

I was having a conversation recently with a neighbour who runs a small business and employs a couple of staff. I pointed out that she, as employer, actually pays the taxes, because the employees would be happy to work for whatever their take-home pay happens to be. I explained that for every £1 a worker receives in take-home pay, the employer has to pay over 80p to the government. And that has to be passed on in prices. Thus, bus fares have to include an amount to cover the tax paid, nominally, by the driver. This is a subject that has been discussed several times before on this website.

She would not accept the point but neither could she answer it, so she fell back on the argument that public services have to be paid for. So it does not matter how the money is raised. Any means will do. This opens up interesting possibilities.

How about this idea? People could be rounded up at random and asked to pay money to the government, anything from, say, £25 to £1 million. The system would function as a kind of national lottery in reverse, with everyone participating. It would be perfectly fair, wouldn't it? After all, everyone would have the same chances and everyone benefits equally from public services.