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# It's tax time, don't grumble

## Our taxes go to good use, gladly pay your income tax

"I earned it, it's mine," many grumble as they file their tax returns.

Rather than grumble, we should view April 17 (usually it's April 15, but it's been delayed because of the weekend) as a day for honoring America. Indeed,

**Mark** if you were a citizen of virtually  
**Martinez** any randomly picked country,  
your opportunities to secure  
wealth would be limited.

We may dicker about tax levels, but taxes are the price we pay for living in a country that grants us the opportunity to get rich.

One who understood this was publisher James Gordon Bennett who, upon John Jacob Astor's death in 1848, wrote that half of Astor's \$20 million estate belonged to New York City. Why? Because Astor's wealth "had been augmented and increased in value by the aggregate intelligence, enterprise and commerce" of the city.

Bennett would no doubt make the same point about Bill Gates, or the founders of Google. They're successful because of hard work, but also because the U.S. long ago decided to educate, protect and facilitate the commercial prospects of ordinary Americans.

We understood a market economy wouldn't emerge if people are so hungry they can't work, so uneducated they can't make decisions, or so fearful they won't shop or toil.

Does anyone really believe Bill Gates would be who he is if he'd been born in Pakistan? Would Steven Jobs have created Apple Computer as a Bolivian? What if billionaire George Soros had stayed in Eastern Europe?

The point is that discounting the role U.S. institutions and its citizenry play in creating wealth ignores how society creates the conditions under which wealth accumulation is possible. Those who believe they "made it on their own" overlook how governments build free markets by encouraging a consumer mentality, preparing market ready citizens and promoting the conditions that lead to wealth creation.

Unnoticed, for example, is how favorable legislation has secured, sustained or enhanced wealth throughout America's history. Kevin Phillips writes in *Wealth and Democracy* how many of America's greatest fortunes — from war financiers and privateers, to real estate and railroad tycoons, to steel, oil, auto, and financial empires — were enhanced or made possible by decisions made in Washington.

Indeed, Phillips writes that through the early 1800s, "every millionaire in America owed a fair part of his wealth" to government connections. More specifically, great wealth accumulation wasn't simply a product of "invisible hands" and laissez-faire policies, as many like to believe after reading Adam Smith's "The Wealth of Nations." On the contrary, great wealth goes hand in hand with government policies.

Adam Smith also had an interesting take on taxes. Sam Fleischacker, author of "A Short History of Distributive Justice," reminds us that Smith supported progressive taxation to reduce poverty, create access to public health and to increase opportunities. He recommended, for example, higher road tolls on luxury carriages so "the indolence and vanity of the rich" could be made to contribute to "the relief of the poor."

Many ignore this aspect of Adam Smith and, instead, point to biblical passages, like the Parable of the Talents. In the parable, Jesus admonishes an individual who sits on money given to him. Two others are praised for investing and earning more. Jesus, I'm then told, smiles on wealth accumulation.

This misses the point. The parable isn't about money. It's about diligence and hard work. The parable tells the clever to enhance their intellect by studying. It tells the artist to hone their skills and create. Society is improved when doors are opened for everyone to develop their gifts. This happens only when government has the means to keep these doors open.

"I earned it, it's mine" needs to be replaced by "thanks for the opportunity, here's my share." We also need to start recognizing how material wealth is made possible by the cumulative discipline of ordinary Americans and because of opportunities created by government policies and institutions. If you think otherwise imagine your condition if you'd been born in Bangladesh.

On balance, April 17 isn't really a bad day.

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