Overcoming barriers to tax reform

Lord Macpherson

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Biographical details

Civil service history

1993–1997: Principal Private Secretary to the Chancellor of the Exchequer

1998–2001: Director of Welfare Reform, HM Treasury

2001–2004: Director General, Public Services, HM Treasury

2004–2005: Director General, Budget and Public Finances, HM Treasury

2005–2016: Permanent Secretary, HM Treasury

Parliamentary career

2016–present: Crossbench Peer

Lord Nick Macpherson was interviewed by Gemma Tetlow, Joe Marshall and Thomas Pope on 6 August 2019 for the Institute for Government's tax reform project.

Gemma Tetlow (GT): Can we start by going back to when you started as a senior civil servant working on tax policy. How much experience and background knowledge did you have in tax and how did that develop over time?

Nick Macpherson (NM): Well, I first started working on tax in the mid-1980s. I was responsible for providing advice on national insurance and pension matters. In those days, national insurance wasn't seen as tax, but inevitably it was looked at in a tax context. I did that job for about two and a half years and then I moved on to co-ordinating the budget process itself. And thereafter, with the occasional year or two working on different issues like the European Union and public spending, I was pretty much involved in every budget thereafter, and from time to time I got quite involved in the tax system.

GT: What sort of experience and training had you had when you started working on tax?

NM: I had read quite a lot about taxation as it had always interested me. Other than that, I didn't have any explicit training as such.

GT: What sources of information did you draw on?

NM: There were various standard texts at the time, like Kay and King, on the modernisation of the tax system. There had been various commissions and also IFS [Institute for Fiscal Studies] style reports under Meade in the 1970s and, if I remember, the Tories certainly had various green papers on things. But otherwise, it was mainly trying to understand the tax system, starting with national insurance, the history of the national insurance system which had originally been a flat rate payment paying for a flat rate benefit that evolved, both following the 1961 (I think) reforms, but mainly the Barbara Castle reforms of the mid-70s, which took effect, I think, in 1978.

Joe Marshal (JM): Were there any major reforms during your time in the Treasury that you think were particularly successful, and if so, could you explain a bit about why that was the case?

NM: My experience of major reforms started off, I think, with Nigel Lawson's 1988 budget which stands out as quite a seminal budget. Though with hindsight, it included the odd mistake such as the change to mortgage interest relief which encouraged a closing down sale in the summer of 1988, thus, perhaps exacerbating the so-called Lawson Boom. The basic principles of the '88 budget involved reducing tax rates, creating greater alignment between income tax and capital gains tax, reducing reliefs.

But it is giving into the theatre of budgets to look at budgets in isolation. I think the more interesting issue is what successive chancellors attempted to do over time. And if you then consider the Lawson tax changes as a whole, they were quite impressive, in the sense that they have stood the test of time. The top rate of tax may now be 45%, but the principles of Lawsonian tax changes live on to a certain degree. And similarly, you could look at the Lawson corporation [tax] changes through the 1980s, which created an environment where you could have significantly lower corporation tax rates. Pre-1983 I think they were at 52% and they then came down to 35% and are now down at 18% or something like that. So, I would identify '88.

I think the changes in the early '90s were interesting because it was an opportunity to use a crisis to try and raise taxes in a sensible way. And, more recently, the Gordon Brown budgets around 2000 were quite interesting in trying to create greater alignment between national insurance and income tax, which was subsequently de-aligned again.

You asked what the conditions are for tax reform. It is an advantage if you've got a lot of money. If you haven't got money, it's a lot more difficult to deal with the issues of winners and losers, especially in the modern world. Recently, politics has become far more managerial rather than ideological. The conventional wisdom is "we don't want to upset small interest groups", and I think the limiting case for that was the Osborne attempt to extend the VAT base really quite marginally on things like ambient food and a parked caravan and so on [in the 2012 Budget], the reaction to which was out of all proportion to the incidence. And it's a reminder that if the conditions are right you can get away with raising taxes: Osborne increased the VAT rate considerably with minimal fuss [in 2010], albeit against the background of popular mandate (it was the first budget). The reaction to the attempts to change the VAT base was very different. So, money is important.

Having a coherent narrative, which can explain what you're trying to do, can help. Although I don't think that makes much difference. Half a per cent of the population, in fact maybe 0.1% of the population, who are really interested in taxation and understand the tax system have very strong views. You'll get learned articles about how you should change it and commissions from the IFS and so on. But actually, in the end, revenue raising is the most political of activities. I think it was Edward Troup [former special adviser and HMRC permanent secretary] who once likened it to legalised extortion, and that's what it is. So, you just have to try and get revenue where you can. And so, although it's nice to have – you don't want a totally incoherent tax system because that's inefficient – I think hankering after the perfect tax system is a waste of time.

GT: On that topic, are there any tax changes you could point to as being a move in the right direction, even if they were not the perfect thing, politically speaking? Going in the right direction if not doing everything?

NM: One of the interesting things which you tend to have with tax changes is one step forward and two steps back, or two steps forward and one step back. So, for example, the abolition of the so-called community charge in 1990, or whenever it was, made perfectly good sense. In narrow economic terms, obviously, a poll tax is the most efficient of taxes. But in terms of moving to a more sensible system of local taxation, the council tax represented substantial progress. But here we are 30 years on because of a failure to revalue the tax base, council tax has become incoherent. So, I think it's important to distinguish short-term changes which are effective and then the passage of time, which can render things less effective. In that respect there's a problem that, especially when resources are constrained, a chancellor has to give an annual budget speech and he or she has to fill it with content. This is where the tax system always ends up getting quite distorted, because obviously it's cheap to do small targeted reliefs which in individual cases may make perfectly good sense but collectively just add hundreds of pages to tax legislation – not least because if it really is targeted people will try and find 100 reasons to make it less targeted.

To the government's credit, over the last 40 years we've got rid of quite a lot of personal tax reliefs, despite Mr Duncan Smith's best efforts in ensuring the married couple's allowance was reintroduced. The corporation tax system is more sensible, but it's still quite complicated, because of issues about how you tax footloose capital. The national insurance system, I think, has suffered from the fact that, even now, taxpayers regard national insurance as different from income tax.

So, if you look back to when I started work back in the early 1980s, the national insurance rate for employees was 6.5%. It's no longer a slab system, it's a slice system. Nevertheless, the rate of tax has doubled over the same period and the basic rate of income tax has come down from 30% to 20%. Now, I don't believe that would have happened unless politicians thought that they had made a fetish of income tax, but not of national insurance. No one understands national insurance. People now pay more national insurance than they did. Personally, I think that's a pity because you're taxing earnings more, and I think one of the failures of tax policy during my working life is that dividends, rental income and so on have been comparatively under-taxed. I'm not saying we should return to the concept of unearned income and earned income, which existed through to the 1970s, nevertheless I think one would want to see a better balance.

Similarly, with capital gains [tax], it really is very easy, if you're wealthy, to organise your affairs in a way that you can translate income into capital gains. Nigel Lawson was right to try and align the main rates, but successive chancellors pandering to the small business lobby and the enterprise agenda, have significantly changed the balance back in capital gains' favour. And added to which you just have preposterous reliefs in things like inheritance tax and CGT [capital gains tax] to reward family businesses, farmers and other key voters The [New] Labour government was always happy to be nice to these people on the grounds that they want to show that they support enterprise. Though there have been attempts to create greater coherence across the self-employed versus corporate vehicle divide, people still seem to like to turn themselves into companies, which suggests that there is incoherence there.

On indirect taxes, it's remarkable how little has changed. The tax rate of VAT has changed, but the base remains remarkably similar. There was an attempt to extend that to domestic fuel consumption back in the early '90s, but that failed in Parliament. The thing that strikes me now, especially with governments trying to get majorities, is just how difficult is it to raise taxes on anything. We saw that with VAT and also the self-employed issue a couple of years back.

GT: Given the longstanding issues that you've pointed to, how far would the discussion within the Treasury, with Treasury ministers, go on major reforms? Were they things that Treasury officials would bring up and talk about in suggestions but were shut down by ministers?

NM: They definitely came up, and you do have opportunities when governments are in real trouble and they've got to take some quite tough decisions. And if, rather like Osborne in 2010, you can persuade the British people that we're in really tough times and that difficult decisions are being made, you can do quite big things, like raise VAT.

These things only come around every 10 to 20 years. There was an opportunity to change in the early '90s, which the government partly took and partly failed to take, and no doubt also back in '79, '81. I think it varies with chancellors: some are more interested in tax reform. But even if you're the chancellor and you are attracted, say, to creating a more coherent approach to taxation and property, you've still got to persuade the prime minister, and the prime minister's main interest in life is to get re-elected. So, it's quite difficult to persuade people to do things like that. So, for example, on taxation and housing, there was a long period under Gordon Brown where there was a large review around council tax and whether was there a better way for local taxation. Similarly, with Osborne, I think he was seriously attracted to creating a mansion tax as a quid pro quo for reducing the top rate of income tax. But the prime minister didn't agree to that.

JM: On the reforms you've mentioned, were they driven by the chancellor and politicians having a clear idea of what they wanted to do? Or, were they driven by Treasury having a clear idea of these policies and then, in certain circumstances, the politicians being more receptive to these ideas?

NM: I think both. The better chancellors usually come to office wanting to do some things, and they will have ideas of where they want the tax system. Equally, the Treasury, historically, has tended to have a view of what is a more sensible tax system, and if a chancellor is prepared to listen, it will happily promote the ideas contained there. So, for example, expanding the VAT base, it's fair to say that HMRC [Her Majesty's Revenue and Customs] and the Treasury have always been quite keen on extending the VAT base, but apart from Osborne's attempts a few years back, there's been markedly little action. I think Lawson took a few steps in the 1980s. And, similarly, the Treasury was always against mortgage tax relief, which it felt misallocated resources in favour of housing. I think it's fair to say it was against the married couple's allowance, or married man's allowance as it was called when I started. And it took successive chancellors to take action in that space. Having said that, Nigel Lawson once made the point to me that, generally, it's politicians who come up with radical ideas, while the Treasury tends to come up with lots of reasons for not doing them. So, I wouldn't want to exaggerate the Treasury as an ideas factory.

GT: You've touched a little bit on some of the failures in the 'omnishambles' (2012) budget. Are there any other examples, in your experience, of tax bills that went horribly wrong, that you think demonstrate the issues that this government saw?

NM: In the late '80s Nigel Lawson introduced a relief for profit-related pay, which was perfectly well intentioned and by no means silly. But businesses saw this as quite a good way of reducing tax bills all around. There have been many reliefs for share options and so on. Sometimes you can introduce things for well-intentioned reasons and they become used as generic avoidance devices. So, I would highlight that.

Another example were the reliefs for film production introduced by Gordon Brown in the first decade of this century. Again, well intentioned. Whether or not film should get special treatment I personally rather doubt, but it sounds good and it supports the British film industry. But it ended up being used as a serious avoidance device with probably rather little effect on the film industry. So, I think there's a definite history of reliefs having a shelf life, and the more generous they are the more they'll get exploited. I've personally always been rather against the R&D tax credit, but a lot of evaluations indicate that it has had a positive effect on R&D, so who am I to question those evaluations?

Then, there were the classic changes which just suddenly fall apart, like [Gordon] Brown's attempt to rationalise the tax system and [abolish the 10p income tax band] and go back to the 20p and 40p income tax rates, and the impact that had on some people who were just in the 10p income tax. It's an example of something which made good sense in terms of simplification, but it gave rise to too many losers and in the end a lot of money was thrown at them

Interestingly, George Osborne regarded the changes to stamp duty as a positive reform, moving away from the distortions of a slab system [to a slice system]. I would question whether it has been that successful. I think it's discouraged transactions at the higher end and I do worry that transactions taxes are inherently inefficient.

GT: Do you think, in that case, that was the result of the political constraints that Osborne was under – that to target most of the revenue raising on the very highest band of properties you ended up with hugely high rates at that level?

NM: Yes, primarily. I'm sure if he'd had more money it could have meant we wouldn't have had to raise so much. And, in a sense, the stamp duty change was an inefficient alternative to having a mansion tax. If you only tax property at the point people move, you'll just discourage people from moving, which is not good for the economy in general.

Thomas Pope (TP): I wonder if we could move on to what happened during the financial crisis and shortly afterwards, with the Labour government introducing that major package of reforms, including both the short-term stimulus package and then the reforms that came after that to reduce borrowing. Could talk about how that package was developed inside the Treasury?

NM: The tax changes: there were the temporary VAT cut; and there was increase in the top rate of tax; there was an increase in national insurance; and the various pension changes designed to reduce pension tax relief. That's broadly it.

Having been quite dismissive about some governments' approach to national insurance, I think that's a good example of a government exploiting necessity to raise national insurance above the upper-earnings limit. It has moved things in a more sensible direction. Given what was happening with the economy, there was a case for some stimulus, and against a background where the public finances were getting considerably worse, there was also a case for it being temporary. There was a recognition that, following the crisis, taxable capacity had been significantly reduced and there was no point in waiting for it to come back because it probably wouldn't. It's fair to say that the Treasury wanted to cut VAT then move it back to its main rate and then increase it in the medium-term, but the then prime minister took the view that was politically unsaleable, and in any case didn't agree with the Treasury's analysis. So, the issue then was how do you try and get revenue up a bit in the medium term. By then the view was it was [politically] acceptable to increase the top rate of tax, although even then, as Darling sold it, it was as a temporary measure without actually indicating when it would be reduced. But there was a general sense that the higher paid should contribute more. I think broadly, at the same time, there was special tax on bankers' bonuses which reinforced that message.

Raising national insurance by 1% was an example of people contributing across the board, and pension changes went with the grain of the wider agenda to broaden the tax base and to make pension saving less privileged. The way it was done partly just reflected the complexity of our pension system, some of it defined benefit, some of it defined contribution, and wanting to be doing the same thing across the board. Hence the lifetime limit, which was reduced before the crisis, but again during. Then George Osborne had another go at cashing in more recently. This was very much a response to the view that the better off got more pension relief so why not cut it. But it's one of those things that anybody with a limited knowledge of tax says, "Well, what we should do is, we should restrict pension tax basic rate", but doing that in practice is very complicated. So the lifetime limit has really been a proxy for reducing reliefs all round.

So, how did this all happen? I think it was just endless reviewing of different tax options and, in the end, you choose the ones which you feel you can get away with, and that you can introduce reasonably quickly. The reason why VAT was chosen for the tax cut is if you want to change national insurance rates there's a good six-month lag, whereas VAT you can change far more quickly.

GT: On VAT, as you said, the Labour government didn't increase the main rate beyond 17.5% but the new coalition government did. How did that come about?

NM: Well, let me just mention that the coalition government oversaw a pretty big fiscal consolidation. I can't remember what the balance in the Labour plan was, say it was 60% spending (reduction), 40% revenue (raising), and the Tories wanted to do it, in broad terms, at like, 80% spending (reduction) and 20% revenue (raising), but the coalition plan still meant we needed some revenue. Especially because the coalition government was committed to increasing the [income tax] personal allowance, and as it turned out, Osborne was keen to reduce the corporation tax rates. So, you needed a revenue from somewhere and VAT was the obvious candidate. And there was history in this: the Tories did it in 1979, so it seemed like a good Tory thing to do.

GT: Were any other options considered?

NM: I can't remember. There are a lot of little things in the tax system, but in the end, if you're going to get serious revenue in, you've really got to use income tax, VAT or national insurance because they account for, between the three of them, something like 70% of the tax system. So, you always have governments who get by doing things on little taxes, whether it's IHT [inheritance tax] or CGT, or even alcohol duties, but in the end, if you want serious money, tens of billions of pounds, you've really got to do it through VAT, national insurance or income tax.

GT: Given what you said at the start about the need to use a crisis as an opportunity to make reform, do you look back at the financial crisis here and think governments did make use of that platform to reform tax?

NM: Well, it certainly made use of the platform to increase it in certain areas whilst also still reducing it in other areas. I think 'reform' is a term which in a way is becoming cliché and anything you try to do is dressed up as reform. I mean, yes, they took some opportunity to make the tax system marginally less silly, but they didn't do anything really radical. So, take stamp duty – I would contrast Britain with Ireland. My reflection is that Ireland used the [financial] crisis to introduce the self-assessed property taxation tax system. They also, because they thought it a distorted activity, reduced stamp duty rates. Now that, to me sounds like proper reform. Did anything like that happen in Britain? No.

GT: Do you have a sense of why that didn't happen here?

NM: Totally, because the Labour and Conservative governments are very frightened about doing anything which impacts on property and housing. The British people are addicted to housing booms, the politicians they elect are addicted to housing booms, and no one has any real interest in bringing this to an end. It may all change when your generation spends the next 50 years renting, but we're not quite there yet.

JM: You've touched on some of these already. But what do you think are the biggest barriers to reform, and are there any other things you could draw out about how you might be able to overcome them or make them easier for politicians to address?

NM: The biggest barriers are losers. Losers don't like losing and the media will build up their losses into very big things. And if the campaign gets going and MPs start getting frightened, you've got a real problem. So, that is the main obstacle, in my view, to serious change.

The other ones are often administrative. Some things just take a very long time. If you're inventing a new tax or you're going to have a property revaluation, think 10 years. And normally you've probably got an 18-month window at the beginning of a Parliament, that's assuming you've got a majority, to introduce serious tax change. So, this is so much easier where you've got existing systems where in some computer somewhere there is a box which you put in 20 rather than 17.5 – that can be done really easily. Doing things which introduce taxes into new areas is just far more complicated. And politicians find that frustrating and they end up blaming the Revenue department, and no doubt HMRC are cautious about these matters. But having a tax administration which works fairly and efficiently is not simple.

The other thing which is relevant in this respect is PAYE [pay as you earn], whereby to this day most people don't do tax returns. Everything is done through PAYE. Again, this makes it difficult to introduce sophisticated changes to the system. A good case in point is the taxation of child benefit in the context of independent taxation, where it's all quite rough and ready. So, I think that's another constraint.

I seem to recall one of the proposals of the Office of Tax Simplification was to abolish class 2 [National Instance] contributions and increase class 4 contributions. Has that worked? No. So, I don't think you can contract out these decisions. As I said at the beginning, taxation is the most political of things, so whereas you can have an OBR [Office for Budget Responsibility] to look at fiscal projections, you can't really contract out tax policy. There may also have been lots of other constraints, but I can't immediately think of them.

JM: On that point about not being able to contract out tax policy, does that mean you're wary of using commissions or inquiries, seen in other areas of policy like social care reform or state pension age reforms? Do you think there's a limit to how much they can successfully do to move the dial in tax?

NM: Well, you could certainly set them up, they will inevitably produce interesting ideas. I just haven't seen them having much impact in Britain. I mentioned the Lyons review on local taxation. In the '70s I think it was a royal commission looking into the taxation of wealth, if I remember rightly. And maybe the capital transfer tax came out of that. I'm trying to think. But I'm not against reviews. One of the reasons why the pension age thing worked is that it had reasonable cross-party support and I haven't ever seen much inclination in political parties to form a cross-party view of taxation.

TP: Could we get a cross-party agreement on tax policy?

NM: I'm sure we could, and the pendulum may well swing back in that direction at some point. It's just I haven't seen much of it in my working life. I don't see much of it right here right now.

GT: Do you think it would be beneficial to have more scrutiny of tax policy going on, either within the House of Commons or outside?

NM: Yes, with many things; the more scrutiny the better. I don't think that the finance bill process is that impressive. To successive governments' credit, they have increasingly published legislation in draft in certain areas and have responded to consultation, and I think that makes it better tax legislation. There are some changes which are debated in a slightly less political context. It tends to be in more technical areas, but it's still a good thing.

From what I recall the [Labour] manifesto said in 1997 on the pre-budget process it was anticipated that it would be more like a green budget where the government would set out what it was minded to do to create better debate and better policy. But pretty rapidly that just turned into an excuse to have two budgets a year.

GT: Do you think there's any way of discouraging politicians from falling back into the trap of two budgets a year? They're now back in a world of one budget a year, but it didn't seem to last very long when they last tried in 2010?

NM: Philip Hammond has got rid of one of them, but they do come back very quickly. So yes, it does require a certain self-denying ordinance on the part of politicians. Maybe you could have some all-singing, all-dancing act of Parliament, rather like the Fixed Term Parliament Act, which would put certain processes in statute. But I'm not hugely optimistic.

JM: On the tax policy making process, do you think the current split between Treasury and HMRC post the O'Donnell Review works well and what role did you have as Treasury permanent secretary in that tax policy making process?

NM: Well, I was the lucky person who was the first director general responsible for the new tax arrangements in, it must have been 2004, and there's a perfectly good case for merging [Inland] Revenue and Customs [and Excise], and the case for that is totally independent of where tax policy should reside although the two changes took place at the same time.

The case for doing more tax policy in the Treasury was that the Treasury is uniquely placed to pull these things together, to look at tax changes across the board in the context of its economics and finance ministry functions, to look at whether the tax reliefs are a more appropriate policy response than increased public spending, and so on. The Treasury is always going to have some role in tax, but the question is how much. And what we were trying to do back in 2004 was to create a policy partnership where the Treasury would do strategic policy, but HMRC would still have the tax policy capacity and look at it more from the point of view of the efficiency of the tax system. The problem is that you actually need to have people who've been involved in tax collection informing tax policy, rather than lots of blue-sky thinkers who haven't got a clue. And getting that balance right and maintaining sufficient numbers of genuine tax experts as opposed to here-today-gone-tomorrow Treasury amateur officials, is a challenge, and it will remain a challenge.

Has the O'Donnell change worked? Well, certainly I think it's too late to go back, and my recollection of the Revenue when it was responsible for tax policy, was that it was quite narrow and conservative in its thinking. But it's got to be a partnership and you've got to retain enough capacity in HMRC. That kind of thing works when you have people like Edward Troup moving over to HMRC. I have no idea whether it's working now but it does require very close working and genuine co-operation and career planning in terms of moving people across the boundary between the Treasury and HMRC.

GT: You were in Treasury until 2016, was the policy partnership working then?

NM: It was working pretty well. A lot of people came over in 2004 and quite a few stayed, and quite a few have gone back and then returned. So, it's worked okay but tax is very complicated, and you need expertise. And the civil service is bad at valuing expertise. One of the problems is that there's a belief that there's a policy making skill and if you've got the policy making skill you can apply it to anything. Well, I would argue with taxation you can't. It takes years. I understand the national insurance system because I worked on it off and on for 20 years. I could understand also how it was collected, because it's quite simple, through the contributions agency. But really understanding the corporation tax system and the various interfaces, especially when it comes to multi-nationals, is genuinely hard and a bit of solid HMRC experience in that space of actually implementing the damn thing is really vital. And in the old days, the Inland Revenue and Customs were slightly separate from the rest of the civil service, they had their own staff federation and so on, and I think we've lost something in them just being seen as another civil service department which some generalists can effortlessly come in and run.

GT: If you had complete control, and you were advising your successors leading these civil service departments, what would you recommend that they do to strengthen the tax policy making capacity?

NM: Well, I think you've got to have someone senior in HMRC, who is a serious tax policy expert and will have the ear of ministers. It's not enough for ministers just to deal with the Treasury – they've got to take HMRC seriously and listen to them. And you do need a tax policy profession, and that needs to be made to come alive whether it's a question of paying people more or whatever, I don't know, but it's something which I think can make a difference if you get it right. And my worry now, I think, for Whitehall is, as I say, that tax expertise will atrophy.

GT: Is that what you saw during the period that you were there, up to 2016?

NM: No. We were perpetually trying to manage it, and we were lucky that we still had directors who had worked at HMRC. So, there's a guy called Mike Williams, who I believe is still there, who does business taxation and international taxation, and he's been working in that space really for about the last, well, all his life! He had a brief period when he ran a social security team for the Treasury in the late '90s, but this is his life, so he knows a lot. Now, what I don't know is who is the future Mike Williams, because he must be over 60.

GT: Is there anything else you would recommend to either senior Treasury officials or ministers thinking about changing the tax system? Advice that you would give them about what to do or not to do?

NM: I think the only thing which comes to mind is having some sort of medium-term review framework where from time to time, rather than being focused on next year's budget, you can find opportunities to step back and take a longer strategic view. A suitable subject area would be something like property taxation or the review of a particular tax, to explore whether this tax is bringing the revenue people expect, and if not, why not? And, to use the term much beloved by politicians, to explore whether that tax is still fit for purpose, because the budget process tends to make tax change quite short-term-ist and incremental. There is a need to inject a strategic overlay.

The other thing, which is nothing to do with me, but the Treasury's Select Committee's interest in tax policy verges on the risible. What the Treasury Committee likes doing is beating up bankers and doing things which only have tangential relevance to the Treasury. And so, when a finance bill gets scrutinised, there's virtually no scrutiny of strategic tax policy, and so the government never has to account for itself.

JM: What do you think the answer to that is? Is it for the Treasury Select Committee to do more, or is it for someone else, maybe the House of Lords, to do more?

NM: Well, the Lords have become involved in the administration of taxation, and I believe does quite good reports. It may be asking too much of the modern House of Commons to take interest in tax but, since the House of Commons came into existence because of the King wanting to tax his subjects, I'm surprised it doesn't take more interest.

GT: Do you think it's deteriorated in your lifetime; do they take less notice than they used to?

NM: I think so, but I suspect I'm a victim of what all older people think [laughter], you always think here was some golden age which never existed. I don't think it was ever very good at it, quite frankly, but it took a bit more interest.

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