



Written by [William P. Hoar](#) on May 20, 2022

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Already Excessive, Taxing & Spending Threaten to Go Over the Top

Joe Biden has been called many things, especially in recent years, but there's one label that doesn't fit: He is not a cheap politician. Not by a long shot, even one launched by a Javelin missile. After all, the president and his intemperate White House team have, after giving it a great deal of consideration, come up with a plan to spend a dumbfounding \$73 trillion over the next decade. Of course, this money isn't to be ripped from his pocket: It belongs to the taxpayers who earn it. But it is an impressive 66-percent increase over the previous 10 years.



AP Images

Highway robbery takes place in a more genteel fashion these days: A goodly chunk of it occurs by siccing teams of pillaging bureaucratic taxmen on the populace, now set to be filched to the tune of \$58 trillion — representing an 80-percent increase in taxation over the previous decade. This doesn't count the time sucked up: Americans spent an estimated 6.5 billion hours this year trying to file their taxes.

But even all that ransacking doesn't cover the total price tag for these unbounded spending notions. Thus, we and our children and grandchildren are in line to get stuck with \$16 trillion in new public debt, thanks to the \$1 trillion-plus deficits devised annually for the next 10 years.

Welcome to the president's Fiscal Year 2023 budget.

Meanwhile, when some bold, overburdened citizens complain about resulting skyrocketing prices, the Biden team produces not admissions or answers, but scapegoats — such as blaming (among others) “pandemic profiteers” and the “greed of meat conglomerates.”

Pharaoh Only Demanded 20 Percent

There have been gripes — over the years and around the globe — for as long as there have been taxes. Yet many big government promoters still appear to believe that the world revolves around taxes.

The size and nature of these levies have differed. While it involves imprecise comparisons when discussing different cultures, techniques, and eras, this can nonetheless be enlightening. People of ancient Egypt, for instance, paid taxes in the form of labor or grain that was stored by the pharaoh — who was considered a god. Modern U.S. progressives do seem to worship the state, but (at least according to recent polls) apparently not the guy currently in the Oval Office.

Meanwhile, some of us do recall that American independence — more honored these days in the breach than in observance — was born of a tax revolt.

Here's a bit of background from a remarkable and thorough source, the *History of Taxation and*



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Expenditure in the Western World, written by Carolyn Webber and Aaron Wildavsky, and published in 1986. The 734-page, heavily footnoted tome notes that the basic tax in the ancient world (apart from labor service) was an assessment of “a fixed proportion of agricultural produce.” As the authors declare: “Rates were high.” As examples, they cite:

According to the Bible, Egyptian peasants paid the pharaoh one-fifth of the produce of the land. Kings of Mauryan India claimed one-fourth of each crop. Percentages were [usually] lower in Mesopotamia; the government took one-tenth of the harvest and the natural increase of each herd.... During the Chou Dynasty in China, there was regional discrimination ... [with those living in or near the capital paying one-twentieth of the produce], while in distant provinces feudal vassals were obliged to collect from one-fifth to one-fourth of the district’s produce for the central government.

Those are indeed elevated rates.

Let’s jump to more recent days. While President Trump and Republicans in Congress lowered the top income-tax rate for five of the seven tax brackets, the Democrats are now going in the other direction. Biden intends to allow the 2017 Tax Cuts and Jobs Act to expire. Not surprisingly, the Democrats are also dissembling about what the reductions really meant. IRS data, however, do show that those cuts reduced the average effective income-tax rates for taxpayers in every bracket. Indeed, the largest reductions in rates were experienced by lower- and middle-income households.



Another tax: Inflation, or the expansion of the supply of money, leads to a devaluation of the currency. Money buys less, with workers becoming poorer even though they are getting paid “more.” In this way, inflation is indeed a hidden tax. *(Photo credit: Pineapple Studio/ iStock / Getty Images Plus)*

For his part, Biden has proposed raising the top (marginal) tax bracket from 37 percent to 39.6 percent. That’s just one of the punishments the pharaoh — oops, the president — has dreamed up for his subjects. In the new Biden budget (as has been noted by the Republicans and others) there are *36 hikes totaling \$2.5 trillion in new or increased taxes*. In addition, the “inflation tax” already slapped American families with an additional \$3,500 in 2021 and is expected to cost those families an extra \$5,200 this year. (Such charges put the lie to Biden’s repeated promises that “Nobody making less than \$400,000 a year will pay a penny more in federal taxes.” Shareholders will, as will every person hit by Bidenflation.)



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If his plans are enacted, the United States would be stuck with the highest (or near-highest) tax rates in the developed world. That's not a partisan talking point; it comes from an analysis by the nonpartisan Tax Foundation. Its analysis, as reported by *The Wall Street Journal*,

compares top tax rates across 37 members of the Organization for Economic Cooperation and Development. The review looks at each country's federal and regional taxes on individual and corporate income, plus capital gains. Mr. Biden's proposals would vault the U.S. into first place in all three categories, if he combined his budget with the Build Back Better Act he and Democrats would still like to pass.

The biggest jump is in taxes on capital gains, as the top combined rate would rise to 48.9% from 29.2% today. That's a 67% increase in the government's take on long-term capital investments. The new top rate would be more than 2.5 times the OECD average of 18.9%.

Yes, as the *Journal's* editors put it waggishly, there is nothing "like reducing the U.S. return on capital to get people to invest elsewhere." When state corporate taxes are included, the resultant U.S. corporate rate would reach 32 percent, well beyond the 25 percent rate of Communist China.

There's not enough room here to give justice to all the damage that would be inflicted by this passel of new and/or increased taxes, including the imposition of 11 new tax hikes on American energy producers (resulting in more than \$45 billion in new taxes). Others are aimed at individuals. Naturally, the Biden administration claims that higher rates will only hit the über-rich. That's an old game.

Keep in mind that the U.S. Constitution of 1787 barred a federal income tax. Much later, when the income tax of 1913 took effect — a sad story in itself — the top rate of seven percent was supposedly only going to affect those making more than \$500,000 (about \$14.5 million in today's dollars). Sure — and a political promise today means more taxes tomorrow. Similarly, we were reassured that the Alternative Minimum Tax (created in 1969 as a flat 10 percent) would only hit the very rich; somehow, it wound up applying to tens of millions of middle-class Americans.

Also note that the wished-for Biden "billionaire minimum income tax" is not limited, as *The Wall Street Journal* has put it, to "billionaires and applies to more than income." The president is really pushing a new tax on wealth (a threatened progressive weapon that the "moderate" candidate Biden declined to endorse when running for office in 2020). This part of his budget plan, which should properly be considered unconstitutional, is a tax on the property and businesses of Americans. It would actually tax some for their "unrealized" capital gains — requiring those hit to pay taxes on property that increased in value even if they did not sell it.

This budget plan, as has been pointed out by Grover Norquist, president of Americans for Tax Reform, with its \$2.5 trillion of tax increases, "exposes just how out-of-touch the administration is. Americans are being slugged with surging inflation, low wages, and out-of-control energy costs. Biden's proposals would only make these problems worse."

Scheming to Spend \$73 Trillion

In Washington, one often hears interlocked inanities about how we can tax and spend ourselves into prosperity. After all, we have Senate Majority Leader Chuck Schumer insisting that (as he said in April), "If you want to get rid of inflation, the only way to do it is to undo a lot of the Trump tax cuts and raise



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rates.”

Meanwhile, the top Democrat in the House — Speaker Nancy Pelosi — has tried to make the case that that 10-year, \$3 trillion spending plan is just the thing the country needs so we can reduce inflation. Oh, yes, and she also seems to believe that low unemployment causes high inflation.

Yet no one (no sane person, that is) can make a reasonable case that Congress and the White House have not been spending enough of our money, regardless of the reason. Here’s a snippet from the Senate Economic Committee in October of 2021:

Since the pandemic began, Congress has authorized \$6 trillion in new spending as part of the American Rescue Plan, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and other legislation. The Federal Reserve has simultaneously purchased over \$4 trillion of new assets to inject capital and liquidity into the market. In turn, federal debt rose substantially and is currently equal to the size of the economy, standing at almost 100 percent of GDP.

Was all this spending wise? Of course not. Needed? Hardly.

Consider what we paid for while authorities were largely shutting down the nation economically. Some of these expenditures were itemized in early April by columnist Kimberley Strassel. They included outlays, supposedly aimed at Covid, of \$6.6 trillion in fiscal 2020 and an additional \$6.8 trillion in fiscal 2021. Then, about a year ago, as she noted, “Democrats waved through a sixth Covid relief bill, President Biden’s massive \$1.9 trillion American Rescue Plan — enough money to buy every Covid vaccine, ventilator, and hospital chain on the planet. Only this week, the White House put out a \$5.8 trillion 2023 budget proposal. Yet the administration insists that without \$22.5 billion in emergency dollars now, we again face Covid apocalypse.”

Where, asked Strassel rhetorically, did all of that money go? Her answer:

Everywhere but to Covid. The Rescue Plan handed \$350 billion in “relief” money to the states, and the Associated Press recently described its uses. Some \$140 million is going to a high-end hotel in Broward County, Fla. Colorado Springs, Colo., is dumping \$6.6 million into golf-course irrigation systems. An Iowa county is using \$2 million to purchase a privately owned ski area. Massachusetts is ladling \$5 million to cover the debts of the Edward M. Kennedy Institute for the U.S. Senate.

Little wonder that the Democrats have been (as we write) doing their best not to specify (in sufficient detail) how its past Covid “relief” spending was disbursed. Even the general outlines are not reassuring.

The \$1.9 trillion expenditure of Democrat-approved “virus relief,” according to *The Wall Street Journal*, largely went “to transfer payments, including child tax credits, enhanced unemployment benefits and stimulus checks. About a quarter subsidized state and local budgets and schools. Democrats appropriated a mere \$80 billion for public health, only \$16 billion of which was available for vaccines and therapies.”



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Beyond “Covid” spending, rest assured that the latest Biden budget has plenty of new extraneous expenses in mind. For instance, billions of dollars in climate-related spending is projected, including billions for “investments” supposedly intended to “advance equity and equality globally.” The Office of Management and Budget has compiled a 156-page summary of such “climate” spending, much dreamed up in the name of “environmental justice.” About \$1.45 billion in “environmental justice efforts,” will supposedly “advance racial equity.”

Washington, especially today’s Democrat-led government, doesn’t solve problems, it subsidizes them. Consider that “environmental” money dump as an example. Under the new Biden proposal, the Environmental Protection Agency budget will be “boosted to \$11.9 billion, a rise of 29 percent from the enacted level for 2021. Biden seeks to enlarge EPA’s staff by 1,900 full-time equivalents, reversing a trend of staffing reductions under the Trump administration,” according to Nathan Worcester in *The Epoch Times*. He has more in this regard:

More than \$18 billion would go to climate resilience and adaptation, a major winner in the recently passed omnibus legislation....

The budget would also provide \$47 million in environmental justice-related funding to the Department of Energy and \$1.4 million to establish a new Office of Environmental Justice within the Department of Justice.

Biden’s budget would also devote \$11 billion to international climate finance, including \$1.6 billion for a Green Climate Fund, a program said to fund climate adaptation and mitigation in the developing world.

Equity is a dominant theme both in the climate-related funding and elsewhere in the spending proposal.

There are, per the *Epoch Times* account, at least 75 instances in which the proposal summary “uses the word ‘equity,’ or close variations thereof.”

We’ll take an educated guess: The (more accurate) words “boondoggle” and “flimflam” don’t appear at all.

The Biden budget reminds us of the one fixed rule in government: The less it is worth, the more it costs. And we do mean *cost*.

The GOP leader on the House Budget Committee, Missouri Representative Jason Smith, commenting on the Biden FY23 budget, said (paraphrasing a bit) that it would:

- fuel the nation’s inflation crisis, with the highest sustained level of government spending in American history — a \$7.3 trillion yearly average;
- serve as a drag on America’s economy, with the highest sustained tax burden in American history — including \$2.5 trillion in new taxes, rising up to \$4 trillion when including hidden taxes from the Build Back Better bill; and
- magnify the country’s debt crisis, with the highest sustained level of deficits in American history — leading to \$1.1 trillion yearly debt interest payments by 2032, a sum 1.5 times what we will spend on Medicare this year.



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Alternatively viewed, according to Budget Committee calculations, such debt interest payments would be 11 times that of veterans' healthcare spending this year. Or, dramatically, debt interest payments would be 1.4 times the entire defense budget this year.

It wasn't that long ago that Joe Biden could be found as a headliner at traditional Democratic "Jefferson-Jackson" dinners, fundraising events so titled to honor those American leaders. Nowadays, however, political wokeness has forced those very historic names to be dropped into the memory hole.

And Biden and Democrats in general have also discarded Thomas Jefferson's warning about spending and resultant government debt. Writing in retirement, in a letter to his friend and fellow Virginian John Taylor, Jefferson observed that "the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale."

Or, in Joe Biden's somewhat less motivating words: "C'mon man."

William P. Hoar is a longtime writer for The New American and its predecessor magazines.



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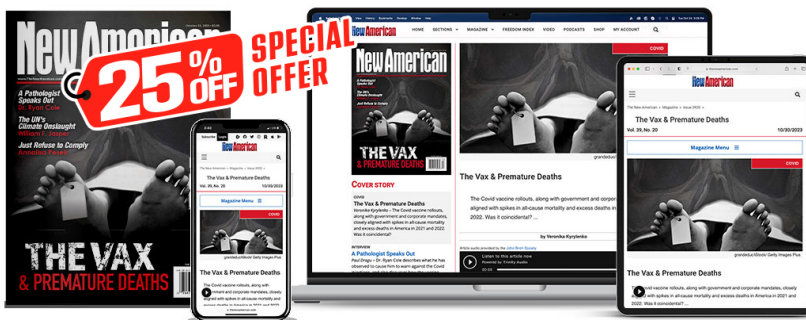
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