

Margaret Hodge is right: transparency is key to restori...

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Margaret Hodge [has written about Google's tax affairs in the Observer today](#). After saying that the settlement made appears far too low the core of her argument is:

If trust is to be restored in the fairness of our tax system, much greater transparency is essential. We need to open companies' tax affairs to public account. HMRC always refuses to disclose the details of its tax deals with companies by hiding behind the legal obligations to keep taxpayers' affairs confidential.

That will no longer wash. When we know the assets that companies hold in every country, the revenues they earn in every country and the profits they make from those revenues, we will be able to see if the tax they pay is fair.

I don't think greater transparency will destroy or even harm capitalism, but it will help to persuade the 85% of the UK population who pay their tax through PAYE that everybody is truly equal under the tax laws.

I agree. We do need details on tax deals. And we do need country-by-country reporting.

And far from harming capitalism it will boost it. Anyone who knows anything about economics knows that information is the key to successful markets. We are being denied the information needed to make markets work. And that is undermining trust. Restoring trust is vital. Transparency is vital if we are to do so.