



TIME FOR TAX CUTS

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President Trump has kicked off the beginning of autumn with a massive tax cut proposal that would benefit everyone -- as the plan is to stimulate growth and growth leads to more not less income. So, who could be against such a plan? Well, Democrats and Republicans for a start. For Democrats, the response is that the tax cuts just benefit the rich. To the extent that the rich “benefit” it is more likely that the middle-class benefits because the “rich” spend the money. I spoke to my liberal contractor last year who agreed with the Democrats. After I discussed at length that it was the “rich” who were paying him for his work not the poor folks, he got the message. The more rich people there are, the more middle-class people will get richer. For example, who built Bill Gates’ \$26 million mansion? Workers. Middle class working professionals -- many of whom own their own businesses. Where did all the raw materials come from? Right. Other hard-working people. So, even if the rich get richer, the middle class will have more jobs, more income and ultimately more wealth. And it is those middle-class folks who will be paying taxes too.

Then there are the Republicans who are screaming about the deficit. They don’t want tax cuts if there is any chance of an increase in the deficit. The question is what is wrong with a deficit if it funds growth, more income and more wealth? They fear that we will be passing on this debt to our children and grandchildren. But we are also passing along to them trillions of dollars in wealth that the current generation earned. And don’t forget, there are huge assets owned by the government to offset that debt even if it needed to be offset. Even though the federal debt has exploded over the past ten years, there has been no related inflation. And the head of the Federal Reserve, Janet Yellen, is mystified as to why there has been no increase in inflation.

Presidents Kennedy and Reagan cut tax rates dramatically and the economy boomed after those tax cuts. Isn’t it time to give a new tax cut to the economy to give middle class Americans a second chance to accumulate wealth? If the experiment fails, then go back to the old way of doing things. Given the history of tax cuts, I think it is worth taking the chance.

Thomas E. Nugent
Executive Vice-President