

We want our

Island Back



Newsletter

November 2005

Letter from the Editor

"Maybe the reason the majority of Americans don't vote is that they're tired of having to choose between Tweedledum and Tweedledumber. The choices are always so pathetic, aren't they? If you went to a restaurant and the waiter told you, "We're sorry, but the only choices we have left on the menu are cottage cheese and fried breadsticks," you'd leave. Nobody would think you were crazy, lazy, apathetic or not hungry. In fact, imagine this was the only restaurant in town and there was nowhere else to eat. You'd be desperate to find some place that had what you wanted."

('Downsize This' by Michael Moore)

Our Jersey political system has been like that restaurant for years. Many people gave up voting, not because we weren't hungry to participate, but because there was nothing worth having on the menu. What's worse is that some of us have actually voted for years. We hoped that by putting in certain candidates our Island might be better served, we, the people, may be listened to. But no luck there. We look around now and where has that got us? Many of our politicians ignore us, look after the wealthy, demolish our buildings, build eyesores we didn't want in the first place, squander our money and generally make us feel like aliens in our own home. Rubbish, isn't it? On

top of that they expect us to shut up and pay up so that the so-called black hole is filled. Who are they kidding?

How many of us remember marching proudly into the voting centre thinking to ourselves, "I can't wait to vote for these great men and women of vision".

Vision! More like tunnel vision.

Strange isn't it how we remember some candidates taking office with promises to turn things round for the better. Whatever happened to them after that? Why did they stop listening to us? Are earplugs issued to new members on their first day in office or what?

So what's different this time round?

This time round we're going into Ministerial Government and it may well be a two-horse race. We have to make up our minds who we want as Chief Minister. Is it to be Senator Stuart Syvret or Senator Frank Walker? If we're clear about this it will greatly help us in our choice of Deputies. Why? Because the States Members are the only ones who will choose the Chief Minister. So be careful..... be very warned!

There are some pretty good Independent candidates up for election this year. Just a word of advice. Listen carefully to what they are saying

to what they are really saying and ask yourself are they listening to you? How will they vote in the States? Are you happy with that?

What is also different is that Jersey now has political parties. The members of a party vote together on all manifesto promises. Easier to be heard as a group, isn't it? In a party the members can't get away with breaking their election promises. They are accountable to the party and to the electorate who voted them in. Vive la différence!

Pat Lucas

This newsletter is produced by Attac Jersey which is a member of the international Tax Justice Network.

www.taxjustice.net

Want to know more?

Come to our next meeting. Thursday November 10th,
7.30pm at St Thomas' Church Hall
(to the left of the Church), Val Plaisant

All Welcome

Or phone Pat Lucas on 768980
or e-mail jeanandersson42@hotmail.com
For more information go to www.jersey.attac.org

Social Policy under Neo-Liberalism = Death!

The objective of social policy is that as a tool of the government and welfare state its purpose is to promote the welfare and wellbeing of **ALL** its citizens. However, since the governments of Ronald Reagan and Thatcher there has been a shift from the post second world war era of Social Democratic political ideology to Neo-Liberalism that has been continued by the successive and current governments on both sides of the Atlantic. Social policy under Neo-Liberalism has sought to coerce formerly economically inactive people such as single parents, the disabled, invalids and pensioners back into paid employment under Welfare-to-Work, assessed Incapacity Benefits and Income Support schemes.

Jersey has started to move down this road with Incapacity Benefit and the proposed Income Support scheme that will also coerce people back into paid employment, especially as Jersey's welfare benefits are set at below the internationally recognised poverty level already. One social policy academic has stated that these schemes are based on "Work first, Welfare second". Therefore, welfare benefits are no longer a right of citizenship.

These schemes as promoted by their representative governments argue that they provide opportunities in higher education, skills training and voluntary work that may lead to paid employment. However, the research I have undertaken seems to indicate that the higher education, skills training and voluntary work available to people who are in receipt of welfare benefits under such schemes as Welfare-to-Work and Incapacity Benefits tend to lead to low paid jobs. One may argue that this is how our local government is going to minimize welfare expenditure as a consequence of lowering Corporate Tax that will create a £100 million black hole, and that as our new immigration policy is to only seek highly-skilled employees we will need an internal supply of cheap labour.

The Welfare-to-Work programme of the State of Michigan coerced Tamarla Owens to participate in paid employment as a right to welfare benefits. She was spending three hours a day travelling to and from working at two low paid jobs for up to seventy hours a week. Whilst Owens was working, her six-year-old son was being cared for by her uncle. On arrival at school one morning Owens' son shot and killed another child. The County Sheriff argued that this was a direct consequence of the Welfare-to-Work programme and that it should be shut down, as it had not allowed Owens to care properly for her child. What makes this case worse is whilst Owens was coerced into paid

employment as a right to welfare benefits her employers were receiving tax breaks from the government to employ formerly economically inactive people. One wonders if the money given to her employers as a tax break would have been better spent in providing her with a sustainable income to raise her son as a right of being an American citizen.

I hope that nothing like this ever happens in Jersey.

*Chris Steel Dip SP&C, Cert SocSci (Open)
Treasurer Attac.*

THE ACORN

One voice cries out and eventually a passer-by stops and enquires, “What are you shouting about?”

“Injustice in the world,” comes the reply.

“Well, what do you expect to do about it?” the passer-by asks, “Tell people, let them know what is going on.”

“What is going on?” he enquires.

“People are suffering, starving ,dying, whilst rich fat pigs get fatter and richer on money that should be stopping this suffering.”

“How terrible, I never realised, let me shout about it with you.” More people come along and ask what all the noise is about. Some join in and gradually in time the news spreads and a movement is formed. It gets bigger and bigger until it is so big that the resistance to it by vested interest is so weakened that it breaks

down. At last things start to move in the right direction.

If that one person had not stood up and protested and got others to join in nothing would have happened! The beginnings are not easy, but the struggle has to be kept going for injustice cannot survive against the shouting of a huge crowd.

Just look at the humble beginnings of the Acorn. 50 years on its determined advancement has grown to huge proportions.

Jersey is now beginning to understand that it has been led down the road of sheer greed and money making above all else. It has become part of the huge scene worldwide. People are at last asking what effect is this having on the nations from where all this finance is coming? This is not a pretty story.

In the next two months we have a chance to join with those shouting already, to start to tell the world of this injustice. We **MUST** not miss the chance to leap forward. We have to clear out as much of the dead wood in our government as possible and replace it with new blood. We must join the clamour against what is going on here and far afield.

Whatever choices we make the ripples spread out way beyond our shores.

John Heys

What is the difference between avoidance and evasion?

The blurring of avoidance and evasion is a problem, says *Loughlin Hickey*.

But there's a moral argument to consider, argue Andrew Pendleton and Richard Murphy

The accountancy profession is at a crossroads when it comes to tax. Pressure is increasing upon it from governments attacking tax avoidance, while campaigning groups are increasingly linking tax with the corporate responsibility agenda.

Now Christian Aid and the Tax Justice Network are linking tax avoidance and the use of tax havens to the perpetuation of poverty.

Christian Aid knows that poor countries need to invest in health, education and basic infrastructure to improve people's lives. But as the Tax Justice Network is proving, these countries are haemorrhaging public money due to tax avoidance.

Raymond Baker, an American expert on capital flight, estimates that poor countries lose US\$500bn per year to tax havens. Up to US\$200bn of this loss is due to tax avoidance by companies, mainly through transfer pricing abuses. Most involve tax havens, through which 50% of the world's trade passes with

little value added, but much profit extracted.

The Tax Justice Network estimated earlier this year that the offshore holdings of the world's high net worth individuals amounted to US\$11.5 trillion, with a conservative annual cost in terms of lost tax revenue to the governments of the world of at least US\$255bn a year.

Poor people of the world cannot afford these losses, from which doubtless accountants and their clients have profited. The challenge for the profession is to change this so that accountancy can play its part in Making Poverty History.

To achieve this, professional bodies should take a clear stance on these issues. General anti-avoidance provisions and more automatic tax information exchange between countries are needed. And through stronger accounting standards, it must be made clear who makes money and pays tax where in the world.

The accountancy profession would then not only be benefiting poor people, but would also provide a shot in the arm for the wider corporate responsibility movement.

Andrew Pendleton is senior policy adviser at Christian Aid and Richard Murphy is from the Tax Justice Network

A True Naval Story

This is the actual radio conversation of a U.S. naval ship with the Canadian authorities off the coast of Newfoundland in October 1995. This radio conversation was released by the chief of naval operations on 10th October 1995.

Canadians: Please divert your course 15 degrees to the south to avoid a collision.

Americans: Recommend you divert your course 15 degrees to the north to avoid a collision.

Canadians: Negative. You will have to divert your course 15 degrees to the south to avoid a collision.

Americans: This is the captain of a U.S. Navy ship. I say again, divert YOUR course.

Canadians: No, I say again, you divert YOUR course.

Americans: This is the Aircraft Carrier U.S.LINCOLN, the second largest ship in the United States Atlantic Fleet. We are accompanied by three Destroyers, three Cruisers and numerous support vessels. I DEMAND that you change your course 15 degrees north. I say again, that's one-five degrees north, or counter-measures will be undertaken to ensure the safety of this ship.

Canadians: This is a Lighthouse. Your call.

Does this cast any light on our present situation?

Contributed by Keith Chappell

10