

Response to “Paradise Papers” revelations

John

McDonnell MP, Labour’s Shadow Chancellor, responding to the “Paradise Papers” revelations in the Guardian this evening, said:

“These are deeply worrying revelations. Despite all the Government’s claims of cracking down on tax dodgers, this evidence confirms that tax avoidance is clearly continuing on an industrial scale. Either the Prime Minister or the Chancellor needs to explain how this scandalous behaviour has been allowed to go on unaddressed for so long and what action is to be taken now.

“Here we have proof that we have seen a lot of bluster from the government about tackling tax avoidance but no real action. Only last week the Government was blocking Labour amendments to the Finance Bill to bear down on this abuse.

“Every pound avoided in tax by the super-rich is a pound desperately needed by our NHS, our schools and our caring services. To put this in context it’s been recently reported that children’s care services are at breaking point as a result of a £2 billion funding gap. Even the Government has admitted to a tax gap of over £30 billion.

“If the identification of Lord Ashcroft, a major Tory party funder, on the list and if the allegations of tax avoidance are true, it means that the Prime Minister has questions to answer. What did she and the Conservative Party know about Ashcroft’s tax affairs and what due diligence checks were applied before she agreed to the Conservative Party accepting significant donations from him? Questions will inevitably be asked about the Prime Minister’s judgement about allowing him to return to being a major party donor. Many individual Conservative MPs and candidates will also need to answer what checks they made also before they accepted donations to their campaigns in their constituencies.

The next Labour Government will stand up for the tax payers and implement a comprehensive plan to restore transparency to our tax system. Where the Tories refuse to act, Labour will end the era of government turning a blind eye to the

scandal of tax avoidance by clamping down on tax havens and ending the loopholes.”