

## THE UNBROKEN WINDOW

The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design. – F.A. Hayek

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### Observation of the Week

Feb 26th, 2011 by [wintercow20](#)

“The rich in America really have nothing to complain about.”

Why?

“The overall rate of taxation as a share of GDP is only about two-thirds of what it is in OECD countries.”

I gotta admit, I really have never encountered that argument before. I think comments on it are unnecessary, but it did make me think of how fun it would be to use that same line of defense for other positions. How about this?

“The poor in America really have nothing to complain about.”

Why?

“Unemployment rates among the American poor have regularly been below those of the poor in the OECD.”

By the way, [a report from Duanjie Chen and Jack Mintz](#) from the University of Calgary finds that the effective corporate tax rate on new business investment in the United States is 34.6%. The OECD average is 18.6%. An 83 nation average is 17.7%. For example, freedom loving places like Vietnam have an 11.7% rate and China at 16.6%. Of course the paper was put out by the evil Koch brothers' agency Cato Institute. So I guess we can dismiss it as propoganda. Of course, this is not exactly an apples to apples comparison of the first quote above (the paper does not report corporate revenues as a share of GDP).

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