

Wealth Creation or Redistribution

A Hockey Mom's Defense of Joe the Plumber

During the third and final 2008 presidential election debate John S. McCain sought to emphasize an important ideological divide between the Republican and the Democratic parties. In order to bring home his point McCain evoked a televised campaign-trail conversation between his presidential rival Barack H. Obama and a once obscure, now enormously popular, unlicensed plumber from Holland, Ohio with back-taxes -- Samuel Joseph Wurzelbacher. The reason for this evocation was Obama's reply to Mr. Wurzelbacher when he questioned the Democratic candidate about his proposed tax reforms:

"I think when you spread the wealth around, it's good for everybody."¹

Just how misleading was it then, when Alaskan Governor Sarah Palin, John McCain's Vice Presidential running-mate, later commented at a West Chester, Ohio rally, "Joe suggested that that sounded a little bit like socialism"?² The answer to this question can be obtained by examining the full context of Obama's statement. This is what he said just prior to the above comment,

"It's not that I want to punish your success. I just want to make sure that everybody that is behind you, that they have a chance for success, too."³

The keyword in the above text is *chance*. In other words, it is not a matter of taking one person's wealth and giving it to another for the other's consumption, rather it is a matter of making sure that everyone has an equal chance at earning the same.

It is common knowledge that wealth begets wealth. The logic behind this statement is both simple and straight forward. In short, wealth that does not get past from one generation to the next through inheritance, gets past through educational opportunity. Few people argue that parents should not be allowed to choose the best schools for their children, but the choices available to a child born of poor parents and one born of wealthy parents are simply not the same. As a result, children of poor parents tend to receive a poorer education than children of rich parents. Now, one may argue that poor parents can work harder and provide better for their children in order to overcome this disparity, but this argument is simplistic and distorts the reality of the human condition.

With the exception of the some of the homeless, wealthy people tend to be more mobile than poor people. This is because wealthy people, in part, are less dependent on local community for their survival. If a wealthy family or individual suffers from a medical or employment crisis, it is generally well-insured and has a store of wealth (savings) on which it can draw to weather the crisis. Because poorer families have trouble meeting their daily needs, they are often uninsured and have little or no savings. As a result, they must rely on the good will of their neighbors -- people with whom they have often associated for many years. Thus, even when better job opportunity offers itself elsewhere, they cannot simply get up and leave. Furthermore, poor communities tend to receive less of all vital public services including police protection, educational opportunity, and basic health care -- things that people from wealthier, more mobile communities take for granted. As a result, social pockets of poverty develop from which it is very difficult to escape.

There is also the psychological factor. It is one thing to get up early every morning and go to work when most of your neighbors are doing the same. It is quite another to do it, when you are the only one -- unless, of course, you are born of very special parents -- Senator Obama, for example.

If I have understood well the Obama/Biden ticket, then it is not to redistribute consumption opportunity from the rich to the poor; rather, it is to deny the rich a portion of their consumption, so as to increase the investment opportunity of the poor. This, in my book, is national wealth creation -- not redistribution.

¹ http://www.usatoday.com/news/politics/election2008/2008-10-16-joe-plumber_N.htm

² <http://www.local12.com/mediacenter/local.aspx?videoid=34713@video.wkrc.com>

³ <http://toledoblade.com/apps/pbcs.dll/article?AID=/20081016/NEWS09/810160418>