

## [RIP Barry Bracewell-Milnes](#) [1]

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We are saddened to learn of the death of Adam Smith Institute author Dr Barry Bracewell-Milnes.

Bracewell-Milnes was one of the earliest supporters of the Adam Smith Institute in the late 1970s, and became a regular speaker at our conferences and events. A meticulous tax economist ? who was for many years economic adviser to the Institute of Directors ? he spent much of his life arguing passionately that taxes on capital were counterproductive and damaging.

For the Adam Smith Institute, his publications included [False Economy](#) [3] and [Captive Capital](#) [4], each arguing strongly against plans to align capital gains tax rates with the income tax rate. The presumption was that a divergence between the two rates enabled some people to take income in the form of capital gains rather than income, and so avoid tax. Bracewell-Milnes demonstrated that only a tiny handful of people actually had this option, and that the problem was easily policed. Indeed, some countries (such as Hong Kong at the time) had no capital gains tax at all, and were completely relaxed about it. But what high rates of capital gains taxes did was to drive investment offshore, and lock people into out-of-date investments that they should really cash in but did not, simply because they feared or resented the amount of tax they would have to pay. This lock-in made capital less productive and damaged the whole economy.

Bracewell-Milnes also railed against inheritance taxes, which he saw as another tax on capital. For the Adam Smith Institute, he wrote [Free Wills](#) [5] and *Inheritance Without Taxation* on this subject. Extending his capital gains arguments, he showed how inheritance taxes similarly trapped people into inefficient investments, because people tried to protect their capital against the tax, rather than investing it in the most productive way. Again, the result was a net loss to the economy. Indeed, Bracewell-Milnes calculated that death duties and inheritance taxes had actually produced a net loss for the economy in every year of their century-long history. A deeply religious man, he also objected to how inheritance taxes hit families at the worst times of their lives and ran counter to the natural human instinct to provide for and help one's relations and friends. It was better, he thought, to abolish the tax entirely: and he even convinced John Major's government to do that, but too late in their period of office, unfortunately, for that conversion to have any effect.

Other taxes too came under the Bracewell-Milnes searchlight, including changes to Britain's little-understood advance corporation tax, which (he said in [An ACT Against Trade](#) [6] were deeply damaging to business). In [A Disorderly House](#) [7], he also dismantled the arguments for raising alcohol duties, and exposed the illogicality of EU alcohol taxes, which he felt were largely the random result of horse-trading by countries anxious to protect their own production, and which were especially damaging to Britain's beer and Scotch whisky producers.

Bracewell-Milnes's arguments remain very relevant today ? witness recent debates in the UK on capital tax rates and minimum alcohol pricing. Today's politicians and lobbyists would do well to review the clear and comprehensive arguments in his Adam Smith Institute publications. We shall miss him, not just as a powerful advocate of lower taxes, but as a good friend.

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