**Trickle-down arises from the dust heap**

Here we go again. Advocates of the tax reform bill currently being pushed in Washington claim the measure will benefit Americans at all income levels and be fiscally responsible. The trouble is, the advocates can't get impartial economists and forecasters to go along with such claims. Why? Because math and historical reality don't support them, as a quick reality check readily reveals.

Presumably, everyone with taxable income should initially get a tax break—huge for some (the super-wealthy and large corporations), meager for others (middle- and lower-income working families). To compensate for lost tax revenue, some popular deductions (e.g. charitable donations, mortgage interest, state and local taxes) will vanish. But tax rates will be lower—especially for the extremely wealthy, who, not surprisingly, have been the biggest donors to the so-called "reform" effort.

Critics of the plan note that projected revenues fall far short of expenses, adding $1.4 trillion to the deficit over ten years. Supporters, though, cheerily assert the economy will grow enormously, thus magically increasing revenues and canceling the added deficit.

If this sounds familiar, it should. It's been tried before, twice in the 20th century, alternatively branded "laissez-faire," "supply-side," "trickle-down" and "voodoo economics," as Americans over age fifty can recall.

Under Presidents Coolidge and Hoover during the 1920s, it gave rise to an era of madcap speculation and transient windfalls against a backdrop of grinding poverty. Under Reagan and Bush I during the 1980s, it traded double-digit inflation for double-digit unemployment, followed by a decade of rolling crises, recessions and layoffs, coupled with the steady decline of middle-class purchasing power.

In both cases, tax cuts were accompanied by large-scale deregulation of business and banking, creating hazards and hardships for consumers and working people, and precipitating large-scale failures in markets left to "self-regulation" by the very ones profiteering from the mischief.

In neither case did the scheme perform as hoped. Granted, giveaways to the rich prompted spikes in market prices, creating an illusion of prosperity at the top end for a few years. But it never trickled down from the wealthy tycoons to the laboring masses, and thus failed to generate the broad prosperity upon which advocates had too hopefully relied to bolster tax revenues and pay for the initial tax cuts. Instead, deficits skyrocketed, and the economy stagnated. In the 1920s, the artificial boom ended in the Great Depression. In the 1980s, bloated market prices masked the steady erosion of the working middle class, on which post-W.W.II prosperity had been built.

This time, however, the schemers have a sure-fire plan to fix the rising deficit, when (not if) the predicted prosperity and tax revenues once again fail to materialize. Cancel the giveaway to corporations and the wealthy? No, too obvious. Besides, the donors expect a return on their "investment." Instead, the middle-class tax cuts will disappear in ten years (but don't expect the deductions to reappear). The remainder of the deficit increase can be paid off simply by raiding Medicaid, Medicare, and Social Security. What could possibly go wrong?

Happy holidays, America!

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Writer's note: As it turns out, the editor deleted the key *caveat* from the end of the column! If something had to be deleted for space considerations, it should have been the three sentences immediately preceding those actually deleted.