



## Clinton Claim Tax Cuts Caused Recession is “Mostly False,” Says Politifact

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During the first presidential debate on September 26, Hillary Clinton made the claim that The Great Recession emerged “in large part because of tax policies that slashed taxes on the wealthy, failed to invest in the middle class, took their eyes off of Wall Street, and created a perfect storm.” Pulitzer Prize-winning fact-checking site Politifact [has rated this claim](#) “mostly false.” The website talked to economists of many political persuasions, writing:

On the left, Dean Baker, co-director of the liberal Center for Economic Policy and Research, said he wouldn’t just call tax cuts a minor factor in causing the recession — he said he “can’t think of any way they were a factor at all.” If anything, he said, “the conventional wisdom goes the other way — tax cuts tend to increase the deficit, which pushes up interest rates and in turn drags down house prices.”

On the right, Dan Mitchell, an economist with the libertarian Cato Institute, agreed. “Hillary is spouting nonsense,” he said. “No economic theory links tax cuts — or, for that matter, tax increases — to financial market meltdowns.”

Other economists we contacted echoed these sentiments.

“Clinton is on solid ground criticizing Bush’s tax cuts, but blaming them for the recession goes too far,” said Bruce Bartlett, a former Ronald Reagan aide who has sometimes [broken with some conservative orthodoxies](#). “One can certainly say that the Bush tax cuts failed to raise economic growth or lower unemployment to any significant degree, and one can argue that the Reagan tax cuts were not especially stimulative as well. But to argue that the Bush tax cuts caused the 2008-09 recession is a stretch.”

Harvey Rosen, a Princeton University economist who was an official in the administrations of both Bush and his father, said that tax cuts seem like an unlikely culprit, because “historically we’ve had relatively low rates without terrible — or any —

recessions.” He added that low tax rates “would not make my list of the top 10 reasons for the recession.”

Accordingly, Politifact comes to the conclusion that Clinton’s statements are “mostly false.”

However, it would not be surprising if she continues to attack the progressive bogeyman of “trickle-down economics” throughout the next month. Any number of facts is unlikely to prevent such rhetoric from the Clinton campaign.