

## OPINION

OP-ED COLUMNIST

### False Choices



Damon Winter/The New York Times

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Friday's jobs report was abysmal.

The U.S. added 54,000 jobs in May, far fewer than expected, and the unemployment rate ticked up to 9.1 percent.

This is the latest in a cavalcade of worrisome economic indicators - from double-dipping home prices to flagging consumer confidence - that illustrate just how fragile the recovery has been, just how inadequate and anemic the stimulus was and just how tenuous the government's grip is on the reins.

It is against this backdrop that Republicans have decided to play chicken with the nation's credit - insisting on spending cuts while steadfastly resisting tax increases.

This is part of the modern doctrine of a compassion-free conservatism that's using the fog of the fiscal crisis to push a program of perverse wealth inequality as sound economic policy: The only way to jump-start the economy is to slash taxes on the wealthy and on companies; the only way to compensate for the deficits that those tax cuts exacerbate is to slash benefits to the poor and vulnerable. It would be comical if it weren't so callous.

Not only is this faulty logic, it's a false choice. We'll need sensible tax increases and sensible spending cuts to address the deficit, and both can be offset to some degree by stronger economic growth. It's not an either-or proposition.

And the wealthy can absorb a bit of a shock because they appear to be doing just fine. Quarterly earnings at luxury retailers like Neiman Marcus, Saks Fifth Avenue, Movado and, yes, Tiffany all beat expectations, signaling that the rich can still splurge on the carats they wear. Meanwhile, working-class people continue to fret over the carrots they eat.

Furthermore, there is a mound of evidence that corporations are in no need of more tax breaks.

First, the tax burden of American companies is lower than that of other Organization for Economic Cooperation and Development countries, as economist Bruce Bartlett pointed out this week. Also, a report issued on Wednesday by Citizens for Tax Justice looked at 12 Fortune 500 companies from 2008-10 and found that on \$171 billion in profits earned, their effective tax rate was negative-1.5 percent because of corporate loopholes, shelters and special tax breaks.

And, as Time magazine reported in its June 6 issue, "In the 18 months since the Great Recession, which ended in June 2009, U.S. annualized corporate profits rose 42 percent, to a record \$1.68 trillion in the fourth quarter of 2010."




Corporations aren't hurting. They're hoarding.

Republicans have taken an untenable position on taxation that threatens to not only undermine the country's credit worthiness and push us to the brink of default, it is antithetical to the health and sustenance of a just and striving society.

The full stealing from the plates of the starving simply isn't an American ideal.

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