Background Paper

Wealth Tax Commission

Taxing wealth: a historical perspective

Author
Martin Chick

Economic and Social Research Council

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Atlantic Fellows FOR SOCIAL AND ECONOMIC EQUITY

WARWICK THE UNIVERSITY OF WARWICK

CAGE

TAXING WEALTH: A HISTORICAL PERSPECTIVE

Martin Chick, University of Edinburgh

Wealth Tax Commission Background Paper no. 121

Published by the Wealth Tax Commission

www.ukwealth.tax

Acknowledgements

I wish to thank Arun Advani, Emma Chamberlain, Martin Daunton and Andy Summers for their comments on an earlier version of this paper

The Wealth Tax Commission acknowledges funding from the Economic and Social Research Council (ESRC) through the CAGE at Warwick (ES/L011719/1) and a COVID-19 Rapid Response Grant (ES/V012657/1), and a grant from Atlantic Fellows for Social and Economic Equity's COVID-19 Rapid Response Fund.

1. Introduction

Calls for a greater taxation of wealth commonly occur when an increased pressure on the public finances is allied to a heightened concern with perceived inequalities in the distribution of the economic and social resources of a country. Despite the initial ambitions of their advocates, proposals for wealth taxes often fail to be implemented and, when they are, the amount of revenue collected is considerably below the original forecasts. Even when distinctions are made between 'earned' and 'unearned' wealth, concerns often persist as to the potential disincentives to enterprise of any enhanced taxation of wealth. In the first half of the twentieth century, identifying the group whose unearned wealth might be taxed was politically clear. By the middle of the twentieth century, as the tax net had been extended to cover much more of the population and some redistribution of wealth had occurred, pointing at just who might pay more tax on their wealth became more difficult.

While consideration was given to the introduction of a wealth tax by the Labour government in 1974, in many ways the most potentially effective and integrated set of proposals for taxing wealth were those made by the Meade Committee in 1978.[1] While the incoming Thatcher Government implemented tax changes in line with the Meade Committee's main recommendations, notably in the reduction of the highest marginal rate of income tax and in shifting away from income towards expenditure as the basis of taxation, its opposition to the Meade Committee's recommendations for the taxation of wealth was telling. By then, for the Conservative Party and Government, the accumulation of wealth by a broader section of society had itself become an important incentive for enterprise. This encouragement of a wider holding of capital assets was further encouraged, in the first instance at least, by the privatisation of public housing and nationalised industries. Having sold public assets at an often discounted price, the state made no provision for sharing in any capital gain once those assets were sold on by their original purchaser. As greater access to larger mortgages as a proportion of sale price contributed to a rise in property prices, so too did disquiet concerning access to capital assets re-emerge. When allied to a broader concern with the relative returns to labour and capital as factors of production, and a perception that the inequality of access to capital assets had a strong intergenerational quality, then calls were again heard on grounds of equity for the increased taxation of capital.[2] Such calls were only heightened in the context of the increase in national debt:GDP ratio following the 2008 financial crash and the 2020 pandemic.[3] If history has any lessons to offer, it is that explicit increased taxes on wealth are likely to be resisted, and even if implemented will raise less revenue than hoped. If the concern is more with reducing inequality of access to capital assets than with raising revenue, then changes to the tax treatment of owner-occupied housing would reduce some of the inequity of treatment between the owner-occupied and privately-rented sections of the housing market, and go some way to reducing actual and perceived inequalities of access to the accumulation of capital. If there was

[1] The Institute for Fiscal Studies, *The Structure and Reform of Direct Taxation: Report of a Committee chaired by Professor J. E. Meade*, 1978, London: George Allen & Unwin.

[2] Thomas Piketty, translated by Arthur Goldhammer, *Capital in the Twenty-First Century*, 2014, Cambridge, Mass.:London, The Belknap Press of Harvard University Press.

Thomas Piketty, translated by Arthur Goldhammer, *Capital and Ideology*, 2020, Cambridge, Mass.:London, The Belknap Press of Harvard University Press.

Heather Boushey, J. Bradford Delong and Marshall Steinbaum (eds), *After Piketty: The Agenda for Economics and Inequality*, 2017, Cambridge, Mass.: London: Harvard University Press.

Pat Hudson and Keith Tribe (eds.), *The Contradictions of Capital in the Twenty-First Century: The Piketty Opportunity*, 2016, Newcastle Upon Tyne:Agenda.

[3] Martin Slater, *The National Debt: A Short History*, 2018, Oxford: Oxford University Press.

a genuine political interest in reducing the concentration of wealth, then a revisiting of the recommendations of the Meade Committee with its core proposal for a progressive expenditure tax would be welcome.

2. Income tax: A very British tax.

A characteristic of the British tax system at the start of the twentieth century was the greater role assigned to the taxing of income, rather than wealth, than was the case in other countries like Germany and Switzerland. Stretching back to the political settlement of 1689 following the 'Glorious Revolution' of 1688, an ability to apply a land tax had been granted by the landowning Parliament in return for control over the finances of the Crown. The tax levied was determined by the total yield required even as land values rose, meaning that the proportionate contributions of landowners fell. Some of the revenue gap was made up with excise taxes. This system broadly survived until 1799 when the prosecution of the revolutionary war required the introduction of a new income tax designed to access some of the increasing wealth of the landowners. With the decision not to renew the income tax in 1816 and the continued rigidity of the land tax, the rising proportion of taxation raised from other sources threatened the credibility of the entire system. Given that a large proportion of revenue went on servicing the national debt at the end of the Napoleonic War, so the inequity of a system which serviced idle rentiers was increasingly criticised. This and the protection of agricultural landowners behind the Corn Laws which placed a floor under import prices, fed into both the radical pressure to repeal the Corn Laws, and also into Robert Peel's restoration of income tax, initially for a period of six years, but then with its renewal in 1948 and 1951. Gladstone, like Peel, with a background in both trade and land continued to push back against the landed elite in his budget of 1853. While an important feature of the system of taxation had been its local administration, with the increased expenditure of local government on public health and education from the final third of the nineteenth century, so pressure increased for a graduated income tax raised at a national level. The system of local rates came under increasing pressure, especially as a boom in housebuilding at the turn of the century squeezed rental income. This coincided with the additional financial demands of the Boer War, which in turn contributed in 1906 to the push of the new Liberal government for a progressive income tax, and a differentiation between earned and unearned income. This interest in differentiation and an attack on the 'unearned increment' of high land prices in the 'people's budget' of 1909 also allowed the Liberal Party to respond to the rising political threat of the Labour Party. The outcome was the constitutional crisis in which the budget was rejected by the unelected House of Lords with its aristocratic landowners, in a direct challenge to the responsibility for taxing and spending of the elected House of Commons. Thus, in the UK taxation was a very important political topic at the start of the twentieth century and especially in the 1910 election. Yet in contrast to the situation in countries like France, Germany and the USA, by the start of the twentieth century, income tax was firmly established even as concerns with equity continued. In part reform had been achieved, as government expenditure fell from 23% of GNP in 1810 to 8% in 1890. However, the combined effect of welfare spending and war was going to change that with government expenditure rising to 12% of GDP in 1913 and to around 25%t after the First World War. At the same time, perceptions of the desired balance between local and central government were changing. The Labour Party was willing to countenance a move away from the earlier emphasis on friendly societies and trade-unions as a source of welfare, to a more state-funded approach. This in turn favoured an increase in the role of taxation by the central State, rather than the earlier, more locally-based tax system providing rentiers with income as the national debt was serviced.[4]

[4] Martin Daunton, 'Creating consent: Taxation, war and good government in Britain, 1688-1914', in Sven H. Steinmo, *The Leap of Faith: The Fiscal Foundations of Successful Government in Europe and America*, 2018, Oxford: Oxford University Press, pp. 131-154.

3. War and fairness

That income tax had a more established place in the UK tax system than in other countries did not mean that concerns with inequality of sacrifice and contribution did not persist. Such concerns were heightened during the First World War. The calls for a levy on capital made during and after the First World War illustrate the thesis that proposals for wealth taxes are better viewed as expressions of concern with perceived inequality and inequity, rather than primarily as effective ways of raising additional revenue. The evident inequality of sacrifice in the First World War between those at the front and those at home often provided the framework within which calls for increased taxation of wealth were made. The distinction drawn by the trade union leader Ben Tillett was not one based on wealth, but rather between, on the one hand, the 'landed gentry (who) had given their sons nobly and freely with the industrial classes', and, on the other, 'the capitalist class (who) were sitting at home in comfort and security behind the bodies of better men than themselves.'[5] That sections of the 'capitalist class' would then subsequently benefit as rentiers from the increased national debt also stuck in the political craw of many. Both during the war and throughout much of the 1920s, calls for capital levies were taken up by the Labour Party, both in the 1919 and 1923 election campaigns and after, alongside calls for the nationalisation of railways and mines, and an especially targeted approach to unearned landed wealth suspected of enjoying Ricardian rents, where profits arising from the restricted access to land or other resources were higher than those necessary to bring the land into use. The dilemma in considering the introduction of any capital levy lay in the trade-off between making it politically acceptable, and in making it financially worthwhile. While in 1920 the Select Committee on War Wealth might recommend a levy on war wealth intended to reap £1,000 million, this ambition was halved to £500 million by the Chancellor of the Exchequer, Austen Chamberlain. A levy on war wealth appealed to the Chancellor, as he 'felt throughout the danger of the present position of capital'. As Chamberlain reflected in a private letter on 27 May 1920:

> 'The prejudice against great wealth in 'pockets' is a danger to all capital. The wealth has come to men too rapidly and they have waxed fat while the mass have grown poorer. This is felt among the whole of the professional classes and in black coated circles and by the squires who see new men in the country flinging wealth about extravagantly. A tax is the wise policy but for one thing – the panic. The City always has cold feet but this time they have frightened me. If there were a series of failures that would be attributable to us. It is monstrous that a sum like 500 millions should produce panic but there it is. If we do not do it we shall strengthen the socialist case and send new people to their side. I confess I fear the unreasoning fear of the City'.[6]

[5] Martin Daunton, *Just Taxes: The Politics of Taxation in Britain, 1914-1979*, Cambridge: Cambridge University Press, p. 49.
[6] Daunton, *Just Taxes,* p. 80.

4. Defending and changing capitalism

Liked in theory, but feared in practice, the idea of a war levy was eventually dropped. In the Cabinet, the only member who argued strongly in favour of the wartime levy was Winston Churchill who was concerned that the Government not appear as a 'class' government as he saw a failure to gain working-class support as the 'greatest danger to capital'. For Churchill, such a levy was required to defend the existing system of capitalism. In the context of the recent revolution in Russia, inflationary and political disorder in Germany and the 1926 General Strike to come in Britain, Churchill's view was that 'it will be very hard anyway to hold this immense electorate by reason and not by force and still hold the capitalist system. If we cannot reason with them and convince them, we shall bring the very disaster which the City fears.'[7] Even though a levy on war wealth was viewed as a more targeted and politically safer alternative to a capital levy, in terms of raising revenue, the wartime 'exceptional' Excess Profits Duty (EPD) was always likely to provide much more revenue. As its revenue of £284 million formed 36% of the total revenue of the Government in 1918/19, it was decided that the 'exceptional' EPD should continue after the war. In the meantime, estimates of the yield from any capital levy were steadily politically planed down from an initial expectation of between £115 million to £200 million to no more than £42 million to £50 million, with the Inland Revenue characterising the capital levy as a desperate measure reflecting political lassitude much more than fiscal probity. Disrupting the capital markets for such a small tax yield was not thought worthwhile. Eventually in 1927, the idea of the capital levy was rejected by the majority report of the (Colwyn) Committee on the National Debt and Taxation, although in its minority report the Labour Party opted for an additional surtax on unearned income above £500 a year. This was presented as being equivalent to a capital tax on estates of £10,000 without the need for new administrative machinery and a complicated valuation.[8]

In his evidence to the Colwyn Committee, J.M. Keynes, while opposed to 'a new and disturbing form of taxation, such as a capital levy' in 1929, did say that he had been in favour of a capital levy in 1920 as a means of reducing the standard rate of income tax. From a broader perspective, Keynes regarded a capital levy 'as the last step in any transition from individualistic capitalism to a new order of society', such that:

> 'If the state had taken over the main responsibility for future savings, and was at the same time involved in large capital expenditure for state-operated concerns, the case would be changed'.[9]

After the Second World War, with the Labour Government's nationalisation programme and the increase in public expenditure, a new order of society looked closer to hand. Indeed, Keynes's erstwhile colleague, Dennis Robertson, commented in 1952 on how:

> 'the State has claimed the right and assumed the duty of making and implementing on behalf of the community one of the most fundamental of economic choices, namely the distribution of productive resources between present and future uses. In other words it

---

[7] Daunton, *Just Taxes,* p. 80

[8] Daunton, *Just Taxes,* pp. 72-3, 83.

[9] J.M. Keynes, evidence to the Colwyn Committee, 6 May, 1925, XIX, p. 840 in Donald Moggridge (ed.), *The Collected Writings of John Maynard Keynes, vol. XIX, Activities 1922-1929: The Return to Gold and Industrial Policy*, 1981, Cambridge: Cambridge University Press for the Royal Economic Society.

> has taken upon itself the responsibility for determining the rate of growth of the community's real capital'.[10]

For the meantime, in 1929, Keynes's view was that if need be, it would be better to have one shilling (1s.) extra on the income tax 'than to have the disturbance of a capital levy, which would amount to £300,000 gross and yet would not be equivalent to more relief than 1s. on the income tax'.[11] Ten years later, in December 1939, in an interview with Douglas Jay (then City Editor of *The Manchester Daily Herald*) and in a letter to *The Times* on 18 April 1940, Keynes returned to a consideration of a capital levy, this time as one means of reducing inflationary excess demand in a war economy, and as a counterpart to a scheme of deferred wage payments. Concerned that the financing of the war should avoid both 'inflation and crushing taxes', Keynes thought that the resulting national debt might be eased by a 'capital levy of some 5 per cent of accumulated wealth' not least as this might have 'a special suitability in rewarding the risks, the labours, and the abstinences of wartime at the expense of the old wealth which they will have served to safeguard'. It would also help to balance the deferred pay (about £100) due to those working at home at the end of the war, with a similar credit, funded by a capital levy, to those who had been risking their lives.[12]

[10] Martin Chick, *Changing Times: Economics, Policies, and Resource Allocation in Britain since 1951*, 2020, Oxford: Oxford University Press, p.34
[11] Keynes, evidence to the Colwyn Committee, p. 843.
[12] Keynes, *Collected Writings*, XXII, pp. 87-90, 121-2.

5. Labour, debt and land

At the end of the Second World War, the national debt stood at around £25 billion, or 240%of GDP.[13] Concerned at the prospect of an inflationary and inequitable post-war scramble for resources, the Labour Government retained many wartime economic controls. This in part allowed the new Chancellor of the Exchequer, Hugh Dalton, to continue with the 'cheap money' policy which dated back to 1932 and whose low interest rates would mitigate the costs of servicing the national debt while satisficing Dalton's objections to rentier capitalists profiting from their holdings of national debt. Previously as a lecturer at the London School of Economics, Dalton had written at length on the issue of inequality. In 1920, in his book *Some Aspects of the Inequality of Incomes in Modern Communities*, he had paid particular attention to income from property and its inheritance:

> '(W)e have seen that, within the framework of the capitalist system, the chief cause of the inequality of incomes from property is the fact that some persons receive much larger amounts of property through inheritance and gifts than others, and that the effects of inherited property in maintaining the inequality of incomes from work are also very great, since the children of those who inherit property inherit better economic opportunities, in the form of better chances than they might otherwise have had, and than others have, of health, education and comfort'. [14]

Now, as Chancellor, Dalton increased the death rate on estates over £21,500 to a maximum of 75%, this being raised by Hugh Gaitskell, when Chancellor, to 80% in 1950. Although smaller estates were exempted and the rates reduced on estates up to £7,500, the aim was clear.[15]

During the second half of World War II, an increasing amount of time was devoted to considerations of what a post-war United Kingdom might look like. From 1942 a range of 'reconstruction' committees discussed and sought to resolve issues which remained unsettled from before the war. In industries like coal and electricity, these discussions shaped the thinking which was to guide the post-war nationalisation of those industries. In this context, the divisive issue of a land tax and the potential compulsory purchase of land was revisited. In 1924 a land tax had been considered and in 1931 Philip Snowden, the Chancellor of the Exchequer, had introduced a tax of one pre-decimal penny (1d) in the pound on land values to address the issue of socially-created wealth. While previously Lloyd-George had found success in uniting active industry and labour against those dubbed parasitical landowners, by the interwar period the land tax issue had less political purchase and was considered unlikely to produce much revenue. Introduced in 1931, it was suspended in 1932 and abandoned in 1934. However, as with many of the wartime reconstruction committees, when the land value issue was discussed again in 1942 by the Expert Committee on Compensation and Betterment, chaired by Lord Justice Uthwatt, a much more radical approach was recommended. In short, all undeveloped land would be nationalised and owners compensated at the recent price of agricultural and the sole buyer of designated land would be the State, and it would take any gain in the value of the site if and when it was sold to a developer. In addition, all property owners would be required to pay a betterment levy of 75% of any increase in the value of their site. Some of these proposals were incorporated into the Town & Country Planning Act of 1947, which nationalised the right to develop land but did not give the state a monopoly of land purchases. The system was complex,

[13] Slater, *The National Debt*, pp. 173-4.
[14] Hugh Dalton, *Some Aspects of the Inequalities of Incomes in Modern Communities*, London, George Routledge, 1920, p. 281
[15] Daunton, *Just Taxes,* p. 213

with compensation being paid for the loss of development rights, but also with a 100% development charge on any increase in site value. However, the system was consistently opposed by the Conservative Party who abolished it in 1953 as a compensation payment of £300 million loomed in 1954. That compares with the decision of successive Conservative governments to keep much of the welfare and nationalisation legislation introduced by the Attlee government. This Conservative opposition to Labour governments' treatment of land was to persist. When in 1967, in the Land Commission Act, attempts were made by some members of the Labour Government to implement the Uthwatt proposals in full, these were again opposed by the Conservatives in opposition, and then repealed when back in power in 1970.[16]

[16] Daunton, *Just Taxes*, pp. 157, 349-352.

6. A changing context

After the Second World War, the context in which the taxation of wealth was discussed was significantly different from that which existed before 1939. The objection to wealth and its inheritance remained, even though the distribution of wealth had changed across the Second World War. The tendency across World War I (between 1911-13 and 1924-30) was for the share of wealth held by the top 1% of independent adults to fall, and to fall into the hands of the following 9%. This redistribution from the super-rich to the rich still left 90% of adults scrabbling over 10% of total wealth. The Second World War marked the start of a greater redistribution of wealth, although even this widening of wealth holding seemed to be confined now to the top 20% of individuals. Nonetheless, the share of wealth owned by the top 5%fell from over 75% before the Second World Warto under 40% by 1976-80. For the top 10% of wealth-holders, their share of wealth fell from 85%before the Second World War to 50% by 1976-80.[17]

On nationalisation (for which compensation was paid) assets had moved into central public ownership (some had previously been in municipal ownership) and by 1951 the nationalised industries accounted for 19.5% of gross fixed capital formation.[18] Net public investment was to rise to 7.6% of GDP in 1967-68. The political economy of the 'Golden Age' looked considerably different from that which existed before the Second World War. Public expenditure accounted for 40% of GDP, compared with 15%of GDP before the First World War, and around 30% in the interwar years. During the Second World War there was a notable increase in the number of those who paid income tax, and this trend was to be continued in the post-war period, not least as the income tax threshold fell. While in 1950 the tax threshold for a married man was 60% of average manual earnings and he did not begin paying standard rate until 175% of average earnings, by 1980 this figure had fallen to 35% of average earnings.[19]

The increased incidence of income taxation, the change in the redistribution of wealth and the higher rates of marginal income tax all contributed to a recognition that the scope for further significant redistribution of income through taxation was limited. As Crosland noted in his 1956 book, *The Future of Socialism*, '(we) have now reached the point where further redistribution would make little difference to the standard of living of the masses; to make the rich less rich would not make the poor significantly less poor', and that 'the largest inequalities stem not from the redistribution of earned incomes, but from the ownership of inherited capital'.[20] While the scope for redistribution by acting on income had diminished, the concern with wealth remained constant. For Tawney, wealth allowed 'access' and what was 'repulsive' was not income inequality but that 'some classes should be excluded from the heritage of civilization which others enjoy'.[21] For Meade it was not just that wealth provided 'a source of income which is compatible with a life of leisure', but that wealth gave 'opportunity, security, social power, influence and independence'.[22] It was for that reason that 'however well a system of taxation of income or of consumption may be devised, equity requires that wealth itself should be included in the base for progressive taxation'. Despite the redistribution of wealth which had occurred, of increasing concern and related to scepticism about the ability of markets to maximise

[17] Charles Feinstein, 'The equalizing of wealth in Britain since the Second World War', *Oxford Review of Economic Policy*, vol. 12, no. 1, Spring 1996, pp. 96-105, pp. 100-102.
[18] Martin Chick, *Industrial Policy in Britain, 1945-1951: Economic Planning, Nationalisation and the Labour Governments*, 1998, Cambridge: Cambridge University Press.
[19] A. B. Atkinson, 'On the switch to indirect taxation', *Fiscal Studies*, vol. 2, issue 2, July 1981, pp. 1-8, p.5.
[20] A. Crosland, *The Future of Socialism*, 1956, London: Jonathan Cape, pp. 123-4, 239.
[21] R.H. Tawney, *Equality*,4th edition, 1964, London: Allen and Unwin, p. 113.
[22] Meade, *Report*, p. 40.

competition, was a concern with the concentration of wealth. This had always concerned Tawney, and it was a central pillar of Douglas Jay's writings on inequality. In making *The Socialist Case* in 1946, Jay complained that:

> 'Not only is the ideal world of free competition and perfect knowledge belied in fact by the existence of ignorance, convention, and other kinds of "frictions" inescapable from human life in any conditions. It is also belied by the existence of social institutions which create and maintain monopolistic privileges in the interest of certain groups. In the first place the concentration of wealth in a few hands, means the concession to a few of enormous advantages of education and influence. All men do not start equal in looking for a job".[23]

[23] Douglas Jay, *The Socialist Case*, 1946:London, Faber & Faber, p. 125.

7. Nicholas Kaldor

The Hungarian economist, Nicholas Kaldor, was the dominant and most imaginative proponent of fundamental changes to the system of taxation in the third quarter of the twentieth century. Author in 1955 of the major book on taxation, *An Expenditure* Tax, Kaldor was also the guiding intellectual force behind the Labour Government's introduction of the Capital Gains Tax (CGT) in 1965. Following the large gains made in the property and take-over booms of the early sixties, support for the introduction of a CGT in 1965 by the Labour Government was broader than might normally have been expected. Indeed, the Conservative Shadow Cabinet was discussing plans for a wealth tax until their abandonment in 1968.[24] The CGT introduced in 1965 collected less revenue than had been hoped, but it formed part of a wage restraint package. In a previous 'wage standstill' agreement in 1948, unions had limited wage claims while, in return, companies had exercised dividend restraint. Such dividend restraint allowed capital gains to be made, and the continuation of dividend restraint for much of the 1950s, and for long after the wage standstill had ended in 1949, provided part of the background to the speculative stock market activity of the early sixties. Asked for wage restraint again in 1965, the *quid pro quo* this time was a limitation on capital gains.

As well as being the intellectual architect of the 1965 CGT, Nicholas Kaldor also served more widely as economic advisor to the Labour governments in 1964-70, and, more briefly, in 1974-5. Although author of the book, *An Expenditure Tax*, Kaldor's preference was actually for a Haig-Simons income-based measure of taxable capacity to pay.[25] However, the practicalities of taxing expenditure weighed more with him, as too perhaps did the political difficulties of taxing income in a post-Second World War United Kingdom in which many more people were paying income tax than before the war. Kaldor's *An Expenditure Tax* provided an important intellectual forerunner for the Meade Committee's Report in 1978 on the reform of the structure and reform of direct taxation. When Meade sent Kaldor a draft copy of the committee's report, Kaldor wrote thanking him and admitting that while he had not yet had time to 'study it in any detail I found it very gratifying that you advocate an Expenditure Tax on much the same lines as I did when I wrote my book 23 years ago!'[26] Accepting in 1955 that no definition of income 'which is a plausible one for purposes of tax assessment, can measure taxable capacity' and that 'accruals from the various sources cannot be reduced to a common unit of spending power on any objective criteria', Kaldor then argued that 'each individual performs this operation for himself when, in the light of all his present circumstances and future prospects, he decides on the scale of his personal living expenses'. Thus, on this basis, 'a tax based on actual spending rates each individual's spending capacity according to the yardstick which he applies to himself'.[27]

[24] Daunton, *Just Taxes*, p. 316

[25] Nicholas Kaldor, 'A new look at the expenditure tax', in Nicholas Kaldor, *Reports on Taxation I: Papers Related to the United Kingdom*, 1980, London: Duckworth, pp. 230-240, p. 231.

[26] Meade Papers, British Library of Political and Economic Science, 6/11 (1977) Kaldor to Meade.

[27] Kaldor, *An Expenditure Tax*, 1955: London, Geo. Allen & Unwin, p. 47.

8. The Meade Committee

The Meade Committee was established in 1975, not by the Government, but by the privately-funded Institute for Fiscal Studies (IFS) which had itself been established in 1969.[28] As Dick Taverne, the first Director of the IFS recalled it was the Meade Report which 'put (the) IFS on the map'.[29] The Report was 'commissioned by the Institute of Fiscal Studies after ministers rejected calls by the Sandilands Committee and others for a Royal Commission on the whole of the taxation system, on the grounds that it was too large an undertaking'.[30] Appropriately in 1975, when the annual rate of inflation was running at above 25%, part of the Committee's remit was to review the system of direct taxation, just one of whose difficulties was its struggle to accommodate the effects of the inflation of the 1970s. Throughout its two-year life, in which remarkably it produced a report of 519 pages (including 37 appendices) the Meade Committee was tracked by the Conservative Party Taxation Committee(CPTC), chaired by David Howell.[31] The Treasury and the Inland Revenue also kept a keen eye on the Committee's activities, and equally throughout its proceedings the IFS was keen to keep the Treasury and Inland Revenue briefed.[32]

The Meade Committee shared Kaldor's interest in the development of a progressive expenditure tax which would fall more heavily than a progressive income tax on the wealthy who were 'financing high levels of consumption out of capital resources'.[33] On these and grounds of equity, the currently untaxed consumption expenditure financed out of capital would be taxed. One possibility was to surcharge investment income, but this could favour those whose wealth grew although yielding little or no income. Instead a progressive universal expenditure tax could be operated in which all purchase of assets would be deducted from the tax base, while all sales of assets plus the income yield on all assets would be added to the tax base.[34] For administrative ease, assets would be categorised as 'unregistered assets', and 'registered assets', with only transactions in the latter category being debited to, or credited against, taxable income.

As well as the application of a progressive expenditure tax to the living, the transfer of assets from the dead to the living was also to be taxed, and in a manner designed to encourage a reduction in the concentration of wealth. This was preferred to the existing Capital Transfer Tax which was levied on transfers of wealth by gift or by bequest at death, and in which the rate of tax was cumulative over the life of the donor depending upon the total amount which the donor had already given away on previous occasions.[35] Instead, the Meade Committee recommended the Progressive Annual Wealth and Accessions Tax (PAWAT). This tax was to be a cumulative tax on all gifts and inheritances received by the donee at a progressive rate depending on the accumulated value of gifts already received. The existing taxation on inheritance was held to be clumsy, capable of being largely avoided and unduly reliant on the frequency of death for its rate of incidence over a period of time, at which point it could present the less well-advised with

[28] Chick, *Changing Times*, p. 145.

[29] https://www.ifs.org.uk/bundles/ifsabout/files/ifs_directors_reflections.pdf

[30] The National Archives, Kew, TNA T364/149 (1977b), paras. 23, 24, 29, 32.

[31] The Thatcher Papers, Churchill College, Cambridge, THCR 2/6/1/36, LCC (77)166, (1977), 'More Wealth for All'.
THCR 2/6/1/27, (1975) letter from Keith Joseph.

[32] TNA T366/20, Letter, Meade to Todd, 4th October 1976

[33] Meade *Report*, p. 33

[34] Meade *Report*, p. 175.

[35] Meade *Report*, p. 337

lumpy bills. Under the proposed PAWAT, the rate of tax would also depend on the age of the donee as a proxy for reflecting the length of time the wealth would be held. With an initial tax-free allowance, but then with bands of rising tax rates, encouragement was given to spread the estate. To reduce the incentive to skip generations (say, from grandparent to grandchild thereby skipping taxation on the death of the middle generation), the donee's inheritance was taxed at point of receipt as if the donee would live to be 85. If the donee died before reaching the age of 85, or transferred their inheritance, then tax refunds would be made. By taxing the donee and not the donor, the PAWAT left earned wealth alone but taxed the inheritance of unearned wealth.

Such a move to an accession basis for the taxation of wealth would have broken with a long-standing preference for mutation duties. A list of duties including probate duty (a stamp duty introduced in 1694 and repealed in 1894), account duty (introduced in 1881 to prevent the avoidance of probate duty by the making of lifetime gifts and repealed in 1984), and state duty itself (introduced in 1894 and repealed in 1975) attested to the persistence of this preference for charging the dead rather than the living. It was not only history, but also historical arguments which were employed against the accessions approach. When in 1972, the Conservative Government in considering alternatives to estate duty considered introducing an accessions tax, the arguments made against it concerned its cost and inefficiency as a revenue-raising measure.[36] Defeated in the two general elections of 1974, the Conservative Government's work was picked up by the Labour Government who introduced the Capital Transfer Tax (CTT) in 1975. Opposed by the Inland Revenue who obstructed the administration of such a system, a concession was made in that CTT was still charged with reference to the estate of the donor, but with the difference that CTT assessed all of the lifetime and gifts on death that had been accumulated over a lifetime. Misgivings about CTT's revenue-raising efficiency remained, not least as it raised less than the avoidable Estate Duty which it had replaced. This in part reflected the relief from the tax offered on agricultural and business property for transfers occurring where essentially payment of the tax would have necessitated the sale of the asset.[37]

In the same Labour Government's lifetime, efforts to introduce a Wealth Tax ran into the sand. Long-standing calls for a Wealth Tax from, amongst others, the Trade Union Congress had resulted in its inclusion in the Labour Party election manifesto for the February 1974 general election. In 1972 the Inland Revenue had already been preparing a Green Paper on Inheritance Tax and the issue was revived with the publication on 24 September 1973 of the IFS-sponsored book *An Accessions Tax* by Sandford, Willis and Ironside, which argued for a cumulative tax on transfers of property by gift *inter vivos* or on death, graduated according to the taxable accessions of the recipients from all sources. [38]

The 1973 *Labour's Programme for Britain* proposed a progressive wealth tax in the form of an 'annual levy on the largest concentrations of private wealth', and in 1974, the new Labour Chancellor, Denis Healey, announced his intention of introducing 'an annual wealth tax on the rich'. However, this became mired in the Select Committee to which it was sent for consideration. While some in the committee saw a wealth tax as helping to equalise the taxation

[36] *Taxation f Capital on Death: A Possible Inheritance Tax in Place of Estate Duty*, Cmnd. 4930, March 1972

[37] Natalie Lee, 'Inheritance tax- an equitable tax no longer: time for abolition?', *Legal Studies*, vol.27, no. 4,December 2007, pp. 678-708, pp. 681, 683.

[38] TNA IR40/18139, 'Inheritance Tax', letter, Hubbard to Bailey(Inland Revenue), 9th October 1973.
C Sandford, J Willis and D. Ironside, *An Accessions Tax: A study of the Desirability and Feasibility of Replacing the UK Estate Duty By a Cumulative Tax on Receipts of Gifts and Inheritances*, Institute for Fiscal Studies, 1973.

of earned and unearned income, Douglas Jay sought a more explicit tax on capital so as to promote greater equality. Jay's draft report was not accepted by the Select Committee, with Conservative members making familiar objections about a confusion of equity and equality, the reduction of incentives to save, and a flight of capital. Reporting in August 1975 but unable to agree on a majority report, the Select Committee published 5 draft reports. On 18th December 1975, Denis Healey, the Chancellor of the Exchequer, indicated that he was postponing the introduction of a wealth tax. On 15th and 16th February 1977 Meade sent draft copies of Chapter XII (eventually chapters 15 and 16 of his committee's final report) on Capital Transfer Taxes to the Chancellor of the Exchequer Denis Healey and Douglas Jay, Meade wanting Healey to have his 'comments not as chairman of the committee but on a personal basis'.[39] While Healey appreciated that the proposal for an accessions tax was 'an ingenious way of marrying a tax on the transfer of wealth with a tax on holding wealth in an attempt to encourage redistribution without sapping initiative', he reminded Meade that the government had dropped plans for a wealth tax in the current Parliament because 'our social objectives have at present to take second place to our wider economic and industrial priorities'.[40] Writing to Jay, Meade admitted that the chapter on capital transfer taxes with its 'form of a lump-sum advance of a progressive annual wealth tax' might 'sound at first rather gimmicky', but thought that it could 'both politically and economically serve the main ends of an annual wealth tax without many of the difficulties of the latter'.[41] With fundamental disputes over industrial policy leading to Kaldor being forced out as economic adviser by the Crosland-backed Harold Lever in 1975, and with the Treasury engaged in bitter arguments with Tony Benn (then Secretary of State for Industry), priority was not given to resolving disagreements over any wealth tax.[42]

[39] Meade Papers 6/10, letter, Meade to Healey, 15 February 1977.
[40] Meade Papers 6/10, letter, Healey to Meade, 3 March 1977.
[41] Meade Papers 6/10, letter, Meade to Jay, 16 February 1977.
[42] Martin Chick, 'The state and industrial policy in Britain, 1950-1974', in C. Grabas and Alexander Nützenadel (eds.), *Industrial Policy in Europe After 1945*, 2014, Houdmills: Palgrave, pp. 48-66, p. 63.

9. Responses to the Meade Report

The publication of the Meade Committee's Report evoked a particularly hostile response from two sources: the Inland Revenue and those with economic briefs in the Conservative Shadow Cabinet. The opposition of the Inland Revenue in part echoed its previous misgivings about the administration of the CGT and its perceived reliance on taxpayers to report their gains accurately and honestly. Now, in response to the Meade Report, the Inland Revenue conducted its own extensive internal analysis of an expenditure tax.[43] The Revenue emphasised the benefits of operating a comprehensive cumulative PAYE system in which the majority of taxpayers did not submit annual returns, again identifying as a 'major stumbling block with a UET' (Universal Expenditure Tax) the 'need to get an annual return from everyone'.[44] Given the 79 pages devoted to the Inland Revenue's analysis of an expenditure tax, what was dissonant was the contrast between this and the often dismissive, almost aggressive, approach of the Inland Revenue to expenditure taxation in discussions with other departments. In short, the Inland Revenue gave a damning judgement on the Meade Committee's work: 'The Report is disappointing: its original proposals are not practicable, and its practicable proposals are not original'.[45] The contrast with the view of the Treasury was clear. As Lovell of the Treasury remarked:

> 'There are a good many of us in the Treasury who feel that the Report has considerable value to us and, if we are able, we do not intend to let it die. But I am bound to say that these views are not necessarily shared by all, in particular by the Inland Revenue.'[46]

Treasury officials were blunt in their views on the Inland Revenue's response to the Meade Report. Observing that it was always 'easy to do a hatchet job on a theoretical analysis of this kind', they acknowledged that there was wide recognition that the tax system was 'urgently in need of reform'. While the Treasury was wary of allowing the Revenue to speak in an area in which the Treasury had interests and responsibilities, it also thought that:

> 'the Revenue would lead with their chin if they adopted the kind of destructive criticism which features in their detailed comments. It is not good enough to say that some people "disagree with the view of the Committee on various economic points". If the Revenue are to take on the Meade Committee in the area of their economic analysis they would have to present an alternative and well articulated view. In such a debate my money would be on Professor Meade.'[47]

The response of the Shadow Conservative Cabinet to the Meade Report was also mixed. On the one hand, two of its three main recommendations (the reduction of the top marginal rate of income tax and a shift towards an expenditure tax) were adopted by the incoming Thatcher Government. The third (on the taxation of inheritance) was not, and indeed there was downright hostility to the Meade Committee's proposals for a PAWAT. When Meade presented an exposition of the Report's main principles and recommendations to a group of Conservative

---

[43] Meade Papers 10/17, Letter to Meade from J H Gracey, Inland Revenue, 3 January 1980.
[44] Meade Papers, 10/17, Inland Revenue, Central Division, internal study on 'An Expenditure Tax', 1978, paras. A3, D3-4.
N. Kaldor, *An Expenditure Tax*, 1955, London, Geo. Allen & Unwin.
[45]TNA T364/149, 'Meade Committee Report', paper by Inland Revenue, December 1977, paras. 23, 24, 29, 32. Sent to Sir Douglas Wass at the Treasury.
[46] TNA T366/205, Letter, A.H. Lovell to T. M. Heiser, 27 February 1978.
[47] TNA T 364/149, T364/149, 'The Meade report', note by A.H. Lovell, December 1977, para. 17a.

MPs on 22nd November 1977 prior to its official publication, he drew a belligerent response from his audience. Following the meeting Meade wrote to its organiser, Sir Geoffrey Howe, expressing his 'surprise at the unmitigated hostility shown by the majority of your group'.[48] Howe's main defence was that 'unmitigated hostility' was 'not the real spirit of our reaction' but rather a 'political abhorrence, born of many Finance Bill Standing Committees, of anything which involved complex replacement of familiar fiscal machinery when simplification and adaptation, of course, on a basis of principle, would do as well'.[49] By way of an olive branch Howe commended to Meade chapter 3 of the Conservative Party's recently published pamphlet *The Right Approach to the Economy*, as well as Howe's own recent talk to the Addington Society which was reprinted in that year's *British Tax Review*. [50]

Whatever Howe's emollient words, there was no disguising the Conservative Party's determined opposition to suggestions of further taxation of capital. This had been a consistent theme from at least the mid-1970s, when the CPTC had expressed its forthright determination to end the 'political' taxation of the rich, particularly through capital transfer tax.[51] It was not simply that the Conservative Party was opposed to the disturbance of fundamental reform, but rather that it fundamentally disagreed with Meade's views on the redistribution of wealth.[52]

Rather than taxing wealth, the developing thinking within the Conservative party was that capital accumulation should be regarded as an incentive for enterprise. Leading thinkers among MPs like Nicholas Ridley and Keith Joseph strongly advocated a widening of share ownership, not least by giving and selling shares (on preferential terms) to the employees of the industry.[53] However, they were not prepared to go so far as to follow Milton Friedman's suggestion that, at privatisation, rather than selling shares to subscribers, they should instead be freely distributed to all the citizens. Similar ideas were advanced by Samuel Brittan, who also proposed in *The Financial Times* (26 July 1979) that all adult citizens be given a share in the form of North Sea stock in the revenue from North Sea oil which they could sell (or buy). Such shares would pay dividends and be tradeable on the stock market. Brittan also proposed that a similar use be made of the capital receipts from the sale of mobile telephone licences rather than, as happened, using them to reduce the national debt. [54] As with land, so too with oil and bands of the electromagnetic spectrum, where their restricted availability gave rise to economic rents, then so too could these rents be taxed with little distortionary effect.

---

[48] Meade 6/2, , letter to Howe, 23rd November 1977.
[49] Meade 6/2, letter to Howe, 25th November 1977.
[50] Geoffrey Howe, 'Reform of taxation machinery', *British Tax Review*, 1977, pp. 97-104.
[51] THCR 2/6/1/35 (1975)
THCR 2/6/1/36 (1977)
[52] In correspondence with Margaret Thatcher and Keith Joseph, Howe would refer to Meade as a 'socialist'.
[53] TNA T370/1434, meeting, 'Nationalised Industries', May 1978, para. 1
[54] Samuel Brittan, *Against The Flow: Reflections of an Individualist*, 2005, London: Atlantic Books, p. 103.

10. Taxing owner-occupied housing

Capital accumulation was also to be broadened by encouraging home ownership. In 1945 Britain was still largely a nation of renters, with most households renting from private landlords, a tenth renting from local authorities and fewer than a third owner-occupiers. By 2005, 70% were owner-occupiers, 10% were private tenants and the rest were in the social rented sector. In part this increase in home ownership was encouraged by changes in the taxation of owner-occupied houses. Until 1963 owner-occupiers were taxed under Schedule A on their imputed rental income. [55] In repealing Schedule A in 1963, the Conservative Government, notwithstanding the contrary opinion of the Radcliffe Royal Commission, asserted that the notional or imputed income from owner-occupation was not a proper subject for taxation. In this, the Conservative Government was supported by the Labour and Liberal Parties, with a consequential narrowing of the tax base and the loss of an annual Schedule A extraction of £50 million from owner-occupiers, so some 1.8% of an annual total tax yield of £2.8 billion.[56] The tax advantages of owner-occupiers were extended further in 1965, when the Labour government exempted owner-occupied houses from its new CGT. That Labour Government also provided the option mortgage subsidy to complement tax relief in 1967, and retained tax relief on mortgage interest when most other reliefs on interest were withdrawn from individual taxpayers in 1969. Although in 1974, tax relief on mortgages on second dwellings was ended and a limit of £25,000 imposed, the cost of tax relief grew in the 1970s. The distribution of tax relief between income groups drew criticism as attracting increasing amounts of capital simply to churn the existing stock of second-hand housing rather than adding to it. Given that tax relief was withdrawn on personal loans and no longer given on interest payments generally, the tax relief on mortgage interest did look anomalous if the property was not treated as an asset but as a form of consumption. If it was an asset, then its income and capital gain were taxable but its costs (including that of the annual cost of borrowing) were deductible.[57]

Allowing owner-occupiers to escape imputed income taxation and capital gains tax while claiming mortgage interest tax relief, and at the same time subsiding local authority tenants through housing subsidies and rent rebates, while offering no equivalent financial treatment to private landlords, made efforts to obtain a more efficient allocation of housing resources extremely difficult.[58] In the Treasury in 1977, Ian Byatt (Head of the Public Sector Economic Unit) was very keen to reintroduce Schedule A, but Peter Shore, the Secretary of State for the Environment (1976-1979), was opposed to the taxation of imputed income.[59] Shore was keen to use the removal of higher rate tax relief on mortgage payments as a *quid pro quo* for reducing subsidies and consequently raising council house rents. Although the tax-relief offered to owner-occupiers cost less than subsidies to local authority tenants, for some in the Treasury like Douglas Wass (Permanent Secretary to HM Treasury) it was thought that the scrapping of higher-rate mortgage tax relief would remove an important incentive to managers who had no inherited capital. As he put it:

> 'It deals a pretty severe blow at the man who is on higher rate <u>and who has no capital</u>. It hits in fact the manager to whom the Chancellor has been trying to bring some relief.

---

[55] TNA T414/50, Carr, note, 'General Housing Subsidies', October 1975.
[56] TNA T379/23, Houghton, draft note, 'Tax on the imputed income', May 1976, para. 14.
TNA T414/50, Carr, note, 'General Housing Subsidies', October 1975.
TNA T414/50, Carr, note, 'Review of Housing Finance', October 1975, para. 3.
[57] TNA T379/23, Houghton, draft note, 'Tax on the imputed income', May 1976, para. 11.
[58] TNA T414/50, Trench, paper, 'General Housing subsidies', October 1975, paras. 1-2.
[59] TNA T364/102, Downey, note, 'Housing Policy Review', April 1977, p. 4.

> Higher-rate relief gives, in an unobtrusive way, some respite from our excessive marginal rate of tax on middle and higher income earners. It would seem to me to be foolish to take this away, at any rate until we can do something substantial on the rates themselves.'[60]

Wass was not a lone voice. Others were concerned that even if mortgage interest tax relief was withdrawn gradually over a six-year period starting from April 1978, it would still introduce uncertainty into the lives of precisely that section of the young professional middle-class who were viewed as important to economic recovery and that it would 'remove one of the incentives now open to a young executive to accept promotion and move from one locality to another'. Higher rate relief mortgagors totalled nearly one million taxpayers with about 150,000 mortgagors above the 50% rate. In terms of yield, it was negligible. The sensitivity over its restriction reflected the increasing concern with the marginal incentives being offered to what were hoped were the more entrepreneurial sections of the economy. Following the election of the first Thatcher Government, on 13 July 1980, at a Sunday dinner at Chequers with other academic economists, Professor Robin Matthews raised the question of the reintroduction of Schedule A taxation or at least the removal of tax relief on mortgages, but was informed by the Prime Minister 'that neither of these were a starter'.[61]

In addition to the absence of the taxation of imputed income from owner occupation and of CGT on the principal residence at time of sale, at time of death not only is CGT not applied, but considerable thresholds are extended to owner-occupiers. While inheritance tax has become a largely ineffectual irritant, there is no compensation in the form of a more realistic local tax on property. To the tax advantages of owner-occupation which discouraged a more efficient use of the housing stock, were added changes in the availability of finance for the private purchase of housing which contributed to the price of housing as an asset rising faster than incomes. For most of the post-war period, mortgage rationing usually as a multiple of income had been the norm but from the early 1980s, building societies (the largest mortgage lenders in the UK) moved to using interest rates as a rationing mechanism. The Bank of England's 'consultative document' *Competition and Credit Control* published on 14 May 1971 and, then in the 1980s, continuing supportive statements from the Building Societies Association's Committee for Mortgage Finance, all marked a shift away from an administrative allocation of bank loans to one in which the rate of interest became a more important allocative mechanism. Between 1992 and 2016 the multiple of average advances to average income of borrowers rose from two to three. One consequence was that price:earnings ratios for housing rose.

The evidence of history suggests that introducing new taxes on wealth in an effort to increase revenue is likely to prove to be disappointing. Whether a capital levy or a tax on capital gains, it is likely to encounter strong opposition from interest groups in the City and financial services industry, and in the subsequent process of negotiation the tax is likely to have its impact diluted. Yet, at the same time as doubts exist over the taxing of wealth as a source of revenue, the fact that wealth taxes are being discussed again reflects a wider concern with inequality and inequity. In the interwar period such concerns were sufficiently strong for Churchill to favour the taxation of wealth as a means of shoring up the capitalist system itself. With a not dissimilar interest, but with a different approach, efforts were made from the 1970s to improve access to capital and/or to reduce its concentration. These intentions could be seen as contradictory, as in the incoming Conservative Government's response to the Meade Committee's proposals for

[60] TNA T364/102, Wass, note, 'Housing Policy Review', April 1977, para. 5ii.
[61] TNA PREM 19/197, meeting with academic economists, July 1980, p. 5.
TNA T364/102, 'Housing Policy Review', April 1977.

the taxation of capital. While the Conservatives reflected a revivified view of the accumulation of capital as an important incentive for enterprise, there was also a sharp interest in the early Thatcher Government in making that access to capital open to a broader cross-section of society. In time, because of what happened to asset prices, that ambition was doused. Nevertheless, it remains one which is much more likely to attract broad political support than an explicit tax on wealth. It might also attract less resistance from HM Revenue & Customs. To improve access to capital assets, some of the arguments and recommendations of the Meade Committee, many of which were echoed in the Mirrlees Report some thirty-three years later, could profitably be revisited.[62] So too could the tax treatment of owner-occupied housing, this being politically justified on the grounds of addressing inequity and inter-generational inequality in the housing market. This is unlikely to be an opportunity to raise substantial revenue from the tax treatment of wealth, but it could be a politically adroit moment to make the tax treatment of wealth much fairer.

[62] IFS, *Tax By Design: The Mirrlees Review*, 2011, Oxford: Oxford University Press.

Bibliography

Atkinson, A. B., 'On the switch to indirect taxation', *Fiscal Studies*, vol. 2, issue 2, July 1981, pp. 1-8.

Brittan, Samuel, *Against The Flow: Reflections of an Individualist*, 2005, London: Atlantic Books.

Boushey, Heather., J. Bradford Delong and Marshall Steinbaum (eds), *After Piketty: The Agenda for Economics and Inequality*, 2017, Cambridge, Mass.: London: Harvard University Press.

Chick, Martin, *Industrial Policy in Britain, 1945-1951: Economic Planning, Nationalisation and the Labour Governments*, 1998, Cambridge: Cambridge University Press.

Chick, Martin, 'The state and industrial policy in Britain, 1950-1974', in C. Grabas and Alexander Nützenadel (eds.), *Industrial Policy in Europe After 1945*, 2014, Houdmills: Palgrave, pp. 48-66.

Chick, Martin, *Changing Times: Economics, Policies, and Resource Allocation in Britain since 1951*, 2020, Oxford: Oxford University Press.

Crosland, A., *The Future of Socialism*, 1956, London: Jonathan Cape.

Dalton, Hugh, *Some Aspects of the Inequalities of Incomes in Modern Communities*, London, George Routledge, 1920.

Daunton, Martin *Just Taxes: The Politics of Taxation in Britain, 1914-1979*, 2002, Cambridge: Cambridge University Press.

Daunton, Martin 'Creating consent: Taxation, war and good government in Britain, 1688-1914', in Sven H. Steinmo, *The Leap of Faith: The Fiscal Foundations of Successful Government in Europe and America*, 2018, Oxford: Oxford University Press, pp. 131-154.

Feinstein, Charles 'The equalizing of wealth in Britain since the Second World War', *Oxford Review of Economic Policy*, vol. 12, no. 1, Spring 1996, pp. 96-105.

Howe, Geoffrey, 'Reform of taxation machinery', *British Tax Review*, 1977, pp. 97-104.

Hudson, Pat, and Keith Tribe (eds.), *The Contradictions of Capital in the Twenty-First Century: The Piketty Opportunity*, 2016, Newcastle Upon Tyne: Agenda.

Institute for Fiscal Studies, *The Structure and Reform of Direct Taxation: Report of a Committee chaired by Professor J. E. Meade*, 1978, London: George Allen & Unwin.

Institute for Fiscal Studies, *Tax By Design: The Mirrlees Review*, 2011, Oxford: Oxford University Press.

Jay, Douglas, *The Socialist Case*, 1946, London: Faber & Faber.

Kaldor, Nicholas, *An Expenditure Tax*, 1955: London, Geo. Allen & Unwin.

Kaldor, Nicholas, 'A new look at the expenditure tax', in Nicholas Kaldor, *Reports on Taxation I: Papers Related to the United Kingdom*, 1980, London: Duckworth, pp. 230-240.

Keynes, J.M., evidence to the Colwyn Committee, 6 May, 1925, XIX, p. 840 in Donald Moggridge (ed.), *The Collected Writings of John Maynard Keynes*, *vol. XIX, Activities 1922-1929: The Return to Gold and Industrial Policy*, 1981, Cambridge: Cambridge University Press for the Royal Economic Society.

Keynes, J.M., 'How should we raise money?', *Manchester Daily Herald,* 7 December 1939, in Donald Moggridge (ed.), *The Collected Writings of John Maynard Keynes*, *vol. XXII, Activities 1939-1945: Internal War Finance*, 1978, Cambridge: Cambridge University Press for the Royal Economic Society. *Collected Writings*, XXII, pp. 87-90, 121-2.

Lee, Natalie, 'Inheritance tax - an equitable tax no longer: time for abolition?', *Legal Studies*, vol.27, no. 4, December 2007, pp. 678-708.

Meade Papers, British Library of Political and Economic Science,

Meade 6/11 (1977), Kaldor to Meade.

Meade 6/10, letter, Meade to Healey, 15 February 1977.

Meade 6/10, letter, Meade to Jay, 16 February 1977.

Meade 6/10, letter, Healey to Meade, 3 March 1977.

Meade 6/2, letter to Howe, 23rd November 1977.

Meade 6/2, letter to Howe, 25th November 1977.

Meade 10/17, Inland Revenue, Central Division, internal study on 'An Expenditure Tax', 1978.

Meade 10/17, Letter to Meade from J H Gracey, Inland Revenue, 3 January 1980.

Piketty, Thomas, translated by Arthur Goldhammer, *Capital in the Twenty-First Century*, 2014, Cambridge, Mass.:London, The Belknap Press of Harvard University Press.

Piketty, Thomas, translated by Arthur Goldhammer, *Capital and Ideology*, 2020, Cambridge, Mass.:London, The Belknap Press of Harvard University Press.

Sandford, C., J Willis and D. Ironside, *An Accessions Tax: A study of the Desirability and Feasibility of Replacing the UK Estate Duty By a Cumulative Tax on Receipts of Gifts and Inheritances*, Institute for Fiscal Studies, 1973.

Slater, Martin, *The National Debt: A Short History*, 2018, Oxford: Oxford University Press.

Taxation of Capital on Death: A Possible Inheritance Tax in Place of Estate Duty, Cmnd. 4930, March 1972

Tawney, R.H., *Equality*, 4th edition, 1964, London: Allen and Unwin.

The Thatcher Papers, Churchill College, Cambridge, THCR 2/6/1/27, letter from Keith Joseph, 29 May 1975.

THCR 2/6/1/36, LCC (77)166, 'More Wealth for All', A Conservative Green paper on the taxation of capital, third draft, December 1977.

The National Archives, Kew, TNA IR40/18139, ‘Inheritance Tax’, letter, Hubbard to Bailey(Inland Revenue), 9th October 1973.

TNA PREM 19/197, meeting with academic economists, July 1980.

TNA T364/102, Downey, note, ‘Housing Policy Review’, April 1977.

TNA T364/149, ‘Meade Committee Report’, paper, Inland Revenue., December 1977. Sent to Sir Douglas Wass at the Treasury.

TNA T364/102, Wass, note, ‘Housing Policy Review’, April 1977.

TNA T364/102, ‘Housing Policy Review’, April 1977.

TNA T 364/149, T364/149, ‘The Meade report’, note by A.H. Lovell, December 1977.

TNA T366/20, Letter, Meade to Todd, 4th October 1976

TNA T366/205, Letter, A.H. Lovell to T. M. Heiser, 27 February 1978.

TNA T370/1434, meeting, ‘Nationalised Industries’, May 1978.

TNA T379/23, Houghton, draft note, ‘Tax on the imputed income’, May 1976.

TNA T414/50, Carr, note, ‘General Housing Subsidies’, October 1975.

TNA T414/50, Carr, note, ‘Review of Housing Finance’, October 1975.

TNA T414/50, Trench, paper, ‘General Housing subsidies’, October 1975.