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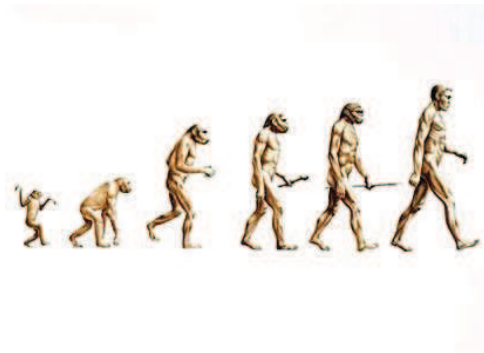
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Taxing the Rich, Closing the Wealth Gap and Collectivism Revisited

June 10th, 2009 · [2 Comments](#)

“There is nothing more unequal than the equal treatment of unequals.”

- Thomas Jefferson -



There's always been a lot of talk from the left about how important it is to close the wealth gap between the rich and poor.

The babel has intensified since last November when Obama won the White House and Democrats firmly seized Capitol Hill.

A [great example](#) of wealth-gap claptrap is an article that was written by Robert Schiller, Professor of Economics at Yale, for the New York Times just days after Obama's victory last November.

Mr. Schiller doesn't argue that we should increase education for the poor or that we should encourage greater parental involvement in our childrens' economic futures, but rather argues that we need to take money from the rich and give it to the poor.

And the way to do that, he says, is through taxation.

Listen:

A fourth and more radical step would be to index the tax system to income inequality. The system would automatically become more progressive if inequality became more acute.

Changes in tax rates would be made in the future, not now, easing the transition's shock to the public. Leonard Burman, a former Treasury official for President Bill Clinton and now head of the Tax Policy Center in Washington, has been working with me to transform this idea into a sketch of a program we call the Rising Tide Tax System.

We found that if such a program had been instituted 30 years ago, even in a partial form, we could have lessened economic inequality.

Ideas like these are a slippery slope to full-blown collectivism.

Politicians should not be in the business of deciding who among has too much and who has too little and then embarking on a plan to adjust that dynamic.

History hasn't only taught us that "you can kill anyone," as Michael Corleone says in the Godfather, or that it's unwise to try to dislodge a bagel from a toaster with a steel knife.

It has also taught us that collectivism does not work.

Why, then, do so many on the left still cling to the notion that it *can* work?

Now, before you accuse me of being a [Social Darwinist](#), let me say that I too think the world would be a better place if we were all equally happy and sang in perfect harmony.

But I'm afraid that's not the "real thing."

The real thing is human nature and it has this annoying way of always rearing its ugly head.

I think [P.J. O'Rourke](#), The Cato Institute's Mencken research fellow, said it best in a 2007 speech,

The foundation of collectivism is simple: There should be no important economic differences among people. No one should be too rich. No one should be too poor. We should "close the wealth gap."

This is a very powerful idea.

This is a very common idea.

This is a very bad idea.

"Gaps"—differences—are innate to mankind. Do we want to close the "beauty gap" and make every woman look like Margaret Thatcher? Do we want to close the "talent gap" and field a World Cup football team starring, for example, the people on this panel?

Um, I hate to break it to you P.J., but many on the left *do* in fact want to close all gaps that distinguish the individual from the collective.

Here are just a few curricular examples offered in the hallowed halls of American academia:

Whiteness Studies - There are no differences between the races (see Myth of Race, below). If a so-called white person achieves anything in life it must have come, at least in part, because of his skin color and not because of any surplus of effort, cleverness or self-reliance.

The Myth of Race- Progressives, while labelling those with whom they disagree racists, claim that race doesn't really exist at all. We all belong to one race, they say, the species homo sapiens. Consequently, any perceived racial difference is merely an illusion.

You know, like the sickle cell trait in African Americans and the no-rythmn trait in white men.

Gender Studies - The primary pedagogical goal of these courses is to convince students that there really are no differences between men and women and that all such assumed differences are a product of an oppressive, patriarchal society whose goal is the continuance of male dominance.

Oh, and just ask Obama's chief economic advisor and former Harvard President [Larry Summers](#) about the wisdom of even suggesting that there just might be some psychological and intellectual differences between boys and girls.

Here's a final touch of P.J. on the absurd assumptions underlying collectivist theory:

But proposing to close the "wealth gap" is worse than silly. It entails a lie. The notion of economic equality is based on an ancient and ugly falsehood central to bad economic thinking: There's a fixed amount of wealth. Wealth is zero-sum. If I have too many cups of tea, you have to lick the tea pot. But wealth is based on productivity. Productivity is expandable. Otherwise there wouldn't be any economic thinking, good or bad, or any tea or tea pots either.

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2 responses so far ↓

- [1 Leftfield](#) // Jun 11, 2009 at 12:05 pm

Is there any level of inequality that you would think would be too much, or that would be likely to lead to undesired consequences? I think I would prefer to be born in Sweden than in Brazil if I were going to have a next life. (But that is based on very superficial knowledge of those countries).

- [2 Peter](#) // Jun 11, 2009 at 1:14 pm

Hi Leftfield,

I think equality of opportunity is a proper societal goal but not equality of outcomes.

Saying Person A has too much and Person B has too little so lets shift some some from A to B is wrong-headed because it's entirely possible that person A deserves more than person B.

Forcing equality through the redistribution of wealth and benefits is what I object to.