

Welfare really goes to the top

Bernie Hughes September 11, 2015

Conservatives complain about welfare for the poorest Americans.

Why don't the needy work like most successful citizens are?

These critics don't seem to see the vast differences in opportunities that cause many people to need welfare. My field was education so I'll give the general cause in that field.

Much of the welfare needs fit in the tax poor areas. Why? It's because education is financed primarily by property tax values. Custom has been to call aid from the state, about 7 percent, as equalization aid. The problem is it doesn't equalize; it moves in that endeavor only. Money or lack thereof talks loud and clear in all sectors of society.

Another factor is that racism has created the ghetto to house many black people who have found jobs very hard to come by. Racism is still with us. We make a few moves, but progress has been very slow. Our prisons are full of black people arrested for small-quantity drug possession. This causes many black mothers to rear their children alone.

What are some other segments of our society that are receiving welfare in the U.S.? I've picked from a list prepared by Bill Quigley, a law professor at Loyola University in New Orleans and published in Common Dreams in January 2014.

Looking for welfare spending, I'd list our military-industrial complex. We spend the most in the world on defense and find ways to spend it in hundreds of sites around the world. We believe we can help in trouble spots. The problem is that factions of belief shift. We choose a side, and too often, the other side has great influence too. Too many people are killed by drones, bombs and in other murderous ways that cause us to be hated by an increasing number. We need to reduce that area of tax expenditure, and use more to help causes at home — our infrastructure is depleted and gets worse as we continue to dillydally.

Let's look at welfare for the rich and corporations. We don't hear about that very much, do we? The federal internal revenue code is a prime example. Special breaks in the tax code are the reason there are thousands of lobbyists in the halls of Congress and state legislatures, plus tens of thousands of tax lawyers all over the nation. Let's take a look at a few:

- Direct subsidies to corporations: The Cato Institute estimates that federal subsidies to corporations cost taxpayers almost \$100 million every year.
- State and local subsidies to corporations: A New York Times study by Louise Story discovered at least \$80 billion in state subsidies to corporations.
- Federal tax breaks for corporations: The claimed 39 percent is actually 13 percent, which saves these corporations an additional \$200 billion annually according to the U.S. Government Accountability Office. This is why Warren Buffett complained about him paying a lower tax rate than his secretary.
- Subsidy to the fast food industry: Research by the University of Illinois and University of California-Berkeley documents that taxpayers pay about \$243 billion in indirect subsidies because they pay staff wages so low that taxpayers have to pay that amount to make up for low salaries.

That list goes on and on.

I always remember hearing about the fellow who was born on third base — parents with money, best education that money could buy and an executive position in a top earning corporation.

He went through life bragging about hitting a triple.

Donald Trump, presidential candidate, reminded me of that old story again.