



## Tax the Rich? Answering Elizabeth Warren

Unfortunately, though, style doesn't connote substance. And Warren's words, while rousing, were also reality-bending. Here is what she [said](#):

I hear all this, you know, 'Well, this is class warfare, this is whatever.' No. There is nobody in this country who got rich on his own. Nobody.

You built a factory out there? Good for you. But I want to be clear: You moved your goods to market on the roads the rest of us paid for; you hired workers the rest of us paid to educate; you, uh, were safe in your factory because of police forces and fire forces that the rest of us paid for. You didn't have to worry that marauding bands would come and seize everything at your factory and hire someone to protect against this, because of the work the rest of us did.

Now look, you built a factory and it turned into something terrific, or a great idea? God bless. Keep a big hunk of it. But part of the underlying social contract is you take a hunk of that and pay forward for the next kid who comes along.



I guess Warren defines "class warfare" differently than everyone else does, but she is a master of it. Let's analyze her comments.

When you say "the rest of us paid for," it implies that there are two opposing groups. The first is those who foot the bill; this is the proverbial "us," membership in which is apparently denied to those above a certain income threshold. And when you are above it, you're in the second group — the "them" — which, Warren's commentary implies, comprises the subsidized.

Of course, this is utter nonsense. A rich person not only pays taxes like us, he pays through the nose. He, Professor Warren, pays more — far more — for the roads, education, police and fire forces than you do. In fact, while approximately 50 percent of lower-income Americans now pay no federal income tax, those earning more than one million dollars a year — only 0.2 percent of the population, mind you — shoulder *21 percent of the tax burden*.

As for moving goods, by the way, a company pays thousands of dollars a year in fees and taxes for each commercial truck it fields. In fact, [writes](#) Dr. John C. Taylor, "Trucking firms contribute \$12.1 billion of the total dollars going into the federal Highway Trust Fund, or about 30.6 percent of the total \$39.5 billion."

So the reality is that not only are the rich us, they're the "usiest" part of us. And if there is a "them," it's



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the people in government who suck off the public teat.

Now, having said this, Warren's statements do tangentially touch on a truth. And, to do the issue justice, it should be explained better than she understands it.

All of us have an interdependent relationship. All of us use roads, education, police and fire forces that we all pay for; we are all reliant upon others, be it for food, clothing, construction, medical care or something else. All of us must be cared for until we mature and can, as is said, stand on our own two feet. Of course, at this point we could venture deep into the woods naked, fashion tools out of stone, kill animals and wear their pelts and become a hermit. Such isolation tends to breed insanity, however, which points out that we are reliant upon others for love and companionship, too. This is why it's said that "No man is an island."

And the fact that it's not "No rich man is an island" brings us to the point. Since what Warren casts as benefits enjoyed only by the rich are actually enjoyed by all, it follows that the responsibilities to government that would attend those benefits *would fall upon all*. In other words, it's not only the rich who have no right to dominion over the fruits of their labors.

It is everyone.

It isn't just the capitalist pig in the boardroom, but the callow prig in the classroom, professor. It's also the butcher, baker, and candlestick-maker.

This idea brings us perilously close to the communist ideal — that is, if there is any difference at all. It is dangerous.

Of course, there is again some nuance here. "From each according to his means, to each according to his needs," or something approximating it, may be a good guide for private decisions on charity. Long ago, I myself discovered the truth of what G.K. Chesterton said (I'm paraphrasing), "Goods look a lot better when they come wrapped as gifts"; thus, I view myself only as caretaker of my resources and know that "To whom much is given, much will be expected." But while a theologian may say there is no such thing as the absolute ownership of goods, this doesn't make government ultimate arbiter of their dispensation. Perhaps we should say that this matter is, to bend a line popular with moderns, between a person and God. And I want to see a separation of finances and state.

On top of the immorality of Warren's position, her prescription just doesn't work. Just as her students would slack off if she vowed to give everyone a C grade regardless of performance, productivity diminishes in an economic system in direct proportion to the degree to which incentive is removed from it. This is fact, and fiery rhetoric is no substitute for it.

Of course, though, given that Elizabeth Warren [recently reported](#) a figure for her TARP chairmanship salary that was \$128,000 short, perhaps economics and finance aren't really her bag. Then again, maybe she just didn't want people to know that she isn't really one of "us."



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