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Let the Bush Tax Holiday Work

President Bush's tax holiday experiment is coming to an end. Out of respect for President Bush, Congress should let the Tax Holiday end exactly as President Bush designed it to end.

In 2001, President Bush inherited from President Clinton a financial situation of annual tax receipts to the Federal government which exceeded the Federal government's annual expenditures. President Clinton had used that cash flow to pay down the National Debt that had been accumulating since the Great Depression.

President Bush and the Republican Congress decided, in 2001, that further payments on the accumulated debt should be delayed by ten years, so they declared a Tax Holiday and reduced the amounts that Americans were required to pay for government services, for a specified Tax Holiday period of ten years.

This writer has no speculation on why President Bush and the Republican Congress decided not to continue paying down the National Debt in 2001, but one hopes that there was some reasoning in support of that decision, as to why it would benefit the people of the United States in the long run. That reasoning remains undisclosed, but it is clear that President Bush viewed the Tax Holiday as an experimental program, because the Tax Holiday has a specific end date.

The present economic condition of the United States, and the present financial condition of the Federal government in particular, suggest that President Bush's experiment should be carried to completion rather than interrupted so near its end. It certainly looks like a disaster so far, but the only fair way to evaluate the experiment is to complete it, and let the Tax Holiday expire on December 31, 2010, as designed. The only remaining chance at a salvageable result from President Bush's experiment is, "Stay the Course."

An attempt to subvert President Bush's Tax Holiday experiment by lengthening the economic experiment beyond its designed duration would guarantee the failure of the experiment, just as a physical experiment to test the strength of a material will inevitably end in that material failing when the experiment applies stress to the material for successively longer periods of time until the material fails.

President Obama and Congress should not permit any attempt to modify President Bush's Tax Holiday experiment at this late date. For the past twenty-two months, the Republican minority in Congress has demonstrated how easy it is to prevent legislation from being enacted. The Democratic members of Congress should find it much easier to prevent legislation, even if the Democrats were a minority, than it has been to enact legislation, even when the Democrats are in the majority. Just say "No."

Good public relations requires, once again and as always, that President Obama define the terms of the discussion, and reject the terms of the discussion promoted by the advocates for the very wealthy. There were no "Bush tax cuts" - if there had been "tax cuts", they would not need to be "extended". A "tax cut" is a permanent legislative act, not a temporary aberration with a defined end date. A temporary reduction in taxes for a specified period of time is a "tax holiday". President Obama should refuse to engage in any discussion of "tax cuts". The

President should make it clear that, on December 31, 2010, President Bush's Tax Holiday is over. After this ten-year fantasy vacation from financial reality, America must get back to work.

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