

Increase taxes, don't cut them

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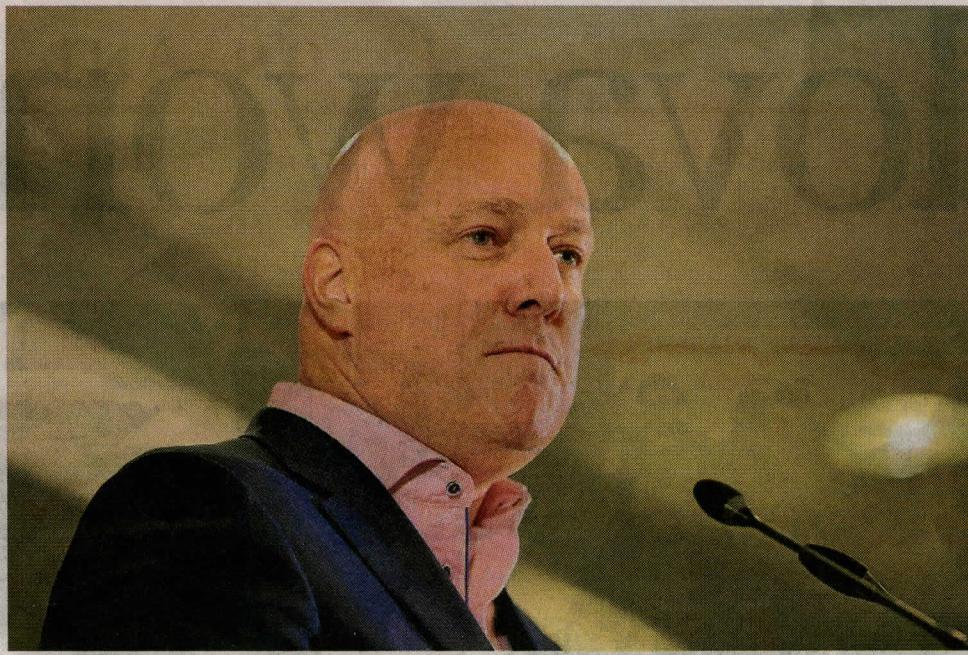
The flipside of that wealth transfer seems to have escaped Christopher Luxon's notice. For lower-income, less wealthy groups in the community his plan to protect the gains of rich rentiers and creditors means yet more hardship and deprivation, in a society where inequality was already running rampant before Covid struck.

The policy mix to confront inflation should include tax increases, targeted to mop up the excess liquidity sloshing around the economy, plus regulatory restraint on monopolists pushing up their prices.

Instead we get only higher interest rates – another squeeze on the budgets of the poor and indebted to fund another windfall into the well-cushioned laps of wealthy creditors.

With no wealth tax, inheritance tax, gift tax (except on beneficiaries), capital gains tax or seriously progressive income tax – let alone carbon tax – New Zealand is still locked into the neoliberal vision. Beware a feudal dark age.

Geoff Bertram, Karori



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