

Let's Schmooze

Other issues of *Let's Schmooze* can be found on the web at www.heirling.com

the Haves & the have-Nots ~ a Tax Solution

Everyone agrees that equality among us is a beautiful thing. It allows us to find a certain chimerical comfort in the imagined assumption that the way that we run things amongst ourselves is fair to everyone involved. Conversely ~ inequality is viewed as ugly, and grossly unfair.

Unfortunately, a few very wealthy people ~ the top one percent of humanity ~ hold just about as much wealth as the rest of us. Obviously, glaring inequality seems to be an abiding and increasingly dominant aspect of world society today.

Think about it for a minute. A relative handful of individuals owns as much wealth as about 7 billion other individuals. There's something so wrong with this picture! This kind of situation will eventually result in violent class struggles. For humanity, economic inequality is as much a ticking time bomb as our toxic environment.

In America, wealth inequalities are getting to be such a public issue that presidential candidates make wealth equality a major plank in their election platforms.

We need to quickly change our wealth distribution rules so that wealth per se gets rapidly spread around to a lot more people. We really don't want to go thru the French Revolution again. It was a nasty, bloody affair. It was all about wealth distribution ~ or more to the point ~ the abysmal lack of it.

We're arriving at that same scenario ~ this time all over the planet. It would be nice to avoid repeating the horrors of the French Revolution, especially at a global level.

Can you imagine the monstrosity of the French Revolution on a planetary scale?! Heads rolling everywhere! Blood running in the streets! That's what gross wealth inequality will

bring to us. Could it be that highly-resented economic inequalities are factoring into the Islamic State phenomenon?

Think about it. Our streets are becoming increasingly plagued with seemingly random violence? Is it really so random, after all? Or, are a lot of folks nursing deep grudges, not so quietly now?

Here's a first step in the right direction ~ repeal special tax treatment for long-term capital gains. Why should wealth generation via capital be privileged over wealth generation via labor? Or, over wealth generation via interest? Or, over wealth generation via gambling? Or, over wealth generation via rents? Or, wealth generation via small business mom-and-pop profits?

Tax all income ~ whether capital or wages or interest or gambling or rents ~ on the same playing field ~ and at the same rates.

Why should we tell investors that they will get a lower tax rate on capital gains if capital investments are held for at least a year ~ if we are unwilling to tell wage earners that they will get a lower tax rate on their salaries if they hold their jobs for at least a year? There's a certain lack of equity in that!

Eliminating capital gains tax favoritism would be a good step (1) toward reducing wealth inequalities between the haves and the have-nots, and (2) toward mitigating the populist angers that are rapidly surfacing around the globe.

We need to inject a renewed sense of fairness into our economic systems. If we don't, they will eventually collapse like a house of cards as players increasingly realize that the game rules have been stacked against them.

Greed can kill. What is that popular saying? "It's all right to be a pig, but hogs get slaughtered."

Let's start spreading the wealth of capitalism more generously before too many people feel that they have been so cut out by the system that they have nothing to lose by resorting to violent objection.

~ 'til we meet again ~