

## Britain's budget doublethink

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[Tax Justice Network: Britain's budget doublethink.](#)

*Something we've just noticed. Much attention has been paid recently to the new 50p tax rate in Britain's budget, raising taxes on high earners, pleasing many who worry about inequality ([as we should](#)). And Britain's Prime Minister, Gordon Brown, had pledged to work hard against tax havens. Yet in the same budget, something completely different emerged, which is likely to widen wealth and income inequality across the world. It is a classic example of [Doublethink](#). The FT [gushes](#): "The UK has introduced a "tax elected funds regime", which ensures tax is only paid by investors in a fund, not the fund itself, bringing the UK into line with more competitive jurisdictions."*

Followers of this blog [will know exactly what "competitive" means](#) in this context. To recap: there is good competition (producing incentives for firms to produce better goods at lower cost) and bad competition (a race to the bottom.) The FT is enthusing about the pernicious, unhealthy kind of competition.

Quite so.