

Center for American Progress



MEMO

TO: Reporters and Interested Parties

FR: Center for American Progress

DA: October 17, 2017

RE: How the Job Creators Network's New Ad Rewrites History on JFK and Tax Cuts

The Job Creators Network, a group of [wealthy CEOs](#) partnering with former House Speaker Newt Gingrich to lobby for tax cuts for millionaires, billionaires, and Wall Street, is running a [new ad](#) in Washington, D.C., North Dakota, Montana, and West Virginia invoking President John F. Kennedy and his [1962 remarks](#) on tax cuts at the Economic Club of New York.

The ad cherry-picks a quote from Kennedy's remarks that leaves out crucial context from both Kennedy's speech and the time he gave it. Kennedy delivered the remarks at a time when the top marginal tax rate was a whopping 91 percent—[instituted](#) in large part to pay for World War II. In fact, Kennedy says this in the same speech:

“Our present tax system, developed as it was, in good part, during World War II to restrain growth, 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.” (italics added)

Kennedy only called for lowering the top rate to 65 percent, and the rate was eventually [lowered](#) to 70 percent under the Revenue Act of 1964. In contrast, the current top income tax rate is 39.6 percent, more than 50 points lower than in Kennedy's day. Trump and Congressional Republicans' tax plan calls for [lowering the top tax rate](#) to its modern historical low of 35 percent, eliminating the [estate tax](#) for multimillionaire estates, and [creating a giant new tax loophole](#) for hedge fund owners, real estate financiers, lobbyists and high-powered lawyers.

As CAP's Jeremy Slevin [points out](#), income inequality was also much lower during Kennedy's time. The richest 1 percent of households held [less than 10 percent](#) of the income share in 1962, compared to 20 percent in the most recent decade. And today we can look back at a half century of [evidence](#) showing that trickle-down tax cuts don't create jobs.

This shouldn't come as a surprise, since the network was founded by billionaire former Home Depot CEO Bernard Marcus, and is funded by a [who's who](#) of big business lobbies. Can it be that the wealthy CEOs who fund the Job Creators Network are more interested in lowering their own taxes than providing relief for the middle class?

For more information or to speak with an expert, contact Allison Preiss at apreiss@americanprogress.org or 202.478.6331.