

[The value to us of Sainsbury's is not the amount of tax that they pay](#) [1]

Written by [Tim Worstall](#) [2] | Wednesday 6 November 2013



This is a slightly strange thing for a businessman to [be saying](#) [3]:

Justin King, chief executive of J Sainsbury, has challenged business leaders to 'stand up' and reveal their tax practices, arguing that 'tax is a moral issue' for British companies.

The supermarket boss argued that 'consumers have every right to ask' how much a company is putting back into the country where they operate and make their profits. Speaking on a panel about Business Trust at the CBI annual conference he said that he 'strongly disagreed' with those - including the CBI - who have said that company tax bills should be based on the letter of the law, not social responsibility.

He told the CBI conference: 'How we do business, how we put back into the community of which we are a part, put back into the society from which we draw our revenues is a moral issue and it's one that our consumers have every right to ask us.'

How Sainsbury's put back into the society they draw their revenues from is by drawing those revenues. Their job is to be a grocer for goodness sake: to provide us with somewhere we can attain nirvana with 15 brands of baked beans and 17 of toilet paper. That's the point of them, the only point of them. If we didn't think we gained more value from their existence and services than we would from their absence then we wouldn't shop there. Thus, given that we do shop there we must value their existence and the services they provide.

And that really is the end of it I'm afraid. How many people they employ to provide these services, what profits they make, what bite the government takes out of their revenues or profits are all entirely irrelevant things. The contribution Sainsbury's makes to our society is that we have somewhere to get beans and bogroll from.

Nowt else.

[blog comments powered by Disqus](#) [5]

Source URL: <http://www.adamsmith.org/blog/tax-spending/the-value-to-us-of-sainsburys-is-not-the-amount-of-tax-that-they-pay>

Links:

- [1] <http://www.adamsmith.org/blog/tax-spending/the-value-to-us-of-sainsburys-is-not-the-amount-of-tax-that-they-pay>
- [2] <http://www.adamsmith.org/taxonomy/term/5778>
- [3] <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/10425718/Justin-King-tax-is-a-moral-issue-for-British-companies.html>
- [4] http://disqus.com/?ref_noscript
- [5] <http://disqus.com>