Letters

Taxes don't tell whole story about state of states

To the Editor: Ask anyone — an economist, a businesswoman or the proverbial man on the street — and they'll tell you: There is a whole variety of factors that go into determining how well-off a given state may be. Education levels, labor productivity, transportation infrastructure, the availability of natural resources, and, yes, proximity to centers of economic activity all play a role in deciding whether a state is affluent, at least in the aggregate.

It is a shame, then, that Amity Shlaes (A tax lesson from Maine and New Hampshire, Aug. 26) chooses to focus on one measure, taxes, that really has little to do with economic development. Indeed, by her methods, one would expect per capita incomes in Alabama and Tennessee — which have comparatively low levels of taxation — to be substantially higher than incomes in Hawaii and New Jersey, which have relatively higher levels of taxation. Yet, precisely the opposite is true, since tax levels, by themselves, neither promote nor preclude economic prosperity.

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