

This has been heavily circulated in London – it has been sent to us by several sources. It seems to be a co-ordinated campaign against us.

October 2010, following Channel Four's excellent documentary.

<http://taxjustice.blogspot.com/2010/10/dispatches-how-rich-beat-taxman.html>

Channel 4 – cliché and class prejudice

By Jack Irvine

Channel 4's Dispatches documentary, "How the rich beat the taxman," plumbed new depths in cliché ridden journalism and the recycling of hoary old myths.

When a director is reduced to showing long lingering shots of his reporter doodling at his keyboard, you know immediately they don't have many moving pictures to show the viewer. This is doubly embarrassing as the reporter in question is Antony Barnett, an investigative reporter with a solid track record in print journalism. (That's the medium where words matter more than pictures.)

Barnett relies heavily throughout the entire documentary on the opinions of Richard Murphy and John Christensen – the leading lights, correction -the only lights, in the Tax Justice Network. This organisation, however, is not the major institution it appears to be. Google Streetview reveals that TJN's global HQ is nothing more than a semi-detached house in Chesham, Buckinghamshire. More fool Dispatches for giving them so much prominence.

Murphy is a man who believes that we should all be taxed until our pips squeak and he has never caught up with the research that shows that high tax equals oppression and lack of incentive whereas low tax (or no tax) has the opposite effect. It's not rocket science but as yet this enlightened philosophy has failed to penetrate the socialist fog surrounding Messrs Murphy and Christensen.

Richard Murphy maintains in the documentary that there is a "high degree of secrecy" in the Cayman Islands. Like a broken record, Murphy continues to peddle the common misconception that the Cayman Islands are in fact a tax haven. In reality, the Cayman Islands is an OECD white listed jurisdiction. Over the past two decades the Cayman Islands has as a matter of fact complied with every international initiative on transparency and is a stable, transparent, tax neutral jurisdiction with a secure, British legal system that is used by global financial institutions to access international capital markets.

Anthony Travers, OBE, Chairman of Cayman Finance has tirelessly fought against the sloppy journalism that has led to this common misconception. Cayman Finance has worked to dispel the common misconceptions of the Cayman Islands as portrayed in the British press. This has ranged from reports of bail outs from the UK government to current budgetary problems and supposed decline of hedge fund investment in Cayman.

Travers notes: “The British press appear to take their intelligence on the Cayman Islands from pot-boiler novels and Hollywood films. Cayman attracts hedge funds because it has relevant and attractive laws, a high standard of professional service, an effective Court system with ultimate appeal to the Privy Council and full IOSCO transparency. Having sensible judges a UK common law basis to your legal system and regulator to regulator disclosure matters.

“Cayman has been and remains highly attractive as a tax transparent but tax neutral jurisdiction in which relevant structuring can be undertaken to pool funds invested from the international capital markets.”

As for Cayman and the hedge fund industry being responsible for the global downturn, especially in the US and UK, this is yet another mischaracterisation. Despite being depicted as draining countries economies, trillions flowed into the US and the UK through Cayman Islands funds, providing a vital lift to the respective economies during the global meltdown.

Another star of Dispatches’ investigation, a piece of work that wouldn’t pass muster in the trashiest tabloid, was our former Minister for Overseas Territories, Chris Bryant.

I spluttered as the words “morally indefensible” emerged from Mr Bryant’s lips.

Is this the same Chris Bryant who claimed over £92,000 in expenses in the five years leading up to the 2009 MPs expenses scandal and flipped his second-home expenses twice to gain £20,000? Chris Bryant, AKA Captain Underpants, who left his life as a vicar to marry his gay lover? Morality? Leave it out Chris.

We are also led to believe by Murphy, Christensen and Barnett that it is these offshore jurisdictions that are directly responsible for poverty in the Third World. This is yet another global myth endlessly promoted by high tax lefties that adds fuel to the fire and is, inexplicably swallowed by lazy journalists.

Even a journalist with half a brain would understand that the major problem facing Third World aid is the obscene amounts pillaged by unscrupulous leaders. Until that is sorted (don’t hold your breath) the problems surrounding aid cannot be properly addressed. Tax neutral regimes cannot be used as a band aid to disguise that sad truth.

In UK academic Richard Teather’s 2005 book, ‘The Benefits of Tax Competition’ he points out that: “Tax competition brings great benefits, to all society and not just to those who directly take advantage of it. The only impact that ending tax havens would have would be to raise tax rates around the world, thus reducing economic growth and making the world poorer.”

He maintains that low taxes encourage wealth through entrepreneurship, savings and investment and work. He even points out a quote from the IMF that states that tax increases: “result in a net efficiency loss to the whole economy.”

Ploughing fearlessly ahead Dispatches showed the now infamous clip of presidential hopeful Barack Obama referencing Cayman- based Uglan House and the 18,000 companies registered therein.

Shortly after Obama made this statement, supported at the time by another high tax zealot, Gordon Brown, the British print media kindly pointed out that there was another much more interesting building closer to home. The address is 1209 North Orange Street, Wilmington, Delaware which houses not 18,000 companies, but 217,000. Delaware is the Vice President's state lest we forget.

Dispatches chose to ignore that but lest we forget the purpose of the programme was to lambast British Tories and their financial affairs, clearly reporter Barnett's specialist subject.

In another surreal part of the programme Barnett walks around Jersey with a picture of Sir Phillip Green asking if anyone has "seen this man" to prove a point about offshore banking. Woodward and Bernstein this ain't.

I walk past the Bank of England every morning and I have yet to catch a glimpse of Sir Mervyn King hanging about on the pavement or reading his FT in the Royal Exchange. I am willing to bet that if I stopped passers by and showed them an A4 picture of Sir Mervyn a considerable number wouldn't recognise him. Top investigative journalist Barnett might find me naive but I'm pretty certain , despite this lack of recognition, Sir Mervyn is beavering away at his desk in the bank most days of the week.

In my newspaper days I would slap a reporter about the head if when tasked to carry out an investigation he produced what we call in the industry "a cuttings job." In other words something purports to be news but is in fact just a rehash of tired old clichés and yesterday's news.

What an opportunity an hour of prime time television could have afforded to an investigative reporter who had the tenacity to examine the complex issues of onshore and offshore taxation instead of resorting to the same, tired old arguments fuelled by class prejudice and ignorance.