

# GRACCHUS

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The enemies of the people are those who know what people need

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# ANARCHY, TAX CUTS AND THE POOR

## If cutting taxes is part of the transition, how does that effect the poor?

HOW COULD POOR PEOPLE survive, let alone be better off, without state help? How could they live in state-free anarchy?

"I caught a bus, crossed the road, bought some food, got my prescription, paid for my heat, and cashed my giro and Sandy's pension. Then I popped into the library, picked up some coal at the railyard, walked through the park, called in at the police station about my lost army boots and met Alex at school. How can we afford all that aid?"

The fifteen noun things in that paragraph are free to poor people or subsidised by taxes. Where does the tax come from? In 1979/80 it came mainly as follows:

Income tax 41%; VAT 16%; Corporation Tax 9%; Petrol 6%; National insurance Surcharge 6%; tobacco 5%; beer 2%; other booze 3%; vehicle duties 2%; customs 2%; car tax, capital gains, stamp duties and betting... 1% each. Rates amounted to about 10%...

Expenditure of these taxes was roughly as follows: Defence 12%; social security 24%; health%; education 13%; housing 8%; external relations 3%; roads and lighting 3%; transport 2%; job centres etc 1%; other trade and industry 5%; agriculture 1%; social services 2%; police 2%; courts and prisons 1%; tax collection 1%; water and sewage 1%; other things (eg. interest from aid!) 8%.

As a rough guide, poor people receive most of the social security and much of the health and housing. They receive their share of education, roads and so on. They certainly may not feel much benefit from defence and may resent the police and courts and prisons. But as a whole they benefit from the welfare state.

And yet... And yet 'anarchy' means self-government as far as makes sense and that implies far less state tax, if any... so how might self government help or hurt the poor?

I will define three types of self-government, 'blue', 'red' and 'green'. In practice, at best we will see these mixed together. 'Blue' anarchy would allow everyone the greatest choice, as an individual, in how to spend. Each of us would carry a cash card that would charge as we go. On the walk in the first paragraph we could be charged for the bus, using the road, food, medicine, heat, library, coal, use of police time etc. We could insure against joblessness, illness, old age etc. We might also choose to pay for the old, the jobless, etc... depending on our generosity.

Few people would predict much joy for poor people with this type of anarchy. It has a Thatcher ring to it. To some people cash-for-value seems to have been fairly

workable before the introduction of the workhouse. But people starved, they drank foul water. They died of medical neglect. They lived in mud and sewage. They endured all that people now endure in Third World countries. All this seemed unavoidable when there was shortage... but now it seems pointless.

'Red' Anarchy would imply levels of government, as now, with a lot more done at local and regional level, and with far better consultation by polls or referendums, so that 'they' will far better represent 'us'. The social services might well continue broadly as now. There might be a chance to vote on whether we want as many administrators and cooks in education as teachers, or trial-by-jury-at-£1500-a-day for tiny thefts etc. So we might have a chance to cut down some of the high cost of services now provided

I suspect that the poor would be a little better off in some countries - worse in others! In Kentucky, for example, there was a huge campaign to show just how terrible was the health, the schooling, the public transport etc. Part way through this campaign it was possible to raise taxes by 30 per cent without any huge outcry. The campaign led to such a change in perception that reform followed. But self-seeking campaigns (by the 'moral majority') can have the opposite effect. With 'Red' anarchy the fate of the poor depends on the loudest voices that are influencing public opinion, as now in mixed economies.

'Green' Anarchy, as I define it, would encourage far more groups to form, in communities, and to do their own education, policing, health care, schooling, farming, etc. They would join together to manage rare resources such as oil wells or railways. It seems likely that every one in most communities would be expected to help with the cold, dirty, dull, noisy or hot jobs - so no one would be unemployed. Poor people who like only to type articles such as this might feel worse off, having lost their meal tickets; but everyone willing to contribute would have both shared assets (cars, gardens, fresh veg. etc) and shared dignity. The experience of most energetic communities has been that riches grow in the material sense. Spiritual welfare has been varied, but for our poor, I would guess better than the loneliness and pointlessness of our society.

For the world's truly poor, I feel less confidence. Very few people now feel any part in the way consumerism kills a billion every twenty years or so. I like communities and I have a hunch that, with Green Anarchy, they might take one-to-one responsibility for communities in other countries. If travel can be afforded, then pers-