

# Daily Mail

## The politics of envy make us ALL poorer

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Can you imagine tax inspectors rifling through your possessions to see if their value corresponds with the self-assessment you've made under a new 'net worth tax'?

We're talking of items on which you already have paid tax. Or heirlooms for which your parents or their parents were taxed.

You've heard of the special 'mansion tax' payable by anyone owning a property worth more than £2 million.

Now a Liberal Democrat policy document discusses a more extraordinary scheme – a special tax on those whose possessions and properties combined exceed £2 million in value.

Drawn up by Lib Dem MPs Tessa Munt and David Laws – who are close to party leader and deputy premier Nick Clegg – this envisages: 'HM Revenue & Customs, in policing the system, may have to visit homes to test whether asset values of jewellery paintings etc were correct.' (Tax inspectors currently need a court order to enter homes in this way.)

The 'net worth tax' would have the effect of adding massively the estimated 300,000 people affected by the mansion tax by including all their possessions as well as 'buy to let' property owners whose combined portfolio exceeds £2 million.

Tory MP Charlie Elphicke calls it 'the politics of envy at its worst... people won't stand for it.' But is he right?

Most of us know perfectly well that you can't make the poor richer by making the rich poorer.

Churchill said: 'For a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself by the handle.'

Yet many - even people who are well-off - enjoy hearing the better-off squeal about higher taxes.

We'll tolerate our own taxes rising if we hear the very rich are squealing about theirs.

Labour and the Lib Dems more or less exist to redistribute wealth from the rich to the poor - although neither, of course, describe that as their *raison d'être*.

The Tories have to pretend some enthusiasm for the practice while yoked in coalition with the Lib Dems.

Not all Conservatives, though. Plenty of Tory MPs hate David Cameron's coalition accommodations with Nick Clegg.

I suspect they include Commons public administration committee chairman Bernard Jenkin, who said on Radio 4 last August: 'If the politics of envy made a country rich, we'd be very rich. Most rich people are contributing far more in tax than other people.'

This is true but he knows there are notorious exceptions - rich people who go to extraordinary lengths to avoid paying any tax at all.

Such people give the rich, generally, a bad name, just as benefit cheats tarnish everyone who relies on the State for financial assistance.

Jenkin says we've already driven wealth creators abroad by taxing them too heavily.

No doubt it is true that some have left for that reason but I doubt if they are a significant number. Yet further wealth taxes are bound to have that effect.

Surely the Government should concentrate on collecting the wealth taxes which exist rather than dreaming up new ones.

Deputy Prime Minister Nick Clegg has made clear his views about taxing the rich, saying: 'If we are going to ask people for more sacrifices over a longer period of time, a longer period of belt-tightening as a country, then we just have to make sure that people see it is being done as fairly and progressively as possible.'

By 'progressively', he means raising taxes on the rich steadily, by increments.

The 'net worth tax' may come to nothing. But it might if the Lib Dems are in coalition with either the Tories or Labour after the 2015 general election.

Will we accept tax inspectors having the right to enter our homes to assess the value of jewellery, paintings and furniture?

Those who consider their own possessions and property worth far less than £2 million might think why not? Nothing for them to lose. Except that once established, there's nothing to prevent such a tax being extended to cover any level of possessions.

The Government needs to raise more tax because it can't – or won't – freeze or, even better, reduce its expenditure. The crude calculation – even for a Tory chancellor – is that it's more dangerous politically to lower spending than to raise taxes.

But the prospect of tax inspectors rifling through jewellery boxes, or studying paintings and furniture, should ignite a storm of anger.

The truth is that everyone is at risk in this thin-end-of-the-wedge wheeze, not just the rich.

Perhaps there will be a backlash, but the thinking behind this idea won't disappear. It'll re-emerge in another form.