

Tax avoidance needed tackling in 1938. It still does no...

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This [is from a discussion of tax avoidance in parliament in 1938](#). The speaker was then Chancellor [John Simon](#):

These proposals, which are the result of much close examination by my expert advisers, will, I believe, contribute a great deal towards the stopping of tax avoidance. I regard the whole subject as a very important one, not only because there may be substantial amounts involved, but because the benefit which one man may get from escaping tax which his income would normally have to pay, necessarily involves putting an additional burden on others.

I must put in a word for the vast majority of those who come under direct taxation. It is not true that they resort to any such devices. These devices are resorted to by the few. The great majority accept the full and natural burden and discharge it without any effort to avoid it. We as a nation are entitled to take pride in the general standard of ethical performance of the taxpayer's duty which prevails in this country. The House of Commons should do its utmost to secure that the actual burden as between two individuals in the same position should be equally spread. I intend to continue to keep a close watch on this subject and I have taken measures to ensure that any developments will be kept closely under review, so that if methods of avoidance emerge which are not already sufficiently or effectively dealt with, further measures for their suppression may be promptly devised and put into execution. In view of the warning which I am now giving, the would-be avoider must reckon with the possibility that these measures may be so arranged as to operate with retrospective effect.

The last point is interesting. The issue would, of course, have been best dealt with then and would still be best dealt with now by a [proper general anti-avoidance principle](#).

Proper disclosure: I wrote the Bill I have linked to. The government did, of course, make sure it was talked out.

Hat tip: [Jolyon Maugham](#)