

# THE REPUBLIC

## **Welfare for wealthy immoral, must be stopped**

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All major religions put an important stress on helping the poor, providing aid and succor to the least fortunate in their societies. The tradition of helping the poor keeps Bono, Bill and Melinda Gates, Brad Pitt and Angelina Jolie on the right side of history, their charitable work serving as a role model to millions. Helping the poor is something we humans naturally understand and endorse, philosophically and with our pocketbooks.

On the other hand, we have not been able to find anywhere a moral argument for providing welfare for the rich — not in religion, not in philosophy, not in political discourse. Most people instinctively recognize that it is morally corrupt for a government to take money from low- and mid-level citizens and give it to citizens who are more wealthy than those whose funds are taken. Such a practice is, simply, wrong.

Yet, in the process of writing a book about America's major welfare systems we saw dozens of examples of that happening, of welfare going in the wrong direction — taxpayer funding flowing up to the wealthy instead of down to the poor. Disturbed by these examples, we determined to take a closer look at this perversion of the welfare system by writing another book.

In the United States, those in the highest income quintile who receive money from the public purse include:

Fifty members of the Forbes 400 list of the richest Americans, who got at least \$6.3 million in farm subsidies between 1995 and 2014. Among them was Paul Allen, co-founder of Microsoft, whose net worth is over \$19 billion, and Barack Obama's Commerce Secretary Penny Prizker, who has a net worth of \$2.5 billion.

The fabulously successful Elon Musk, whose net worth is \$14.3 billion. His latest ventures, Tesla, SolarCity and SpaceX, have received close to \$5 billion in public support in the form of subsidies, tax breaks and grants and loans.

Jamie Dimon, who recently turned down an invitation to be President Donald Trump's Treasury Secretary. President of JP MorganChase since 2005, his net worth is \$1 billion. Chase received billions in bailout money from the public purse during the 2008 bank bailouts. Dimon's salary was \$1.5 million last year, on top of his \$5 million bonus, and stock of \$20.5 million. Notes Hunter Lewis in his book *Crony Capitalism*: "Wall Street made as much profit in the first three years under Obama as in the prior eight years under Bush."

Jeremy Thigpen, head of Transocean, the oil company implicated in the Deepwater oil spill, earns close to \$14 million a year. Transocean profits from the \$4 billion in annual subsidies that

flow to oil companies, subsidies won by the \$144 million they spend annually lobbying Congress. Transocean, along with nearly all oil companies, benefits from tax avoidance strategies available only to the oil and gas industry.

What these people, and many others like them share, is something the average American has no access to: a lobbyist in Washington. More than 11,000 lobbyists plied the halls of Congress in 2015, and their clients were happy to fork over the \$3.2 billion in fees. The cost of lobbying Congress, however, is a pittance compared to the gifts lobbyists score for their clients in return — \$100 billion a year, according to the Cato Institute.

This year, the U.S. debt will surpass \$19 trillion dollars. That's \$19,000,000,000,000 — a debt burden of close to \$59,000 per American citizen. Sooner or later this unsustainable spending must be reined in, and the place to start cutting is clear: eliminate welfare to wealthy citizens and corporations who neither need nor deserve it, and give American taxpayers a break.