

# Too much Taxing makes a country poorer

Governments tax tobacco to stop people smoking. They tax alcohol to limit people drinking. They tax petrol and diesel because they want us to use less. They tax plastic waste to get rid of it. They tax flying to reduce it. You get the idea. Government knows better than people what is good for us and imposes taxes to restrict us. It imposes VAT on non food purchases, as it thinks we should make do with fewer purchases. This can lead on to an outright ban as it will soon impose on new petrol and diesel cars . It is government's puritan tendency. Keir Starmer represents this tendency well, displaying his inner Malvolio all too often.

Government also loves taxing work, saving and investing. This government seems to see work as an unreasonable interruption to people's lives as it looks at giving rights to people to four day weeks and more flexible and home working. It may be readying a new tax attack on anyone who works long hours and earns more than the government thinks desirable. They will reinforce the bias in the tax system to penalising success and enterprise.

The bias against so called unearned income is particularly damaging. If you work hard and save some money from taxed income you will then face higher taxes on the income and gains that generates. This is not unearned income. This is twice earned income. You first had to earn the savings, then you have to work at choosing and managing the savings.

Of course government needs to collect some tax and will rightly get more of that from better off people. All the time we opt for free at the point of use for health and education, and all the time we need to defend ourselves as we do there needs to be sensible taxes. The aim should be to keep the rates of tax down and the number of taxes under control, as that is the best way to grow the economy. It is important to stop undue spending growth on everything from falling productivity to bigger losses by services like trains and the Post Office where customers should pay. It's not core public services or pensions we cannot afford. It's Bank of England losses, the world's dearest new railway, the bungles of the public sector which lead to big compensation bills, the arrival of so many illegal migrants needing hotels and the £30 bn loss of productivity.