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## Columnist provides wisdom on economic issues

Posted: Wednesday, July 30, 2014 9:30 am

Kudos to Robert Samuelson for “Corporations lack economic patriotism,” another insightful and constructive column appearing in last Saturday’s Daily News.

“Facing chronic budget deficits, the United States can’t afford to lose tax revenues,” Samuelson asserts. “Let’s lower taxes on corporations that can move from the United States; let’s raise taxes on the people who own their stock.”

As usual, Samuelson is dead on with both his diagnosis and prescription.

Those who earn a living actively through making a product or providing a service deserve more of a tax break than those who acquire wealth passively through investments and other less transparent speculative ventures.

Yes, I know the argument. Capital investment creates jobs via the activity it generates as it filters its way down through the economy.

That only occurs, however, if profits are actually used to expand business opportunities, allowing companies to hire additional workers to meet enhanced demand.

Anyway, if indeed this was the case, Wall Street’s astonishing gains over the last few years would have translated into job creation on a biblical scale. But as we all know, this has not happened; investors would rather hold on to their proceeds than use them to grow the economy.

“In 1950, corporate taxes were 26.5 percent of the total,” Samuelson notes while explaining the evolution of federal revenues. “Now, their share bounces between 10 percent and 12 percent.”

There is a huge difference between doing what is legal and doing what is right. Shifting operations (at least on paper) to foreign jurisdictions in order to avoid paying higher taxes in the United States may be legal, but it is far from being right.

Given the dilemmas we currently face, Samuelson offers a sensible and realistic strategy for dealing with our monumentally complex economic problems.

We need to listen to him.

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