

## ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations--includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

## ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
  - centerpoint360
  - UPS
  - Bayer Corporation
  - GlaxoSmithKline
  - Energy Future Holdings
  - Johnson & Johnson
  - Coca-Cola Company
  - PhRMA
  - Kraft Foods, Inc.
  - Coca-Cola Co.
  - Pfizer Inc.
  - Reed Elsevier, Inc.
  - DIAGEO
  - Peabody Energy
  - Intuit, Inc.
  - Koch Industries, Inc.
  - ExxonMobil
  - Verizon
  - Reynolds American Inc.
  - Wal-Mart Stores, Inc.
  - Salt River Project
  - Altria Client Services, Inc.
  - American Bail Coalition
  - State Farm Insurance
- For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → Model Legislation → Tax and Fiscal Policy ←

### Sound Federal Fiscal Policy Resolution

#### Summary

The federal budget deficit peaked at close to a whopping \$300 billion in 1992 and has been falling slightly each year since. However, projections now show the deficit bottoming out and sharply rising in the next few years. And, if Congress decides to pass a national health care plan, the deficit will increase considerably further. Uncontrolled federal deficits are strangling state economies. But, raising taxes in the hope of balancing the federal budget will likely reduce economic growth and invite an increase in federal spending. A recent study by the Joint Economic Committee of Congress found that since 1947 higher taxes have always led to higher deficits. Cutting spending or at the very least holding it to the growth of the economy is the only way to significantly reduce the federal budget deficit. If domestic spending had increased every year at the same rate as inflation, the deficit would be quite small today.

This resolution calls on Congress to avoid raising taxes and shifting costs to the states in order to close the federal budget deficit gap. It calls on Congress to instead reduce federal spending and consumption to reduce the deficit.

#### Model Resolution

**WHEREAS**, the federal debt is currently over \$4 trillion and is estimated to surpass \$6 trillion by the year 1999, and;

**WHEREAS**, the federal government continues to borrow to finance current consumption, resulting in annual deficits exceeding \$250 billion and;

**WHEREAS**, government spending at all levels now represents nearly half of the nation's national income and an unprecedented 40% of Gross Domestic Product, and;

**WHEREAS**, as government consumption increases, private sector capital diminishes, and;

**WHEREAS** this diminution of private sector capital stifles economic growth and places the country at a comparative disadvantage in the global marketplace, and;

**WHEREAS**, economic analyses show that for every 10% of Gross Domestic Product consumed by government, actual Gross Domestic Product is reduced by 1% annually, and;

**WHEREAS**, large deficits crowd out private investment and reduce capital formation, further hampering economic growth, and;

**WHEREAS**, as evidenced by the tax increase of 1990 and other deficit reduction efforts based on tax increases, raising taxes to balance the federal budget only leads to more spending, and;

**WHEREAS**, this tendency of taxes leading simple to more government was documented in a study by the Joint Economic Committee showing that from 1947 through 1990, every \$1 of new taxes was associated with \$1.59 in new spending;

**THEREFORE BE IT RESOLVED**, that the legislature of the state urges Congress and the President of the United States to eliminate the deficit by reducing government spending and government consumption, not by raising taxes, and;

**BE IT FURTHER RESOLVED**, that the state urges Congress not to closed the federal budget gap by simply shifting program costs to the states, and;

**BE IT FURTHER RESOLVED**, that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Speaker of the House, the President Pro Tempore of the Senate and to every member of this state's Congressional delegation.

ALEC's Sourcebook of American State Legislation 1995

Did you know that the Evergreen Freedom Foundation --which is connected to the Kochs-- was the corporate co-chair in 2011?"

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECExposed.org](http://www.ALECExposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.