

Tax Justice Network

Why tax havens cause poverty

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Shame

An article on the front page of today's [Observer](#) reveals how senior government officials and advisers in Jersey planned to [reform trust law](#) to make it more effective for international tax dodging. An [email exchange](#) between States of Jersey treasurer John Harris, Comptroller of Income Tax Malcolm Campbell and legal adviser Paul de Gruchy, details how the concepts of trusts, an ancient legal device which is often used for charitable purposes, has become totally [subverted](#) for tax dodging purposes.

Now I just happen to know these gentlemen, and many of the other senior civil servants in Jersey who have worked so hard to make the island's name synonymous with greed and sleaze. Like many in the tax avoidance industry they are highly educated, have enjoyed all the privileges of wealth and power, and they feel no shame for the way in which their chosen livelihoods corrupt and impoverish nations around the world.

Growing up in rural Jersey in the 1960s I was well aware of how divided the island was at the end of the military occupation in 1945. Neighbours would tell me about which politicians had collaborated, which families profited, which women were attacked after the war for going out with soldiers from the occupying forces. The majority of what went on at that time (see Madeleine Bunting's excellent book on the [Model Occupation](#)) But many amongst the older population have told me about their sense of anger and shame at what they had witnessed.

I have a similar sense of shame and anger about how the island has developed over the past few decades. All sense of decency and integrity has been swept aside to accommodate the island's financial services industry. Senior officials have lied through their teeth about what is going on. Jersey is not a tax haven is a favourite lie. We have tidied up our act is another. The truth is that Jersey, like an ageing whore, has little choice other than to put on more make-up and get back out on the streets to attract more wealthy tax dodgers.

How shameful to see this once beautiful island exploited in this way.

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posted by TJN at 6:28 AM

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