

Spectator Wealth Debate – April 22nd 2015

Summary of arguments for and against

For	Against
<ul style="list-style-type: none"> • The only obligation of the wealthy to the rest of society is to pay their taxes. Otherwise they deserve to be left alone as the vast majority are self-made and have earned their money fair and square. • The state is dependent on the rich to invest in infrastructure as they need a strong economy fuelled by wealth creation to pay for it. • Rich people are being vilified for income inequality and the plight of the poor when the real problem is wasteful government spending such as international aid and HS2. • Relative poverty and pay inequality are declining. In any case, the UK's richest people pay 27% of all tax despite earning only 13% of all salaries. They have already paid what they owe and then some. • If you raise taxes, the rich will leave and send their money to tax havens. If you lower taxes, revenue will increase as more rich people will base themselves in UK. • Tax isn't the only way to redistribute wealth. More is given to charity by philanthropists than would be raised by the Mansion Tax. • This is simply a by-product of capitalism which has consistently improved living standards for the least well off across the world. 	<ul style="list-style-type: none"> • The wealthy owe a debt to the state because without roads to transport their goods, schools to educate their workforce, and law enforcement to protect their property, they would not be rich in the first place. • High tax rates and increased public spending did not stop Britain from experiencing an economic boom in the 1960s. • There is a direct connection between income inequality and poverty. High earners are richer than at any time in history while a million people rely on food banks. • The richest people avoid paying what they owe by employing accountants who advise the government on its tax laws. As a result, national insurance taxes have had to rise to make up the shortfall. • If this was true, the rich would all move to Moscow with its top rate of tax of 13%. Meanwhile, all the available evidence shows that lower taxes lead to lower tax receipts. • The majority of the super-rich don't invest their money or give it away. This undermines economic efficiency and productivity. • There is an alternative. Norway, Sweden, and Holland are examples of high pay, high tax countries with great living standards for everyone.