

A PROGRESSIVE TAX STRUCTURE

By Richard Duffee

Many of the worst features of American life are caused by our extreme differences between the rich and the poor. Of the 21 most developed countries, the US has the greatest extremes of wealth. Statisticians find that crime rates rise with increasing distance between the rich and poor and fall with decreasing distance. The same is true of death and morbidity figures: only one country, Luxembourg, has greater income (adjusted for purchasing power parity) than the US, but 25 have greater longevity, and all but one of them have less money but more evenly distributed wealth. I advocate Sam Pizzigati's draft law requiring that no CEO can earn more than 10 times what the lowest-paid employee earns, so that if a CEO wants a raise, first he has to give a raise to the janitors.

I make the reduction of disparity of wealth—by increasing the steepness of progressive tax structures, by eliminating regressive taxes and reducing flat taxes, as well as by laws linking highest and lowest incomes—my fifth priority for multiple reasons. Besides reducing crime and improving health, I will argue that it will increase the desire for education, the capacity to get useful education, and the appropriateness to their own personalities and desires of the education individuals will seek, all of which improves the welfare of us all. I will also argue that increased equality will decrease the impulse to use drugs, which is an effort to escape from the social pain of disrespect the flourishes in all unequal societies. Most importantly, increasing equality will also lead to increased democracy.

The Law of Diminishing Returns is as relevant here as it is to Priority 3. The Law implies that any transfer from a richer person to a poorer person increases human benefit while any transfer from a poorer person to a richer person decreases it. I would follow every one of Mark Zepezauer's recommendations in *Take the Rich off Welfare*.