

Are U.S. taxes 'too low'?

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It is easy for those in high positions in government to score political points by saying "the rich" are to blame for the nation's economic crisis. That's a lot less politically risky than saying that our out-of-control entitlement programs -- including brand new, trillion-dollar-plus ObamaCare -- and wasteful pork-barrel spending are at the root of the crisis.

Secretary of State Hillary Clinton recently accused "the rich" of paying too little in taxes, and said that was the cause of our nation's high unemployment rate.

"The rich are not paying their fair share in any nation that is facing the kind of employment issues (that America faces) -- whether it's individual, corporate or whatever taxation forms," she declared in a speech at The Brookings Institution, a liberal think tank.

She then bizarrely praised Brazil for having high taxes.

"Brazil has the highest tax-to-(Gross Domestic Product) rate in the Western Hemisphere, and guess what: They're growing like crazy," she said. "And the rich are getting richer, but they're pulling people out of poverty."

So, is that true? Could the U.S. economy start "growing like crazy" if we increased taxes on "the rich"?

The free-market Cato Institute think tank tosses a wet blanket on that idea.

For one thing, Cato points out, it is not true that Brazil has the highest rate of taxes to GDP in the Western Hemisphere. In fact, while Brazilian taxes are high, the tax burden there is "slightly below the aggregate tax burden in the United States." And taxes are even higher in Canada.

What's more, the highest income tax rate in Brazil is 27.5 percent, compared with a top rate in the United States that is now 35 percent and soon will be 39.6 percent because Congress is not renewing all the Bush tax cuts. Yet the rich and the so-called "rich" pay a vastly disproportionate share of the taxes already.

What that strongly suggests is that America's economic problems are not based on inadequate taxation. The real problem is excessive, inefficient government spending that removes far too much money from the productive free market and destroys economic growth and job production.

Congressional Democrats and the president do not understand that, or they would not keep enacting costly programs such as ObamaCare.

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