



# **2017 FEBRUARY NEWSLETTER**

---

**Kenneth J Casey**

## 2017 FEBRUARY NEWSLETTER



### **CONFUSED ??**

### **A NEW PRESIDENT ??**

**What the hell is going to happen ??**

**Will YOU be better off financially in 4 years than you are now??**

**What will happen to the Economy ??**

Well yeah, we are all confused. Well then how do you become unconfused ?

Well you go back and look at our economic history and how it relates to today. Simple.

So what did happen in our Economy, our politics, our history in our 'modern' age?

In this newsletter we will enjoy a review of 71 years of the great American Economy.

12 Presidents ... 6 Democrats ... 6 Republicans and

How did the economic decisions of each new President of each term affect the Economy ... good or bad ?

Raise taxes ... lower taxes ? Increase spending ... decrease spending ? Do nothing ?

From our review of our economic history we can project forward to get an idea what to anticipate from the Donald Trump presidency.

What is he talking about. What economic policies does he want to adopt?  
and how did those policies work out in the past ? Well ... read the newsletter for the conclusion.

## **1945 THE 'MODERN WORLD' WAS BEGINNING**

### **YOUR WORLD WAS BEGINNING**

The nightmare of the Depression years and World War II was ending.

THE WORLD DRAMATICALLY CHANGED IN 1945. FROM WAR TO PEACE.

**January** ... Auschwitz concentration camp was liberated

**February** ... Marines raise the American flag on Iwo Jima March ... General Patton's tanks crossed the Rhine River in Germany

**April** ... Adolf Hitler committed suicide and Benito Mussolini was shot

**May** ... **Germany surrenders unconditionally.**

**June** ... The United Nations was established

**July** ... U.S. Pacific Fleet begins bombardment of mainland Japan

**August** ... Nuclear bombs destroy Hiroshima and Nagasaki September ... Japan surrenders unconditionally

**THE WAR ENDED ALL OVER THE WORLD**

## **AMERICA ALSO DRAMATICALLY CHANGED**

**ON APRIL 12, 1945**



He was 63.

At 5:48 p.m. he died of a cerebral hemorrhage.

He was President Franklin Roosevelt.

He had been president for 12 years (during all the War years).

He died on the eve of victory.

A few weeks after his election ... on his 61st birthday ... May 7 ... at 2:41 a.m ... in a little red schoolhouse in Reims ... Nazi Germany unconditionally surrendered ! HAPPY BIRTHDAY TO HARRY !!

**At 7:09 p.m. Harry Truman, a democrat from Missouri was sworn in as the 33'rd President of the United States.**

## **Winter 1929 to 1945**

The generations living just before us suffered through a terrible historical Winter.

For 16 years. Starting on October 24, 1929 'Black Thursday'

The Wall Street Stock Market COLLAPSED !!!!!

The Great Depression had begun !!!

For a very long decade through the 1930s. Terrible years of great deprivation and struggle.

THEN ...

**December 7, 1941.** A date 'which will live in infamy'.

The attack on Pearl Harbor entered America into World War II. This nightmare continued for another 4 years until the unconditional surrender of Germany and Japan in May and September of 1945.

WINTER WAS FINALLY OVER

And after winter comes Spring.

'I'M AS RESTLESS AS A WILLOW IN A WINDSTORM ... I'M AS JUMPY AS A PUPPET ON A STRING ... I'D SAY I HAVE SPRING FEVER'.

These were the words sung by Dick Haymes in 1945 in the popular song 'IT MIGHT AS WELL BE SPRING'. The song said it all America was ready for Spring. A time of prosperity and peace. It was a long, long time in coming.

And the World was quickly changing. The BIKINI swimsuit debuts in Paris ... ooh la la ! Named after the Bikini Atoll in the Pacific Ocean and the nuclear explosions tested there ? And American Telephone & Telegraph (AT&T) announces the first car phones.

**This is the economic season when Harry Truman entered as President.**



## **HARRY TRUMAN 1945 to 1952 – DEMOCRAT**

He became President unexpectedly when Roosevelt suddenly died. Speaking to news reporters - 'Boys, if you ever pray, pray for me now. What happened yesterday ... I felt like the moon, the stars, and all the planets had fallen on me'.

Four months later in August 1945 ...

Harry Truman dropped the Atomic Bomb on Hiroshima and Nagasaki ... The Nuclear Age had begun.

The end of World War II was followed by a difficult transition from War to a peacetime economy.

- ❖ 12 million soldiers returned to look for jobs, homes and financial security.
- ❖ A major demobilization and decreasing government spending on the military was initiated. (economic effect of this was unknown)
- ❖ There were severe shortages of housing and consumer products.
- ❖ Inflation was high. Which at one point hit 6% a month.
- ❖ Labor sought wage increases. There was a wave of destabilizing strikes in the steel, coal and railroad industries.

**BUT ... in 1946 ...** Truman ended all wartime wage, price and salary controls.

**AND ... in 1947 ...** An unexpected increase in National income and continuing wartime tax rates (as high as 91%) produced a Budget surplus of \$4.7 Billion !! (which was used to reduce the National Debt) ... (what a concept.)

**BUT ... in 1948 ...** Truman submitted the second largest peacetime budget. The increase was for national defense and the European Recovery Program.

**And ... in 1949 ...** The first Emmy Awards are given out. Gasoline was 17 cents per gallon; and a new low-cost mileage automobile was introduced ... the Studebaker.

**And ... in 1950 ...** The population was 150 million people. (today 320 million).

**And ... in 1951 ...** Truman submits the largest peacetime budget to help fund the Korean War.

**And ... in 1952 ...** The first Holiday Inn is opened in Tennessee.

### **Truman's program of domestic legislation**

- **In 1947 ...** He twice vetoed bills to lower income tax rates by 5% to 13%.
- **In 1948 ...** The Republican Congress overrode his veto. Enacted the individual tax cuts; eliminated the Corporate Excess Profits Tax and decreased taxes on corporations.
- **Housing Act of 1949 ...** A major expansion of the federal role in mortgage insurance and construction of public housing.
- **In 1949 ...** Almost doubled the minimum wage from 40 cents an hour to 75 cents an hour.
- **In 1950 ...** Significantly enlarged the Social Security system, liberalized the eligibility conditions. Raised the wage base for tax and benefit computation purposes to \$3,600
- Advocated for national health insurance.
- Passed very few Regulations. (only 4 per day). (in today's bureaucracy 85 to 100 per day !!)
- Did not ... I repeat ... did not increase the Federal Debt. Amazing ! Shows it can be done !

### **INTERNATIONALLY**

- Start of the Cold War with Russia (the Berlin Airlift).
- Start of the United Nations.
- Korean War was in full action.
- The **International Monetary Fund** was established creating a new kind of world order to promote healthy international trade by maintaining stable exchange rates.

### **SUMMARY**

He stimulated the Economy. With an increase in the minimum wage to 75 cents per hour with significant tax cuts (forced on him by Congress) with increases in spending for the military budget and monies for the European war recovery.

### **OVERALL RESULT**

Starting with a tough post-war period of a destroyed world. He held the post-war Economy together and by the time he left office America had turned the corner to prosperity. The growth rate during his administration was a low average of 1.4% but steadily increased from minus

(-11%) in 1946 to plus 3.8% by 1952. A definite positive steady improvement. In fact, a 15% turnaround in 7 years.

## **NOT BAD ... GOOD JOB HARRY**

**And he did it with no increase in Federal debt. (wow how did that happen?)**

## **CULTURAL CHANGES AT WORK**

**1946, It's a hopeful time** and two movies best represented this 'It's a Wonderful Life' and 'The Best Years of our Lives'. And bring in the post war romance with songs as; 'A Prisoner of Love' by Perry Como and 'To Each His Own' by the Ink Spots.

AND 8 YEARS LATER IN 1953 the hope had turned to fun and prosperity !

We had changed our attention to monsters with movies like ...

**'ATTACK of the 50 ft. WOMAN', 'CREATURE from the BLACK LAGOON'**

and **'THE DAY THE EARTH STOOD STILL'**

And our music had become fanciful with songs like 'Doggie in the Window' & 'Stranger in Paradise'. (Nice change).

## **AND DURING TRUMAN'S TIME**

**October 2, 1946** ... Scientists at a medical symposium at the University of Buffalo discussed the possibility that cigarette smoking was hazardous to your health and may cause lung cancer.

**October 22, 1946** ... Chester Carlson invented the Xerox machine.

**October 14, 1947** ... Chuck Yeager flies an X-1 rocket plane at 600 mph.

**May 2, 1951** ... RCA broadcasts the first color television programs.



## DWIGHT D. EISENHOWER 1953 to 1960 – REPUBLICAN

- In January 1953, the first Republican president in twenty years was elected and the elections had given control of both houses of Congress to the Republicans but by small margins (SOUNDS LIKE THE ELECTION WE JUST HAD !)
- In 1956 he signed the bill that established the 'National System of Interstate and Defense Highways'. He believed that large American cities would be targeted in a nuclear attack hence the highways were designed to facilitate their evacuation and ease military maneuvers. BUT it also provided a source of continued economic growth, a large government economic stimulus.
- Also stimulating the Economy were tax dollars spent on the military, (inspired by the Cold War).

### Taxes

In **1954**, he supported a comprehensive technical revision of the Income Tax Code. The Income Tax System which began in **1913** had not been changed since **1939** and was not up to date with the increased complexity of a post-war world. There were many loopholes, weaknesses and inequities and an expansion of the tax base was needed to include lower socio-economic groups.

The **1954 Code** imposed a progressive tax with 24 income brackets from **20% to 91%** and a disability program was added to Social Security Benefits.

If you earned in today's dollars

**\$ 3.7 Million** ... lucky you! You would be in the coveted 91% tax bracket.

Your tax would be **\$ 3,367,000** (you keep **\$ 333,000** !!)



\$ 300,000. Your tax bracket would be **50%** (compared to 33% today).

\$ 150,000. Your tax bracket would be **34%** (compared to 28% today).

\$ 75,000. Your tax bracket would be **26%** (compared to 25% today).

**BUT ... THE BIG BUT ...** He balanced the Federal budget and reduced the National Debt. He reduced the Federal debt from **71%** of GDP to **60% of GDP !! (Big Drop)**.

## **PERSPECTIVE**

**THE CURRENT FEDERAL DEBT IN 2016 IS 100% OF GDP !!!**

## **SUMMARY**

He stimulated the Economy with military spending and building a road system. He improved the government debt structure by balancing the budget and reducing debt. (imagine that !) At the same time leaving taxes high to pay for it all.

## **OVERALL RESULT**

In his **8 years** the Economy chugged along at an average annual growth rate of **2.4%** (not very impressive but stable).

The years were marked by low unemployment and low inflation. The Economic policy focused on stability and balancing the budget.

## **AND IN OUR CULTURE ?**

During those **8 years** we changed to **horror** and **heroes** in our movies.

From the horror of **PSYCHO** to the heroes of **SPARTACUS** and **THE MAGNIFICENT SEVEN**

And by **1960** our music was getting very fanciful with songs like  
**'Itsy Bitsy Teenie Weenie Yellow Palka Dot Bikini' & 'Let's Do The Twist'.**

## **AND DURING EISENHOWER'S TIME**

**July 18, 1955 ...** Disneyland opens in Anaheim, California.

**January 3, 1959 ...** ALASKA becomes the 49th and largest State.

**August 21, 1959 ...** HAWAII becomes the 50th State.

**June 2, 1959 ...** Edmund Hillary became the first man to conquer Mt. Everest at 29,029 ft.

**October 27, 1959 ...** The first pictures of the far side of the moon are taken.



## **JOHN F. KENNEDY 1961 to 1963 – DEMOCRAT**

The youngest President ever to be sworn in. He came into office in a deep recession with a 7.3% unemployment rate and a disappointing growth rate of minus **(-4.8)** going into 1961.

On Inauguration day in **January 1961** he began his campaign pledge to 'get America moving again';

'And so, my fellow Americans. Ask not what your country can do for you. Ask what you can do for your country'

### **Then he went about stimulating the Economy:**

- ✓ Began a dramatic expansion of the Space Program to put a 'man on the moon'.
- ✓ Expanded unemployment benefits.
- ✓ Spent more for highway construction.
- ✓ Passed the Housing Act of 1961 which provided billions of dollars for urban and new housing construction
- ✓ Announced the formation of the U.S. Peace Corps in 1961 to aid developing nations.

### **Kennedy and Taxes**

He said he was committed to 'an across the board, top to bottom cut in personal and corporate income taxes'.

In the words of John Kennedy; 'the tax system, mostly designed during World War II, exerts too heavy a drag on growth in peace time; that it siphons out of the private economy too large a share of personal and business purchasing power; that it reduces the financial incentives for personal effort, investment, and risk taking'.

*In early 1964, three months after his assassination. Congress approved LARGE tax cuts with the **Revenue Act of 1964**.*

## **SUMMARY**

- ❖ President Kennedy stimulated the Economy with multiple spending programs and expanded government benefits.
- ❖ He minimally increased regulations, only 7 per day. (now 85 to 100 per day)
- ❖ He minimally increased Federal Debt by only 2.3% per year. (currently -12%)
- ❖ He championed large tax reductions.

## **OVERALL RESULT**

In his approximately 3 years...

The Economy grew at an average annual growth rate of 5.3%!! Yes !! Very impressive (one of the best post-war periods economically).

Doubled the growth rate in a short three years. Pretty damn good !!

## **DURING KENNEDY'S TIME**

**1961** ... 16,000 American 'advisors' were sent to Vietnam. The War begins.

**December 22, 1961** ... James Davis became the first U.S. soldier killed in Vietnam. (60,000 Americans eventually died !)

**And in 1962** ... K-Mart and Wal-Mart open their first stores. Yay for the consumers !

**February 26, 1962** ... John Glenn became the first American to orbit the earth.

**July 11, 1962** ... Americans saw the first live television pictures from Europe.

**October 28, 1962** ... CUBAN MISSILE CRISIS. An agreement was reached between the United States and Russia (President Kennedy and Premier Khrushchev) to avert a nuclear war!!

**August 30, 1963** ... 10 months later. A diplomatic 'hot line' designed to reduce the risk of accidental nuclear war went into operation between Moscow and Washington.

## **CULTURALLY**

Our music and dancing reflected the frivolity of the good times with 'The Loco Motion' by Little Eva & 'Mashed Potato Time' by Dee Dee Sharp. (Dance the MASHED POTATO ... remember ... or ... how about the STROLL and the PONY !)

**But the movies reflected? I don't know ? What do you think ?**

Dr. Strangelove, The Birds, Lawrence of Arabia, Tom Jones and of course Dr. No, The Music Man and West Side Story ??

And **on television** ... The Beverly Hillbillies, Dick Van Dyke Show and Ben Casey.



## **LYNDON B. JOHNSON 1964 to 1968 - DEMOCRAT**

**November 22, 1963 ... 12:30 p.m.** President John Kennedy was assassinated.

Again, in our history we had an unexpected sudden change in Presidency. We now had a new President. And one of his first acts was to continue the legacy of John Kennedy. He enacted the Revenue Act of 1964 started by President Kennedy.

### **Revenue Act of 1964**

- *The top marginal rate was lowered from 91% to 70%. (now we're talkin')*
- *The biggest tax cuts went to average wage earners at approximately 20%.*
- *A Corporate tax rate reduced from 52% to 48%.*

### **RESULTS**

- Consumption increased.
- Business capital investment increased.
- Personal incomes increased and tax revenue increased !
- By 1966 unemployment had fallen to a very low **3.8%**.

THEN Lyndon B Johnson designed the 'Great Society' legislation and the 'War on Poverty'.

- ❖ Passed the Civil Rights Act of 1964.
- ❖ Passed the Voting Rights Act.
- ❖ Passed the Economic Opportunity Act (Head Start, food stamps and the job corps)
- ❖ Passed the Fair Housing Act.
- ❖ Created Medicare health coverage.
- ❖ Created Medicaid health coverage.
- ❖ Created the 'National Endowment for the Arts'.
- ❖ Expanded the Department of Housing and Urban Development.

**Wow, talk about a busy guy !**

And even though economic times were good. There were still plenty of troubles.

THE VIETNAM WAR was in full combat and ...

Martin Luther King was assassinated (urban riots followed!) **Dark days ...**

## **SUMMARY**

- ❖ President Johnson stimulated the Economy with massive public spending with programs like the **Great Society** and **War on Poverty**.
- ❖ He reduced taxes and increased tax revenue.
- ❖ He did not increase regulations, only 7 per day (now 85 to 100 per day)
- ❖ He increased the Federal Debt by only 2.2% ... UNBELIEVABLE !

## **OVERALL RESULT (VERY GOOD)**

In his approximately 5 years ...

The Economy grew at a average annual growth rate of 5.1% ... great !!!

Very impressive another great period economically. The years were also marked by very low unemployment and low inflation.

## DURING JOHNSON'S TIME

**April 1, 1964** ... Ford Motors (at the New York World's Fair) introduces the Mustang.

**October 16, 1964** ... Communist China explodes its first atomic bomb.

**March 28, 1965** ... Martin Luther King leads the Freedom March to Montgomery, Alabama

**August 15, 1965** ... Race riots rage for five days in the Watt's section of Los Angeles.

**April 17, 1966** ... LSD advocate Timothy Leary was arrested on drug charges.

**Also in 1966** ... Fashion model Twiggy popularizes the 'miniskirt'.

**March 26, 1967** ... 10,000 hippies gathered in Central Park, New York for a 'LOVE-IN'.

**October 21, 1967** ... 50,000 Vietnam war protesters storm the Pentagon in Washington D.C.

**December 3, 1967** ... Dr. Christian Barnard performed the first successful heart transplant.

**And another first in 1967** ... the arrival of the first microwave oven for use at home.

**April 5, 1969** ... Reverend Dr. Martin Luther King was shot in Memphis, Tennessee.

**November 5 1969** ... Democrat Shirley Chisholm of Brooklyn, New York. Became the first black female to serve in the House of Representatives.

## AND OTHER CULTURAL CHANGES AT WORK

**1964 ... BEATLES INVADE AMERICA** with 'A Hard Days Night' and on the popular Ed Sullivan show; 'She Loves You - yeah, yeah, yeah'

**Our music** during these years reflected the **Hippie Revolution** with the songs by Peter, Paul & Mary 'Puff the Magic Dragon' and 'Where Have all the Flowers Gone?' and of course 'The Times They Are A-Changin' and 'Blowin' in the Wind' by Bob Dylan.

**By 1968 ... our movies** reflected the social diversity of The Odd Couple to Alfie to 2001: A Space Odyssey to Who's Afraid of Virginia Wolf?



## RICHARD NIXON 1969 to 1974 – REPUBLICAN

By **1969**, the Economy was slowing down ...

Inflation was at **5.5%** (the highest rate since **1951**)

and prime interest rates were at **8.5%** (highest in a century!)

The increasingly expensive Great Society programs along with the costs of the ongoing Vietnam war was causing large budget deficits and inflation. To make matters worse the stock market crashed in the summer of 1969. This is the world that President Nixon inherited.

**So in 1971 President Nixon ...**

- ❖ Imposed wage and price controls.
- ❖ Allowed the dollar to float against other world currencies.
- ❖ And ended the convertibility of the dollar into gold ... took us off the gold standard.
- ❖ Enacted the Tax Reform Act of 1969 which mildly reduced some taxes. BUT introduced for the first time the dreaded Alternative Minimum Tax.

**Secondly**, a major way to reduce inflation was to end the huge military expenditures of the Vietnam War. This war had to end. This took time but fortunately by **1973** the **Paris Peace Accords** were signed, and the War ended.

President Nixon ended the Military Draft in the same year. Military spending dramatically declined which reduced inflationary pressures.

**But** to make inflation worse the Arab-Israeli war led to the **1973 Oil Crisis**. Which drove up oil prices and thus inflation by 1974 to **11%** !

## **ON THE DOMESTIC POLICY FRONT**

President Nixon ...

- ❖ Created the **EPA** ... Environmental Protection Agency.
- ❖ Created **OSHA** ... Occupational Safety and Health Administration.
- ❖ Called for a **War on Drugs**

## **INTERNATIONALLY**

- ❖ Made historic first visits to Israel, Russia and China.
- ❖ Initiated the Anti-Ballistic Missile Treaty with the Soviet Union.

## **SUMMARY**

- ❖ Dramatically reduced spending with the end of the Vietnam War.
- ❖ Wage and Price controls deliberately slowed the Economy.
- ❖ Regulations increased to 18 per day (from 7 per day with President Johnson & President Kennedy).

- ❖ Debt increased at an annual pace of 6%.
- ❖ Basically, did not significantly reduce taxes.

## **OVERALL RESULT (NOT VERY GOOD)**

In his **approximately 6 years** ...

the Economy grew at an average annual growth rate of **2.6%** (not very good).

By **1974** the Economy was going into a deep Recession never really stopped inflationary pressures.

## **CULTURAL CHANGES AT WORK**

It was a time of 'memorable movies'

DIRTY HARRY, FIDDLER ON THE ROOF, DIAMONDS ARE FOREVER, THE GODFATHER, CABARET, DELIVERANCE, THE EXORCIST, AMERICAN GRAFFITI and THE STING.

## **AND DURING NIXON'S TIME**

**August 15, 1969** ... 'Woodstock' a music festival attracting 400,000 hippies for four days.

**July 20, 1969** ... Neil Armstrong and Buzz Aldrin were the first men to land on the moon. The good ole USA did it !!

**January 5, 1973** ... All U.S. Airline boarding passengers will now be subject to thorough inspection of luggage and person. Including being 'patted down'. (So THIS is when airline travel stopped being fun?)

**January 7, 1973** ... Sale of a 770-K 1940 Mercedes for \$ 153,000 owned by Adolf Hitler. The armor-plated vehicle was mileage efficient at 3, yes, 3 miles per gallon.

**January 22, 1973** ... Roe v Wade landmark decision by the U.S. Supreme Court to allow a woman's decision to have an abortion.

**Resigned the office of the presidency on August 9, 1974 as a result of the Watergate Scandal. The only president to resign from office in U.S. history.**





## **GERALD FORD 1975 to 1976 – REPUBLICAN**

Vice-President Ford in August 1974 to his surprise became ... uh ... President !

**AND**

**The Economy was in a deep Recession with a growth rate of minus (-8). Inflation was a major threat to the Economy at 11%.**

**The prime interest rate was 11.75% and Unemployment at 9% !**

**Tough start but the good news foreign policy demands were quiet.**

**So what did he do ?**

**(A)** He started the **WIN** program 'Whip Inflation Now' and asked people to wear WIN buttons. Calling for Americans to reduce their spending and consumption.

**(B)** Enacted the **Tax Reduction Act of 1975** (a moderate short-term tax reduction for most individuals).

**(C)** Eased controls exercised by regulatory agencies. He said; 'We declared our independence 200 years ago and we are not about to lose it to paper shufflers and computers.'

## **OVERALL RESULT - AVERAGE**

- ❖ The Economy grew at a average annual growth rate of 3.6% (not bad).
- ❖ Federal Debt went up 15% per year (not good).

- ❖ Inflation continues but he did reduce it in half. From 11% to 5.8% (this was good).
- ❖ Interest rates were 11.75% down to 6.25% when he left office (also good).

## **JULY 4, 1976 200th birthday of the UNITED STATES OF AMERICA !**

► The celebrations started at a mountain in Maine called Mars Hill (where the first light of day reaches America)

► A day for records to be set:

- A pancake in Boston measured 6 feet 3 inches across.
- A cake weighed 69,000 pounds.
- And a cherry pie in Washington measured 60 square feet. (Talk about indigestion).

## **A Historical President**

- ❖ Only President who served both as Vice President and President without being elected to either office.
  - Appointed to the vice-presidency following the resignation of then Vice-President Spiro Agnew.
  - Appointed to the presidency following the resignation of then President Richard Nixon.
- ❖ Lived longer than any other President (**93 years and 165 days**).
- ❖ His **895-day** presidency remains the shortest term of all presidents who did not die in office.

He also survived **2** assassination attempts ... jeez poor guy.

Lynette 'Squeaky' Fromme, (a follower of Charles Manson) pointed a .45 caliber handgun at President Ford but was stopped before she could shoot.

17 days later ... Sara Moore pointed a .38 caliber revolver at the poor guy.

Marshall Fields crashed his car through the White House gate and held off police for **4** hours before he surrendered.

## **DURING FORD'S TIME**

**APPLE COMPUTER** a newly formed computer company introduces the Apple II personal computer (the first serious home computer).

**April 30, 1975** ... Saigon and the South Vietnamese government surrenders to North Vietnam.

**July 19, 1975** ... American and Soviet astronauts conducted a two-day international mission in space with the joining of the Apollo and Soyuz spacecrafts.

OH ... and rent was \$ 220 per month, gasoline was 59 cents a gallon and hamburger at 80 cents a pound and milk was \$1.65 per gallon.

## CULTURALLY

We scared the hell out of ourselves with films like **JAWS** and **CARRIE**

intrigued ourselves with political thrillers like **ALL THE PRESIDENTS MEN**

And rooted for the underdog in **ROCKY**.

AND ... those were the **DISCO DAYS** with music like the **DISCO DUCK & DISCO LADY**.

and of course, John Travolta and **SATURDAY NIGHT FEVER**.



## JIMMY CARTER 1977 to 1980 – DEMOCRAT

His presidency was a time of continuing inflation, recession and energy crisis.

He appointed Paul Volker to head the Federal Reserve Board who adopted a tight-money policy to limit the growth of the money supply, which caused already high interest rates to soar. What did that do ? Well ... all bad.

- ❖ High interest rates hurt all borrowers and therefore very damaging to the auto and housing industries.

- ▶ Thousands of auto workers out of work.
- ▶ The housing slump put thousands of construction workers out of work.

- ❖ And double-digit interest rates also hurt small businesses trying to expand.

More bad. In 1980 President Carter said that the soaring inflation required a new program of 'pain' and 'discipline'. He cut Federal spending; increased gas prices and put more restrictions

on consumer credit to restrain individual spending. As a result ... Stagnation was the persistent theme (a combination of high inflation, high unemployment and slow growth)

### What does stagflation look like in numbers:

Year	Inflation	Unemployment	Growth Rate	Interest Rates
1977	6.5%	7.1%	5.0%	6.5%
1978	7.6%	6.1%	6.9%	11.8%
1979	11.3%	5.9%	1.3%	15.3%
1980	13.5%	7.2%	0.1%	21.5%

### Carter's program of domestic legislation

► In 1979, he deregulated the American Beer Industry by making it legal for American home brewers to brew their own beer ... leading to today's microbrew business and culture.

► He created the Department of Education.

► He deregulated the airline and trucking industries.

► He declared that the energy crisis during the 1970s was the moral equivalent of war ... encouraging energy conservation by all Americans and in 1979 installed solar water heating panels on the White House...he wore sweaters to offset turning the heat down at the White House. The panels were removed in 1986 by President Ronald Reagan.

### CARTER'S TAX POLICY

**Tax Reform Act of 1976** ... significantly increased tax on capital gains transactions; very minor reduction in income taxes.

**Tax Reduction and Simplification Act of 1977**..... the tax reductions were too small and did almost nothing ... why bother ... and the "simplification"..... obviously ... looking back ... was the bureaucracy's idea of a joke.

**Revenue Act of 1978** ... very weak ... minor changes and reductions in taxes.

***Paperwork Reduction Act of 1980....designed to reduce the total amount of paperwork burden the government imposes on private businesses and citizens.***

***Have you seen the number of pages in your tax return lately ??***

***This law was an insult to the American taxpayer ... and accomplished nothing.***

And the lack of effective tax policies made matters worse. Wages and salaries rose in response to inflation, but taxes went up even more as people were pushed into higher tax brackets.

## **SUMMARY**

He reduced government spending to reduce inflationary pressures, but the suppressed spending did not help the Economy.

Tax policies did not accomplish anything.

## **OVERALL RESULT ... (NOT VERY GOOD)**

..... Began his Presidential term with a **5%** growth rate....ended with a terrible **0.1%**.

..... Began his Presidential term with a **6.5%** inflation rate ... ended with a terrible **13.5%**.

## **AND DURING CARTER'S TIME**

**February 18, 1977**...The Space Shuttle made its first flight atop a Boeing 747 jumbo jet.

**June 20, 1977**...Trans-Alaskan oil pipeline opens providing 10% of U.S. consumption.

**August 16, 1977**... **Elvis Presley** dies in Memphis at **42** years old .....

and on **Christmas Day 1977** the "Little Tramp" died at **88** years old, **Charlie Chaplin**.

**June 6, 1978** ... California **Proposition 13** was voted in ... a "tax revolt".

**July 25, 1978** ... first test-tube baby ... a girl ... named Louise ... 5 lbs. 12 oz ... was

born. **November 26, 1979** ... ***The Iran Crisis*** begins.

## **AND ABOUT PRESIDENT CARTER**

In 2002 was awarded the Nobel Peace Prize for his work with the Carter Center.

Interviewed for the **November 1976** issue of ***Playboy*** ... only person running for President to do so ..... In the interview he said; "I've looked on a lot of women with lust. I've committed adultery in my heart many times".



**RONALD REAGAN 1981 to 1988 - (REPUBLICAN)**

## THE ECONOMIC WORLD IN 1980

Inflation was very high at **13.5%** ... AND ... we were in a Recession.

The Federal Reserve was deliberately trying to lower the inflation rate by deliberately slowing the Economy down.

Interest rates pushed up continuously until they reached an incredible **21%**.

*(are you kidding ?? ... WOW)*

The growth rate had slowed to a recessionary **0.1%**.

**In response President Reagan implemented sweeping new economic initiatives.**

**“REAGANOMICS”** was here:

- ✓ Tax rate reductions to spur growth.
- ✓ Reduction in government spending in social programs.
- ✓ Major increase in military expenditures.
- ✓ Economic deregulation.
- ✓ And, control of the money supply to curb inflation.

## TAXES

**Economic Recovery Act of 1981**....very significant tax reduction ... dropping the individual top tax rate from **70%** to **50%** and the bottom rate from **14%** to **11%**.

Started the Individual Retirement Accounts (IRA's) for working people.

Accelerated the depreciation deductions to help business.

**Tax Equity and Fiscal Responsibility Act of 1982** ... reversed some of the effects of the 1981 Act. The rapid rise in the budget deficit necessitated the change.

**Tax Reform Act of 1986** ... a major tax reform reducing the top individual tax rate from **50%** to **28%**; and the Corporate tax rate from **48%** to **34%**. **(this was the BIG one)**

## REDUCTION IN GOVERNMENT SOCIAL SPENDING

He was **not** kidding around !

- Reduced federal assistance to local governments by **60%**.
- Cut Section 8 Housing rent subsidies and public housing by **50%**.
- Eliminated the anti-poverty Community Development Block Grant program.
- Cut the budgets of Medicaid; Food Stamps; EPA and education programs.
- And ... reduced the Social Security disability rolls.

## MILITARY SPENDING

His foreign policy approach of “*peace through strength*” resulted in a record peacetime defense buildup including a **40%** real increase in defense spending between 1981 and 1985.

## **ECONOMIC DEREGULATION**

President Reagan removed controls on the oil & gas industry; cable television; long-distance phone service; interstate bus service; and ocean shipping.

Bank regulations were also reduced.

## **OVERALL RESULT... (VERY GOOD)**

- ✓ Reduced the inflation rate from **13.5%** to **4.4%** ... that's a **67%** improvement.
- ✓ The growth rate was an above average **3.7%** ... hit a high of **8.6%** in 1983 !
- ✓ Interest rates dropped from **21%** to **10.5%** ... that's a **50%** reduction !!
- ✓ Unemployment dropped from **7.2%** to **5.4%**.

**Everything substantially improved .... very good.**

## **Reagan Irony**

**September 29, 1981** ..... the Federal Debt reached **One Trillion Dollars** ...

In the words of President Reagan:

"We've only balanced the budget once in the last 20 years.

One trillion dollars of debt ... if we as a nation needed a warning, let that be it".

*[Today ... **2016** ... the Federal Debt is **20 Trillion** !! ... uh oh]*

But the irony is ... He increased the debt more than any other president vastly increased defense spending, and decreased taxes dramatically increased the deficit. Which increased from **\$907 Billion** to **\$2.6 Trillion** ! A **187%** increase !! **24%** per year!!

## **Reagan's domestic actions**

**Immigration Reform and Control Act of 1986** ... granted amnesty to approximately 3 million illegal immigrants and made it illegal to knowingly hire illegal immigrants.

**War on Drugs** ... Advocated more militant policies; "Just say no" drug awareness program.

**Air Controllers Strike** ... when federal air traffic controllers went on strike and refused to report for work ... President Reagan fired 11,345 striking air controllers !

**REAGAN ATTEMPTED ASSASSINATION - MARCH 30, 1981** ... 69 days into his administration, John Hinckley shot President Reagan outside the Washington Hilton Hotel. He recovered, becoming the first serving U.S. president to survive being shot in an assassination attempt.

### International events

In **1983** ... during the Lebanese Civil War, the American barracks in Beirut were bombed ... killing 241 servicemen.

In **1983** ... President Reagan proposed the creation of the Strategic Defense Initiative, an ambitious project to construct a space-based anti-missile system ... “**Star Wars**”.

**The Cold War (1985 – 1991)** The rise of Mikhail Gorbachev as leader of the Soviet Union. Resulted in a massive and costly arms buildup in America and the policy known as the **Reagan Doctrine**.

His administration provided overt and covert aid to anticommunist resistance movements in an effort to roll back Soviet-backed communist governments in Africa, Asia, and Latin America.

In **1987**, the famous speech in West Berlin by President Reagan; “Tear down this wall”. The Soviet Union financially and politically collapsed in 1991 and the Cold War came to an end.

### AND DURING REAGAN’S TIME

**April 14, 1981** ... Space Shuttle **Columbia**, the world’s first reusable spacecraft, completed its first orbital flight.

**1981**...medical science identifies a disturbing disease that has no known cure ... **AIDS** ... Acquired Immune Deficiency Syndrome.

**December 22, 1982** ... Barney Clark, 61-year-old retired dentist, was the first recipient of a permanent artificial heart.

**September 16, 1983** ... President Reagan announced that the **Global Positioning System (GPS)** would be made available for civilian use.

**January 31, 1986** ... The Space Shuttle Challenger exploded in a ball of fire shortly after takeoff at Cape Canaveral and lost 7 astronauts.

### AND OUR CULTURE IN THE 80s ... FUN TIMES FOR THE MOVIES

**1980**.....*STAR WARS: The Empire Strikes Back* .....*The Blues Brothers*.....

**1982**.....*Tootsie*.....*Conan the Barbarian*

**1984**.....*Amadeus*.....*The Terminator*

**1986**.....*The Princess Bride*.....*Good Morning, Vietnam*

**1988**.....*A Fish Called Wanda*.....*Beetlejuice*





## **GEORGE H BUSH 1989 to 1992 - (REPUBLICAN)**

**A generally quiet presidential period of 4 years.**

The Reagan years had produced large budget deficits which, from 1980 to 1990, had tripled in size to \$220 Billion ... President Bush prioritized reducing these deficits.

However ... he made a campaign promise not to raise taxes ... but ... well ... how do you reduce a deficit ? One way is to increase taxes ... hmmm.

### **Omnibus Budget Reconciliation Act of 1990**

Increased top rate from 28% to 31%;  
imposed a 30% excise tax on luxury autos, boats, planes and furs;  
more taxes on tobacco and alcohol.

But ... the good news ... Inflation **was finally under control** ...  
in **1989** ... when he took office ..... it was **4.1%** ...  
in **1992** ... when he left office ... it was a low **3.0%**.

By **1992** ... interest rates also came down to **6%** ... the lowest levels not seen since **1972**  
... **20 YEARS EARLIER !**

But ... **the bad news** ... the “Savings & Loan Banking Crisis” was still unfolding ...  
from **1986 to 1995** ... **1,043** out of **3,234** banks closed (**32%**).

## **SUMMARY**

Increased taxes.

Did not significantly increase government spending ... only extended unemployment benefits. Inflation and interest rates improved and remained relatively stable.

## **OVERALL RESULT (HO HUM)**

Growth averaged only **2.3%** during his term ...

Unemployment slowly increased to 7.8% ... and ...

the debt continued to increase by \$1.7 Trillion ... even with efforts to reduce the deficit.

## **Bush's domestic actions**

**Americans with Disabilities Act of 1990** ... required employers to provide reasonable accommodations to employees with disabilities and imposed accessibility requirements on public accommodations.

**Clean Air Act of 1990** ... addressed acid rain, ozone depletion and toxic air pollution with provisions for citizen law suits.

**Immigration Act of 1990** ... which led to a 40% increase in legal immigration.

## **AND INTERNATIONALLY**

The Cold War ended ... Soviet - style communism was over. **BUT**

Saddam Hussein and Iraq invaded the tiny kingdom of Kuwait ...

President Bush mobilized the U.S. military ... conducted an invasion of Kuwait ...

DESERT STORM ... and in 3 days ... February 24 to 27, 1991 ...

defeated the Iraqi army and retook Kuwait.

After the War ... President Bush received approval ratings of **over 90%** ...

the highest presidential approval ratings ever recorded.

## **AND DURING BUSH'S TIME**

**October 17, 1989** ... magnitude **6.9** earthquake hits the San Francisco Bay Area ...

killing 67 people ... causing more than \$5 Billion in damages ... happened minutes

before Game 3 in the World Series game between the Oakland Athletics and the San Francisco Giants.

(Oh ... by the way ... OAKLAND won the Series ... AAAHHH ... but ... if you're from San Francisco don't feel too bad ... the 49ers won the Superbowl that year !!!)

**August 2, 1990** ... Iraq invades Kuwait.

**July 31, 1991** ... **START**... Strategic Arms Reduction Treaty ... a bilateral treaty between the United States and the USSR ... was signed ... agreeing on the reduction and limitation of offensive nuclear weapons.

**1992** ... the term "**surfing the net**" is coined as one million computers are connected in a network through the Internet Society.

The first McDonald's is opened in Beijing, China ... and ...  
Euro Disney opens in France.

### **AND OUR CULTURE IN THE EARLY 90s ... FANTASY TIMES FOR THE MOVIES**

1989.....*Batman.....Driving Miss Daisy*  
1990.....*Dancing with Wolves.....Pretty Woman*  
1991.....*Terminator 2 : Judgement Day.....Robin Hood : Prince of Thieves*  
1992.....*Basic Instincts.....Dracula.....Wayne's World*

### **Favorites In television**

1989.....America's Funniest Home Videos  
1990.....Monday Night Football  
1991.....Cheers ... and Roseanne  
1992.....Home Improvement

*On his 90<sup>th</sup> birthday on June 12, 2014, George Bush fulfilled a long-standing promise ... and went skydiving !!*



### **BILL CLINTON ... 1993 to 2000 - (DEMOCRAT)**

First American president from the “Baby Boomer” generation.

**NAFTA ... North American Free Trade Agreement** came into effect on January 1, 1994. The Agreement was between the U.S., CANADA and MEXICO and was intended to eliminate barriers to trade and investment. NAFTA also sought to eliminate non-tariff trade barriers and protect intellectual property rights.

At the beginning of his presidency the interest rates were 6% in 1992.  
At the end of his presidency the interest rates were 9.5% in 2000.

Inflation rates stayed relatively stable at 3% in 1992 ... 3.4% in 2000 ... averaging 2.6% ... GOOD.

Debt increase was \$1.6 Trillion in 8 years ... a 5% per percentage increase... the lowest percentage increase since President Johnson in 1968 ... **30 years earlier.**

**TO HIS CREDIT** ... he balanced the budget and actually had budget surpluses for 1998, 1999 and 2000. The last time there was a balanced budget ... with a surplus was 1969 ... 29 years earlier. And budget deficits have continued since ... so ... in 2016 ... we have balanced the budget only **3** years in the last **47** years !!

In **1993** Congress approved President Clinton's 5-year budget blueprint and stimulus package ... his "vision for change in America". The stimulus package would increase spending for community development grants, summer jobs programs, small business loans and job producing projects.

### **DEFICIT REDUCTION ACT OF 1993**

Significantly increased taxes on individual and corporate top tax brackets.

### **TAXPAYER RELIEF ACT OF 1997**

Significantly decreased taxes !

- Reduced capital gains rate from 28% to 20%.
- Rules for capital gains taxes on sale of a personal residence were considerably improved.
- Significant improvement in estate taxes.
- Roth IRA's were established.

### **SUMMARY**

On balance ... significantly reduced taxes.

Increased spending.

Increased regulations ... more than twice the pace of 3 prior presidents.

### **OVERALL RESULT ... (ABOVE AVERAGE)**

Had three years of a balanced budget ... (imagine that)

Had a respectable growth rate of an average 3.9%.

Kept inflation and interest rates relatively stable.

### **AND DURING CLINTON'S TIME**

**March 11, 1993** ... Janet Reno was confirmed the first woman to become Attorney General.

**January 17, 1994** ... the 6.7 magnitude Northridge earthquake strikes Los Angeles ... 57 died ... 8,700 injured ... damage up to \$40 Billion.

**January 23, 1997** ... Madeleine Albright was sworn in as the first woman Secretary of State.

**March 27, 1998** ... **VIAGRA** approved for public use for erectile dysfunction by the FDA.

**1999** ... **BARBIE** named as the most popular toy of the 1990s.

### **FOREIGN POLICY**

President Clinton ordered U.S. military intervention in the **Bosnia** and **Kosovo Wars**, the most devastating conflict in Europe since World War II.

**July 2000....Camp David Summit** ... brought Israeli Prime Minister Barak and Palestinian Authority chairman Yasser Arafat together for 14 days ... The summit ended without any agreement.

### **ERA OF THE “BLOCKBUSTERS” IN THE MOVIES**

**1993** ..... *Schindler’s List* ... *Jurassic Park*

**1995** ..... *Apollo 13* ... *Waterworld*

**1996** ..... *Independence Day* ... *Twister* ... *Mission Impossible*

**1999** ..... *Star Wars: The Phantom Menace* ... *The Matrix*

**2000** ..... *Gladiator* ... *X-MEN*

### **ERA OF THE FAVORITE “SIT-COMS” ON TELEVISION:**

**1993** ..... *Seinfeld* ... *Home Improvement*

**1994** ..... *Seinfeld* ... *Home Improvement* ... *Emergency Room*

**1996** ..... *Seinfeld* ... *Emergency Room*

**1997**..... *in December, Seinfeld announced ... after 9 years ... it was ending the series*

**1998** ..... *Emergency Room* ... *Friends* ... *Frasier*

**1999** ..... *Emergency Room* ... *Friends*

**2000** ..... *Emergency Room* ... *Friends*

**In 1998** ... President Clinton was impeached by the House of Representatives for perjury and obstruction of justice related to a sex scandal with White House employee Monica Lewinsky. **In 1999** ... he was acquitted by the U.S. Senate and served his complete term in office. Nonetheless ... He left office with the highest end-of-office approval rating of any president since World War II.



## **GEORGE W. BUSH 2001 to 2008 - (REPUBLICAN)**

**President Bush took office** during a recession after the bursting of the “**Dot-Com bubble**” and the impact to the Economy from the September 11 terrorist attacks.

**President Bush left office** with a financial crisis from the collapse of the housing market ... sub-prime mortgage crisis ... soaring oil prices ... declining dollar value ... and unemployment rising. (By the end of 2008 ... the U.S. had lost 2.6 million jobs ... 500,000 in November alone)

### **REGULATIONS !!!!!!!!!!!**

The number of economic regulation governmental workers increased by **91,196** ... which increased Federal Regulations ... in the **8** years under President Bush ... by **37,447** per year ... **104** per day ... for a grand total of **299,575** regulations !!

**PERSPECTIVE ... THIS WAS AS MANY REGULATIONS AS 44 YEARS OF PRESIDENTS BEFORE HIM HAVE ADDED ... FROM PRESIDENT TRUMAN TO CLINTON.**

In **2001** ... 64,438 new pages of economic regulation in the Federal Registry ...

In **2007** ... 78,090 new pages of economic regulation in the Federal Registry ...

Economically significant regulations, defined as regulations which cost more than \$100 million a year, increased by **70% !!**

### **FOREIGN POLICY**

**BUSH DOCTRINE** ... after the “**September 11 terrorist attacks**” ... President Bush launched the “War on Terror”... an international military campaign with the Wars in Afghanistan and Iraq.

**President's Emergency Plan for AIDS Relief** ... Initiated by President Bush to provide billions of dollars in help to fight AIDS, Tuberculosis and Malaria in Africa.

**Strategic Offensive Reductions Treaty** ... signed by President Bush in 2002 ... an agreement with Russia to limit nuclear weapons to between **1,700** and **2,200** warheads each ... Really ??

## **DOMESTIC POLICY**

**Economic Growth and Tax Relief Act of 2001** ... reduced the top individual tax rate from 39.6% to 35% ... and reduced all the individual tax brackets across the board ... reduced estate taxes ... simplified retirement plan rules.

**No Child Left Behind Act of 2002** ... aiming to close the achievement gap, measuring student performance and targeting more federal funding to low-income schools.

**Jobs and Growth Tax Relief of 2003** ... reduced taxes on individuals, capital gains, dividends and estate taxes and increased the exemption amount on the Alternative Minimum Tax. The 2001 and 2003 Acts are known together as the "Bush Tax Cuts".

**Northwestern Hawaiian Islands ... In 2006** ... President Bush declared these islands a national monument. This created the largest marine reserve to date ... comprising 84 million acres and home to 7,000 species of fish, birds and mammals.

**Government Spending** ... The "War on Terror" and the Wars in Afghanistan and Iraq required a major increase in military and domestic security government spending.

## **SUMMARY**

President Bush expanded public spending by 70%. Moderately decreased taxes.  
Increased government spending for the wars in Iraq and Afghanistan.  
Dramatically increased the number of Federal Regulations.  
Did not see the residential housing crisis coming.

## **OVERALL RESULT ... (BELOW AVERAGE)**

The growth rate was about half of historical averages ... very bad ... 1.8% vs 3.6%.  
The residential housing market collapsed causing the worst recession since World War II. The business community was suppressed by too many regulations.  
Inflation remained low at 2.8%.

## **OUR CULTURE**

**May 31, 2000** ... The reality TV explosion begins as ***Survivor*** debuts.

**November 10, 2001** ... The iPod is released ... changing media and the music industry.

**2009** ... Twitter becomes a legitimate social networking tool.

## **AND IN THE MOVIES**

Usage of computer-generated imagery became widespread with films like ***March of the Penguins*** and ***Super Size Me*** and ... of course ... new **SUPERHERO** films were released every year ... ***X-Men ... Batman ... Spider-Man ... Fantastic Four ... The Incredible Hulk.***

## **AND IN MUSIC**

**Hip Hop** dominated the musical landscape of the decade with rappers like **Eminem**.

President Bush was the first president in 176 years to continue an entire term without vetoing any legislation ... since John Quincy Adams ... the first American president who was son of a former president. And coincidentally ... George W Bush was the second American president who was son of a former president.

In **2005** ... an Armenian ... threw a live hand grenade towards President Bush while he was speaking in the country of Georgia ... it did not detonate !!! WHHOOO ... close call.



## **BARACK OBAMA 2009 to 2016 - (DEMOCRAT)**

The first African-American President entered the Presidential Office at the end of the worst Recession since World War II.



**A QUICK CHRONOLOGY: The Recession lasted 19 months from December 2007 to June 2009.**

---

**2007**

**GDP GROWTH RATE**

SECOND QUARTER	3.1 ... <i>TOP OF THE LAST EXPANSION CYCLE.</i>
THIRD QUARTER	2.7 ... <i>BURSTING OF THE HOUSING BUBBLE.</i>
FOURTH QUARTER	1.5 ... <i>BEGINNING OF THE RECESSION <u>DEC 2007.</u></i>

**2008**

FIRST QUARTER	(- 2.7) ... <i>SUB-PRIME MORTGAGE CRISIS IS ONGOING</i>
SECOND QUARTER	2.0 ... <i>PRESIDENT BUSH STARTED SEVERAL ECONOMIC INITIATIVES.</i>
THIRD QUARTER	(- 2.0) ... <i>LARGEST DROP IN RESIDENTIAL HOUSE PRICES</i>
FOURTH QUARTER	(- 8.3) ... <i>LOW POINT OF THE GREAT RECESSION.</i>

**2009**

FIRST QUARTER	(-5.4) ... <i><u>BARACK OBAMA BECAME PRESIDENT</u></i>
SECOND QUARTER	(-0.4) ... <i>PRESIDENT OBAMA ENACTED A STIMULUS PKG</i>
THIRD QUARTER	1.3 ... <i>END OF RECESSION ... <u>JUNE 2009</u></i>
FOURTH QUARTER	3.9 ... <i>BACK TO PRE-RECESSION GDP HIGH POINT.</i>

**DOMESTIC POLICY**

**Affordable Care Act ...** March 23, 2010 this legislation was enacted designed to increase health insurance quality and affordability, lower the uninsured rate by expanding insurance coverage and reduce the costs of healthcare.

It significantly increased taxes with 23 NEW tax levies aimed at industries having nothing to do with the medical industry. (ex: 3.8% tax on the gain from the sale of investment real estate !)

**Dodd-Frank Wall Street Reform and Consumer Protection Act ...** made changes to the American financial regulatory environment that affected all Federal financial regulatory agencies and almost every part of the Nation's financial services industry.

**Don't Ask, Don't Tell Repeal Act of 2010 ...** a landmark legislation allowing gays, lesbians and bisexuals to serve openly in the U.S. Armed Forces.

**Budget Control Act of 2011 ...** enforced limits on discretionary spending ... established a procedure for raising America's debt limit ... established a committee for future budget savings.

**Taxpayer Relief Act of 2012 ...** was incorrectly named ... it actually significantly maintained high taxes on higher income individuals ... and began inflation indexing ... more tax increases !! It was an insult to call this Act a tax relief for taxpayers ... **not !**

## **REGULATIONS ...**

In the 7 years from 2009 to 2015 the Obama presidency added ... are you ready ?  
**220,672** NEW Federal regulations ... an average of 88 per day.

Soooo ... today we have a ... **MILLION** ... federal regulations !!!!!!!!!!!

### **PERSPECTIVE :**

*Now ... really ... how **out-of-control** are we that we need a million regulations to control us ???*

## **FOREIGN AFFAIRS**

- Ended the majority of U.S. combat operations in Afghanistan.
- Conducted the 2011 withdrawal of U.S. troops from Iraq.
- Ordered military intervention in Iraq in response to the terrorist group ISIL.
- Concluded a Nuclear Treaty with Iran.
- Normalized U.S. relations with Cuba.
- Promoted discussions leading to the 2015 Paris Agreement on global climate change.

**October 9, 2009 the Norwegian Nobel Committee announced the awarding of the Nobel Peace Prize to President Barack Obama for his “extraordinary efforts to strengthen international diplomacy and cooperation between peoples”. He became the fourth U.S. president to receive the Award along with Theodore Roosevelt, Woodrow Wilson and Jimmy Carter.**

## **SUMMARY**

- Significantly increased taxes to individuals.
- Significantly increased regulatory costs for business.
- Reduced military spending for the wars in Iraq and Afghanistan.
- Reduced domestic government spending.
- Dramatically increased the number of Federal Regulations.

## **OVERALL RESULT ... (BELOW AVERAGE)**

- The growth rate was half of historical averages ... very bad ... **1.8% vs 3.6%**.
- The business community being suppressed by too many regulations.  
The compliance costs are in the hundreds of billions of dollars ... reducing jobs ... increasing costs of consumer products ... suppressing growth.
- Significant increases in taxes.
- Mild stagflation ... low growth; unemployment and underemployment remain steadily high; and, low inflation (1.4%).

## **Which president presided over an AVERAGE economy ??**

### **(AVERAGE)**

THE 1 AVERAGE ECONOMY:

PRESIDENT: GERALD FORD

### **POLICIES FOLLOWED BY THIS PRESIDENT**

- ▮ Decreased government spending
- ▮ Encouraged consumers to reduce spending.
- ▮ Moderately reduced individual taxes and regulations.

## **Which president's presided over the BEST economies ??**

### **(ABOVE AVERAGE)**

THE 5 BEST ECONOMIES:

PRESIDENTS: TRUMAN, KENNEDY, JOHNSON, REAGAN, CLINTON

### **POLICIES FOLLOWED BY THESE PRESIDENTS:**

- ▮ Significant reduction in taxes (both individual and corporate).
- ▮ Significantly increased domestic and/or military government spending.
- ▮ Reduced or minimized government regulations.

## **Which president's presided over the WORST economies ??**

### **(BELOW AVERAGE)**

THE 6 WORST ECONOMIES:

PRESIDENTS: EISENHOWER, NIXON, CARTER, BUSH SR., BUSH JR., OBAMA

### **POLICIES FOLLOWED BY THESE PRESIDENTS:**

- ▮ Maintained high taxes and/or increased individual and corporate taxes.
- ▮ Decreased government spending, both military and domestic.
- ▮ Dramatically increased government regulations.



## **‘TRUMPONOMICS’**

**THESE ARE THE STATED POLICIES:**

- ✓ **MAJOR SPENDING ON INFRASTRUCTURE PROJECTS**
  - ▮ Investments in railroads, highways, airports, bridges and telecommunications
  - ▮ Cutting red tape and eliminating wasteful spending
- ✓ **MAJOR TAX REDUCTIONS IN PERSONAL TAXES**
  - ▮ Repeal gift and estate taxes.
  - ▮ Reduce 7 tax brackets to 3 and reduce tax rates substantially.
  - ▮ Repeal the Alternative Minimum Tax.
  - ▮ Repeal the Affordable Care Act 3.8% tax on investment income.
- ✓ **MAJOR TAX REDUCTIONS IN CORPORATE TAXES**
  - ▮ Reduce the business tax rate from 35% to 15% !!
  - ▮ A temporary tax of 10% on repatriated corporate monies held overseas. (instead of 35%).
- ✓ **MAJOR REDUCTION IN FEDERAL REGULATIONS**
  - ▮ Elimination of 2 existing federal regulations for every new one introduced.

- ✚ Elimination of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

## ✓ **RENEGOTIATION OF TRADE DEALS**

- ✚ Negotiation of fair-trade deals that create American jobs.
- ✚ Trade deals that increase American wages.
- ✚ Trade deals that reduce America's trade deficit.

## ✓ **MAJOR INCREASE IN MILITARY SPENDING**

## ✓ **REPEAL OF THE AFFORDABLE CARE ACT**

### **OBSERVATION**

The President Trump stated policies correlate strongly with the policies adopted by the prior presidents who had the most successful ... above average ... economies.

The International Monetary Fund (IMF) raised its forecast for the U.S. Economy over the next two years, saying President Trump's policies should boost economic growth, particularly in 2018. The new projection puts U.S. economic growth at 2.3% in 2017 and 2.5% in 2018 compared to the anemic growth of 1.6% in 2016.

### **CONCLUSION**

*The policies of ...*

- ✓ *Significant decreases in taxes ... both individual and business.*
- ✓ *Significant increases in government spending.*
- ✓ *Slowdown or reduction of Federal regulations.*

Historically, these policies have resulted in the best ... above average ... economies.

---

*The Economy under President Trump who advocates*

- ✓ *Significant decreases in taxes ... both individual and business.*
- ✓ *Significant increases in government spending.*
- ✓ *Slowdown or reduction of Federal regulations.*

If history repeats ... **the Economy should improve in the next year ...** probably to a growth rate above **2%** ... AND ... 2018 perform even better.

We have been stuck in the mud for many years at a substantially below average 2% Economy. This has resulted from poor economic policies by both President Bush and

President Obama. For many years, all I could predict was a stagnant economy ... with borderline stagflation.

***For a change ... I can predict the Economy will actually improve in a noticeable way and we will all benefit from the increased prosperity.***

*[When the water rises ... all the boats rise !]*

---

## **! WILD CARDS !**

### **FOREIGN POLICY**

President Trump is an unknown in this area and could provoke “trade wars” and other negative economic results emanating from his foreign policy decisions.

### **FEDERAL DEBT**

Currently the Federal debt is approximately \$20 Trillion ... and ... our current annual U.S. productivity is \$20 Trillion. **THIS IS VERY BAD !!!** So ... if we substantially increase Federal spending for infrastructure, wars or whatever ... OR decrease taxes ... we had better increase our productivity ... or we begin to go minus ... for the first time in U.S. history !! (we are putting more on America’s charge card than we are earning – this is bad)

### **DEMOGRAPHICS**

The “boomer” generation is quickly retiring ... many thousands per day because they will be spending less ... this will have an adverse effect on the Economy.

### **GLOBALIZATION AND ROBOTICS**

Both of these larger influences could significantly affect the manufacturing sector in ways that are difficult to assess today.

**GOOD LUCK TO AMERICA ... AND ...**

**LET’S ALL SEE THE GLASS HALF-FULL**