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Richardson's legacy

The defining principle of the Taxpayers' Union is reluctance to actually pay taxes. Closely allied to that is reluctance to talk seriously about taxes, and especially to confront the possibility of raising taxes.

A classic example of this blind spot is Ruth Richardson's defence of her 1991 extreme-austerity budget as "cleaning up after Labour's fiscal recklessness" (*Ruth Richardson on Nicola's Fudge and why*

the 'middle way' is a dangerous illusion, December 15) without noting that the most fiscally reckless thing Roger Douglas and David Caygill did was to slash the top income tax rate from 66% to 33% and introduce dividend imputation - policies that drastically reduced the tax paid by this country's richest citizens.

Far from raising tax rates back up to fill the resulting fiscal hole, Richardson's Mother of all Budgets dumped the full cost on to the most vulnerable groups in the community, leaving the rich to bank their gains.

If history has an uncomfortable lesson for Ms Richardson, it is that impoverishing the welfare state and attacking the poor is a recipe not for a golden age of capitalism, but rather for a replay of feudalism with its inequality, poverty, entitled ruling class of propertied rentiers, and deadweight drag on general prosperity.

A Richardson-Willis debate will be straight out of Jurassic Park.

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