

Dr Eamonn Butler, a doctor of moral philosophy, provides 17 moral arguments against taxation in the report of the 2020 Tax Commission. They range from tax as coercion via the undermining of personal responsibility to the corrosive effects of tax on human prosperity.

I do not intend to rehearse all 17 arguments. My goal is to leave you certain that it is morally right to demand lower taxes and lower spending in the general interest.

My father is a builder, or he was before he retired. Not a housing magnate, a simple site carpenter, in his words.

He once told me something I treasure, "The worst kind of government for the working man is a Labour government."

He was right. Labour and the statist left do not understand that their system of high taxes and high spending is inhumanely ineffective, absurdly inefficient and now in checkmate: the present system will end.

The doctrines of collective state power do not help working people, they harm them and we should have the courage to say so.

Now, in this world of sin and woe, we are trapped between immoralities.

On the one hand, the immorality of taking by force property which has been justly acquired by original appropriation or voluntary exchange: that is, by hard work creating value for other people.

On the other, the outrage of absolute poverty in a world of plenty and the lamentable fact that some reach adulthood without the skills necessary to escape material, spiritual and aspirational poverty or the self-esteem to try.

Those are inhuman who care nothing for the lot of the hungry, the sick and disabled, the downtrodden and neglected.

Those who fail to strive because they think their lot hopeless. Those who do not have the self respect to escape dependency on others and achieve the dignity of determining their own future.

The question is not whether to alleviate human suffering and want but how best to do so. Providing for those who cannot provide for themselves should be our duty and our joy but the level of taxes is so high as to fill our hearts with resentment and rob us even of that.

i. The state is ineffective

For a hundred years, state spending has grown to be the default answer to suffering and

injustice. Since the 1911 National Insurance Act which was intended to extend the benefits of friendly societies but instead crushed them, state spending has grown from about 15% to about 50% of national income.

And yet week after week, all of us who hold constituency surgeries wade in the seas of human misery and struggle which surround us. The worklessness; the educational failure; addictions; debt; family breakdown. Endless problems with a welfare state incapable of compassion. The mother in her 60s, struggling to find respite from caring for her two learning-disabled sons in their forties. The responsible father unable to see his children; the desperate mother separated from a rich father cleverly evading maintenance payments.

You only need to open the CSJ's *Breakdown Britain* to complete the story of state failure and human misery. This is despite all the money and all the dedication of large numbers of public servants.

If increasing taxation and state spending was ever going to solve society's problems, it would have done so by now. Let no one tell you that the state is the fountain of effective care and compassion.

ii. The state is inefficient

The 2012 Budget allocated £207 bn to social protection. There are about 13 million people in poverty. So the state spends about £16,000 each year for every person in poverty.

According to the IFS, 53% of the population have a lower income.

This is utterly absurd. At these levels, there should be no poverty.

The Government will also spend £130 billion on healthcare but in Wycombe, public dissatisfaction with healthcare is intense, so intense that the public often appear to think that the NHS is a conspiracy against them.

Thank goodness the Government's £91 billion on education gets results. But then, we have grammar schools.

The fact is, the state is not just ineffective, it is institutionally inefficient to a scandalous degree, despite the dedication of so many public servants.

iii. The state is now in checkmate

Rulers have always funded themselves three ways: taxation, borrowing and currency debasement.

For forty years, the British government has mostly lived beyond its means and it has borrowed to cover the gap.

If we only looked at the western world's debt projections, we would know that, in our lifetimes, the merry-go-round will stop.

But rulers have always had a third way of funding themselves: currency debasement.

For forty years, Sterling has been chronically debased, to a degree unprecedented in our history.

When I was born in 1971 and the end of Bretton Woods severed the final link to gold, the UK money supply was about £34 bn. By 1997, it had reach £700 bn.

Under New Labour, the broad money supply tripled to £2.2 trillion by 2010.

The pattern is repeated around the world.

The awful truth is that the welfare state has for forty years been funded indirectly by easy money. That has had all the destructive effects predicted by classical economists, even by Keynes.

It has laid waste to the banking system. It has distorted the economy towards finance, housing and the South East. It has critically undermined public confidence in the justice of the existing distribution of wealth.

The state is ineffective. The state is inefficient. Millions of people have been made dependent upon a system whose funding mechanism has inevitably destroyed itself. This is a grave immorality which we must have the courage and the tenacity to confront without hesitation or remorse.

Now, I would like you to imagine a world in which the provision of compulsory social insurance is met with the following response from the working classes:

“Working men are awakening to the fact that this is a subtle attempt to take from the class to which they belong the administration of the great voluntary organisations which they have built up for themselves, and to hand over the future control to the paid servants of the governing class ... This is not liberty; this is not development of self-government, but a new form of autocracy and tyranny not less but the more dangerous because it is benevolent in its intentions.

Imagine living in such a country.

But this is Great Britain in 1911 and the comment is taken from the magazine of the Oddfellows friendly society on the eve of the National Insurance Act.

That is the spirit which must be re-awoken in the hearts and minds of the British people. The firm conviction that human dignity lies in personal and mutual provision in all things and that state provision, the attempt by everyone to live at everyone else's expense, is a cruel fiction.

That doctrine was once liberalism, the liberalism of Bastiat, Cobden, Bright and perhaps Gladstone. It is the doctrine which recognises that the public treasury is not an inexhaustible horn of plenty which may be drawn upon without consequence.

And yet today liberalism is so degraded as to have no higher aspiration than greater taxes on the rich. After his tuition fees apology, you would think Nick Clegg would have learned not to peddle nonsense.

I am reminded of something Reagan said: “the trouble with our liberal friends is not that they're ignorant; it's just that they know so much that isn't so.”

So we Conservatives must discover the moral courage and the confidence to declare that everyone who can support themselves should, in sickness and in health.

If we can find in ourselves the conviction that the basis of a moral life is voluntary exchange of value for value, mutual aid and personal responsibility, then we can find those policies and institutions which will build up life in society and we shall escape the destruction which lies before us on our present path.

Advocate lower taxes, knowing that doing so is morally right. Those who scream for higher taxes are the bad guys. Truth and morality are on our side.