

RENT-SEEKING: TRUMP SELLS PATRIOTIC FRAUD TO BOOST HIS TARIFF LIES

I was going to write about how Trump's promise, last night, to send a bunch of service members a \$1,776 checks, was actually a confession that there will be no tariff rebates for civilians.

Two paragraphs after Trump introduced his false claims about tariffs – "my favorite word" – he said that because of tariffs, along with the Big Ugly, Trump was sending some number (he bolloxed the number repeatedly) service members would get a check.

This historic trend will continue. Already, I've secured a record-breaking \$18 trillion of investment into the United States, which means jobs, wage increases, growth, factory openings and far greater national security. Much of this success has been accomplished by tariffs, my favorite word, tariffs, which for many decades have been used successfully by other countries against us, but not anymore. Companies know that if they build in America, there are no tariffs, and that's why they're coming home to the U.S.A. in record numbers. They're building factories and plants at levels we haven't seen. A.I., automobiles, we're doing what nobody thought was even possible, not even remotely possible. There has never, frankly, been anything like it.

[snip]

Because of tariffs, along with the just passed One Big, Beautiful Bill, tonight I am also proud to announce that more than 1,000, 450,000, think of this, 1,450,000 military service members will

receive a special, we call warrior dividend before Christmas, a warrior dividend. In honor of our nation's founding in 1776, we are sending every soldier \$1,776. Think of that. And the checks are already on the way. Nobody understood that one until about 30 minutes ago. We made a lot more money than anybody thought because of tariffs, and the bill helped us along. Nobody deserves it more than our military. And I say congratulations to everybody. And by the way, we now have record enlistment in our military, and last year we had among the worst recruitment numbers in our military's history. What a difference a year makes.

He once was offering bigger refunds – \$2,000 – for everyone but high income people. That was, as Dean Baker did the math at the time, totally unaffordable, even ignoring that Trump is likely to have to pay some portion of the tariffs back, only to importers, not the consumers who have paid increased prices for consumer goods.

Doing the simple arithmetic, the country has 340 million people. If 10 percent of these people fit Trump's definition of high-income, and therefore don't get the rebate, roughly 300 million people would get the checks.

At \$2,000 a piece it would come to \$600 billion, more than twice what Trump is collecting from us with his import taxes. Since he's already \$330 billion short, how can Trump think he has money to pay down the national debt? Also, he seems not to know that our deficit this year is projected to be \$1.8 trillion, so he is actually adding considerably to the debt and would be adding even more with his \$600 billion tariff "rebate."

So, I figured, promising a smaller number (but

hiding the smaller amount in patriotic shlock) to a far smaller number of people would serve the purpose of the rebates – to generate public support for keeping the tariff revenue rather than paying them back – in a way that would be hard to oppose.

Who would begrudge service members a check, after all.

But once you give that \$2.5 billion away (assuming the larger number is the correct one), you've started eating into the \$100 billion you might be able to use to give money away.

The service members were going to get the check instead of everyone.

But according to Defense One, even *that* is not what is going on. Trump is taking money Congress allocated to expand housing allowances and paying it as a direct check instead.

President Donald Trump's \$1,776 checks for more than a million troops, announced Wednesday, come from Congressionally-allocated reconciliation funds intended to subsidize housing allowances for service members, a senior administration official confirmed.

During a prime-time TV address, Trump said he was "proud to announce" that "1,450,000 military service members will receive a special, we call 'warrior dividend,' before Christmas." He added that to honor the nation's founding, "we are sending every soldier \$1,776. Think of that. And the checks are already on the way."

The senior administration official told Defense One in an emailed statement late Wednesday evening that Defense Secretary Pete Hegseth directed the Pentagon to "disburse \$2.6 billion as a one-time basic allowance for housing supplement" to all eligible service members ranks 0-6 and below.

“Congress appropriated \$2.9 billion to the Department of War to supplement the Basic Allowance for Housing entitlement within The One Big Beautiful Bill,” the senior official said. “Approximately 1.28 million active component military members and 174,000 Reserve component military members will receive this supplement.”

It has nothing to do with tariffs (though was provided, without enough guidance to prevent such a gimmick, in the Big Ugly bill). Trump just told that lie along with his \$18 trillion lie in order to claim his tariffs have been less disastrous than they have been.

Who knows? Maybe Trump will bankrupt the country to send rebates to cover over how much consumers have paid for these tariffs.

For now, though, Trump is simply piling lie on top of lie about it all.