

GOP Tax Cut Scam is A Jobs Killer. Transfers Wealth to the Super-Rich

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The great GOP tax cut heist was never about boosting economic growth and jobs creation – entirely about transferring America's wealth from ordinary people to corporate predators and super-rich households.

The huge windfall given corporate America is earmarked for higher executive pay and bonuses, along with greater investments in jobs killing robots and shifting work offshore to low-wage countries.

The Tax Policy Center explained corporate predators will get at least \$2 trillion over the next decade – a bonanza handed them by Trump and GOP lawmakers.

Incentives in the GOP measure encourage companies to automate and eliminate jobs, not create them.

According to Professor of Economics Daron Acemoglu,

“(w)e are creating huge subsidies in our tax code for capital and encouraging employers to use machines instead of labor.”

“This is not the free market at work. We do not have a level playing field. The government clearly favors capital over labor.”

The measure's “Full and Immediate Expensing” provision lets companies write off the cost of new assets right away, instead of depreciating them over time – an incentive to automate.

Machines are cheaper than people. They're cost effective, don't demand good wages and benefits, never strike, or otherwise complain about unfair treatment.

They boost productivity at the expense of jobs creation and labor rights. According to Tax Policy Center co-director William Gale,

“(t)he last 30 years of anemic wage growth (show) workers...left behind” to benefit management and bottom line performance.

A [Ball State University study](#) showed nearly 87% manufacturing job losses came from an increase in automation and better technology.

PricewaterhouseCoopers estimates 38% of US jobs will be lost to automation in the next 15 years. The great GOP tax cut heist may accelerate the time frame.

AFL-CIO policy director Damon Silver said

“(w)e’ve already seen that this bill is a job killer in terms of outsourcing, and these issues of timing around tax deductions for human capital versus physical capital seem likely to make it even more of a job killer.”

Comcast, AT&T, Walmart and now Kimberly-Clark announced large job cuts, KC intending to eliminate 13% of its workforce, around 5,500 workers to be let go.

According to its chief financial officer Maria Henry, the

GOP tax cut “provides us flexibility to continue to allocate significant capital to shareholders while we also fund increased capital spending and our restructuring program over the next few years.”

Expect other companies to adopt similar policies. Verizon and ExxonMobil said the tax cut windfall is earmarked for shareholders and (jobs killing) capital investments.

JPMorgan Chase and Wells Fargo announced wage hikes for workers – planned well before enactment of the GOP tax cut, the lion’s share of the windfall going to shareholders, corporate executives and capital investments.

JPMorgan will allocate roughly 1.8% of the tax cut benefit to workers, similar to pay increases for the last few years. Wells Fargo’s increase is about the same, a spokesman saying the increase is unrelated to the tax cut.

Other corporations are acting much the same way. Modest worker gains are offset by much greater losses – mainly through job cuts, machines replacing people.

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