Published on *Adam Smith Institute* (http://www.adamsmith.org)

Should it be a crime for a business to make a loss? [1]

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the Howard League for Penal Reform

This is an interesting little example of the pernicious effects of the lies that are told in certain forms of campaigning. We've a proposal that there should be something called a corporate ASBO. Sure, it's a personal suggestion but it is also from the head of the Howard League for Penal Reform [3].

> So, I would like government to think about introducing a corporate anti-social behaviour order. ASBOs are in the process of being replaced by various other civil orders by the government but for the sake of simplicity, I shall call my proposal the corporate ASBO. The important point is that individuals and big corporations should be equal before the law. The last Labour government introduced the Serious Crime Prevention Order but this focuses on the more serious end of corporate crime, applying to individuals who have already been convicted of crimes such as money laundering or credit card fraud.
>
> The corporate ASBO could be handed to registered companies engaged in anti-social behaviour. An appropriate threshold, in line with orders pertaining to individuals, would be required to ensure the ASBO is not used in a vexatious manner. The ASBO would be targeted at corporate actions that are deliberately socially harmful, cause distress or nuisance or annoyance.
>
> It would not target legitimate business, even business that some might see as unpalatable (for example pay-day loans or betting shops). The purpose of the ASBO would be preventative ? identifying low-level behaviour and seeking to prevent it increasing in frequency or seriousness.

I have no opinion on this and my intention here is not to develop one. Rather, I want to look at what has prompted this proposal:

> Contrast a child playing his music too loudly and too often that annoys the neighbours to Starbucks which announced today that it has no tax obligation this year. The effect on the public services and on the social fabric of so many of the biggest companies managing by sleight of hand to avoid paying billions of tax is incalculable.

She's been suckered by the lies being told by the tax campaigners. She's outraged that Starbucks doesn't owe any corporation tax this year. The campaigners have alleged that this is all because of dodgy dealings over royalties, brand names, margins on purchasing coffee from Switzerland and the like. Whereas in fact the reason that Starbucks doesn't owe any corporation tax is that it hasn't made a profit. Even if all of those allegedly nefarious (and all entirely legal too) activities are added back into their accounts Starbucks still hasn't made a profit in the UK. There's no tax due because there's no profit to tax.

And very much the same is true of all of the other stories we hear about as well. There never was a £6 billion tax bill at Vodafone: that was entirely made up by Private Eye. There never was a deal over it either: the company simply paid the normal corporation tax due on remittance of overseas profits into the UK parent company. Barclay's did not dodge a tax bill on selling off a subsidiary, Gordon Brown specifically changed the law so that no tax would be due on the selling off of a subsidiary. Boots has not dodged tax by loading up with debt: the tax paid has simply moved from being corporation tax nominally paid by Boots to income or corporation tax being paid by the recipients of the interest.

Each and every one of the stories being peddled falls apart on any sort of detailed examination. But enough of these lies are being told that we've thoroughly respectable members of the establishment like Frances Crook insistent that new offences must be invented, new punishments devised, in order to punish those being lied about. Just goes to show that if you lie loudly enough and often enough then you'll be able to convince people of what just isn't so.

I can't help feeling though that there's got to be a better way to run a country than this.

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