

Benefits – the new tax?

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Benefits - or 'entitlements' as they are now called - are an attack on those who work and do not receive them. It gradually draws those on relatively low or middling incomes down to a common denominator of impoverishment. Whilst one could accept we should have a safety net for those who are disabled, too old or seeking work we should not maintain a system on the backs of those who are not much better off, like the protesting 'gilets jaunes' in France.

In the UK we have many benefits which discriminate against those who pay taxes and don't receive any benefit. As a simple example if Council Tax were to increase by 10% (about £167 for the average UK home) this is a reduction in wealth relative to those receiving Council Tax Credit.

There are many benefits in the UK of which these are currently the main ones:-

Housing Benefit - £23000 in London and £20000 outside London

Working Tax Credit - Earning limit £25 000 (Married Couple) or £14 000 (Single Person)

Child Tax Credit - £2780 per child plus £545 family element

Council Tax credit – average £1671 per home

SMI (Support for Mortgage Interest) – loans up to £200 000

Pension Credit - £8476 (Single) or £12938 (Couple)

Warm home discount scheme (£140 per annum for gas or electricity)

Cold weather payment £25 per week when average temp OC or below

Winter Fuel Payments – not means tested so fairly evenly distributed

The UK Govt is trying to streamline many benefits with UC (Universal Credit) and whilst this will help reduce complication and fraud, it has teething problems and is still a tax on those who do not qualify.

As an example, a couple on low income who have worked and contributed to state pension, own their own home outright and having modest savings could receive a pension income £8546 each giving a total income of £17092 for which they have paid contributions. A workshy couple who have avoided making any contributions could receive £12938 or £16952 if they claim to be living separately - roughly the same amount. The workshy couple could receive Council Tax relief, housing benefits, fuel discounts etc so that they could be better off in income terms than the couple who have worked and have to use their savings to maintain their home. Worse still when one or both of the retired working couple need residential care they could lose all but £23000 of remaining equity in their modest home whilst the workshy couple are cared for at taxpayer expense.

We have seen the cost of structural changes in our economy such as automation with the loss of well paid manufacturing and some professional jobs financed by support for a growing benefit sector. The cost of this benefit sector has been borne by those who pay taxes and disproportionately on those who are marginally better off and not currently dependent on benefits. It has been a deliberate policy where evermore people are dragged down to the lowest common denominator.

The working man has had his day,
 Once was a time when work would pay,
 A husband or wife could earn a decent wage
 To keep a family without state aid.

Now they both must work to pay
 The bills that mount day by day,
 Living standards are in decline,
 But still the Government says all is fine.

The client state is too heavy a burden,
 Whether they be bankers, claimants or civil servants,
 The global elite choose what they pay,
 Whilst the rest of us have no say.

Meanwhile the debt keeps rising,
 Monetisation taking us to new horizons,
 And they say, GDP is all that matters!
 Whilst zombie banks get ever fatter.

Normally you would say Govt is behaving like a Robin Hood but in this case it is like Robin TheGood whereby the relatively poor are being robbed to pay for the 'poor'. This is moving the real median income lower and is not shown in official ONS (Office of National Statistics) calculations. If we continue on this path we will see evermore polarisation in wealth and the destruction of an aspirational middle class that has been the society's glue in our modern democracies.

Without a middle class we are likely to see growing conflict between Establishment and the majority of its people. There is a danger that the Establishment will resort to evermore authoritarian practises that erode democracy and lead to violent revolution or an eventual subjugation of its peoples.

All over Europe the lights are flickering,
 Whilst our political class continue their tinkering.
 Dissatisfaction, disillusion and outright anger,
 The proletariat see the cancer.

Meanwhile the global elite continue to harvest,
 Wealth extracted from the monetary chest.
 They store it safely(?) in their havens,
 Free from tax and deprivations.

The middle classes struggle on,
 Bearing the burden of keeping the lights on.
 Where is it heading we may well ask,
 Economists are confused and not up to the task.

A revolution some might say
 Is soon to be heading our way.
 Let's hope we end up with a system that's fair,
 For work and thrift and entrepreneurs who care.

Uncontrolled immigration has hit those on the lower income scale whilst providing cheap labour for the wealthy and employers who wish to exploit them. The indigenous populations that have to share their shrinking slice of the national cake with evermore dependents are rightly agitated. The Establishment are using neo-liberal values to denigrate this section of society and hence Hilary Clinton's remark about 'those deplorables' or even our metropolitan elites in the Labour Party. I recall Gordon Brown referring to a retired lady (Gillian Duffy) from north west of England as 'that bigoted woman' when she complained about her modest home being used to pay her husband's care home fees whilst others had the cost met by the taxpayer.

Right wing, xenophobic, extremist,
Words used to describe a nationalist.
Someone who protects their culture,
A citizen fighting the global vulture.

Managed migration we can accept,
For peoples who show respect,
For our customs and traditions,
Not contemptuous of our systems.

The global players do not care,
For nations or their peoples welfare.
For them its just a money game,
Left for others to take the blame.

Libertarians say we must have open arms,
To welcome all from threat of harm.
But if we have an open door,
What nation are we working for?

We have growing agitation in many indebted western nations such as:-

UK - Brexit

US - Trump

Germany - AfD

France - 'gilets jaunes'

Spain - Podemos and Cateonians

Italy - 5 Star/La Ligue

Sweden – Nationalists

Much of this discontent is fuelled by this deliberate policy of draining wealth from the middle and using unfettered immigration to flatter GDP at the expense of living standards for ordinary working people.

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