

# "If the state will not stand up for its right to tax bi...

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The Observer has featured on tax issues this morning it seems. In [their special report on tax avoidance](#) they set the scene, saying:

*The debate is now raging over whether these companies are the happy beneficiaries of a tax system knitted with loopholes, or the malicious purveyors of smoke-and-mirror accounting. HM Revenue and Customs claims the former — public opinion is rolling towards the latter. Lin Homer, chief executive of HMRC, claimed the public don't understand. Asked why she was not taking a tougher line with internet giants, she told the public accounts committee: "We see, but understand more fully, some of the information that might seem to the general public to be surprising."*

In response they add, using quotations from me:

*But campaigners say tax collectors and leading politicians have been caught out; too engrossed in austerity plans, they are scrabbling to keep up with people who point out that there are other ways to balance the books.*

*"Without a doubt, they are behind the curve," said Richard Murphy, a chartered accountant, economist and founder of Tax Justice Network. "They have all been caught by surprise because this has come from civil society, a campaign that has been going on for almost a decade but has only been picked up by politicians after the banking crisis when they suddenly realised they were desperately short of cash."*

*He said HMRC had been ducking tax avoidance completely. He said it had powers to tackle any suspect tax returns of foreign-based companies. "If the breach is blatant, then they can act. What we haven't got is politicians who will stand up to this. It's a critical point. **If the state will not stand up for its right to tax big corporations then we are in deep trouble.**"*

Richard Murphy said the moral case for international action had already been won. "We now just have to beat off the accountants and businesses who oppose democratic accountability to the state to get it," he said.

This last quote refers [to a blog here](#), yesterday.

**I was pleased to note the piece highlighted was a block quote in the article: this is the core of this issue, which is why I am so pleased that Ed Miliband has come out on the issue today and has, as the piece notes backed a "[country by country](#)" international scheme on tax declaration whilst condemning the fact that so far no firm proposals have so far been put forward for the G8.**

**Read the whole thing: there are good quotes from Melanie Ward at Action Aid too.**