

Taxing the rich

I will let you into a well kept secret. Each time Conservatives have cut the top rates of Income Tax or taxes on wealth the rich have paid more tax.

When Margaret Thatcher and Nigel Lawson in budgets cut the top rate of Income Tax from 83% to 40% there were howls of protest from Labour about a loss of revenue and the moral outrage. Instead the better off paid more tax in cash terms. They paid more tax in real terms after allowing for inflation. They paid a bigger percentage of total Income Tax.

How? More rich people came here or stayed here. More kept Income and wealth here to tax. More worked harder to earn more, and more took risks with their money to set up businesses and create more jobs which in turn produced bigger dividends. It was a win win for all.

The same thing happened when George Osborne cut the top rate of tax from 50% to 45%. Lib Dem's in the Coalition blocked more tax raising rate cuts. With labour they want taxes to penalise success and deter risk taking.

Corbyn's UK were he to become PM would be a hostile place for business builders, risk takers and hard workers with good earnings. Jealousy is not a good emotion at the best of times. It is a dreadful basis for an economic policy. We need to get tax rates down. Not only will more people be more successful but there will also be more tax revenue for schools and hospitals. Labour's launch was unusual with its lists of people and roles they want to bash.