

[Everywhere should want to be a tax haven](#) [1]

Written by [Tim Worstall](#) [2] | Saturday 7 April 2012

This is slightly disturbing, finding myself agreeing with Francis Maude on something. But he's absolutely [correct here](#) [3]:

?I recollect twenty years ago as a financial secretary I was taking a finance bill through parliament, a Labour MP said indignantly to me: ?You are just trying to turn Britain into a tax haven?. To which my response was: ?Thank you very much, I appreciate the compliment.?

"And that is exactly what we're trying to do. We want Britain to be a place where people don't mind being taxed....."

Using this definition then everywhere, all the time, should be striving to become a tax haven. For if you don't mind the tax that you've got to pay then you're roughly happy with the deal that you're being offered in return for that tax. Perhaps it is true that government allows the rich to get rich: OK then, if the rich stick around and pay the taxes to pay for that government then this is proof perfect that the rich think they're getting their money's worth. Similarly, if absolutely no one ever does a £50 job off the books to dodge VAT then it's an agreement that everyone thinks that what they get for their VAT is worthwhile.

We can also put it the other way around. That people are attempting to avoid tax, that people are attempting to evade tax, is similarly proof perfect that they believe they are getting a bad deal. It might be that they think that they're not getting enough for the cash they have to feed into the maw of the State: that government is inefficient. It might be that they think they're getting too much government and thus that the marginal amount they're getting just isn't worth having.

The intermediate stage, that government is both efficient and we've got just the right amount of it cannot logically be true: not if anyone refuses to do the paying for it it cannot be. For that very refusal to pay is evidence that those refusing don't agree with the statement.

So, yes, everywhere should be striving to be a tax haven. A place where people don't mind being taxed because they think that what they get for the amount they're charged is fair and reasonable.

There is a delicious corollary to this of course: all those insisting that people must be forced to pay taxes are, by definition, agreeing that the people being taxed don't think the taxes are fair and reasonable....

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