiving preventive benefits without deductibles or co-pays and are saving \$3.9 billion on prescription drugs will see a cost increase, 2) “premium support” will increase premiums for existing beneficiaries as private insurers lure healthier seniors out of the traditional Medicare program, 3) Romney/Ryan would also lower Medicaid spending significantly beginning next year, shifting federal spending to states and beneficiaries, and increasing costs for the 9 million Medicare recipients who are dependent on Medicaid.

15) “Number two is for people coming along that are young, what I do to make sure that we can keep Medicare in place for them is to allow them either to choose the current Medicare program or a private plan. Their choice. They get to choose — and they’ll have at least two plans that will be entirely at no cost to them.” The Medicare program changes for everyone, even people who choose to remain in the traditional fee-for-service. Rather than relying on a guaranteed benefit, all beneficiaries will receive a premium support credit of \$7,500 on average in 2023 to purchase coverage in traditional Medicare or private insurance. But that amount will only grow at a rate of GDP plus 1.5 percentage points and will not keep up with health care costs. So while the federal government will spend less on the program, seniors will pay more in premiums.

16) “And, by the way the idea came not even from Paul Ryan or — or Senator Wyden, who’s the co-author of the bill with — with Paul Ryan in the Senate, but also it came from Bill — Bill Clinton’s chief of staff.” Romney has rejected the Ryan/Wyden approach — which does not cap the growth of the “premium support” subsidy. Bill Clinton and his commission also voted down these changes to the Medicare program.

17) “Well, I would repeal and replace it. We’re not going to get rid of all regulation. You have to have regulation. And there are some parts of Dodd-Frank that make all the sense in the world.”Romney has previously called for full repeal of Dodd-Frank, a law whose specific purpose is to regulate banks. MF Global’s use of customer funds to pay for its own trading losses is just one bit

of proof that the financial industry isn't responsible enough to protect consumers without regulation.

18) "But I wouldn't designate five banks as too big to fail and give them a blank check. That's one of the unintended consequences of Dodd-Frank... We need to get rid of that provision because it's killing regional and small banks. They're getting hurt." The law merely says that the biggest, systemically risky banks need to abide by more stringent regulations. If those banks fail, they will be unwound by a new process in the Dodd-Frank law that protects taxpayers from having to pony up for a bailout.

19) "And, unfortunately, when — when — when you look at Obamacare, the Congressional Budget Office has said it will cost \$2,500 a year more than traditional insurance. So it's adding to cost." Obamacare will actually provide millions of families with tax credits to make health care more affordable.

20) "[I]t puts in place an unelected board that's going to tell people ultimately what kind of treatments they can have. I don't like that idea." The Board, or IPAB is tasked with making binding recommendations to Congress for lowering health care spending, should Medicare costs exceed a target growth rate. Congress can accept the savings proposal or implement its own ideas through a super majority. The panel's plan will modify payments to providers but it cannot "include any recommendation to ration health care, raise revenues or Medicare beneficiary premiums...increase Medicare beneficiary cost-sharing (including deductibles, coinsurance, and co-payments), or otherwise restrict benefits or modify eligibility criteria" (Section 3403 of the ACA). Relying on health care experts rather than politicians to control health care costs has previously attracted bipartisan support and even Ryan himself proposed two IPAB-like structures in a 2009 health plan.

21) "Right now, the CBO says up to 20 million people will lose their insurance as Obamacare goes into effect next year. And likewise, a study by McKinsey and Company of American businesses said 30 percent of them are anticipating dropping people from coverage." The Affordable Care Act would actually expand health care coverage to 30 million Americans, despite Romney fear mongering. According to CBO director Douglas Elmendorf, 3 million or less people would leave employer-sponsored health insurance coverage as a result of the law.

22) "I like the way we did it [health care] in Massachusetts...What were some differences? We didn't raise taxes." Romney raised fees, but he can claim that he didn't increase taxes because the federal government funded almost half of his reforms.

23) "It's why Republicans said, do not do this, and the Republicans had — had the plan. They put a plan out. They put out a plan, a bipartisan plan. It was swept aside." The Affordable Care Act incorporates many Republican ideas including the individual mandate, state-based health care exchanges, high-risk insurance pools, and modified provisions that allow insurers to sell policies in multiple states. Republicans never offered a united bipartisan alternative.

24) “Preexisting conditions are covered under my plan.” Only people who are continuously insured would not be discriminated against because they suffer from pre-existing conditions. This protection would not be extended to people who are currently uninsured.

25) “In one year, you provided \$90 billion in breaks to the green energy world. Now, I like green energy as well, but that’s about 50 years’ worth of what oil and gas receives.” The \$90 billion was given out over several years and included loans, loan guarantees and grants through the American Recovery Act. \$23 billion of the \$90 billion “went toward “clean coal,” energy-efficiency upgrades, updating the electricity grid and environmental clean-up, largely for old nuclear weapons sites.”

26) “I think about half of [the green firms Obama invested in], of the ones have been invested in have gone out of business. A number of them happened to be owned by people who were contributors to your campaigns.” As of late last year, only “three out of the 26 recipients of 1705 loan guarantees have filed for bankruptcy, with losses estimated at just over \$600 million.”

27) “If the president’s reelected you’ll see dramatic cuts to our military.” Romney is referring to the sequester, which his running mate Paul Ryan supported. Obama opposes the military cuts and has asked Congress to formulate a balanced approach that would avoid the trigger.