

Britain's tax rules "now written for and by mul...

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Felicity Lawrence [has written a Guardian article](#) under the above title. Please read it.

It focuses on what for me is one of the big issues of tomorrow's budget - and that's the destruction of the UK's corporate tax base, George Osborne's deliberate promotion of tax haven abuse and his utter indifference to the need of developing countries to collect tax - which he is deliberately harming.

Take just this one section as indication of why you should read it all:

The new goodie given the go-ahead by Osborne is a further exemption which will reduce multinationals' tax bills dramatically: the exemption on profits of offshore finance company subsidiaries.

If a UK-based multinational sets up a treasury company in Switzerland and puts equity into it from the UK, which is then passed on in loans to its other subsidiaries to run its operations, with interest on the loans flowing back in profits to the tax haven. The tax rates on these profits will be a maximum of just one-quarter of the current UK rate.

These new policies have been written by multinationals. Labour established a series of [working groups to consult on the CFC reform](#) made up almost entirely of tax directors from businesses with large numbers of offshore subsidiaries.

The monetary assets working group, for example, consisted of Vodafone, Shell, Diageo, Tesco, G4S, International Power and BHP Billiton. The intellectual property group included Kraft, GlaxoSmithKline, Associated British Foods, Cable & Wireless, and the insurance working group had Aviva, RSA, XL Group, Prudential, Lloyds and AIG. The banking group came from banks including Barclays, which is famous for sophisticated tax avoidance.

Under the new coalition government, a senior manager in international corporate tax from accountants KPMG, [Robert Edwards](#), was seconded to the Treasury for 20 months to see through developing the policy on CFC rules. His speciality at KPMG? Advising multinationals on tax-efficient cross-border financing and restructuring.

With stakeholders like this, it's no surprise that tax justice protesters have taken to direct action and occupation.

Daily I grieve on the disaster for the UK of Osborne getting power without having ever won a general election. Rarely has there been a man with so absent a moral compass in high office in this country. New Labour made serious errors - as Felicity Lawrence does not seek to hide, but Osborne is so much worse.

And in the meantime who will pay for this largesse to the largest corporations in the world? Why, ordinary people suffering benefit cuts, increased taxes and a future with no hope, both here and abroad.

That's why we campaign.