

Lawmakers should reject proposed tax cut for rich

By Roland F. Chase

Guest view

The stated justification for the proposal to give tax cuts to the wealthiest 1 percent of all Rhode Islanders is that it will bring new jobs to Rhode Island. But this proposed legislation raises several other important issues. Whether new jobs will be created, legislative leaders ought to consider:

■ **Growing income disparity.** A recent article in *The Newport Daily News* reported that the income gap between the rich and the poor in the United States has become the greatest of any industrialized nation. Two days before that, *The Daily News* quoted the Rhode Island Public Expenditure Council as saying that 20 years ago the wealthiest community in Rhode Island was three times richer than the poorest community per student. Today, the richest per-pupil community is 18 times richer than the poorest community. There are more millionaires and billionaires than ever before – and more soup kitchens and more children growing up in poverty than ever before.

This dismal trend will be exacerbated by lowering taxes for the richest few. Ironically, considering that most corporate executives are true-blue Republicans, giving this kind of boost to the wealthy tends to posthumously validate an old communist prediction. Under capitalism, the communists argued, the rich grow richer and the poor grow poorer.

■ **Fundamental unfairness.** Fair play and fundamental fairness are bedrock ideas in American society and government. This is especially true in Rhode Island. The Rhode Island Constitution provides: All free governments are instituted for the protection, safety and happiness of the people. All laws, therefore, should be made for the good of the whole; and the burdens of the state ought to be fairly distributed among its citizens. (Article I, Section 2.)

This proposed tax legislation is fundamentally unfair. It reduces the tax burden on the richest citizens – those most able to afford it – and increases the tax burden on those who

have less money. Enactment of this proposal is estimated to cost the state \$42 million in tax revenues. That money will obviously have to come from other taxpayers.

So the rich pay less and the poor pay more. It is pretty hard to argue that under this law the burdens of the state will be fairly distributed among its citizens.

■ **Publicly sanctioned greed.** According to the newspaper reports, the people pushing the legislators (who appear all too willing to be pushed) on this issue are business leaders like Terrence Murphy, CEO of Fleet Financial Group, and Thomas Ryan, CEO of CVS Inc.

These men are business leaders not because the newspapers call them that, but by virtue of their positions. These are the leaders that all the MBA students in the nation's business schools look up to. These business leaders get invited to speak at university and college commencement ceremonies, where they often pick up honorary degrees as great benefactors of mankind.

But let's be honest. What they are really saying in pushing this legislation is not anything like the lofty ideals they may preach at graduations. In effect, they are saying this: "One, two million a year? Plus stock options? That's not enough. I want more!"

There's a name for that attitude: greed. And greed is not just a private character flaw. It has a strong negative impact on others, especially young people.

In the wake of recent murderous outbreaks of violence, many people have called for a renewal of community spirit, neighbors caring for each other, drawing in the outsiders and loners. But publicly sanctioned greed does just the opposite. It corrodes community spirit, separating further the haves from the have-nots, and it increases envy and anger and distrust among the people.

Greed is not the same as wealth, and this is not an attack on rich peo-

ple. Many of Newport's wealthy, imbued with a strong sense of noblesse oblige, have contributed greatly to our community. They helped build Newport Hospital and many churches, served on municipal and charitable boards and commissions, and have given generously to worthy causes. All Newport residents, not just the rich, would be impoverished without the mansions and beautiful estates on Bellevue Avenue.

Greed is basically the insatiable drive for more, more, more for me, me, me. It is not good for our state or our communities, and we should not build it into our tax structure by enacting this legislation.

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