

ATTAC JERSEY NEWSLETTER

Attac Jersey is also a Member of the
international Tax Justice Network



••••• May 2007 •••••



We stand for fair taxation

Are we Neglecting our Future?

Schools these days are much more inspiring in the number of interesting activities they provide. Out of school, however, we have a different picture. We are constantly hearing of the bad behaviour of young people, their crude language, violence and minor crime. The only thing discussed are various punishments and that oft-repeated cry, "It's the parents' fault". That may be

so in a minority of cases but in this day and age mothers have little choice but to seek employment. Necessities and housing prices continue to rise and the majority of grandmothers work as well so there is no-one to fall back on. With long hours at work and continual pressure they then have to face cooking the meal, helping with homework and putting everything

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ready for the next day. Some fathers are very good at sharing the burden but others are not.

So, what should we be doing?

We should be providing an alternative to hanging out with their friends around town, possibly being coaxed or bullied into drugs or alcohol or petty crime. There are already some clubs where children under supervision of trained staff have the opportunity to join in many activities and be with their friends. In the evenings we need many more Drop-In clubs. In these many young people learn to plan and take responsibility for themselves. A trained youth worker or two will be present to help with organizing and activities. But this older age group are often capable of much that takes place. Housing estates should have a medium sized hall that could offer opportunities for a number of activities both in the evenings and school holidays.

During school holidays much more can be done. Many children rarely, if ever, go out into the real country. But we can go camping, swimming and

playing games on the beach. They learn about nature and many other things. Then being taught by trained, experienced staff they can learn to climb, go out in boats and learn many other skills. All this teaches them responsibility for others. They enjoy too the pleasure of belonging to a group.

There are some good clubs already but when you look at the number of children in the Island it is not nearly enough. Now we come to the question that I have been asked over the last forty years or so. Where is the money coming from?

Yes, it is going to cost a lot of money. But just think about it - these young people will be our adults in no time at all, possibly running clubs or maybe teaching in our schools. We now have some civil servants who enjoyed Centre Point's services.

This is a very important investment. There is plenty of money in our Island. These children are the responsibility of us all.

By Chris Wakeham

Open Letter to all Parents with Young Children

- Have you really thought about the way that Jersey is going?
- What is there now for your children?
- What will there be in 10, 15 years time?
- You must assert yourselves. Enough is enough!

We can do it.

By Emile Collins

Employment Laws

Taking into account that Jersey is a tax haven, which is in itself a disgrace, we hear that millionaires, billionaires and big companies can continue to widen the gap between rich and poor at a rate faster than we can turn round!

Years ago this was a small problem with only a few using tax havens but now there are over 75 tax havens including the Channel Islands. The problem is enormous and growing.

According to the article in the JEP 28th April we see that the Jersey

Employment Laws are being farmed out to the rest of the world. This already applies to shipping in some circumstances (flags of convenience) where shipping companies registered in Jersey can use Jersey Employment Laws for their employees. The article below shows this is happening now to land-based companies and will be the biggest threat to the work force globally.

According to the IMF there are 33,000 companies registered in Jersey. Discounting some 12,500 "brass plate" companies, that would leave

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20,500 legitimate active companies registered here. Some of these include UK supermarkets, the tea industry, coffee, bananas, oil, cars (Rover and Vauxhall), sugar, milk, bread, factories employing the disabled and the shoe industry. The list goes on taking away the rights of union members and other workers by the million. Just as the tax avoidance industry started small and increased by stealth is this what we're seeing here? If it is then God help us all!

What Maggie Thatcher started was child's play by comparison.



What will it mean

- No union recognition.
- No maternity leave, parental leave.
- No gay rights.
- No health and safety laws.
- No discrimination laws.
- No laws for the disabled.
- No redundancy.

The right to rally will be outlawed under the new Employment Laws.

Right to strike, will be outlawed if the employer has not been given a week's notice of a ballot which will take two weeks to arrange and all this at the unions' expense. Where are the human rights here?

In short, rights for the employers and none for the workers. Is this what our forefathers fought two World Wars for? They must be turning in their graves.

By Rose Pestana

**Extract From:
JEP, 28 April 2007**

A PRIVATE security firm training Iraqi police recruits is using a gap in Jersey's Employment Law to avoid having to make redundancy payments to staff.

ArmorGroup employ police trainers through a Jersey-registered company, placing them under the jurisdiction of Jersey's employment legislation. But Jersey's Employment Law covers only people employed in the Island, so because the trainers work in Iraq they

get no protection.

For the past three years ArmorGroup has been contracted by the UK government to train and assist the Iraqi police service in southern Iraq and Baghdad.

The redundancy issue was raised during a Westminster Hall debate in the House of Commons this week when the MP of a police trainer made redundant 24 days into a six-month contract raised it with Minister of State for Trade Ian McCartney MP.

The freed slave and anti-slavery campaigner Frederick Douglas wrote,

“ Those who profess to favour freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. They want rain without thunder and lightning Power concedes nothing without a demand. it never did and it never will.”

4th August 1857 “ North Star”

Holy alliance embarks on tax crusade

In Sunday April 29th Observer newspaper Nick Mathiason reports as follows:-

A holy alliance of church groups and bishops is demanding that Gordon Brown closes legal loopholes used by the super-rich to avoid tax.

Christian Aid, Cafod, Church Action on Poverty and the Church Council for Monetary Justice have all this weekend issued separate statements urging the Chancellor to tackle what they see as a new frontier in an anti-poverty agenda. With concern mounting over

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the widening gap between rich and poor in Britain, church leaders are understood to have the backing of the senior archbishops within the Church of England.

A new moral crusade against loopholes that have led to Britain being labelled a tax haven by the International Monetary Fund comes after the Treasury revealed that, since 2002, only three officials have been working on its review of non-dom status but have so far come up with no conclusions.

The Treasury was forced to disclose the information after The Observer

tabled freedom-of-information questions last month. But the Treasury is blocking requests to establish how many people claim non-dom status and how much tax has gone through the loophole.

Richard Murphy, a campaigner at Tax Research, said: 'Why hasn't the Treasury issued an interim report? I submitted information three-and-a-half years ago. There has been no discussion nor clarification of my proposals. It suggests there's no political will to take this forward.'

Non-dom status allows the wealthy to legally escape paying tax on earnings

abroad. It is thought Archbishop of Canterbury Rowan Williams is concerned at how tax breaks enjoyed by an elite group run contrary to a social justice agenda.

Andrew Pendleton, a senior campaigner at Christian Aid, said: 'This is an economic issue. But it's a moral one too. Is using perfectly legal methods of minimising tax right? The answer is no.'

'As finance ministers fret over reaching aid commitments they made at Gleneagles, they should also be focusing on how they have allowed millions of dollars to pour through tax

havens, draining developing countries of far more resources than are going in as aid,' said George Gelber, head of public policy at Catholic aid agency Cafod.

Niall Cooper, national coordinator of ecumenical Christian charity Church Action on Poverty, said: 'Most of the population does not have the opportunity to avoid tax. Tax isn't a voluntary activity.'

There is an estimated \$11.5 trillion held in tax havens by high net worth individuals. The annual income of over \$800bn far exceeds aid budgets of \$100bn.

Jersey goes 0/10... ...and its politicians line up to quit

Jersey has voted through its new 0/10 tax laws. What this means is that it will in two years time have a 0% corporation tax except on finance companies, which will pay 10%. As a result it will suffer a financial deficit of maybe £120 million from 2008

onwards. I'm proud to have done as much as I could (which in this case was quite a lot) to have made these tax changes fairer to the people of Jersey, more compliant with the requirements of the

international community and better for the long term interests of Jersey. I'll be candid: I know I changed the first proposals for this tax, radically. But the UK government (quite inappropriately, as it has no power to do this), has now said it thinks the law's compliant with

EU requirements and so the much revised package, introduced after I exposed the massive and deliberate abuses in the original package, has now been approved by the States. I'm pleased to see that seven brave members (of the States) opposed the

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move. I was touched to see that some had clearly been reading my blog (See below for blog) as it appears numbers only available here were used in the debate. I'm delighted they took this stand.

For the rest, what can one say?

They've voted for a tax strategy which if translated to the UK would read like this:

- 1 We're going to cut government revenue by £100 billion - that's more than the cost of the NHS. We have no idea how we will make good this deficit, if we ever can;
- 2 You will be paying much more tax despite this cut in our revenue, and the inevitable cuts in services that will follow on everything from health to education to pensions to transport and social welfare;
- 3 We've done this so that residents of other countries who are evading or aggressively avoiding the tax they owe to their own governments can continue to do so in your country - for which you are now paying a very high price.

I do not exaggerate one element of this: that's what Jersey has voted for. Why is it no surprise that the Prime (Chief) Minister and Finance Minister intend to stand down at the next election? And is it any surprise that Senator Stuart Syvret, easily the most popular politician on the Island, and a steadfast opponent of all that is wrong in the place, has indicated he does not want to take over? It would be a poisoned chalice. That's because it's not too hard to see why I say it is inevitable that Jersey will go bust in the next five years or so. It cannot avoid it on this basis. Then watch the finance industry get out first.

By Richard Murphy

Read more on this topic at the following web blog:

<http://www.taxresearch.org.uk/Blog/2007/02/01/jersey-goes-010-and-its-politicians-line-up-to-quit/>

Goods and Services Tax

Jersey's GST is deeply regressive. I proved this for Shadow Scrutiny last year. And Senator Syvret is right about likely future rates of GST. The black hole will, in my estimate, be at least £118 million, not the £80 million Senator Le Sueur puts forward on the basis of unpublished calculations. Based on Crown Agents data GST at 3% is unlikely to raise much more than £30 million. There are no signs of government savings. With £88 million

to find it is almost certain that a GST rate in excess of 10% will follow, in which case the burden on consumers will be crippling, and the undoubted regressive nature of the current tax will be horribly highlighted. No amount of social security will overcome this. The rich will get richer and the poor much poorer.

By Richard Murphy

Global Greed and Corruption

Noel Coward a British play-right and actor once said in a 1960s film, "everybody in the world is bent." It would certainly seem that way when you read A Game As Old As Empire, which is a companion to the best selling Confessions of an Economic

Hit Man. A Game As Old As Empire is written by experienced professionals, who have worked in, or are working in, the fields of international banking, economics, law, accountancy, academia and journalism. They will enlighten you to

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the corrupt world of covert political interference by some of the world's wealthiest countries, like the United States of America (US) and the United Kingdom (UK), who publicly fund and control of the World Bank (WB), International Monetary Fund (IMF), Paris Club (PC) and World Trade Organisation (WTO). Who, along with the big global banks and trans-national corporations (TNC's) have coerced and blackmailed developing countries in the global south to implement poorly thought out, aggressive neo-liberal policies as a way out of poverty through liberalization and privatization mechanisms.

The aim of the political elite, development organisations and TNC's in the global north has been to open up markets in developing countries in the global south, mostly South America, Asia and sub-Saharan Africa, to development aid, free trade and strong economic growth, at the expense of tax payers, to benefit TNC's profit margins. This project has been achieved by the US government, Central Intelligence Agency (CIA) and PC who have seen fit to overthrow democratic governments by coup d'etat's over the last fifty

years and implement dictators like Augusto Pinochet in Chile, Idi Amin in Uganda and Ferdinand Marcos in the Philippines. They have also instigated civil wars, funded individuals and groups that they have latterly been calling terrorists, like Osama Bin Laden, Saddam Hussein, Abu Nidal, Hezb-i-Islami and Fatah to gain access to the global south's countries and resources.

Once the global north's political elite, aid organisations and TNC's are operating in the global south, they coerce governments to implement policies to privatise utilities and natural resources, such as oil gas and mines and revoke subsidies and tariffs. This leads to environmental damage, reduced public spending, lowering the minimum wage by as much as fifty percent, increased unemployment and bankrupts small local businesses, who, cannot compete with cheap subsidised goods from the global north and reduces public revenue that has a detrimental effect on health and education spending leading to exponential increases in poverty and inequality.

The global north's corrupt actions and policies have led to the deception,

extortion, corruption, tax avoidance and evasion, capital flight, money laundering, drug & arms trafficking and fraud becoming pandemic in the global south. That is ably assisted by willing bankers, lawyers and accountants, who find ways for TNC's like Halliburton and Shell along with corrupt politicians and officials to stash their ill-gotten cash in the secrecy of trusts and companies in the world's seventy-two tax havens.

Every year \$500 billion of dirty money comes out of the global south into tax havens that hold at least \$11.5 trillion from rich individuals alone, some of whom make donations to political parties in the US and UK. The global south are currently paying \$375 billion in debt service charges every year, which is twenty times more than they receive in foreign aid yearly, which in reality is a Marshall Plan in reverse leading to the poverty stricken global south subsidising the rich global north. The Gleneagles G8 meeting of 2005 on debt relief has only lead to a 1% reduction of the servicing of debt relief let alone making any contribution to the repayment of development aid that stands at a staggering \$3.2 trillion. It would seem that poverty and war

are good for business in the corrupt global north.

This is while 24,000 people die every day through hunger, two billion people live in slums, and millions die needlessly in civil wars. It is impossible for the global south to pay their foreign aid debt off, even under good governance models. We must seek alternative institutions to replace the WB, IMF, WTO and PC who have failed dismally in the objective of alleviating poverty and inequality in the global south.

There is hope for the future in the shape of the World Social Forum, an umbrella organisation for many non-governmental organisations, academics, campaigners, civil society activists and journalists who meet bi-annually in numbers exceeding 100,000 to work on the very issues in *A Game As Old As Empire*.

By Chris Steel

A Game As Old As Empire, Stephen Hiatt (editor)
 ISBN 978-1-57675-395-8 (hardcover)
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Two Days in France

Two Committee members, Maurice Merhet and John Heys, represented us at the General Committee Meeting of Attac St. Malo-Jersey on the evening of Tuesday 24th April. This was a very busy time for the French as most members and friends were taking part in public debates organised by parties and candidates to the general election that will follow the Presidential Election.

welcome and felt very much amongst friends. A short account of this past year's activities was read out in French by our two members. This is called the Compte Rendu.

All meetings with our French colleagues whether in France or Jersey are always fun, informative, encouraging and very warm.

Maurice and John were made most

By Jean Andersson

Attac Jersey is a Member of the international Tax Justice Network.

The aims of both organisations are to research, educate and campaign to further public awareness. We are seeking to alleviate poverty through the creation of just taxation systems to fund social goods.

Related websites

www.aabaglobal.org
www.taxjustice.net

www.jersey.attac.org
www.isthisjersey.com

If you would like to send us a story or short article please contact
Pat Lucas - e-mail address: jeanandersson42@hotmail.com

**Our next meeting takes place on Thursday 28th June from
7.30p.m. - 9.00p.m. at St. Paul's Centre, Dumaresq Street.**