FOR RELEASE: July 8th, 2011

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**TRICKLE-DOWN FROM WEALTHY HASN’T WORKED SINCE HOOVER AND CAN’T PAY OFF OUR DEBT, ROBERT WEINER AND JOHN HORTON ASSERT IN MIAMI HERALD**

***EX- HOUSE AGING COMMITTEE DIRECTOR AND ECONOMIC ANALYST CITE 5.4% GDP GROWTH UNDER DEMOCRATIC PRESIDENTS SINCE 1930 VS. 1.4% UNDER REPUBLICANS***

***STATE IS “MYTH” THAT WEALTHY TAX CUTS CREATE JOBS; MAKE CASE NOT TO CUT MEDICARE AND SOCIAL SECURITY***

(Washington-D.C.) – “Trickle-down Economics Hasn’t Worked since Herbert Hoover”, say Bob Weiner, former House Aging Committee Chief of Staff under Chairman Claude Pepper (D-FL) and later a White House Spokesman, and John Horton, an economic policy analyst at Robert Weiner Associates. In an op-ed in today’s Miami Herald, Weiner and Horton cite a 5.4% GDP growth under Democratic presidents since 1930, “who have emphasized people programs and resisted rich tax breaks,” versus 1.4% growth under Republican presidents, who have enacted rich tax cuts, paralleling current Republicans. Weiner and Horton offer proof that “it is a myth that adding money to the wealthy though tax cuts stimulates jobs and grows the economy.”

 Weiner added today, “We compiled the year-to year GDP growth and loss numbers by the Commerce Department’s Bureau of Economic Analysis since they started keeping them in 1930. These figures are respected ones used by the OMB and the Council of Economic Advisors. They make a powerful policy argument against trickle down and rich tax cuts, and for people programs and targeted tax cuts for workers. They also make the case not to cut Medicare and Social Security.

 The article follows:

**Debt Ceiling:
END HOOVER-STYLE “TRICKLE DOWN ECONOMICS” TO PAY OFF NATION’S DEBT**

**By ROBERT WEINER AND JOHN HORTON**

 President Obama has given speech after speech calling on Congress to reduce tax breaks for the wealthy as a means to balance the budget. When President Clinton left office, the budget had been balanced for four consecutive years, with surpluses projected through 2011. The tax rate for the wealthiest 2% of wage earners was 39.6%. President Bush, however, chose to pursue the system of so-called “trickle-down” economics through tax breaks for the wealthiest Americans.

 The result: surplus turned into deficit. By the end of Bush’s second term, the United States was embroiled in the gravest financial crisis since the Great Depression.

 Trickle-down economics has not worked since Herbert Hoover tried it. It is a myth that adding money to the wealthy through tax cuts stimulates jobs and grows the economy. Under Democratic presidents since 1930 who have emphasized people programs and resisted tax breaks for the wealthiest, annual growth in GDP has averaged 5.4%, according to Commerce Department and Office of Management and Budget statistics. Under Republican Presidents who enacted tax cuts for the rich, paralleling the policies being put forth by the current crop of Republicans, GDP has only grown by 1.6%.

 Millionaires spend less money and save more. Middle and lower-class families spend more and save less. According to CBO, a dollar dedicated to the middle class grows the economy three times faster than a dollar devoted to the rich. Yet Republicans would give the highest earners another tax cut. Executive and CEO salaries already increased by 23% in 2010.

 When Bush cut the top tax rate, the government lost $700 billion in revenue. Using this supposedly job-boosting strategy, during his eight years he had the worst jobs record since, yep, Hoover.

 It was not just poor fiscal policy that landed the United States in its current economic quagmire. There are 100,000 contractors in Afghanistan, another 100,000 in Iraq. The American taxpayer is paying Halliburton, Lockheed Martin, and Boeing at the expense of senior citizens, food safety, education, domestic roads and bridges, and disaster assistance. Including spending on veterans’ healthcare, military contractors, and special operations, the cost of the wars in Iraq and Afghanistan will be $4 trillion a new study from Brown University’s Watson Institute for International Studies estimates.

 At their recent debate in New Hampshire, the consensus of Republican presidential candidates was that by cutting spending and taxes, deficits would decrease. The math does not add up. This is also what House and Senate Republicans voted for in Paul Ryan’s budget plan cutting Medicare in half. All House Republicans and all but five Senate Republicans voted for dismantling of Medicare in its current form by turning Medicare into a voucher system.

 In Florida, where three million senior citizens make up 17% of the population, and across the country, where 40 million seniors make up 13% of the population, Medicare recipients would pay almost twice out of pocket for medical expenses and have no protection from insurance company decisions and premiums, according to the Congressional Budget Office.

 The Bush tax cuts are set to expire in 2012. Returning to the Clinton tax levels that generated prosperity and a surplus would increase both revenue and GDP. A more rapid reduction in troops than the recently announced withdrawals in Iraq and Afghanistan – while continuing the very effective special intelligence operations that got bin Laden -- would be another way to restore economic balance.

As the August 2 debt ceiling deadline approaches, the choices are clear. Maintaining “trickle down” money for the rich while cutting services for the elderly, the poor, the working class, and young people’s educations is a formula for disaster for Florida and the nation.

*Robert Weiner, Washington, DC, is a former White House spokesman and was Chief of Staff of the House Aging Committee under Congressman Claude Pepper. John Horton is an economic policy analyst at Robert Weiner Associates*.

LINK TO ARTICLE:

<http://www.miamiherald.com/2011/07/07/2304248/end-herbert-hoover-style-trickle.html>