SOME THOUGHTS ON HAMILL, THE TWO KINGDOMS, AND THE ETHICS AND LOGIC OF HIGHER TAX RATES AND REDISTRIBUTION

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Abstract

According to Susan Hamill, Judeo-Christian ethics call on us to raise marginal tax rates. Hamill bases this on the belief that higher taxes will yield more income redistribution to the poor and make them better off. Whether or not tax policy ought to be based on religious criteria is beyond the scope of this article. What the article argues instead is that Hamill has an imperfect understanding of both ethical reasoning and of the relationship between taxes and the welfare of the poor. The problems with her ethical reasoning start out with the canard that higher taxes represent simple self-sacrifice. This fallacy allows her to blithely disregard any ethical problems associated with the coercive nature of taxes. Hamill goes on to argue that there is no conflict between her call for higher taxation in the name of Christianity and Boyd's call for Christians to focus on their own actions rather than on amassing power to coerce others. After considering Hamills ethical reasoning, this article points out that there is no clear positive relationship between higher tax rates and the welfare of the poor in the first place. For one thing, the actual allocation of government expenditures is influenced by a number of stakeholders and is not directly tied to current tax revenues. More importantly, higher tax rates are associated with a variety of disincentives for work and production. This may in turn slow down economic growth and thus reduce the future well-being of everyone, including the poor.

INTRODUCTION

Susan Hamill (2002a; 2002b; 2003, 2006) has argued that tax policy should be based on Judeo-Christian ethics, both when it comes to the overall amount of taxes to be collected, and also when it comes to the allocation of the tax burden. In particular, she argues that Judeo-Christian ethics mandate progressively higher marginal tax rates to support income redistribution. Most recently, Hamill (2013) wrote an article in this Journal responding to critics who see her tax arguments as incompatible with Boyd's (2007) argument on the dichotomy between God's kingdom and the kingdom of the world.

Whether tax policy should be guided by religion is a normative question and, as such, not subject to logical refutation per se. But, as they say, the devil is in the details and Hamill's reasoning about exactly what it means for tax policy to be based on Judeo-Christian ethics is at times confused and even based on logical fallacies. Moreover, in making her case, Hamill makes a number of dubious suppositions about the nature, purpose, and effects, of taxes. Whether or not tax policy ought to be based on religious criteria is beyond the scope of this article. What it argues instead is that Hamill has an imperfect understanding of the economic effects of taxes and redistribution and that the ethical issues at hand are neither as clear-cut, nor as simple, as she pretends.

The next section takes a closer look at Hamill's moral claims and how they fit basic criteria of different ethical systems.

The coercive nature of taxation notwithstanding, Hamill presents higher tax rates as self-sacrifice. This is a foundational slipup that undermines the rest of her ethical arguments. Coercion is not self-sacrifice. Moreover, contrary to her assertions, forcing higher tax rates in the name of Christianity is profoundly at odds with Boyd's (2007) two kingdom ideas. Boyd argues that worldly power not only changes, but also corrupts, the Church. He wants Christians to focus on the justice and decency of their own actions, and he specifically rejects strong-arming to force others to submit to Christian power. Hamill's call for higher taxes in the name of Christianity is thus plainly inconsistent with Boyd's call for Christians to focus on the kingdom of God rather than the kingdom of the world. Hamill's protestations to the contrary are at best obtuse.

The third section of this article then takes a closer look at the relationship between tax rates and the welfare of the poor. Hamill implicitly presumes (1) higher marginal tax rates will yield more tax revenue, (2) more tax revenue will yield more redistribution to the poor, and (3) this will make the poor better off. None of this is necessarily true. In fact, higher marginal tax rates may well end up making the poor worse off. This is due to a variety of reasons ranging from the disincentive effects of current redistribution programs to dynamic effects of tax rates on economic growth and social mobility.

ON HAMILL'S MORAL CLAIMS AND THE TWO KINGDOMS

To put Hamill's arguments in context, it is helpful to first review some of the basic ideas of ethical theory. Moral principles can focus on motives, intentions, quality of actions or consequences of actions. While there are a number of different ways to classify moral claims, traditionally we group ethical theories into three broad categories: deontological ethics, consequentialist ethics and virtue ethics. Deontological ethics, or deontology, judges our choices and actions based on their inherent propriety. Deontology thus prescribes right actions and proscribes wrong ones. It stresses our duty and obligation to act in a particular way. By contrast consequentialist ethics, or consequentialism, judges our actions by their consequences rather than by the nature of our actions per se. In other words, it judges actions by their context rather than by their inherent compliance with specific rules. Lastly, virtue ethics focuses on virtue and character rather than either actions per se, or consequences of actions. Instead, virtue ethics judges our actions in terms of how our actions define both who we are and who we aspire to be (Jonsson, 2011).

In practice, these classifications are not always all that clear cut, as ethical systems often bridge these categories. Moreover, it is often possible to interpret the specific tenets of an ethical system in different ways. Thus, while a set of specific behavioral rules may seem deontological, it may be intended to achieve good outcomes (consequentialism), or to develop character, virtue, and sanctity (virtue ethics), rather than to achieve mindless compliance for its own sake.

In other words, the introduction of rules may reflect skepticism about human frailty and inability to achieve ideal outcomes, or to develop character, in the absence of such rules. In that case the rules are a means rather than an end. Consider, for example, the Ten Commandments: On the face of it the Ten Commandments are quintessentially deontological. Yet, it is possible to interpret them either as a guide to achieving a good and harmonious life, or as a guide to developing a virtuous character. Even the first four commandments (proscribing other Gods, graven images, or taking the Lord's name in vain, and requiring the keeping of the Sabbath) might be considered either a guide to ensuring a spiritual outcome, or else a guide to developing a spiritual identity and living a good life (Miller, 2009, Chapters 1-4; Abrami, 2010).

Most importantly, Christians who consciously follow the Ten Commandments do not just do so because they are told to, but also because their intrinsic ethical judgment is in accord with the Ten Commandments. In this the Ten Commandments are very different from, say, rules of traffic, or rules of grammar. Different countries have different rules for right-of-way in traffic and different languages have different rules of grammar and yet few would argue that one set of such rules is intrinsically more ethical than another. The point here is that the Ten Commandments are, at least to some extent, in line with our natural ethics and our moral intuition. This also applies to the so-called Golden Rule of treating others as one would want to be treated by them. As explained by Hannaford (1993, p. 107), the Golden Rule figures “prominently in all the world’s major ethical and religious traditions.” We can think of it as a rule, but we could also think of it as a guideline stressing care, concern and reciprocity in dealing with others.

Note that, for the most part, different ethical theories still end up with similar recommendations in practical everyday situations. Thus both consequentialists and virtue ethicists would generally object to stealing and killing, the former because of the results of these actions and the latter because these actions would define us as being devoid of virtue and decency.

With all of this in mind, let us consider Hamill’s moral claims a bit further. Hamill claims that her arguments on taxes are derived from Judeo-Christian ethics and that it is the duty of true Christians to vote for progressively higher marginal taxes on others to support income redistribution. Neither the Bible nor the Talmud addresses the issue of a proper tax structure directly. Yet, together the two have examples of four different tax systems based on head taxes or else proportional taxes (Chodorow, 2007).

As Chodorow (2007, pp. 53-54) points out, these tax systems were set up for a different time, dissimilar circumstances and diverse purposes, and thus none of them is directly applicable as a model for our times. But then again, the key fact is that none of these tax systems was progressive. Accordingly, Hamill’s case for higher taxes must rest on something else. It rests on things like Jesus’s repeated exhortations to the rich not to hoard wealth and take care of the crippled, the lame and the blind, etc. However, calling on someone to give voluntarily is not the same thing as taking from them by force.

Hamill's call for higher marginal taxes seems part deontological and part consequentialist. The deontological aspect is the supposed moral duty seems to take specific actions and vote for higher taxes. But to the extent that her argument rests on a series of implicit assumptions about outcomes of these actions, her argument is also consequentialist. Most importantly, she is not trying to convince Christians to contribute more of their own money voluntarily; she is trying to get them to vote for higher taxes that will also be enforced on others by the power of the state.

As made clear by Brassington (2007, Chapter 1), we want moral claims about proper and improper actions to be valid on two different levels. First, we want our moral claims on what constitutes forbidden, or permissible, or required, actions to be true in the sense that, in the context of our ethical framework, the actions in question are indeed forbidden, permissible, or required, etc. Second, we want our moral claims to change behaviors due to their merit and normative clout rather than through coercion. As Brassington (2007, p. 2) puts it: "I could change your behavior by putting a gun to your head: this would give you a very good reason to do as I said, but it would not be a *moral* reason, and the moral point would remain unmade."

Hamill fails on both of these levels. Clearly, neither the Ten Commandments nor the Golden Rule call on Christians to impose higher taxes on others. In fact, one could construe the 8th and 10th Commandments as ruling out taxation for the purpose of income redistribution. After all, as McGee (1997, p. 158) put it: "all taxation is coercive – some would say theft -- since it involves the taking of property without the owner's consent." It is hard to see how an action that some view as equivalent to theft could possibly be a moral obligation.

This brings us to Boyd's (2007) two kingdoms view on the role of the Church and on the moral obligations of Christians. Boyd's key point was that the Church should focus on spiritual nurturing and guidance and leave political issues aside; that the Church should stand for Christian love rather than Christian rule. As Boyd (2007, p. 14) put it: "While all the versions of the kingdom of the world acquire and exercise power over others, the kingdom of God, incarnated and modeled in the person of Jesus Christ, advances only by exercising power under others." Boyd (2009) further argued that being a good Christian was more about living a certain kind of life than about practicing a religion per se.

Boyd specifically notes that some of the greatest evils in history occurred when the Church had strict sectarian identity along with worldly power, which, he argues, corrupted the Church (Boyd, 2009, Chapter 1). In particular, the Church was very powerful under the so-called 'Bad Popes', at the time of the crusades, and at the time of the inquisition. That power in turn attracted the power hungry rather than the virtuous, the kind, or the spiritual. So, as Boyd sees it, to preserve its very sanctity, the Church needs to surrender its claims to political, or worldly, power.

Boyd's discontent with American evangelicals seems to focus largely on socially conservative groups such as the Moral Majority. Hamill shares Boyd's disdain for religious conservatives, so perhaps this explains why she wants to align herself with Boyd and his followers, thinking that the enemy of her enemy should be her friend. She insists that "the core message of my article is consistent with Two Kingdom Theory generally and Boyd's book specifically." (Hamill, 2013, p. 3) This conclusion, she argues, comes from the fact that Boyd believes "costly self-sacrifice must be at the center of kingdom of God responses to ambiguous kingdom of the world issues" (Hamill, 2013, p. 1).

Yet, contrary to Hamill's repeated assertions to that effect, her call for higher taxes cannot possibly be construed as a call for costly self-sacrifice; it is a call for coercive expropriation from others. We are all free to give any additional money that we have left over after taxes to government or to charity. Forcing higher taxes on others just in order to give up more of your own money makes little sense. So, Hamill's argument, that higher tax rates are necessary for self-sacrifice, is nothing short of preposterous; in truth the very idea is at once both obtuse and disingenuous. Yes, higher tax rates do force everyone to contribute a greater portion of their taxable income, but nobody who wants to contribute more is prevented from doing so. So, progressive as she may claim to be, Hamill's view of what it means to act as a Christian is clearly more akin to the social conservatives that she so despises than it is to Boyd.

The bottom line is that Boyd wants Christians to focus on themselves and their own actions, whereas Hamill wants Christians to amass power to compel others. When Boyd calls on Christians to be charitable, that is a far cry from calling on the power of the state to expropriate in the name of Christianity. The key issue is this: Ultimately the government's power, including its power to tax, relies on force and the threat of violence. As Mao (1966, p. 18) famously put it: "Political power grows out of the barrel of a gun." Sure, in a democracy, government force generally serves the majority's will. But it is still the threat of force that ensures everyone's compliance. Anyone who doubts this can test it by simply refusing to pay taxes and then resisting when law enforcement comes a-knocking.

Under strict majority rule, if the majority so desires, it can and will abuse the minority. Government power is often used to favor the friends and punish the adversaries of any given administration. This is why every major corporation now has an army of lobbyists operating in Washington, DC (see the lobbying database at http://www.opensecrets.org/lobby/index.php). It is simply self-defense. Those who refuse to play the lobbying game quickly learn that this has consequences (see Birnbaum, 2007).

The problem with government, just as with the powerful Church of the Middle Ages, is that its power inevitably attracts those seeking to exploit that power. The game of politics is played by autonomous agents, many of whom have their own hidden agendas. So government is rife with agency problems: situations in which decision makers act in their own interest rather than the interests of their constituencies or principals. This is why, as further outlined below, there is no guarantee that any tax increases will be used for their alleged purpose.

In any case, a self-sacrificing Christian seeking to improve the lot of the poor by contributing a sum of money is more likely to be successful by giving that money to some low-overhead charity than by giving it to government. Hamill consistently ignores and glosses over the existence of private charities. By focusing on government as the sole provider of support for the poor she exposes herself as a worldly statist. She seeks to make the state, through its tax policies, the enforcer of what she sees as Christian morals. In this she is in clear and direct opposition to the ideas expressed by Boyd (2007 and 2009). As Hamill sees it, if you oppose State expropriation and redistribution then you are simply taking a low-sacrifice position.

The fact, glossed over by Hamill, is that some Christians, followers of the Golden Rule, are sincerely concerned about taxes being collected through coercion and the threat of force. For that reason they want to rely on voluntary actions and build communities that are based on fellowship and good will rather than on State coercion. Hamill gives little credence to such concerns. Yet consider this: government waste is unethical according to *all* generally acceptable principles of normative ethics. The notion of a social contract suggests that government expropriation of income and assets should always be justified by necessity or, at a minimum, by the greater good.

Yet, government waste and pork, along with use of tax dollars and regulatory powers to reward supporters and destroy rivals, are now simply taken for granted by many Americans. We have come to accept that a certain amount of waste and corruption may be necessary to grease the wheels of government. Perhaps, in order to achieve the good things that government can give us, we need to accept some of the bad as well. So, the pragmatist view might be that while our government is imperfect, we are still doing the best that we can. Be that as it may, the point here is that using government with all its worldly flaws to enforce Christian charity is, at best, setting out on a slippery slope.

This is something that Boyd understands implicitly. It is specifically in this context that Boyd makes the distinction between the two kingdoms, the kingdom of the world and the kingdom of God. Boyd wants us to focus on the choices that we make and on how we can act to improve the lives of others. Hamill, by contrast, wants to take the choice out of it and leave it to State coercion to ensure everyone contributes their fair share. She wants government in charge of extorting taxes because she sees “tax revenues as necessary to fund reasonable opportunity because of natural human greed, which Christian theology identifies as inescapable due to the fall of human kind.” (Hamill, 2013, p. 10)

In short, Hamill rejects freedom since people might not do the right thing. Boyd, by contrast, is a strong believer in the test of free will. As he put it: “freedom which was prevented from being exercised whenever it was going to be misused simply wouldn’t be freedom” (Boyd and Boyd, 1994, p. 23)

Aside from all this, Hamill claims that it must be wrong for Christians to oppose higher taxes because there are conservative atheists who also oppose higher taxes and it would be wrong for Christians to ally with atheists. The fact that some liberal atheists do support higher taxes, and thus are on Hamill’s side in the tax debate, is apparently immaterial. Ad hominem guilt by association seems to be one of Hamill’s favorite rhetorical devices. Thus she condemned President Bush’s tax policy because “strong links between top advisors of the Bush Administration and Grover Norquist, the founder and president of Americans for Tax Reform, reflects [sic] the moral values of ethical egoism, also known as objectivist ethics, which is a form of atheism.” (Hamill, 2013, p. 15). Similarly, she ties Ayn Rand’s “low-sacrifice, objectivist ethics … with the trend of Christians viewing low-sacrifice political positions as evidence of genuine faith.”(Hamill, 2013, p. 45) Here is Hamill’s frenzied summary:

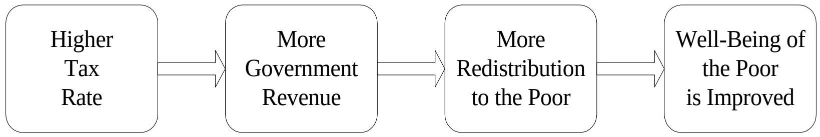
> Due to the higher personal sacrifice required by tax policy embracing the general moral standards of moderate progressivity and reasonable opportunity as compared to the substantially lower personal

> sacrifice of flat and proportional models backed by up the atheistic values of objectivist ethics, Christians have a moral obligation as part of maintaining allegiance to the kingdom of God to embrace the faith-based general moral principles and avoid being tempted by these atheistic principles. (Hamill, 2013, p. 58)

This use of the atheist boogeyman sets Hamill even further apart from Boyd. The atheist label alone allows her to dismiss ideas and beliefs without any further deliberation. Who made the argument thus seems to trump the argument itself. By contrast, Boyd's definitive work (Boyd and Boyd, 1994) was a collection of letters that he exchanged with his father who, at the time, was an atheist. While the two were initially at odds over religion, with the elder Boyd rejecting the Church as evil and "the Bible as a joke" (Boyd and Boyd, 1994, p. 18) their exchange is remarkably open-minded. The hallmark of these letters is that the younger Boyd was willing to entertain any idea, consider any objection, and answer any question on its own terms and without any prejudice apart from his faith. In fact, Boyd embraces skepticism and doubt and, in a forthcoming book (Boyd, 2013), he argues that being a good Christian is more about commitment than about belief in the face of uncertainty.

ON TAX RATES AND THE WELL-BEING OF THE POOR

Implicit in Hamill's call for higher marginal tax rates is the assumption that a higher rate would indeed yield improved conditions for the poor. Yet, it is far from obvious that a higher tax rate would have that effect. Whether it would depends on the following causation chain: (1) higher tax rates must yield more government revenue, (2) more tax revenue must yield more redistribution to the poor, and finally (3) more redistribution must make the poor better off. Hamill's implicit three stage line of attack is summarized in the following diagram:



Let us take a closer look at the implicit causation chain in Hamill's argument. First consider the relationship between marginal tax rates and government revenue. The more that government expropriates income through taxes, the less incentive there is for producers to generate taxable income. Higher tax rates thus create disincentives for work in the formal economy and incentives for both underground economic activities and tax evasion. Economists have long understood this (see Say, 1803, Volume II, Chapters 13-15) and there is little disagreement that at some point rising tax rates must yield decreasing total taxes revenues. Economists do argue about the exact shape of the so-called Laffer Curve, but the debate is more about things like the effects of individual differences (Spiegel and Templeman, 2004), or labor market frictions (Zanetti, 2012), than about the disincentive effects of higher taxes.

In fact, while current research suggests that there may still be some room for raising tax revenues in the US, it also suggests that the EU has already reached the point where "54% of a labor tax cut and 79% of a capital tax cut" would be entirely self-financing. (Trabandt and Uhlig, 2011, p. 327) At the EU stage, it seems, the point of taxes is not really about raising revenues as much as it is about ensuring that nobody gets too prosperous. This brings to mind the Russian joke about the poor dirt farmer who was envious of his neighbor's cow. When given a wish, he did not ask for a cow for himself, he asked for the death of the neighbor's cow. The EU's retributory taxation seems to reflect the same mindset.

We should also remember that to the extent that higher tax rates yield disincentives for work and production, this in itself affects the composition of government expenditures and transfers. If, as suggested by Smith et al. (2011, pp. 105-107), higher taxes tend to raise unemployment, then higher taxes must also spawn higher unemployment compensation expenditures, etc., and leave a smaller portion of revenues available for discretionary government spending. As economists define it, the labor force consists of the employed along with those who are unemployed. To be considered unemployed a non-working person must actively seek work. Anyone neither working, nor looking for work, is simply not considered to be in the labor force. Consider the disincentive effects of higher taxes and the need for income support in this context. With higher tax rates employers are less willing to hire workers, while on the supply side of labor fewer workers will seek work.

Higher tax rates thus tend to reduce the size of the labor force and also increase the portion of the labor force that remains unemployed. Obviously, taxes to support government redistribution are mostly paid by those who are employed while those who are either unemployed, or else discouraged from labor force participation altogether, usually need some form of government income assistance.

The point here is that income support for the unemployed and the poor, at least as it is currently structured in the US, has significant work disincentive effects beyond the direct effects of the taxes that finance that income support. Back in the Nineties, Tanner et al. (1995) demonstrated that total government income assistance for a typical recipient was not only above the poverty level; after adjusting for taxes, etc., it turned out that the total benefits of dropping out of the labor force were greater than the benefits of working full time at minimum wages in every State. Moreover, they found that:

> In nine states welfare pays more than the average first-year salary for a teacher. In 29 states it pays more than the average starting salary for a secretary. And in the six most generous states it pays more than the entry-level salary for a computer programmer (Tanner et al., 1995, p.1)

The disincentive effects at that time were obvious. In this context, choosing welfare over work was not about indolence and irresponsibility; it was about not being dumb. Since then some things have changed: TANF has replaced AFDC, fewer people receive housing assistance today, and the earned income tax credit has been raised to create incentives for work. Yet, in a forthcoming update of the original study, Tanner and Hughes (2013) suggest that in more than half the of the States the total package of benefits is actually greater today than it was back in the Nineties and that disincentive effects still abound, albeit the structure of these disincentives is a bit different than it was back then.

In recent years, work disincentive effects have been exacerbated by the so-called great recession and by recent changes in employer mandates on benefits for full time workers, etc. Most new low-skill jobs are now part-time rather than full-time. This means that the possible benefits of job search, when compared to public assistance, have fallen. Moreover, wherever public funds are available, demand for these funds quickly follows. For example, legions of lawyers now work full time finding ways to qualify unemployed workers with relatively minor health issues for Social Security Disability Insurance (SSDI). As Manchester (2013, p. 6) put it:

> When jobs are plentiful, some people who could qualify for the DI program may choose instead to work. Conversely, when jobs are scarce, such as in economic downturns, some people with disabilities may find that their employment opportunities are especially limited, and they will instead choose to apply for DI benefits.

Surely, many workers receiving disability pay do indeed desperately need it, but it is interesting to note that just since January 2009 almost six million people have been added to the Social Security Disability Program rolls. According to Manchester

(2013, p. 2) 10.9 million people received benefits from the program in January 2013, which represented 4.6% of the working age population (by comparison, in 1970 the percentage was only 1.3%). Moreover, as explained by Finger (2013) less than ten percent of those who enter the SSDI program ever leave it due to recovery from disabilities or to take a new job. Given current trends, the SSDI trust fund will be completely exhausted by 2016. It will take longer than that to exhaust the larger Social Security trust fund, but as it stands the Social Security program is simply not sustainable in the long run.

In 2012, Social Security and Medicare represented 38% of Federal Government expenditures and that percentage is expected to rise. Just consider this: in 2012 the assets of the social security trust fund increased by 55 billion dollars, but as pointed out by Gokhale (2013) at the same time the unfunded future obligations of the fund also increased by a trillion dollars, or by almost twenty times the increase in assets (see also OASDI Board of Trustees, 2013).

The point of all this is not to denigrate the genuine need for income support for the most vulnerable. The point is that when it comes to taxes and income redistribution in the US, we already face a serious adverse selection problem: to fund the ever increasing numbers of income support recipients we need higher taxes, but higher taxes rates would in turn create disincentive effects that would increase the number of recipients even further. This is already a vicious cycle that cannot be maintained beyond a certain point, at which time something must give. The rich are already paying most of the income taxes in the US. The top ten percent of income earners paid over 70% of all income taxes collected in 2010 and most of the remaining 30% was paid by people with above median incomes, while close to half of all taxpayers paid little or nothing (see Hargreaves, 2013).

By contrast, back in 1986, the top ten percent paid just under 55% of the total income taxes collected. And yet, the Federal deficit has now been above a trillion dollars each year since 2008 and the total Federal debt is now estimated to stand at $16.699

trillion (see CBO 2013). Virtually every expert agrees that the structural fiscal commitments of the Federal Government are simply not sustainable in the long run.

In any case, the disincentive and unemployment problems caused by high taxes in any period are still dwarfed by their dynamic implications over longer periods of time. When higher taxes crowd out private sector employment, savings, investment and capital expenditures, this also inhibits economic growth (see for example, Harberger, 1998; Smith et al, 2011; Piachaud, 2013). A reduction in the growth rate alters the path of the economy for all time and has cumulative effects. The effect of slower growth this year will be felt next year, and the year after, etc. Thus even relatively small short run effects can have a profound compounded impact over time.

Consider some simple numbers: if higher taxes reduce per capita economic growth by one percent per year, then after 70 years the overall cumulative effect would be an economy with only half of the per capita income that it otherwise would have had. And, if the reduction in economic growth is two percent per year, it would only take 35 years to reach a situation where per capita income would only be half of what it otherwise would have been.

The point here is that distortive taxation and disincentives in the short run do not just affect the taxpayers of the present; they affect the economic well-being of future generations. Higher taxes now are not just expropriation from the rich of the present; they take from everyone, including the poor, in the future. Higher taxes now will also reduce the government's future tax base and therefore limit the government's ability to raise taxes in the future for any purpose, including support of the poor. In short, there is a tradeoff between higher tax rates now and the welfare of the poorest in the future.

As Clark et al. (2007, p. 50) put it, income support for the poor may well "mean that in the future, all the poor are poorer than they otherwise would be." Moreover, since social mobility is tied to economic growth, slower growth reduces the likelihood that the poor will escape from poverty traps (see Clark et al., 2007, pp. 51-52)

But on top of this, even in the short run, there is no clear-cut one-for-one positive relationship between tax collections and government support for the poor. Government expenditures are influenced by various stakeholders, many of which have a lot more clout than the poor. These stakeholders include a variety of political cronies, pressure groups, corporations, regional special interests, government bureaucrats, etc., who are the recipients of a variety of pork projects, grants, and other government largesse (CAGW, 2012).

Moreover, whenever government funds are made available for any purpose, we quickly see an influx of rent seekers trying to snag some portion of these funds. Accordingly, government is also rife with inefficiencies, such as "fragmentation, overlap, or duplication among federal programs or activities" (GAO, 2013, p. 3) that are perpetuated by bureaucrats with a strong vested interest in the status quo. As explained by Friedman and Friedman (1984), once government sets up a new agency, or takes on some new function, it is all but impossible to ever get rid of it, no matter how ill-advised, wasteful, or useless, it is.

The problem, as outlined by McGee (2008) in his analysis of government actions both leading up to and in the aftermath of the Katrina disaster, is that government does not face any of the pressures of competitive markets. When private firms make stupid decisions, they are penalized with losses and eventual bankruptcy. When the government makes stupid decisions, there are rarely any negative consequences for those responsible. Accordingly, government spending tends to be characterized by both *active* waste based on agency problems as well as *passive* waste based on lack of penalties for being inefficient (Bandiera et al. 2009).

So, even when government redistributes in favor of the poor, it is not at all clear that it will do so effectively and efficiently. Ballard (1988) suggests that we should expect the marginal efficiency cost of redistribution to exceed what the poor ultimately receive by between 50 and 130 percent. Add to that the direct costs of administering redistribution programs and it seems clear that the poor will only receive a small fraction of the true costs of these programs. Moreover, it turns out that even when government tries to minimize inefficiencies by simply giving money directly to charities, this tends to crowd out the funds that the charities would otherwise have received (see Payne, 1998; Andreoni and Payne, 2003 and 2011)

What is more, it seems the middle class has significantly more political clout and influence over government spending than the poor do. Thus, in practice, government expenditures and transfers that are ostensibly intended for support of the poor often end up benefitting the middle class instead (Stigler, 1970; Gouveia, 1997; De Freitas, 2012). Moreover, the redistribution process is sometimes hijacked by special interests, resulting in welfare for the well-to-do rather than for the poor (Tullock 1983 and 1997; Murphy, 2007; Nelson and Ojha, 2012).

All that said, direct income support for the poor, at least as it has been conducted in the US and the EU, may have other detrimental effects for the recipients. Thus Hepner and Reed (2004) suggest that the structure of welfare programs in the US may discourage marriage and reduce the involvement of adult males in their families. This in turn may exacerbate generational poverty traps.

There is also the issue of pride and confidence associated with independence and working for a living. Not working and relying on public assistance can be scarring in and of itself (Tiggemann and Winefield, 1984; Paul and Moser, 2009). Moreover, long term absences from the labor force may change people and make it difficult for them to eventually return to work (Morsy, 2012)

The point of all of this is that the issues at hand are far more complicated than Hamill pretends. Increases in marginal tax rates do not necessarily yield improved conditions for the poor and instead will probably worsen their condition, especially when we consider the long run dynamic effects of redistribution programs. Hamill’s blithe dismissal of any concerns about adverse effects of higher tax rates, and her suggestion that those who oppose her must be the pawns of atheists, tell us more about her judgment and judgmental nature than about anything else.

CONCLUSIONS

Hamill sees the world as it ought to be rather than as it is. Whether raising marginal tax rates actually benefits the poor is not an issue for her. It ought to do so and that is enough. Just as suspension of disbelief is at the heart of religious commitment, so it is at the heart of her call for higher marginal tax rates. She pays no heed to whether her proposals would exacerbate poverty traps and perpetuate generational poverty. Nevertheless, to the extent that we want to alleviate poverty in the long run, we need to take a serious look at the long run consequences of our policies. We want to be sure that they are grounded in reality rather than muddle-headed fantasies.

To break the cycle of poverty, we need to focus on improving freedom, opportunity and social mobility. We also need to create an environment with real incentives for the poor to help themselves and their children. For that, we need social welfare programs which neither foster dependence nor create poverty traps. Of course, this is easier said than done, but the first step is to face the world as it is.

The bottom line is that Hamill's call for higher marginal tax rates cannot be justified by deontological ethics, by consequentialist ethics, or by virtue ethics. Her deontological case founders on the 8^{th} and 10^{th} commandments along with the Golden Rule, which seem to suggest the opposite of what Hamill calls for.

The consequentialist case would have to rest on a clear linkage between the welfare of the poor and the marginal tax rate; and not only is that linkage dubious, it turns out that the dynamic disadvantages created by higher marginal tax rates almost certainly outweigh any short term redistribution gains to the poor. Finally, the virtue ethics case would have to rest on some kind of virtue in forcing others to pay higher taxes; but the virtues of prudence, reason and clarity, and yes even a sense of reciprocal justice, all argue against this.

That being said, Boyd's two kingdoms model was not a call for Christian individuals to abandon the issues of the world. It is perfectly fine for Hamill to make the case for higher marginal tax rates, or for her to participate in politics to push this idea, no matter how wrong-headed her reasoning, or how ill-advised her proposals. But, it is an altogether different thing for her to insist it is required in the name of Christianity. Her call for religious submission to her political ideas has crossed the line. When she goes on to paint those who oppose her ideas as bad Christians or as apostates corrupted by atheists, she has forsaken decency and good will.

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