

Statement of Albert Henderson\* responding to The Commission on Fiscal Stability and Economic Growth report with 10 recommendations to achieve budget stability and economic growth.

Let me preface this with some wisdom from President Herbert Hoover, who was fond of saying, **“The only trouble with capitalism is capitalists. They’re too damned greedy.”**

The capitalist bias of the Commission is clear from its failure to include consumer and labor stakeholders. As such, I was not surprised to read elimination of the Estate and Gift tax appears as a “no-brainer,” even though this will have minimal effect on the State’s economy.

We cannot go back to the ‘good old days,’ when Fairfield County was desirable for its upscale dormitory functions – great schools, no industry – and there were no taxes but property taxes. Shifting the property tax on cars, especially in the cities, would be far more popular – even if it meant loading the burden on Estate and Gift taxes.

Moreover, I found the economic comparisons of Connecticut to fly-over states arbitrary and naïve. Most of these places suffer traffic congestion no more than once a week, perhaps for an hour after a football game. That said, I applaud addressing highway congestion and upgrading commuter rail. Who wouldn’t?

Connecticut’s revenues are largely dependent upon sales taxes, which thrive on a healthy consumer base. This is “trickle-up economics” of John Maynard Keynes. I applaud support for raising the minimum wage. It will contribute to economic growth as well as more robust sales tax revenue and healthier Social Security / Medicare entitlements. Unlike folks at the top of the income spectrum, minimum wage earners are likely to spend all their income locally. If the Commission truly wished for economic health, its goals would have included making minimum wage earners able to support a family with a single income – perhaps by eliminating state income tax entirely on the lowest tier.

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