

Inequality of power versus inequality of income

The left's analysis that says inequality is the key to understanding Brexit, Trump and much else needs to make a distinction between inequalities of power and inequalities of income. Many populist voters in the USA and Europe have cast their votes against concentrations of unaccountable or dogmatic political power in the elites that control their societies. That is different from an attack on those who have made lots of money from being good at sport, entertainment or business. Senior executives of large companies owned by other people are often seen in the same category as government politicians and officials, whereas entrepreneurs offering new goods and services are seen differently and usually more favourably.

In the USA the Trump voters rebelled against the political correctness of the Democrat regime, and condemned the big money politics and large salary government they are paying for through their taxes. In The Euro area voters rebel against the austerity politics of much of the zone, as it struggles to meet Germany's demands for lower wages and little borrowing to stay in a currency with competitive Germany. On both sides of the Atlantic populist voters are often critics of the prevailing climate change theory, disliking the way it results in dear energy and ever more regulations affecting how they live their lives. Populist voters also resent the way their thoughts and language are controlled, with many topics now subject to a politically correct mantra not shared in their hearts by these voters.

Brexit was a vote to take back control, with many people fed up with the laws, controls and spending plans of a Brussels government we cannot influence as we wish or throw out of office for failure. Brussels has still not apologised for the Exchange Rate Mechanism crash it caused which hit many families and businesses in the UK.

I welcome laws against racial and religious hate speech, as I do think stopping unpleasant words can create a better climate, making violent acts less likely. In other ways I am on the side of those who think these governing elites have too much power and use it in ways which damages people's freedoms and incomes unnecessarily. High taxes are not usually the poor person's ally, as they hit them as well as the rich. Some regulations designed to improve conditions for all succeed in blocking more jobs and enterprise. Allowing too many migrants in to a country to get jobs can make it more difficult for people already settled there, and does add to the resentments of those on low pay or no pay.

One of the things the elite finds most difficult to understand about the Trump phenomenon is how he can make more and more outrageous statements as the elite see it but not suffer with his core voters. That is to miss the main point. Mr Trump is seen by many of his voters as someone outside the governing elite trying to get it to respond and think more like the people he represents. When he makes a statement no normal politician would make because

it is offensive to us or because we see it is not politically correct so carries political risk, many in his base cheer him on for breaking the conventions. They realise tweets do not in themselves achieve anything, but they also expect Mr Trump to try to find ways of cutting taxes, removing barriers to enterprise, to police the borders better and do all the things that constitute Trumponomics. "Making America great again" was about boosting the growth rate, having more jobs at home, raising living standards.

What we don't yet know is whether Trump supporters will be tolerant if he carries on speaking out without winning more of the battles he needs to win to grow the economy. In Greece where Syriza was elected to bust Euro austerity policies they failed but retained considerable support for trying. Mr Trump will probably do better than them, as he goes about deal making for a more prosperous USA. Carrying a major tax reduction for all later this year will be an important moment for this Presidency. If he does the UK will need to make sure it remains competitive on tax.