

Letters from our readers

18 December 2010

On "Congressional Democrats ensure passage of Obama's deal to extend tax cuts for the rich"

As usual, a concise and accurate analysis of the current tax legislation from a perspective all but ignored by the mainstream media. There are, I respectfully suggest, three additional issues of which WSWs readers should be aware.

(1) The current debate in the mainstream media about the specific merits of the legislation is largely intellectually and politically fraudulent. The primary tax burden on many working and middle class people results from state sales taxes and local property taxes *not* federal income taxes. State sales taxes are forced exactions of wealth on the necessities of life (food; gasoline for transport back and forth to work; home heating oil etc). Property taxes are levied on the family dwelling, whether a freestanding house or some type of common ownership unit. Failure to pay the latter will result in the forfeiture of the home to the state or municipality. When these taxes are figured into the budget of a family of four (father; mother; two minor children earning say \$40,000 per year), that family's actual tax rate may approach anywhere from 25 percent to 50 percent of its income. Corporate media nowhere mentions this fact. Questions about the arcana of federal income tax law in these circumstances are therefore largely irrelevant.

(2) Framing the debate in terms of federal tax policy issues (tax credits v. tax deductions; depreciation of capital expenditures by business v. immediate deduction of certain costs as current expenses; etc.) limits the debate to the language of the high priesthood of "business people" (lawyers, investment bankers, accountants, brokers, speculators). This language is largely incomprehensible to most average people and has the effect of shutting out of the debate questions about what economic policies would actually increase employment, such as direct hiring by the government

through federally financed jobs program. Think TVA, WPA, etc. These high priests of banking; finance and law are, parenthetically, largely though not exclusively responsible for the present economic crisis.

(3) Even President Obama's apparent choice to head the Council of Economic Advisers, Austan Goolsbee, does not believe tax incentives lead to new investment. See Rortybomb September 8, 2010, "What Can Goolsbee's Early Academic Work Tell Us About the R&D Tax Credit?" Quoting the blog: "Austan Goolsbee's dissertation and early influential work is actually on investment tax credits. The answer: most investment tax credit, when aggregated does not lead to new actual investment, but is actually paid off in rents."

Sincerely,

Peter L

Connecticut, USA

15 December 2010

On "Up to 50 refugees drown off Australian coast after authorities fail to intercept boat"

The deaths of the 50 refugees are the direct responsibility of the Australian government. Such criminal inaction only proves that Australia's government is an executive department of that country's corporate sector, and is a sentry post for Washington's interests in the Asia-Pacific region. There is no other conceivable reason why a group of refugees in dire emergency were willfully ignored.

Rahul G

India

16 December 2010

On "Richard Holbrooke: Long-time operative for US imperialism"

Nice essay. Holbrooke always did remind me of Luca Brasi.

Greg S

New Hampshire, USA

15 December 2010

Brilliant obituary. Well written; good rendition of facts. Keep up the excellent work. Loyal reader here.

Mgreg

15 December 2010

On “US spy agencies paint grim picture of Afghan war”

The entry of the American tanks is a harbinger of defeat—useful in the cities and worthless in the mountains. To quote a Russian general from the last Imperial fiasco, “I’d rather have one Afghan on a donkey than four Russians in a tank,” or words to that effect. And while the American troop withdrawals will be cosmetic, Germany, France and Britain now appear publicly committed to withdrawal whatever the Americans do. It is noteworthy that Iraq is now an all American affair. It seems that soon Afghanistan will find itself in the same position.

The bonds forged in the Cold War are melting in a small-scale hot war. And that means they must have already attenuated considerably.

Chris

Ireland

16 December 2010



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