

## **Taxes: Another point of view**

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I have heard an awful lot of talk lately about taxes. Negative talk. People say they're too high, mis-managed, and ineffective. Maybe this wouldn't be such bad talk if it weren't so dangerous. Dangerous? Yes. Bear with me a moment, and I'll explain. But first let's take a look at the taxes.

Here's the deal. We are a free people. The government works for us. Like any employer, we need to pay the bills for this service. We "the people" have elected to do this through a variety of fund-raising mechanisms collectively known as taxes. Let's do the math. A person making \$40,000 a year and living in a \$50,000 house can expect to pay about xxx a year in all forms of direct taxes.<sup>1</sup> This figure includes property tax, income tax, and sales tax. Those little invisible taxes you never know you are paying like gas tax, cigarette and alcohol taxes are harder to calculate, but probably don't add up to more than an extra 2 or 3 thousand dollars a year.

There are some creative accountants out there that can generate a figure of 75% taxation but they are a very imaginative group. But I am a bot more realistic and figure that this average person I am using in this example pays about 20% or a total of \$8,000 to the government<sup>2</sup> to pay his share of the bill.

Is it too much? Think seriously about this for a minute, and if you don't mind, consider the good of the country in addition to direct and personal services. Starting at the top, we get to live in a free country. How much a year is that worth to you? We get the interstate highway system. We get to have our garbage picked up at the curb. We get water on demand and are assured of its purity. We get schools for our children. We get police protection and fire protection.

Hey, wait! Stop right there. Write a number down on a piece of paper for how much you would pay for police and fire protection if you had to pay a private company for the service. Now write some other numbers down. What did the smoke detectors

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<sup>1</sup> Calculations vary from 5 to 10 thousand depending on state and city of residence. The real number is irrelevant to the discussion.

<sup>2</sup> Includes all levels of government combined.

in your house cost? What's the monthly charge on your security system? Now get out your property tax bill and see what the 24-hour protection cost you.

Now, the already negative among you are going to say that you wouldn't need a private security system if the police did a better job in the first place. Maybe so, but if you took all the money people pay for private security and gave it to the Chief to add to his budget, you probably wouldn't need the security system.

So what else do we get? When we go to the restroom we don't need to go outside anymore to a special little house. There is an entire system, a bureaucracy, in place to run pipes right inside your house and carry away all your waste, treat it to national standards of purity that exceed drinking water standards in most other countries, and dispose of it. How much would you pay for that? According to my calculations, I pay about 8 cents per flush. Think about it. Less than a dime to use the indoor restroom.

Consider the price of water. Here in St. Petersburg, it's about twenty-five cents per thousand gallons. Think about that. Now think about the price of the bottled water: anywhere from \$2.00 to \$4.00 per gallon. That's 14 thousand times more expensive than water that, in this area, comes from the same place. And the one delivered to your house through pipes is the cheaper one of the two. Do the math. Let's consider only the water we drink and not the water for the showers and laundry. At survival levels, a person needs two quarts of drinking water a day or 15 gallons per month. From private sources, that's 120 to 240 dollars a month. From the government, it's less than a half a cent. In a broader perspective, the private water cost for one month of just drinking water would pay for the entire year of the entire water consumption for our typical household.

How about all the local roads? The traffic lights? Ambulance and 911 service? I guess my point here is that if you sit down and itemize the bill, it's a pretty good deal. As a matter of fact, it's such a good deal that all this negative talk just starts to sound like so much whining. So much "me first"ing that it makes me ill.

Now let's go back to the mis-managed, ineffective, and dangerous part. Let's start with ineffective. We can drive across the country in two days and feel safe in almost any community along the way. We can sleep at night free from the threat of invasion. We get reliable utilities and services. Are they the best? No. Are they effective? Pretty much. But there is room for improvement and that brings us to the charge of being mis-managed. Let's accept a few premises right up front. There will be poor managers in

any organization. Period. There will also be excellent managers in any organization. If the balance tips one way or the other, the result, good or bad, is obvious. The organization achieves remarkable things or goes bust.

To achieve the remarkable, all throughout history, organizations have relied upon the ability to compensate and motivate those in the organization. No one in government service is any different. They need motivation and they need to be paid. If we as the stockholders of this organization want to have a better product, we need to face the reality that we must pay and motivate those whom we have hired to run the company. We must always remember that the government has no money of its own. It only has a collection of little pieces of all of our money. If we want better service, we need to become involved as participating shareholders. We must both motivate and compensate the staff.

So why is this dangerous? All the negative talk about taxes and the services received really can't stand the scrutiny of fact. The fact is that we have good government. The fact is that it responds to the input it receives from the stockholder. The fact is that most stockholders forego the opportunity to communicate with their government. The government then responds only to those who do make the effort. The result is that the input and direction may not always reflect the general wishes of the majority of the people, but only the special interests. This creates an "us and them" perception between the common citizen and the government, but it is a totally false and manufactured perception created by various spin doctors in order to accomplish personal agendas.

When this transition is successful, we will truly have an us and them government and the revolution will follow.