

Tinkering with Taxes Won't Save Britain



by Theodore Dalrymple

Both the right and left of the British newspaper spectrum—the *Telegraph* on the right and the *Guardian* on the left—greeted tax cuts proposed by the new chancellor of the exchequer, Kwasi Kwarteng, as a “giveaway,” a word that is a giveaway in itself, of another kind.

What it gives away is the degree to which people in Britain have come to believe that all money is the government’s and that what is left over for the people has been granted them by the government’s grace and favor. But the government cannot give money (or at least economic product) away; it can only refrain from taking it.

This is not the same as saying that the tax cuts were wise or good. The sad fact is that one is always starting economically from where one is rather than from where one ought to have

been, or where one would have been had past policy been better. And reducing taxes while maintaining expenditure at high or even higher levels in times of rising borrowing costs and deep indebtedness caused by already-existing deficits does not seem to me very prudent, though I am no economist.

Kwarteng is in effect placing all his chips on one roulette number—namely, that of economic growth, stimulated by his tax cuts, in the hope that all the borrowing will not have to be paid for later, or even quite soon, by inflation or reversal of the policy. Indeed, it is likely that the chancellor has handed a rhetorical gift to those (not a few in Britain) who believe that taxation is a good in itself, irrespective of its effects other than of making the prosperous miserable. The outcome of his tax cuts without cuts in spending will be higher taxes.

Beyond the correct rate of taxation, however, lie the much deeper problems of the country. For years, regardless of who was in power, government policy has been to import cheap unskilled or semi-skilled labor, while paying large numbers of people to remain economically inactive, in the process placing great strain on housing and public services through overpopulation. The government has subsidized socially irresponsible behavior to the point at which, for people at the lower end of the socioeconomic scale, such behavior is more profitable than work; these people depend on the government for everything. Through its education system, Britain has performed miracles of inefficiency, resulting in a substantial population of expensively educated semi-literates, whose labor would be too expensive even if it were free. If you doubt, come and see, and I will show you.

Tinkering with tax rates will not solve problems such as these, though I do not claim to have a solution to them.

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