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50 per cent is no solution

Anarcho

April 27, 2009

When Labour announced a 50% tax rate on those earning more than £150,000 there was a whole spate of gnashing of teeth from the right-wing media.

Let us put this in context: less than 2% of the British population earn more than £100,000, a mere 10% over £40,000. Britain is an extremely unequal society, with a few owning the bulk of income and wealth.

It should also be noted that under Thatcher, the top-rate was reduced from 83% to 60% in 1979, before being cut to the current 40% in the 1988 budget. In other words, New Labour is being hauled over the coals for returning to “*class war*” (to quote the **Torygraph**’s headline) for having a lower top-rate than Thatcher’s first 9 years in power! Few are aware of her hatred of the rich and embrace of the politics of envy...

But, looking at it another way, have we considered how lucky we are that such selfless people took time out from their philanthropic activities to find time to speak up for the masses? For none who are affected by this tax-rise have complained for themselves, for selfish reasons. No, they have complained out of concern for the masses and a patriotic sense of duty to the country as a whole. All in all,

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Retrieved on 29th January 2021 from anarchism.pageabode.com

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a striking confirming of what economist John Kenneth Galbraith once noticed: *“The modern conservative is engaged in one of man’s oldest exercises in moral philosophy; that is, the search for a superior moral justification for selfishness.”*

Their selfless concern for the damage to Britain and the poorest amongst us is somewhat spoiled by their threats (veiled or otherwise) to leave for lower-tax havens abroad. Apparently their patriotism is as easily transferred as their wealth and businesses. It is also a shame that these selfless defenders of the common person and the terrible effect their higher taxes will have on the lower-paid were so quiet when the 10% tax band was abolished (again, in direct contradiction to New Labour manifesto promises).

Obviously, it is taken for granted that the working class will labour just as well, tax breaks or not – as Galbraith once quipped, *“the doctrine of the eighties”* was *“that the rich were not working because they had too little money, the poor because they had much.”* But, then, according to the selfless 2%, only they are “wealth-creators” – the other 98% are just a burden to society and, no matter how hard they work, simply do not produce anything of real wealth. As, of course, neither services nor actual products represent wealth...

Here we are in 2009 and the right-wing media seems oblivious to the damage which soaring inequality has done to the economy. As for the 2% who wish to leave, then goodbye – go help destroy some other economy. If they do not want to work for £X amount then someone else will, particularly as they may find there is little demand for such “wealth creation.”

Yet this tax increase, while it causes much distress on the right and so to be welcomed purely in terms of the amusement it has generated, will hardly solve the problems of an economy rooted in workplace and social hierarchies and the drive to accumulate more and more profits. Even if it contributes to the solution of this crisis, it will not stop the recurring boom-and-bust that has marked capitalism from the start and which will take far more than Gordon Brown asserting its “end”!

What is needed is the ending of capitalism as a system. Tinkering with distribution will fail to get to the heart of the matter, namely that a few monopolise the wealth produced by the rest. In the short-term, organising to keep as much of the wealth we produce in our own hands is required and, of course, seizing any workplaces, land or housing which are threatened with closure as a result of the economic downturn, the government attacks on the public sector or by “wealth-creators” seeking to leave the country to avoid a pathetic tax-increase. From this base, a general wave of expropriation can develop.

If we do that, we will quickly see that we do not need society divided into a class of wage-slaves selling their liberty and labour to a class of economic masters. That we can have freedom and equality, that capitalism is but one of many kinds of class system which can, and will, be replaced by a free society based on the free association of free individuals.