Common Error No. 20 [1]

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20. "It is wrong that so few people should own so much of the nation's wealth."

The wealth in no sense belongs to the nation, since we are talking about wealth which belongs to individuals. The statement comes down to saying that it is wrong for some people to own vastly more than others. This is not self-evidently true, and there are many advantages to people in society if concentrations of wealth are possible.

Firstly, estimates of the distribution of wealth in society are often wrong. They conveniently count shares and landed property, while often neglecting the entitlements which constitute the main source of wealth for ordinary people. Pension rights are often treated as if they did not exist or had no value to them, while other estimates deliberately omit wealth vested in housing, which is most people's main item of value.

That said, there is nothing wrong with an uneven ownership of wealth. Some people are more prudent, some more successful than others. Some show enterprise and initiative, and the accumulation of wealth represents the reward for their activities. In a free society, even if people started with an equal amount of wealth, there would soon be wide variation.

Possible accumulation of wealth not only stimulates entrepreneurs into socially useful activity; it often provides the means. Wealth can be put to work by investment in creative enterprises. It can create employment, and can lead to the creation of more wealth. Pools of capital are necessary to most economic enterprises; they are a vital tool by which societies become richer.

Of course we want decent living standards for those who cannot make it on their own, but we also want opportunities for those who wish to advance themselves and who can benefit society in doing so. Inequalities of wealth are not important; what counts are the opportunities for people to create the wealth that enables society to improve its services.

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