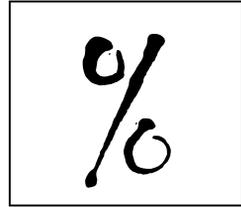


# We stand for fair taxation



## States of Jersey in the grip of utter decadence

I rarely listen to States debates, but happened to hear the beginning of the recent debate on GST exemptions. I was interested in Senator Syvret's opening speech so I decided to listen to most of the debate. I could scarcely believe my ears. So appalled was I at the lamentable standard of the arguments against exemptions I actually had to check what was said by visiting the States Greffe 'Hansard' web site. Whilst reflecting on the debate, I thought 'thank God, I am leaving the Island soon'.

Whilst we often complain about the performance of our politicians, I was left with the strong feeling that some kind of nadir has been reached and that this was a pivotal moment. I'm sure most States members themselves just don't see it, but when we look back on this decision it will be recognised as the crossing of a boundary - the moment when it was no longer possible to irngore the face that the States of Jersey has finally fallen into the grip of utter decadence?

How else should we describe it?

Most of our politicians decide that we must begin to tax apples, bread, bandages, books and wheelchairs - but seem content that the same Treasury who so strongly opposed zero-rating these kinds of essentials, is quite happy to come forward with plans to zero-rate repairs for conservatories and swimming pools. Can so many of our States members simply not see the moral stagnation which attaches to this decision?

This is also a States Assembly apparently entirely happy with a Treasury policy which insists we just have to tax equipment for the disabled, nursing home fees and pensioners' fuel bills -

whilst on the other hand rejecting the idea of putting a duty on marine diesel. Just think about that. No tax on the large quantities of marine diesel used by the wealthy in their £750,000 floating 'gin palaces'. Yes, to tax on the purchase of electric wheelchairs.

If still not persuaded, consider this. There is no capital gains tax in Jersey. This means that if you get huge amounts of money from a windfall or the sale of some asset, you pay no tax whatsoever on the cash lump sum you have acquired. If you owned a large Jersey company and sold it for, say, £30 million, you are not required to pay one single pound of tax on that sum. Most of our States members are happy with these arrangements which enable multi-millionaires to make millions in tax-free capital gains. Yet these are the same politicians who voted to put a tax on bandages, insulin and syringes. During the debate we heard of a pensioner who faces a £3000 a month bill for surgical dressings. Our politicians decided that they wanted to add GST to this burden by refusing to exempt medical products. The States of Jersey has decided to place a tax on people's health needs before even considering whether the community might be justified in first requiring the rich to pay some tax on multi-million pound windfalls.

As I said, utter decadence. There really is no more apt phrase.

We see that some of Senator Syvret's colleagues have criticised him for things he said in his speeches. Having listened to the debate the wonder is the amount of restraint he showed. Most of his States colleagues seem to be stumbling towards some precipice without either wisdom or empathy for others to guide them.

Tax on bandages? - Yes; tax on multi-million pound capital gains? No. I really don't know which is the more depressing - the fact of these decisions or the sheer ethical depravity of an Assembly that could make them.

It is sometimes claimed that people get the government they deserve. I do not know that this is so, but perhaps, at the last, we must consider that the utter decadence displayed by the States Assembly is simply a reflection of what our society has finally become.

*Danielle Angela*

## **The Jersey Passport Issue**

If I wasn't convinced I was living in 2006 Helier Clement's article on the Passport Issue could so easily have trapped me into thinking that Jersey was still living in the dark ages of discrimination.

To set the scene, I am a Jersey born person whose family on my father's side goes back to the 1800's in this Island. I have a stamp in my passport saying I do not have the right to live or work in the EU and I strongly object to this outrageous discrimination. I never asked or wanted it in my passport. I imagine that neither did some of those 5000 other people like me, though I cannot speak for them. Obviously you don't seem to mind Helier Clement.

My Grandparents on my mother's side came from France. I am very proud of this. However, when I took my 5 year old granddaughter on a day trip to Saint-Malo I was appalled to see that she too had the stamp in her passport. So what would you suggest I tell her when she's old enough to ask questions?

I am a member of a Trade Union Regional and National Women's Committee which prides itself on fighting for justice, equality and against discrimination. In the light of that when my granddaughter asks me why don't you fight for us when we have this on our passport? do I say it's because of Protocol 3, which we understand only too well, and which we've been told about for the last 30 years? Or perhaps I could just say, "It's O.K. that we can't live or work in France because we don't have UK people in our families and because Helier Clement said that we have to 'protect the livelihoods of those involved in agriculture and horticulture'. What agriculture and horticulture? Precious little of that left.

Quite rightly she'd want to know what had happened to all the farmers Jersey once had and what happened to the Tourism Industry that we'd had in the past and that she'd heard so much about. Why is Helier Clement telling us to protect industries that no one else seems to be protecting? Bit of a nonsense argument isn't it?

I am against discrimination of any kind and with Human Rights

legislation around the corner our only hope is that things will change drastically, in our favour this time. So much has changed in the last 30 years so why not change/rescind Protocol 3 and remove the stamp from our passports? I do object to this discrimination against my rights and only hope one day my granddaughter will be able to travel, work and live where she wants. People in the EU have the right to live and work in Jersey. We should have the same opportunity.

*Rosemary Pestana*

## **Letter from a Jerseyman**

A friend asked me how Jersey had changed so much in so little time. I explained that Jersey was Paradise on Earth. The Devil seeing this from Hell came and took up residence in Jersey. With him came his assistants, Bankers, Lawyers, Accountants, Property Developers and Speculators. All very rich and greedy people. His local disciples also joined him taking part of our Island by saying it was theirs. That cost us £10 million!

With this new found confidence, they took control of most of our garages, with all franchisers putting up service charges. Next were our two breweries, killing any competition. Then, just to rub it in, 80% of our supermarkets went the same way, so we now pay over the top for our everyday needs.

The devil feels he has done very well. But now his best stroke to make our Paradise Hell. He plans with others to tax all the poor people on everything they buy so that the bankers and all the greedy people that came to Jersey with him, won't have to pay Tax.

Gone is our Paradise!

*Maurice Merhet*

## **One General Election?**

We have only to look at the way Ministerial Government came into being, with a majority backing. What could be more natural? Vote for Senator Walker as Chief Minister in return for ministerial appointments. As is the norm, the people were ignored.

As this was the reform of government, all candidates for ministerial positions should have faced the electorate, who should have chosen who did what. Nothing has changed. Senator Walker is now officially Chief Minister and most committee presidents are now ministers. All it has done is make them all more powerful, to the detriment of the people.

There should be one general election for a much slimmer government. Then we should concentrate on slimming down the civil service, especially in the grossly overpaid senior posts. In my view, this would encourage people to use their vote.

*Kenneth Godfray*  
*Soldier of Liberating Force 135*

## **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.

*Richard Murphy.*  
*Director*  
*Tax Research LLP*

## **Do we want to sustain "growth" at all costs?**

Politicians and their advisers know that the easy way to achieve the appearance of "growth" is to stimulate the construction sector, which feeds directly into national income statistics. Having increased supply they are then in a position to relax the housing laws to allow more immigrants, which stimulates demand for consumer goods and services. The economists measure this as "growth", which is all that matters in a world where consumerism and short term personal gain predominates.

The idea that "growth" is necessary at all costs must be challenged. Beyond a certain level, higher rates of consumption do not contribute greatly to human well-being, but undoubtedly impacts negatively on the carrying capacity of the island's ecology and on our quality of life. Growth is an inefficient way of achieving broader social goals and has seriously harmed the Island's attractiveness and eroded our sense of pride and community. Although these things are not measured in national income statistics, they are priceless as far as individual and communal well-being is concerned. Sadly, such things are seldom noticed until they're gone.

Jersey needs to move beyond a "growth" driven agenda towards one in which policies are designed explicitly and directly to achieve social and environmental objectives, with economic "growth" treated as a by-product rather than the principal objective of government policy.

*John Christensen.*

## **The fight against corruption.**

...We are dealing with enormous amounts of resources that are taken away from the economy, from production and from social programmes. The costs are borne by the citizens: the price of corruption is paid by using monies intended for the legitimate use of society.

A ready climate for corruption is fostered by a lack of transparency in international finances, by the existence of financial havens.

*The Vatican. Pontifical Council for Justice and Peace.*

**"A person cannot do right in one department whilst attempting to do wrong in another department. Life is one indivisible whole". Gandhi.**

Here are the Seven deadly sins identified by Mahatma Gandhi.

\* Wealth without Work \* Pleasure without Conscience \* Science without Humanity \* Knowledge without Character \* Politics without Principle \* Commerce without Morality \* Worship without Sacrifice

He believed that unless checked these could/would destroy us all. They are all man made i.e. created by the prevailing social and political conditions and there is no inevitability about them. Please note the way they are expressed i.e. the solution is also indicated. There is no question of any relativism as Gandhi often said that, "A person cannot do right in one department whilst attempting to do wrong in another department. Life is one indivisible whole".

I don't think Gandhi was alone in expressing the above. They can also be distilled from the works of other philosophers. For example, Adam Smith, who was above all a moral philosopher, talked about ethics and morality in business. The Founding Fathers of the US gave some recognition to "principle" in "politics" when saying "all men are created equal .....". What on earth are the contemporary leaders creating?

*Prem Sikka*

## **Does public consultation work?**

Recently in the Jersey Evening Post it was reported that Jersey politicians and civil servants had attended a meeting where they were addressed by Sir Robert Phillis a Media and Communications expert who had been commissioned by New Labour to write a report on public consultation between government, the state, the media and the public.

He noted that the public can influence government policy through proper consultation, and that two-way communication is what democracy is all about. He goes on to add that in the United Kingdom there has been a fundamental breakdown in trust between government, politicians, the media and the general public.

Public consultation is about the participation of the general public, who may not be experts in the field of consultation being discussed, but may be concerned about the outcome of any policy. So how does public consultation work? Well, the below example may enlighten you.

In the late 1990s Greenpeace discovered that the British government had commissioned genetically modified crop trials, and in an act of civil disobedience decided to destroy these crops in full view of the attending media, therefore raising public awareness. New Labour decided to commission three reviews into the trials at the cost of £5 million, which would include public consultation with the general public whose participation and contribution would be respected and published in the outcome of the reviews. One of the reviews was to be run by the Food Standards Agency and chaired by Sir John Krebs a passionate supporter of genetically modified crops. At the same time, Prime Minister Blair was taking advice from his Science Minister Lord Sainsbury who had invested large sums of money in genetically modified crops. Blair himself had been having meetings and phone calls with all the leading genetically modified crop seed manufacturers.

During the public consultation process some of the meetings were closed while others were held at times when the general public were unable to attend. The published outcome of the public consultation process into genetically modified crop trials was that 85% of the

participants wanted to see genetically modified crop trials stopped. However, New Labour decided to ignore the public consultation process and commission new crop trials.

The moral of this article is that if you have power, position, knowledge and money anything can be achieved despite the democratic will of the general public.

*Chris Steel*  
*Media and Communications Officer*  
*Attac & Tax Justice Network Jersey*

### Letter from the Editor.

For the past three months we've been out selling raffle tickets, giving out leaflets and listening to thousands of people's experiences of living and working in Jersey at the moment. It's been a real privilege. Many thanks to all who talked to us and all who bought our tickets. The winning numbers will be published in the JEP in early December and we will personally contact all prize winners.

Many of you told us again and again how trying to run small and medium-sized businesses is becoming harder and sometimes almost impossible.

Deputy Geoff Southern is quite rightly complaining about all the empty shops in town due to the high rents which smaller businesses have to pay. Not surprising is it when there are so many wealthy people able to charge high rents and others willing to pay them. But where does that leave the rest of us?

It is totally unfair to destroy our small businesses in this way. The big excuse that we're supposed to believe is that this is all about avoiding monopolies and giving the customers choice and low prices. This is a small Island. Just how many more large companies do we need? One company will inevitably eat up the other until we are left with not one small Jersey "monopoly" but a giant monopoly from outside contributing little or nothing to the Jersey coffers and charging the customer exactly what it wants.

Bringing large companies into our Island makes an unlevel playing field where it is impossible for our small local businesses to compete fairly among themselves. This distorts the market to the disbenefit of Jersey business and Jersey customers.

The more multi-national companies are allowed into Jersey the more life becomes impossible for our own small businesses to survive. The small businessman has to pay high rents for his premises, he can't compete in inevitable price wars and has to pay tax.

Our Jersey businesses, who do pay tax, are fast going to the wall and being taken over by giants from outside the Island whose shareholders, many of whom live outside the Island, will not pay tax here.

A land-based tax for business wouldn't work because many trading companies use post box addresses. So that doesn't look too promising! RUDL has been dismissed. Where's Plan B please?

Our Government Ministers pretend to consult with us. Rubbish! What we get is PR, spin, call it what you like. They do what they want and don't seem to have a clue what they're doing. The black hole simply gets bigger and the situation more dire.

We've frequently submitted alternative and well researched plans to the States. Often our ideas have been ignored. Sometimes they've been used with no reference to us and sometimes they've been taken up half heartedly and gone off at half cock.

Our plans do, unlike others we have seen, accept simple realities. The first is that the government of this Island will fail if it carries on its present course. One only has to look at the longer term forecast finances of the Island to understand that this is true. Nowhere can survive if it sustains the deficits that are now forecast for 2010 onwards, with no-one seeming to have the slightest idea how to deal with them. The consequence will have to be radical reform.

The second assumption is that as that reform approaches the finance industry will leave our Island because no government could both afford to keep them here and meet the needs of our long term resident population. This is perfectly obvious to anyone who can see what's really going on.

The consequence will be that there will be suffering. That will be unavoidable.

Our Island will need a good deal of repair work after the tumble. It might take several decades. I can't even begin to think what Jersey will be like by that time, but I would like to believe that fewer people, fewer cars, and respect for ourselves and the environment would, at least, be part of the equation.

*Pat Lucas*



## Notices

If you would like to write a short article for our Newsletter or News Sheet please contact us. If you can help us in any way please contact us by e-mail, phone or letter. 42 Clubley Estate, Saint John's Road, Saint Helier JE23LF

Tel. 768980 or e-mail [jeanandersson42@hotmail.com](mailto:jeanandersson42@hotmail.com)

Forthcoming Meetings at St. Paul's Centre, Dumaresq Street

Thursday 11th January 2007 at 7.30p.m.

Thursday 1st March 2007 at 7.30p.m.



Christmas Quiz: Spot the odd one out.—Answers on a postcard...

## Mission Statement

We are members of the Association for the Taxation of financial Transactions for the Benefit of Citizens (Attac) & the Tax Justice Network (TJN).

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.

[www.aabaglobal.org](http://www.aabaglobal.org)

[www.taxjustice.net](http://www.taxjustice.net)

[www.jersey.attac.org](http://www.jersey.attac.org)

