



Occasional Paper 3

**FREEDOM TO EAT: THE CASE
AGAINST A 'FAT TAX'**

By The TaxPayers' Alliance

With a Foreword by Matthew Elliott

The TaxPayers' Alliance

The TaxPayers' Alliance is an independent grassroots campaign whose objective is to fulfil the need for a coherent and professional voice for taxpayers in the United Kingdom, to campaign for lower taxes and to use all means within the law to resist any tax increases emanating from local, regional and central government in the UK or any international organisation.

The TPA achieves these objectives by:

- maintaining a campaign website;
- publishing newsletters, pamphlets and other materials;
- participating in radio and television broadcasts and media interviews;
- organising meetings and conferences;
- monitoring developments in taxation and public opinion;
- analysing developments in taxation and their applications and consequences;
- liaising with like-minded organisations in the United Kingdom and abroad; and
- liaising with individuals and groups affected by taxation.

Established in 2003 and launched in 2004, the TPA is registered in England as a private, limited by guarantee, no share capital company under section 30 of the Companies Act, No. 04873888.

Since its launch, the TPA has received media coverage on BBC Radio 4's *Today* programme, *Talk Sport*, *Independent Radio News*, *BBC News Online*, *The Times*, *Financial Times*, *Daily Telegraph*, *Guardian*, *The Scotsman*, *Sunday Times*, *Observer*, *The Business*, *Sunday Express*, *Daily Mail*, *Daily Express*, *Evening Standard*, *The Sun*, *Daily Mirror*, *Daily Record*, *The People* and *Tribune* and other regional and local newspapers.

The TPA is aided in its work by a distinguished Advisory Council, listed below.

Directors

Matthew Elliott
Chief Executive

Andrew Allum
Chairman

Florence Heath
Operations Director

Advisory Council

Prof. Norman Barry
University of Buckingham

Dr Charles Hanson
Economic Consultant

Dr Madsen Pirie
Adam Smith Institute

John Blundell
Institute of Economic Affairs

Dr Ruth Lea
Centre for Policy Studies

David B. Smith
Williams de Broë

Keith Boyfield
Keith Boyfield Associates

Keith Marsden
Consultant, United Nations

James Sproule
Augusta Finance

Dr Eamonn Butler
Adam Smith Institute

Prof. Patrick Minford
Cardiff Business School

Gabriel Stein
Lombard Street Research

Prof Tim Congdon
Lombard Street Research

Prof. Kenneth Minogue
London School of Economics

Dr Elaine Sternberg
University of Leeds

Dr Stephen Davies
Manchester Metropolitan University

Michael Mosbacher
Social Affairs Unit

Prof. James Tooley
University of Newcastle

Prof. Kevin Dowd
University of Nottingham

Prof. Dennis O'Keeffe
University of Buckingham

Sir Alan Walters

Foreword

People should have the right to eat whatever food they can afford to buy. To most voters, that such a basic human right could even be questioned is unthinkable. But in Britain today, a powerful lobby is waging a fierce campaign for this essential freedom to be curtailed.

Ostensibly to combat the growing incidence of obesity, the Downing Street Policy Unit floated the idea of introducing a new tax on fat, sugar and salt content in food. And this month, the release in UK cinemas of “Super Size Me”, an anti-fast food propaganda flick, led to renewed calls by the so-called health lobby for taxes and restrictions to be imposed on food companies.

To combat these calls for a Fat Tax, the TaxPayers’ Alliance, the UK’s independent grassroots campaign for lower taxes, commissioned ICM, one of Britain’s top opinion pollsters, to determine what the electorate thinks of such proposals. The results were both stunning and reassuring, confirming that the British remain overwhelmingly attached to their right to eat as they see fit.

This short publication summarises the results of the poll; provides the facts about obesity; and outlines the moral and economic arguments against a Fat Tax, as well as restrictions on advertising and any other coercive measure which erodes people’s right to choose.

Readers interested in finding out more about the Fat Tax may wish to consult the recommended reading in Annex 3 or www.taxpayersalliance.com/fat-tax.

Matthew Elliott

Chief Executive, The TaxPayers’ Alliance

September 2004

Contents

Chapter 1:	Public opposition to a Fat Tax	5
Chapter 2:	Obesity: The facts	6
Chapter 3:	The moral case against a Fat Tax	11
Chapter 4:	The economic case against a Fat Tax	15
Chapter 5:	A tax on the poor	19
Conclusion:	No case for a Fat Tax	21
Annex 1:	Fat Tax proposals	22
Annex 2:	Fat Tax quotes	24
Annex 3:	Recommended reading	26

Public opposition to a Fat Tax

As the TaxPayers' Alliance had hoped, the British electorate is implacably opposed to the introduction of "sin taxes" on foods deemed to be unhealthy. Our ICM telephone poll was conducted across a nationally representative sample of 1,009 adults aged eighteen years of age or more on 4th and 5th September 2004. Interviews were conducted across the country and the results have been weighted to the profile of all adults.

The poll asked three questions:

- Should the government advise people what to eat, or should the decision be left up to the individual?
- Should the government impose a Fat Tax on unhealthy foods?
- Would voting intentions change were a Fat Tax introduced?

By a crushing margin, respondents said that it was up to each individual to choose what they eat, confirming that the British electorate has no time for the nanny state (71% for individual choice, against 28% supporting government advice). A similar proportion (69% to 31%) did not want a tax on unhealthy food.

The findings were highly consistent across sex, age and social class – though details of the poll show that lower socio-economic groups were more strongly opposed to the threat of higher taxes on food than more affluent respondents, undoubtedly because the poor realise that they would be hit hardest.

The poll also reveals that the imposition of a Fat Tax would be a vote loser for the government. No fewer than 29% of respondents said it would make them less likely to vote for them, against 8% who were more likely to vote for the government, a margin of nearly four to one.

The poll was taken shortly before "Super Size Me" was officially released in the UK, albeit after it had been extensively reviewed in the media. The film, which purports to be a documentary, chronicles US filmmaker Morgan Spurlock making himself ill by feeding exclusively on hamburgers, chips and deserts for a month.

Given that nobody behaves that way in the real world, we don't think that such a gross caricature of modern eating habits will make any impact on public opinion – in fact, opposition to a Fat Tax may even harden as the public realises that many of its leading proponents prefer to fuel hysteria rather than contribute to rational debate.

The TPA/ICM poll will serve as a warning to politicians of all parties to stay well clear of the idea: the British electorate will not tolerate a nanny state and are determined to retain the right to eat whatever they choose, free of extra taxes.

Obesity: The facts

What is obesity?

Everybody requires some fat for their bodies to operate properly and to store energy, help insulate vital organs from shocks and to regulate body temperature.

Unfortunately, growing numbers of people have accumulated an unhealthy large amount of fat – so much so that many are believed to suffer from a technical medical condition known as “obesity”. In turn, this dramatically increases their chance of suffering from a range of problems, including heart attacks and strokes.

Not all people who exhibit excess body weight are classified as “obese”: doctors usually define "overweight" as an excess amount of body weight that includes muscle, bone, fat, and water. "Obesity" specifically refers to an excess amount of body fat.

Some people, such as bodybuilders with a lot of muscle, can be overweight without being obese. As a general rule, men whose body is made up of more than 25% fat – 30% for women – are deemed “obese”.

Weight alone is insufficient to determine whether someone is obese. To adjust for height, most doctors use a measure of relative weight called the Body Mass Index (BMI).

In its metric version, the BMI is defined as an individual’s weight in kilograms divided by the square of his height in meters, or kg/m^2 . Commonly used cut-off points are as follows:

- | | | |
|---------------------------|---|-----------------------|
| ▪ Underweight | = | BMI of less than 18.5 |
| ▪ Normal weight | = | BMI of 18.5 to 24.9 |
| ▪ Overweight or pre-obese | = | BMI of 25 to 29.9 |
| ▪ Class I Obesity | = | BMI of 30 to 34.9 |
| ▪ Class II Obesity | = | BMI of 35 to 39.9 |
| ▪ Class III Obesity | = | BMI of 40 or greater |

The higher the BMI, the greater the risk of developing health problems, with heart disease, diabetes and high blood pressure all highly correlated with increased obesity. According to a British Medical Journal study published in 2000, patients with a BMI of 40 or greater have only a one in seven chance of reaching their normal life expectancy.

Sometimes, a person’s BMI alone is an insufficient indicator and doctors recommend also using an additional measure called Waist Circumference (WC) to determine obesity and increased risk of various ailments. Athletes with a higher than average muscle mass may have a BMI greater than 25, suggesting obesity, but the additional use of WC measurement often confirms them not to be overweight.

The growth of obesity

There has been a significant increase in the prevalence of obesity in rich countries, especially in the West. According to the International Obesity Task Force, in 1995 there were an estimated 200m obese people worldwide; by 2000, that number had reached 300m. There is little doubt that the numbers are even greater today.

There has been an especially rapid rise in obesity rates in the UK. Between 1980 and 1998, there was a three-fold rise in obese males in the UK and a 2.5 fold rise in obese females. The Health Survey for England 2000, which was published by the Stationary Office in 2002, found that a record of 21% of men and 21.5% of women in England are obese. When those classified as “over-weight” are added to the “obese”, the proportions rise to a massive 66.5% of men and 55.2% of women.

In addition to an overall increase in obesity rates in the UK, there has also been a surge in the number of obese children. According to one report published in the Lancet in 1999, which relied on a nationally representative sample of 2,630 English children, 22% of 6-year olds and 31% of 15-year olds are over-weight; and 10% of six year olds and 17% of 15 year olds are obese. Other studies have shown similar results.

This *TPA Occasional Paper* is not the place to discuss in detail these and numerous other scholarly papers. The proportion of people, both young and old, who are over-weight or obese is increasing. More and more individuals are putting their health at risk because of excessive bodyweight and fat. Obese people are also far more likely to suffer from psychological problems, and there is some evidence that they fare less well professionally and are generally looked down upon.

Why is obesity growing?

In the simplistic worldview of people like Morgan Spurlock, obesity is caused by a huge and growing “addiction” of the masses to fast-food, confectionary and snacks with a high fat, sugar and salt content – hence the need for new laws and higher taxes to “cure” people from their addiction and to encourage them to eat more fruit and vegetables.

The truth is far more complicated. It suggests that even if the government were entitled to tell people what to eat – an assumption that the TaxPayers’ Alliance resolutely rejects – the problem is not so much an excess consumption of “junk food” – though that is clearly the case for some people – but instead too little exercise.

People gain fat and put on weight when they consistently consume more calories than they burn. The rise in obesity implies that the gap between our energy intake and our consumption of energy has widened during the past few decades.

There are three possible explanations for this change and for the rise in obesity.

- *Genetic reasons:* Because we all have a unique make-up, different people react differently to an identical combination of exercise and calorie intake. But while obesity runs in families, its surge over the past few decades, despite limited change in the genetic make-up of the country, suggests that genes are not blame for the current problem.

- *Changes in diet:* Dietary change is the main reason identified by health campaigners. As we shall see, however, while poor and unbalanced eating habits must share part of the responsibility, they are not the main reason for the rise in obesity.
- *Changes in exercise levels:* The decline of agriculture, mining and manufacturing, the ubiquitousness of washing machines and labour-saving household goods, and the rise in car ownership have all contributed to a surge in the share of the population classified as “inactive”. Despite the rise of a gym culture among certain sections of the UK population, more and more people have become sedentary couch potatoes. That is the main reason for the rise in obesity.

Diet is not the main culprit

One of the more surprising facts about the rise in obesity is that it is taking place at a time when the average intake of calories per person may actually be falling in the UK, rather than rising. Unfortunately, the evidence is somewhat confusing.

According to the latest National Food Survey (NFS), which records food purchased rather than food consumed, total energy purchases per person per day fell from 2,290 kcal to just 1,750 kcal between 1975 and 2000, a 23.6% collapse.

In addition, the Survey shows that the share of energy derived from fat in the UK has also fallen significantly: it is down from 42% in the mid-1970s to 38% in 2000. The percentage of energy derived from saturated fats is down from 20% to 15%.

According to an analysis of the data by the Institute for Fiscal Studies, total purchase of fats such as butter and margarine rose from 245g per week per person in 1942 to 339g per week in 1970 before collapsing to 186g in 2000. Table salt purchases slumped from 28g per week per person in 1970 to 7g per week in 2000. Meanwhile, sugar purchases peaked at 503g per week per person in 1960 before falling back to just 105g per week in 2000.

While British shoppers have cut back on fat, salt and sugar purchases, their shopping baskets are now filled with fruit and vegetable. Fresh fruit purchases have soared from 197g per week per person in 1942, to 543g per week in 1970, to 745g per week in 2000. Fresh vegetable purchases rose from 717g per week per person in 1975 to 732g per week in 2000 – but it is worth pointing out that this remains far below the 1945 peak of 959g per week, an age when frozen foods did not exist.

There can be little doubt that fruit and vegetable purchases have been soaring since the mid-1980s. Unfortunately, there are flaws in the NFS which suggest that it is missing a large part of the UK's changing eating habits. As the National Audit Office pointed out in a 2001 report, the NFS fails to provide full coverage of food prepared outside the home. It also excludes alcohol, soft drinks and confectionery eaten at home – a huge problem for anybody who wishes to gauge how people's calorie intake is changing. The NAO estimated that the foods excluded by the NFS add 20% to the total energy intake, a proportion which is probably continuing to rise as people eat out more and drink ever larger quantities of soft drinks and alcohol.

This is confirmed by the Family Expenditure Survey, which records that in 1975, 24.6% of total household spending went on food prepared at home and 4.1% on catering. By 1999, these figures had become 14.8% and 6.5% respectively. The growth of eating out has undoubtedly continued during the consumer boom of the past few years.

Other surveys provide additional information omitted by the NFS. Results of the 1986–87 Dietary and Nutritional Survey of British Adults can be contrasted with the National Diet and Nutrition Survey in 2000–01 to paint a better picture of contemporary eating habits.

Crucially, these polls examine energy intake directly, from food consumed both inside and outside the home. The average energy intake for 16 to 64 year olds in 1986–87 was around 2,460 kcal a day for men and 1,685kcal for women, the survey reveals. By 2000–01, intakes had declined to 2,325 kcal and 1,640 kcal, a drop of 5.5% for men and 2.7% for women. For men, the share of total energy from fat fell from 40.4% to 35.8%; for women, from 40.3% to 35.9%, a steady improvement.

Of course, these figures too may be an under-estimate. It is conceivable that energy consumption may have remained constant, rather than declined; it could even have nudged up by a few percentage points. But even in such a worst case scenario, diet cannot be responsible for more than a small proportion of the huge rise in obesity in the UK. These findings deal a devastating blow to supporters of a Fat Tax, who blame the rise of obesity almost exclusively on unhealthy eating habits. They could not be more wrong.

The main culprit is not enough exercise

If energy consumption is not increasing, why is obesity rising? The answer is straightforward: the British do not exercise enough. The government recommends that adults should take part in a minimum of 30 minutes of (at least) moderately intense exercise, such as cycling, brisk walking or climbing stairs at least five days every week.

But only 37% of men and 25% of women meet the current guidelines, while a third of adults take part in less than one such 30-minute session a week – and are hence classified as “inactive” or “sedentary”.

The biggest problem is not that fewer people are meeting the government’s guidelines but that more and more people are doing no exercise at all. In 1994, 30% of men and 35% of women were deemed to be sedentary; by 1998, that had gone up to 35% and 41% respectively, according to the 1998 Health Survey for England. By contrast, the proportion of men meeting the recommended weekly exercise levels has remained at 37%, while that of women has actually improved from 22% to 25%.

Many of those submitting evidence to the House of Commons health committee’s obesity report highlighted the importance of declining levels of exercise in the rise of obesity.

Dr David Ashton noted: “we...have an apparently paradoxical situation in which the proportion of overweight and obese individuals continues to rise at an alarming rate, against a background of a reduction in average calorie intake.”

As Dr Ashton rightly concludes, this strongly suggests that it is the decline in physical exertion that is the main reason for the rise in obesity. We are more sedentary today than at any time in the past – but we have inherited from our ancestors a body equipped for heavy exercise. By some accounts, we would need to walk an extra 12 miles a day on average to match the level of physical exertion of our ancestors.

In a separate submission, Professor T Wilkin, of the Peninsula Medical School, made a similar point. He pointed out that, whereas “much emphasis has been placed on calorie excess, fast food and nutritional processing, less has been placed on physical activity, because until recently it was difficult to record movement accurately.”

Less surprisingly, Working for Cycling, a pressure group with an obvious vested interest, told the committee: “reduced physical activity has been identified as the dominant factor causing the trend of increasing obesity in Britain.” However, the group based its claim on a highly respected 1995 British Medical Journal article, which makes that point convincingly.

All of this evidence does not mean that the state should force people to exercise, or that those who do not exercise need to be taxed or penalised in some way. Such an imposition would be a gross violation of personal liberty and hence utterly unacceptable.

Fortunately, although no polling evidence is available, it is nevertheless obvious that compulsory exercise remains anathema to the overwhelming majority of the population and it is currently inconceivable that any government would dare to impose such a draconian measure. A policy of obligatory fitness would immediately be associated in the minds of most people as something only a fascist or communist dictatorship would ever contemplate.

Instead, we can expect politicians and the health lobby to continue focusing on easier targets, such as multinational corporations or consumers who enjoy eating hamburgers, pizzas or bars of chocolate.

The moral case against a Fat Tax

The ideology behind a Fat Tax

Even among supporters of freedom, there are some who believe that the health lobby has the moral high ground. “We may not agree with them but at least they want people to live healthier lives”, some libertarians have been heard to argue.

It is undoubtedly true that many supporters of a Fat Tax are well meaning, concerned citizens. But others have a worryingly authoritarian, almost fascistic, outlook on life. In a brilliant exposition of the dark intellectual antecedents of the modern health lobby published by Forest, Dr Stephen Davies of Manchester Metropolitan University and a member of the TaxPayers’ Alliance Advisory Council, demolishes the dangerous assumptions of what he calls “health fascism”.

Developing some of Davies’ points, it is possible to draw out several key intellectual errors in the case for greater state control over what people eat.

- *It is profoundly collectivist.* For many in the health lobby, the health of individuals only matters insofar as it contributes to the well being of the country as whole, the economy or even the finances of the National Health Service. In the collectivist mindset, health and diet are not private matters; instead, they concern those in authority, including politicians, the medical establishment and civil servants. This is in stark contrast to the libertarian individualistic view that people have the right to ingest whatever food or drink they choose, and to exercise as much or as little as they want. To put it starkly: in a free society, people have the right to be fat.
- *It denies that individual choices are truly free.* According to the health lobby, individual choices “are predetermined by impersonal social forces or by biological necessity or by malign influences such as advertising and the desire to conform”, Davies argues. Even if consumers themselves are convinced that they are exercising free choice, they are simply not the best judges of what is good for them.
- *It relies on the theory of false consciousness.* Marxist thinker Friedrich Engels found it both intolerable and incomprehensible that many members of the “proletariat” did not agree with him. He deemed genuine disagreement from members of the “working class” to be impossible and dismissed any instances of it as people failing to understand what they really wanted – so-called “false consciousness”. This attitude to “the masses” is shared by health lobbyists. According to Marxist thinking, in a capitalist economy, a disconnect emerges between the real state of affairs and the way they are perceived. This has parallels with the health lobby’s claim that food manufacturers are brainwashing consumers through advertising. According to Marxist theory, the only way to jolt people out of their false consciousness is for the enlightened elite to take charge. In 2004, this is the mantle claimed by the health lobby.

- *It suggests that misguided consumers need guidance from those with superior knowledge.* These include a caste of medical professionals, pressure groups, so-called consumer advocates, charity workers, government employees and politicians. That these people are clearly not disinterested and – like all other groups in society – are pursuing their own varied agendas, is conveniently forgotten. According to this view, the only people with a vested interest are businessmen, who seek to profiteer from selling unhealthy food to the stupid masses. Everyone else is supposedly working for the greater good – a claim which does not stand up to scrutiny. Government paid “five-a-day” fruit advisers clearly have an interest in keeping their non-jobs.
- *It has an unquestioning belief in the latest scientific thinking.* Sir Karl Popper, the late London School of Economics philosopher of science, pointed out that scientific theory can never ultimately be proved to be true. Instead, they can merely be subjected to a process of refutation, and held to be temporarily true until empirically falsified. The claim that the current fashionable view about diet and exercise is therefore scientifically proven cannot therefore be true. Views about what consists the best diet and what foods or substances to avoid keep changing. A good example of Popper’s theory is the case of Jaap Fogteloo: like Spurlock, he ate at McDonalds for a month. But instead of putting on weight and becoming unhealthy, he actually lost weight and his blood pressure fell.
- *It relies on moral panics.* The health lobby have convinced many people that we are suffering from an obesity “epidemic” – an extraordinarily dangerous concept which absolves individuals from any responsibility for their condition. Obesity is hardly a new problem and neither is its description as a “disease”. In 1974, an editorial in the *Lancet*, the prestigious medical journal, identified obesity as “the most important nutritional disease in the affluent countries of the world”. One of the more distasteful elements of the moral panic is to link obesity with racism: because members of some ethnic groups are more likely to be obese than others, this is allegedly proof that modern society is institutionally racist. Of course, this is nonsense, but in today’s political climate it stifles rational thought.

Obesity: A public or private problem?

For supporters of freedom, the question for policy-makers is straightforward. Is obesity a private problem, to be addressed primarily by individuals, or is it a public problem, which requires wholesale intervention, including taxes on unhealthy food, bans on advertising, and other coercive actions?

Traditionally, supporters of individual liberty and of freedom to eat have appealed to John Stuart Mill to support their case. In his classic nineteenth century work *On Liberty*, Mill made a distinction between actions that affected only the agent in question (which he called “self-regarding”) and actions that affected other people (which he called “other-regarding”).

Mill argued that government intervention was only legitimate with respect to other-regarding actions to prevent individuals from harming others. Many libertarians have argued that unhealthy eating habits or lack of exercise are clearly self-regarding actions, and that governments therefore have no business intervening.

The problem is that the health lobby does not accept that obesity is a self-regarding problem. It claims, with some justification, that obesity also indirectly affects families, friends, employers, employees and, with a welfare state, taxpayers, who have to fund the extra healthcare costs.

Pushed to its logical conclusion, the health lobby's paternalistic argument would justify a huge increase in the power of governments to direct the lives of individuals. It would justify banning or taxing dangerous sports, tobacco, alcohol, driving motorbikes, wearing stiletto heels and many other risky activities. Essentially, it would allow public officials to strive for a zero risk society – sounding the death knell for individualism and modern Western liberal democracy.

However, in the abstract, Mill's definition of self-regarding actions is too vague: men are social creatures and their actions always affect others. A better philosophical justification for individual liberty and freedom to eat can be found in the work of modern libertarian natural right theorists. This starts from the assumption that individuals have a right to life, liberty and property.

This manifests itself first and foremost in that individuals should have an inviolable property right in themselves – and that a whole series of other rights can be derived from this simple, albeit immensely powerful, postulate.

The distinction between self-regarding and other-regarding actions becomes meaningless in this framework: because they own their own bodies, individuals have the right to eat whatever food they choose, regardless of whether this hurts the feelings or the pockets of others.

Obesity should therefore be seen as a private, rather than a public, health problem. It is not contagious and is overwhelmingly caused by private lifestyle choices – mainly diet and exercise. Only rarely is obesity a genetic problem: the gene pool in rich countries has barely changed over the past few decades but the incidence of obesity has soared. Because obesity is a private problem, it is illegitimate for the government to use coercion or tax incentives to protect people from themselves.

A free society is not compatible with nannyism and state paternalism: individuals must be left free to make their own choices and to reap the consequences, good or bad. There is therefore no moral case for a tax on unhealthy food or on any restraints on free speech, including the commercial free speech of food companies.

This does not mean that concerned politicians, public figures, doctors or charities should not embark on a campaign of persuasion to convince people that they should lead healthier lives, and to explain to how they should do it. But this campaign must give advice; it should not coerce. Doctors and medical professionals must never forget that their job is to explain to people how their problems can be solved – they should explain that obesity can be cured by greater exercise or by eating less. Ultimately, however, the decision on whether to proceed with the proposed cure should be the patient's alone. If he chooses to stay ill, that is his right.

The case of children

Children are different because they do not yet possess the capacity for rational thought and autonomous behaviour that adults enjoy. This is an obvious and non-contentious point. However, it doesn't follow that the government should prevent children from eating unhealthy foods or ban advertising aimed at children.

In a free society, parents and families, rather than the state, should look after children. The nationalisation of children, which has proceeded apace since the nineteenth century, has had a disastrous effect on the family, contributing to its breakdown in the latter half of the twentieth century. There is mounting evidence that this is a key contributor to the rise in crime and anti-social behaviour and the decline in educational standards.

It should be a parent's responsibility to look after the welfare of their children. While many claim that peer pressure and the forces of advertising are "irresistible" or allow them "no choice" but to accede to their children's requests, this is clearly untrue. Children and younger teenagers have little or no independent income of their own, relying instead on pocket money from their parents – so adults have the ultimate say.

Instead of blaming their weak parenting or lack of discipline on uncontrollable social forces, parents must take more responsibility for their children's education, in a broader sense.

Schools also have a crucial role to play. They need to convey to their pupils the importance of exercise and a balanced diet – a message which should be taught throughout their schooling. It is also imperative that schools serve healthy food to their pupils; and that they are made to exercise adequately. Their failure to provide adequate physical education in recent years is yet more proof of the state-dominated education system's decline, especially since the 1960s.

The economic case against a Fat Tax

Dire economic implications of a Fat Tax

A Fat Tax on food that is deemed unhealthy and on fast food restaurants would also have very serious consequences for the economy and employment. According to the Office for National Statistics, as well as research from the Food and Drink Federation and the Food From Britain campaign, the food and drink manufacturing industry is the single largest manufacturing sector in the UK, with a turnover of £67.6bn, accounting for 15% of the total manufacturing sector.

The Industry employs 500,000 people, 13.3% of the entire manufacturing workforce in the UK and growing as other industries continue to move overseas. In addition, hundreds of thousands of people are employed in the restaurant sector.

McDonald's, with Starbucks and Coca-Cola perhaps the most maligned company in the world, employs 73,000 people in its 1,235 restaurants in the UK. According to the company, every year, on average, £400,000 of each individual restaurant's turnover goes on local wages, while it provides jobs in 85 out of the 88 areas assisted through the Office of the Deputy Prime Minister's Neighbourhood Renewal Fund. By hitting fast food outlets, a Fat Tax would lead to the closure of restaurants and the loss of thousands of jobs.

Britain's food industry is a key contributor to our balance of payments: exporting billions of pounds worth of food every year, allows UK consumers to indulge in their insatiable taste for imports. Total exports in 2003 for food and drink came to £9.8bn, of which 65% went to the newly enlarged EU.

Farmers would also suffer from the tax because Britain's 7,535 food and drink manufacturers buy two-thirds of all UK's agricultural produce.

Practical difficulties of a Fat Tax

For a fat tax to have a significant impact on behaviour, it would have to be set at punitive levels. This would encourage tax evasion, criminalising a formerly law-abiding section of the population; it would also trigger a black market for food and "food cruises" to the European continent.

In addition, the mechanics of imposing a Fat Tax on unhealthy food would be nightmarish. Each product would presumably have to be classified by a government agency according to all its nutritional properties. Each time recipes change, the agency would have to be notified.

Pushing the idea of using the tax code to modify eating behaviour to its extreme, a complex tariff of ever changing taxes and subsidies would have to be applied to each product.

The treatment of cheese would be especially complicated: it has a high calcium content (thus deserving a subsidy) but also a lot of fat (therefore fit for a tax).

Individuals with special medical needs would also probably be able to complain to the agency. For example, would sufferers of anorexia be awarded subsidies or “Fat Vouchers” to compensate for the higher tax?

Food manufacturers are not to blame

Food producers, distributors and restaurants should not be blamed if their customers become fat or unhealthy by consuming their products. Individuals should be free to eat anything they wish, in any quantity, but they should not blame anybody else if they suffer from predictable side-effects.

This should be a strict rule: the government should only step in to prevent fraud, breach of contract or coercion. So companies should not be allowed to make false or misleading claims about the nature or properties of their products; in some cases, they should also warn their customers about possible side-effects from consuming their products.

This last point must be strictly limited: it should follow the “reasonable person” rule and only have to explain something that a sane adult using common sense could not know.

All reasonable persons today know that feeding exclusively on hamburgers and French fries is not sensible. There is therefore no need to force McDonald’s and other fast food outlets to include warning stickers on their products and advertising about any health risks posed by excessive consumption.

Apart from these modest albeit essential caveats, in a free society, any restriction on the right of adults to contract freely – including for the production or consumption of fatty or salty foods – is illegitimate. Restrictions on free speech – including the free speech of companies and their right to purchase advertising – is equally wrong and morally indefensible. The general attitude should be one of caveat emptor: let the purchaser beware.

Of course, food companies will occasionally “spin” the properties of their products: they may advertise on TV some products as lower fat, while downplaying that they also have (say) a higher sugar or salt content. Usually, all the information is available for consumers to read in the fine print, so no fraud is involved, merely one-sided advertising.

The media and consumer groups have an essential role to play in monitoring such developments and informing consumers. Instead of campaigning for government intervention, these organisations should treat consumers’ thirst for information and advice as a great opportunity to boost their readership or membership. Supermarkets too have a role to play: they could profit from enforcing better labeling on the products they sell which, as we shall see, some are already doing.

On 10 March 2004, the U.S. House of Representatives overwhelmingly approved the Personal Responsibility in Food Consumption Act. This bill bans “frivolous” lawsuits against restaurants by customers claiming the food made them obese.

The bill's author, Representative Ric Keller, a Republican from Florida, said at the time: "Trial lawyers have targeted the fast-food industry as the next big tobacco by bringing these insane lawsuits".

A similar law is urgently needed in the UK to prevent the health lobby, left-wing activists and ambulance chasers from taking food companies and restaurants to court.

Healthier products and packaging

Thanks to competition and the pressures of consumer demand, retailers and leading manufacturers today provide more information than ever before about the nutritional properties of their food and drink. Much of this is voluntary. Anybody who wishes to control their energy intake need only read carefully the information contained on all food products sold in supermarkets.

In a recent development, Tesco has said it will soon adopt a traffic-light labeling system to give consumers an at-a-glance guide to how much fat, sugar and salt a product contains – another major improvement in the information voluntarily offered by the private sector to consumers.

Increasingly, some leading restaurants have started to do the same, adding their own labels for the first time on menus. In the UK, McDonald's now indicate the calorie count on some of their new products. In competitive markets, consumers are kings: as long as enough of them care sufficiently about something – such as additional information – they eventually get it, under threat of moving their custom elsewhere.

In addition, food companies have for years now invested in bringing new, lower fat products to the market. Cadbury Schweppes is working on new chocolate made with skimmed milk, which it hopes to sell alongside its existing range. Birds Eye, a frozen foods manufacturer, has already spent £4m cutting back on the salt and harmful fat which used to be contained in its products.

McVitie's has removed hydrogenated vegetable oil from its Digestive, Rich Tea and Hob Nob biscuits; Mars bars, Rolo, Toffee Crisp, Jacob's Cream Crackers, Tuc biscuits and other leading brands are also set shortly to modify their recipes to strip out harmful acids. McDonald's is now the number one seller of pre-prepared fruit in the UK, with over 10m fruit bags sold since their launch just over a year ago. Since the launch of semi-skimmed Organic milk in February 2003 in McDonald's restaurants, sales of bottled milk increased by 26%.

A Fat Tax by stealth

Large companies are coming under increasing pressure to pay for government-favoured projects. These payments are supposedly voluntary – and are usually passed off as sponsorship opportunities. In many cases, however, these corporate "donations" are extracted under threat: it is made quite clear that laws will be passed to punish an industry that refuses to comply.

A good example of this phenomenon being used to hit the food industry was featured in the *Sunday Times* on 6 June 2004. The newspaper reported that Britain's biggest food companies were to be told by the government to pay an "anti-obesity" levy worth tens of millions of pounds to fund new sports centres or "face punitive laws restricting advertising, marketing and labelling".

According to the report, the government would provide £1m for the scheme for every £3m pledged by the food industry. The money would be used to build sports centres, gyms, football pitches and tennis courts. Under proposals, discussed at Cabinet level, a National Foundation for Sport funded primarily by private firms would also be established.

Minutes of a ministerial meeting between the Department for Culture, Media and Sport (DCMS) and the Treasury seen by the *Sunday Times* detailed the government's determination to extract financial backing from the junk-food firms. "The National Foundation for Sport was a proposed initiative ... to raise money for sport through sponsorship and donations from business," said the minutes.

Whether or not these particular proposals materialise, it is clear that the government is determined to push through stealth taxes on food manufacturers. This form of taxation is exceptionally dangerous because it is extra-parliamentary and completely undemocratic; it is little different from legalised extortion or racketeering.

With a Fat Tax by stealth, there is no public debate or discussion: deals between civil servants and industry lobbyists are struck behind closed doors before being welcomed by all sides. The losers are consumers, shareholders and democracy.

A tax on the poor

A Fat Tax is also wrong because it would hit the poor disproportionately. Since the poor spend a greater proportion of their income on food than richer people, they would also clearly lose more from a Fat Tax on unhealthy foods than wealthier consumers.

Food prices have risen at a much slower rate than inflation in recent years, boosting the relative incomes of the poor. Consumer food prices rose by 1.2% between 2002 and 2003: this welcome trend would soon be reversed if a Fat Tax was slapped onto products deemed unhealthy.

Food and drink remains the biggest spending category. In 2003, consumers expenditure on food and drink came to £146.2bn, representing 21% of UK national consumer's expenditure: so even a 5% rise in the price of food because of higher taxes would hit consumers badly. In 2002-03, the average gross weekly household income was £550 and the average weekly expenditure by households was £406 of which £48.60 was on food and drink; the income share spent by the poorest households is even greater.

A recent study by the Institute for Fiscal Studies attempts to quantify the effect of:

- a 1p per kilogram tax on saturated fat
- a 1p per kilogram tax on monounsaturated fat
- a 1p per gram tax on sodium (obtained from salt); and
- a 1p per gram tax on cholesterol.

The research is based on National Food Survey evidence that claims that the rich consume roughly the same amount of fat, sodium and cholesterol each day as the poor and those in the middle of the income distribution. As we argued earlier, this is likely to be inaccurate; the rich almost certainly eat out more. But, despite this limitation, the IFS study is still compelling.

It finds that: “the very poorest 2% (people with incomes of less than £36 a week) would see about 0.7% of their total income spent on the ‘fat tax’, whilst the very richest (with incomes above £519 a week) would pay less than 0.1% of their income. People in the middle of the income distribution (with incomes of around £140 a week) would pay about 0.25% of their total income”.

As the IFS points out, the only way in which the poor would face a smaller tax burden as a share of their total income would be if they consumed significantly less fat, sodium or cholesterol. Given that this appears not to be the case, a Fat Tax would be regressive. “This is likely to be the case for any tax on food, on which the poor spend a greater share of total income than do the rich”, the report concludes.

Fast food: driving social mobility

In addition, fast food restaurants are an extraordinarily powerful driver of social mobility. Douglas Coupland's best-seller *Generation X*, originally published in 2001, was wrong in its depiction of fast-food jobs as dead-end (the so-called McJobs).

The truth is that all fast-food outlets – including McDonald's, Burger King, Pizza Hut and all small, privately owned, "mom and pop" eateries – serve as ladders to social mobility for their staff. They also provide tens of thousands of immigrants to the UK, many of whom do not speak English, with a first job and a means to integrate within wider British society.

Nearly three-quarters of McDonald's restaurant managers started as hourly paid staff members, while almost a fifth of McDonald's franchisees were once hourly paid employees. As a recent report by The Work Foundation, a left-wing think tank, put it: "There are unsung 'heavy lifters' at work in the UK economy – employers like McDonald's and Asda who dig deepest into some of the country's most difficult and marginalised labour markets and that simultaneously boast some of the most far reaching development programmes".

No case for a Fat Tax

The evidence is overwhelming: by a huge majority, the electorate rejects a Fat Tax on unhealthy foods. But not only would such a policy be unpopular but, it would be morally wrong, economically damaging and would hit the poor hardest.

Many of the arguments used by the health lobby to justify their flawed policies have dubious Marxist antecedents: mainstream politicians should think twice before adopting them as their own.

This is not to say that obesity is not a major problem for many people, who would dearly love to lose weight. By and large, however, the answer seems to be more exercise – the UK's overall per capita calorie intake has, at worst, stagnated in recent decades and may even have dropped slightly.

Left-wingers who may feel tempted to support a Fat Tax campaign should think twice. As is so often the case with misguided government policies, the poorest and most vulnerable in our society would be the hardest hit by a tax on fatty foods. The very idea of a Fat Tax is counterproductive, vindictive and authoritarian: it does not deserve the support of anybody who truly cares about building a better society.

Fat Tax proposals

How the idea of a Fat Tax emerged is a lesson in how governments become prey to interest group lobbies to the detriment of the interests of individual taxpayers. This page illustrates why the work of the TaxPayers' Alliance is vital to protect the taxpayer from emerging agendas that are detrimental to us.

Act One - Floating the Idea

- January 2004: Ellen Ruppel Shell's book, *Fat Wars*, suggests that companies which produce fatty processed food should be subject to a Fat Tax in the same way that cigarette companies are subject to a tobacco tax.
- February 2004: The World Health Organisation urges leaders of European nations where more than 10 per cent of the population are obese to impose a Fat Tax on calorie-loaded foods. It warns that 'excessive consumption of fatty, sugary and salty foods' has reached crisis levels, and urges countries to use taxes to help promote health.
- 17 February 2004: Original version of *Personal Responsibility and Changing Behaviour* from the Prime Minister's Strategy Unit says: "There might even be potential to consider fiscal measures, a 'fatty food tax' applied to food not people, or different VAT treatment for foods with poor nutritional standards. This would be a signal to producers as well as consumers, and serve more broadly as a signal to society that nutritional content in food is important."

Act Two - Emerging Consensus

- 24 February 2004: Revised version of *Personal Responsibility and Changing Behaviour* says: "The British Medical Association recently discussed proposals to raise tax rates on fatty foods as part of a drive to reduce the level of obesity-related disease in the UK. Whilst some doctors supported the idea, others felt it would unfairly affect low-income families. However, there are no signs that any current Western government sees policies of this kind as desirable or feasible."
- 26 February 2004: Wanless Report for HM Treasury on *Securing the Good Health for@ the Whole Population* says there is an arguable case for extending specific taxes to foodstuffs which contain harmful ingredients, while subsidising healthier products, though the report acknowledged that a so-called "fat tax" would raise complex issues.
- April 2004: Final version of the World Health Organisation's draft global strategy on diet, physical activity and health, suggests that governments should use fiscal measures to discourage consumption of too much sugar, salt and saturated fat.

Act Three - Legislative Agenda

- May 2004: Publication of House of Commons Health Committee Report on Obesity. MPs suggest that ministers should closely monitor the effect of Fat Taxes in other countries and warn food firms that they face a Fat Tax if they don't help in the fight against obesity.
- June 2004: Researchers Mickey Chopra and Ian Darnton-Hill call for a Fat Tax in the British Medical Journal
- June 2004: The Government proposes a new form of "fat tax" to encourage food companies to pay tens of millions towards children's sports facilities. Under the scheme a commitment from food manufacturers to jointly fund sporting facilities would fend off bans on advertising to children. Ministers pledge to pay GBP 1 million for every GBP 3 million provided by the food industry.

The notable points in the above chronology are that:

1. When the idea was floated from the Downing Street policy unit it received widespread criticism in the press.
2. The bureaucracy has a momentum of its own and generates a consensus within itself that takes no account of taxpayer concerns. Agencies such as DfES, the Food Standards Agency, DEFRA, DoH and other non-governmental bodies ponder on the proposal and what the consequences might be for them if it is imposed through legislation.
3. When the idea ends up on the agenda, the special interests are listened to more closely than the dispersed voice of the taxpayer. They have the channels to the ear of the bureaucracy (in many cases they are the bureaucracy).
4. The argument as to whether there should be a Fat Tax quickly becomes a debate about how a Fat Tax might be imposed. The political debate is superseded by a managerial debate.

Politicians and the public become peripheral to the control of the process that leads to legislation. For politicians, knowledge comes from the civil servants who have been debating how, not whether, a Fat Tax might be imposed. The public tend to hear opinion of the vociferous health lobby who favour action over inaction.

Throughout, the wider interest of the taxpayer is forgotten. It is for this reason that the TaxPayers' Alliance attempts to become involved at the early stages as a consensus emerges. We get on the legislative agenda and speak on behalf of taxpayers in the corridors of power.

Fat Tax quotes

The Fat Tax proposals have produced some memorable quotes from eminent nutritionists, opinion formers and others. Here are a selection:

Martin Paterson, deputy director general of the Food and Drink Federation:

"A so-called fat tax levied on specific food types would hit lower income families, be patronising to consumers, and would be a tax on choice. The idea that any particular food is bad for you is out of date and simplistic. A balanced diet can include snacks and treats - moderation is the key."

Source: Lucy Bannerman, 'Fat tax has slim chance of beating obesity, say critics', *The Herald*, 20 February 2004

Sir Alexander Macara, British Medical Association:

"To put a tax on any food is bound to hit the poorest and most vulnerable." A BMA conference in 2003 overwhelmingly rejected a Fat Tax."

Source: Laura Elston, 'Fat Tax would hurt the poor the most', *Birmingham Post*, 20 February 2004

Dr Hannah Theobald, a nutrition scientist:

"It's likely that people in low income groups would not change their eating habits even if prices went up. People will eat what they like."

Source: Laura Elston, 'Fat Tax would hurt the poor the most', *Birmingham Post*, 20 February 2004

Jackie Cox, The Obesity Awareness and Solutions Trust:

"If you want that chocolate bar you are going to have it; a few pennies more is not going to make a difference."

Source: Laura Elston, 'Fat Tax would hurt the poor the most', *Birmingham Post*, 20 February 2004

Ronnie Campbell MP, Blyth Valley:

"I think you've got to change people's diet by persuasion, not by taxing them. I think there is a real risk that it will be low-income families in the North East who end up paying the tax and people eating pasta and raw vegetables in the South East that get the benefit."

Source: *The Evening Chronicle*, 'Should we put a tax on fat?', 21 February 2004

Clarissa Dickson Wright, One Fat Lady:

"As an ex-drinker and ex-smoker, I know perfectly well that taxing addictive things does not stop people using them."

Source: *Sunday Express*, 'The things they say', 22 February 2004

Amanda Wynne, spokeswoman for the British Dietetic Association:

"Tackling the problem of people not eating healthily is a lot more complicated than a simple tax"

Source: David Charter and Sam Lister, 'Junk food under attack by fat tax', *The Times*, 19 February 2004

Amanda Ursell, the nutritionist and broadcaster:

"It would be very difficult to find a sensible way of targeting fatty foods. Taramasalata is full of fat, but it is not a problem because people do not eat it in large quantities. Then you get things like pizzas - would you tax a pepperoni pizza, but not a margarita?"

Source: David Charter and Sam Lister, 'Junk food under attack by fat tax', *The Times*, 19 February 2004

Dr Arthur Agatston, leading cardiologist and inventor of the South Beach diet:

"Putting a tax on [fatty] foods isn't going to decrease obesity. There has to be more to it than that."

Source: Clint Witchalls, 'The Fat Controller', *Guardian*, 13 July 2004

Dr Thomas Stuttaford:

"The proposed "fat tax" will be a tax on human frailty, collected from the overworked who have neither time nor money to prepare the well-organised, decent meals of a more leisurely age."

Source: Dr Thomas Stuttaford, 'Don't give up on the dairy', *The Times*, 20 February 2004

Recommended reading

- Coupland, Douglas. 1996. *Generation X: Tales for an Accelerated Culture*. Abacus
- Davies, Stephen. *The Historical Origins of Health Fascism*. Forrest:
<http://www.forces.org/articles/forest/fascism.htm>
- House of Commons Health Committee. May 2004. *Obesity*. HMSO:
<http://www.publications.parliament.uk/pa/cm200304/cmselect/cmhealth/23/23.pdf>
- Leicester, Andrew, and Windmeijer, Frank. June 2004. *The 'Fat Tax': Economic Incentives to Reduce Obesity*. Institute for Fiscal Studies: <http://www.ifs.org.uk/consume/bn49.pdf>
- Mill, John Stuart. 1982. *On Liberty*. Penguin
- Popper, Karl. 2002. *The Logic of Scientific Discovery*. Routledge
- Prime Minister's Strategy Unit. February 2004. *Personal Responsibility and Changing Behaviour*. Cabinet Office: <http://www.number10.gov.uk/files/pdf/pr.pdf>
- Ruppel Shell, Ellen. 2004. *Fat Wars: The Inside Story of the Obesity Industry*. Atlantic Books
- Wanless, Derek. February 2004. *Securing the Good Health for the Whole Population*. HMSO:
http://www.hm-treasury.gov.uk/media/E43/27/Wanless04_summary.pdf
- Westwood, Andrew. 2003. *Are we being served? Career mobility and skills in the UK workforce*. The Work Foundation