

The FT needs to grasp a little tax reality

Published: January 14, 2026, 12:40 am

Chris Giles [has an article in the FT in which he says:](#)

Conservative and Labour manifestos fail to grasp economic reality

In the Tory case this is because Giles thinks May wants an evidence free approach to Brexit that cannot be delivered. This we know to be true.

In Labour's case it is because:

Labour's priorities for increased public spending – abolishing student fees and nationalising utilities – shows little grasp of the needs of the disadvantaged nor a strategic understanding of the public finance priorities of the next decade.

I happen to think that a good point: Labour does, I hope, have sufficient plans for tackling real disadvantage from the proceeds of the growth its policies would deliver.

But his criticism of Labour is also unfounded when it comes to the other other issue he mentions, which is:

Labour wants to raise almost £50bn a year from higher taxes with the vast majority coming from companies or richer people. It makes no proper allowance for evidence that both of these targets are rather good at avoiding higher taxes – either by reducing their taxable activity or by changing the appearance of their affairs to the tax authorities.

Giles does here fail to grasp tax reality, as he has so often failed to do in the past. He is not, then following his own precept. This is for three reasons.

First, rules on tax avoidance, and especially as they apply to practitioners and automatic information exchange from tax havens, are going to make this abuse much harder.

Second, country-by-country reporting is going to make abuse by large companies

considerably more difficult.

Third, if Labour employs more people at HMRC then the odds change: Giles is making the mistake of assuming ever diminishing tax authority capacity.

He's wrong, in other words. The FT needs to get up to speed on tax reality.