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Opinion - Monarchy

It's one law for King Charles the billionaire and another for his struggling subjects

Thursday 15 September 2022, by CHAKRABORTTY Aditya (Date first published: 15 September 2022).

It is only proper that the new King pays no inheritance tax - says the state that makes citizens choose between heating or eating

During that soggy afternoon when the Queen was still said to be only ill, the BBC's Clive Myrie was filling time. Only hours before, he noted, Liz Truss had been making "a rather important statement" on just how families would pay their heating bills this winter. All was now "insignificant". It was, the usually excellent presenter later admitted, "a poor choice of word".

Except it wasn't. If anything, it was painfully on the nose. The man on the TV unwittingly but precisely anticipated how the financial crisis engulfing millions of Britons would be treated in the coming days: as a matter of no consequence. In Tuesday's Daily Mail, it took until page 28 to crop up. In that day's Sun, page 20. The Times and the Telegraph yawned it off altogether.

Our MPs have been worse. Last Thursday, the new prime minister set out a plan to cap energy costs. Tagged at £150bn, it's easily the single biggest fiscal intervention by any government since the second world war – a vast sum that these Tory tailenders seem determined to spend as badly and unfairly as possible. To take one example: the 4.5 million people on pre-pay meters will get zero extra help from Truss. And another: the churches and community centres hosting the food banks that will be a lifeline to millions this winter will only get a few months' help.

Rather than scrutinise these measures, MPs spent two long days delivering tributes to the monarchy, such as this from the former minister <u>Tracey Crouch</u>: "Our six-year-old took my hand in his and said, 'Don't worry, Mummy: the King will look after us now.' He is right. God save the King." Thus were you served by your representatives – and now parliament is shut for 10 days, and the next month will be dominated by party conferences.

As youngsters, both the <u>prime minister</u> and <u>Keir Starmer</u> were in favour of abolishing the monarchy. They have first-hand knowledge not only of republican feeling but also of the wider ambivalence that often greets the royal family. Yet they haven't even tried to represent this pluralism of opinion, which is one of the defining features of any democracy. Instead what we get is a grand show of state power, complete with the army, the navy and the BBC's Nick Witchell.

During this period of enforced mourning everyone is told what to think, even while millions of people worry over how to eat. The official mood is an ersatz mawkishness. Stop all the clocks, cut off the telephone, instructed Auden. Today's equivalent is Norwich City Council closing bike racks, and Morrisons turning down the beeping at its checkouts – while Center Parcs was all set to turf out holidaymakers for the day of the funeral. Would Her Majesty really have minded if kids went on a

waterslide or, come to that, Poundland shut this Monday? I assume she wasn't a regular.

Away from such performances, the isle is full of noises – a sense of chaos suspended. For an idea of the devastation to come, speak to Paul Morrison. A policy adviser at the Methodist church, he has been analysing the financial diaries recently filled in by visitors to food banks, debt clinics and other church-based projects.

Right now, he finds, a little over half of respondents – 56% – can carry on without falling into debt. It may mean walking an hour to the job centre, rather than taking a bus; it can be thrown off even by the smallest accident, but with luck it can be done.

Scroll forward two weeks, though, and add in higher energy prices, and everything changes. Even with Truss's new measures, just 2% of his group can survive financially. The other 98% are wiped out. Years of reporting have shown me that the very poor are the best budgeters in the country – better than any pinstriped auditor. They can account for every pound in and every pound out. Come 1 October, they will have no margin to cushion them.

And so they will sink into the depths beneath any safety net. Meanwhile, others will float above the law of the land. It has not been widely reported, but King Charles won't have to pay a penny of inheritance tax on the vast estate passed to him by one of the wealthiest women in the world. Nor is he under any legal obligation to pay income tax; he does so voluntarily. This has been the arrangement only since 1993. For decades beforehand, the monarchy paid no tax at all.

When that came to light, the public outcry, coupled with the anger of ordinary taxpayers asked to stump up for repairs to Windsor Castle, forced the Queen and her eldest son to rethink their affairs. When John Major announced this deal in the Commons, he defended the lack of inheritance tax as being in the service of "the overwhelming wish of people in this country". The people in this country were, of course, never asked.

When Dennis Skinner asked on which portion of her assets – which, in today's figures, include the £16bn crown estate, the £650m duchy of Lancaster, and the estates at Balmoral and Sandringham – would be taxed, Major saw red. Only the fact that it was Skinner's birthday, he replied, stopped him from responding "in the beastly way in which I would otherwise have responded to the ludicrous question that he asked me". The self-styled boy from Brixton has, inevitably, placed himself at the very forefront of this week's National Grovel.

Yet the former MP for Bolsover asked exactly the right question, about how far the constitutional monarchy was answerable to her democracy – and the real answer is that, despite what the textbooks say, our parliamentary democracy remains accountable to the royal family. As my colleagues Rob Evans and David Pegg have revealed over the years, more than 1,000 laws have been vetted by the Queen or Charles before they were even put in front of parliament.

Under the procedure of Queen's or King's consent, ministers alert the monarch to any draft bill that might affect their private wealth. Since their assets span everything from country estates to housing, much of which the public don't even know about, that grants them a huge amount of power over the very process of drafting the laws that govern the rest of us.

Prefer not to sell your houses, <u>Charles</u>? Then your tenants will just have to tolerate this 21st-century feudalism. Don't want those pipelines running through your land in Scotland, ma'am? Then you will be exempt from the law covering everyone else – and no one at Holyrood will be told, until they read it in the Guardian.

"Do you know that there is a duke in Scotland who can ride ninety miles without leaving his own estate?" asks a character in Victor Hugo's 1869 novel <u>The Man Who Laughs</u>. "Do you know that Her Majesty has £700,000 sterling from the civil list, besides castles, forests, domains, fiefs, tenancies, freeholds, prebendaries, tithes, rent, confiscations, and fines, which bring in over a million sterling?"

"Yes," comes the reply. "The paradise of the rich is made out of the hell of the poor."

One law for King Charles the billionaire, another for you. Bailiffs for the poorest in society, privileged exemption for the very richest. A society with all the latest technology and sophistication, yet still in the shadow of medieval feudalism. Except even John of Gaunt couldn't have counted on the unstinting support of the Daily Mail.

Aditya Chakrabortty

P.S.

- The Guardian. Thu 15 Sep 2022 06.00 BST: https://www.theguardian.com/commentisfree/2022/sep/15/king-charles-billionaire-inheritance-tax-heating-eating?CMP=Share iOSApp Other
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