

[Willy Hutton](#) [1]

Written by [Tim Worstall](#) [2] | Monday 21 July 2008



Will Hutton makes the most amazing suggestion in the [Observer](#) [3]:

Brown was right to spend what he did in the good times, but wrong to have been so obsessed with tax cutting.

Seriously? There's a suggestion in a major newspaper that Gordon Brown's period as Chancellor was marked by an obsession with tax cutting? All those stealth taxes, that 1% on National Insurance, that catalogue of charges and an ever increasing stream of geld into the Treasury's coffers (unfortunately at a slower rate than it went out) was tax cutting?

He elaborates a little later:

Instead, income tax under Brown should not have been lowered so much.

Income tax has been lowered? Really? Now it's true that income tax rates have moved around a little, but that doesn't mean that income tax itself has fallen. Income tax receipts [in 2001/2](#) [4] were some £108 billion. This year they are to be £155 billion. A 44% rise in 7 years is a cut now is it? Even after inflation that isn't a cut, that's still a substantial rise. How Brown did it is [fiscal drag](#) [5]. Neither the personal allowance nor the higher tax band were ever raised in line with earnings growth, only in line with inflation (and not even that every year) meaning that more people went into the higher tax band and more people entered the income tax system itself.

We can call this many things but lowering income tax it is not.

Everyone is, of course, entitled to their own opinions, however odd you or I might think they are (like, for example, Will's thought that taxes should be higher). But no one at all is entitled to their own facts. Gordon Brown didn't lower income tax.

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