

Trump's \$6 Trillion Corporate-Investor Tax Cut

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Today, April 26, 2017, Trump announced the outlines of his proposal for the latest trillion dollar business tax cuts that have been a hallmark of US neoliberal policies since 1978. Trump's tax cuts are the policy centerpiece of his regime. They are what he and the entire US capitalist class have agreed on, unlike some of Trump's 'right wing populism' proposals on which he ran during the 2016 elections. Those right wing populist proposals are now being swept off the table by Trump himself, as he retreats quickly during his first 100 days from those popular appeals. (Another article and analysis coming on that shortly).

The real essence of Trump policy is massive tax cuts, across the board deregulation, and renegotiating of free trade deals so US business gets a bigger cut from its global capitalist competitors as the global trade pie continues to grow more slowly and shrink in the period ahead. All the rest populist appeals—the wall, create jobs in the US, NATO, Russia, Syria, China, immigration, Obamacare repeal, etc. are secondary and will be removed as policy obstacles to enable the tax cuts, deregulation, and free trade deal renegotiations.

In terms of tax cutting, the Trump proposals are the initial down payment of his proposed \$6 trillion more in tax reduction, almost all of which accrue to business, corporations and investors.

These proposals represent Trump as part of the Neoliberal tradition in the US going back to 1978-80.

Reagan proposed a \$792 billion tax cut in 1982. More tax cuts followed in 1986. Clinton cut taxes in 1997-98. George W. Bush cut taxes by \$3.4 trillion in his first term, 80% of which accrued to businesses and the wealthiest households. He added another \$350 billion in tax cuts for multinational corporations and another \$100 billion for energy companies in 2005-06, and another \$180 billion in 2008.

Obama was an even bigger tax cutter than Bush. His 2009 fiscal stimulus bill provided \$300 billion in tax cuts, which he increased by \$800 billion in late 2010 as recovery faltered. He then extended Bush's tax cuts by two more years, worth another \$450 billion. Obama cut a deal with Republicans in late 2012 called the 'fiscal cliff' compromise, which extended the Bush tax cuts another 10 years at a cost of \$5 trillion.

So Bush's tax cuts amounted to more than \$4 trillion and Obama's more than \$6 trillion. More than \$10 trillion in tax cuts, in other words, under Bush and Obama alone, before Trump begins his latest round of tax giveaways to business, investors and corporations.

A good deal of the income inequality in America is due to the massive tax shifting for more than three decades. So is the rise of the US government debt from \$4 trillion in 2000 to

more than \$19 trillion today. Studies show that collapsing tax revenue is responsible for 60% of the deficits and debt in the US. (For another detailed look at that, see my piece 'The Eight Real Causes of Deficits and the Debt', on this blog).

The Trump tax proposals are a repeat and acceleration of the Bush tax cuts, which Obama extended, but even more aggressive in handouts to the rich and their corporations than provided by Bush-Obama.

For my analysis of the Tax Shift before 2000 and Bush-Obama-Trump, see my website, where I've uploaded chapter 2 from my 2005 book, 'The War at Home: The Corporate Offensive from Reagan to Bush'. It is available on the website at:

<http://www.kykloproductions.com/articles.html>

The 'War At Home' book documents the various policies, including tax policies, by which \$1 trillion a year, every year, up to 2005, was being shifted from working and middle class incomes to capital incomes—a centerpiece of Neoliberal policies since 1978. The book is available from this blog or the website for discount at \$10, or on Amazon.

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