

The Left Is Right — Taxes Are a Moral Issue

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One principle that all those on the left hold is that taxes constitute more than an economic issue; they are, first and foremost, a moral one. Economists on the left may argue for higher taxes on economic grounds but they and we know that at bottom, higher taxes, especially “taxing the rich,” is what they believe morality demands.

For example, there are obviously only two possible ways to reduce government deficits: reduce spending or increase taxes (or some combination of both). The left advocates the later; the right advocates the former. Left-wing spokesmen, such as New York Times economics columnist and Princeton University professor of economics Paul Krugman, may offer economic arguments for raising taxes in order to lower government deficits, but their real motivations are moral: reducing economic inequality (by redistributing income) and expanding government (because government is the most effective way to help all citizens).

Now, as it happens, not only is there is nothing wrong with being animated by moral concerns — we should all be. The problem with the left's advocacy of higher taxes is not that it is rooted in moral concerns. The problem — actually the two problems — are these:

First, higher taxes are rarely morally defensible. In fact, on purely moral grounds — in other words, even if they did effectively reduce the deficit without paying an economic price for doing so — they are usually not moral. More on this below.

Second, higher taxes are usually economically counterproductive. This does not matter to the left, however, because economic growth is not what most interests the left. Since Karl Marx, the left has always been far more interested in economic equality than in economic growth. It is true that liberals such as John F. Kennedy were more concerned with economic growth than with economic equality — which is why he advocated lowering taxes — but for much of the last century, unlike today, there was a major difference between liberal and left.

Now to return to the moral arguments, my difference with the left is not that I oppose morality dictating economic policy. I believe, in fact, that virtually all social policies should be rooted in moral concerns. My difference with the left is that I am convinced that moral considerations dictate lower, not higher, taxes.

It is too bad that libertarians and conservatives rarely take on the left on moral grounds because the left's moral foundations are as weak as their economic foundations.

The very notion of an income tax is morally debatable. On what moral grounds can the state force a citizen essentially at gunpoint to give away his legally and morally earned money? Why isn't taxation a form of legalized stealing? The obvious answer is that common sense dictates that citizens have the moral right, even the moral obligation, to vote to give money to, at the very least, enable a government to fund a police force, sustain a national defense, and help those incapable of helping themselves or of being helped by others.

But at some point beyond that, taxation becomes nothing more than legalized stealing. Obviously, people will differ over where exactly that point is, but no rational person disputes that such a point exists. No one could argue that a 100 percent tax — even if it paid for every need every member of the society had — was moral and not simply a form of theft.

So moral problem No.1 with taxation is the morality of forcing other people — under threat of violence — to give their money away.

A second moral problem is having some people give at a greater percentage rate than others. The biblical notion of tithing, for example, is entirely universal — everyone gave a tenth what he had. No

one was forced to give half while others gave a tenth.

A third moral problem is allowing those who pay no tax (such as the federal income tax) to vote on how much others will be forced to pay. It is quite difficult to morally defend the fact that about half of Americans pay no federal income tax, yet they determine how much the other half will be forced to pay.

A fourth moral problem is that the higher the taxes, the more decent people become cheaters. One of the leading religious ethicists of our time, Rabbi Joseph Telushkin, author of two volumes of Jewish ethical law, told me years ago when he lived in Israel during the height of its socialism with its correspondingly high taxes that he witnessed the finest citizens, religious and secular alike, having to cheat on taxes or be rendered impoverished. I have never forgotten that.

I know no one in America today — and I know extraordinarily honest and generous people, liberal and conservative — who does not in some way “cheat” on taxes — as, for example, reporting expenses as business expenses that are not really so. I place the word cheat within quotation marks because not all cheating is illegal. Some people figure out how to avoid paying what the law demands through completely legal, but ethically questionable, means.

At a certain level of taxation, virtually every honest person is reduced to cheating either legally or illegally.

A fifth moral problem is that the higher the tax rate, the lower the charity rate. This is universally true. The more people give to the state, the less they give to their neighbor — and even to members of their family — in need.

And sixth and only finally because of the limitations in size of a single column, the higher the taxes, the less people are inclined to work hard. Why should they? At a given point, people just conclude that work is for suckers.

And I haven't even begun to discuss the economic failings of higher taxes.

So, next time someone on the left advocates higher taxes, remember two things: He or she is coming from a moral, not an economic, position. And the moral case against higher taxes is far more powerful than the moral case for them.