



The Financial Crisis and the Tax Heavens

Frau Angela and Monsieur Nicholas have at last found who is responsible for the current crisis: this is not the failing regulator or the mafia of top banking executives. The culprit is the Tax Heavens.

What is a tax heaven? According to the Hutchinson Farlex Encyclopedia, this is a “country or state where taxes are much lower than elsewhere.”

Out of the 192 member states of the United Nations around 73 countries could fit with this description.

These countries can be divided in five categories:

1. The member states of the United States of America (Delaware, Nevada, etc.)
2. The territories under the supervision one way or another of the British Crown (Gibraltar, BVI, Jersey, etc.)
3. Some members of the European Union and/or the European Economic Area (Luxembourg, Austria, Liechtenstein, etc.)
4. Some super rich countries (Singapore, Hong Kong, Dubai, etc.)
5. Some very poor countries (Panama, Seychelles, Mauritius, etc.)

Mrs. Angela and Mr. Nicholas called for a meeting of all responsible states to ban dealings with these countries and to blacklist them.

Of course, even if invited, none of the countries described as tax heavens attended this meeting in Paris, including **the United States and China.**

Beside the fact that it was another ridiculous gesticulation of the two super poor of Europe, this move is evidently dishonest in trying to divert the attention of the people of the world from the true responsibilities of the super incompetent regulators and the ones supervising them; the governments.

In addition, this is a useless move because no practical effect can follow:

1. Uncle Obama is not going to let Frau Angela and Monsieur Nicholas dictate their law to the states of Delaware or Nevada
2. Clever Gordon (the UK Prime Minister) is not going either to let anybody interfere in the affairs of the kingdom
3. The concerned members of the European Union and/or the European Economic Area are already so pissed off with the arrogant attitude of the German and the French that this is not going to help the development of a harmonious harmonized single market in Europe
4. Obviously the super rich states do not care about whatever Frau Angela and Monsieur Nicholas may say, bearing in mind that the same Frau Angela and Monsieur Nicholas are begging for more money from the same super rich to finance their huge cumulated state budget deficit
5. Left are the very poor countries, easy targets, who may however expect in getting the support of the rest of the third world countries at the UN to obtain what would appear in all justice as a fair (but extremely costly) compensation in return for the abandon of their current favorable tax status

The populist move of Frau Angela and Monsieur Nicholas has another dimension: it goes against all basic principle of international law. Any independent state is free to finance its government budget as it sees fit to do... A country which is well managed by a government not spending more money that it can collect through taxes and other sources of revenue has no need to charge extra taxes on people and activities.

Frau Angela and Monsieur Nicholas would like to see the countries well managed to increase the tax burden on their citizens in order to finance their deficits... Soft dream...This is not going to happen. Few countries like Luxembourg or Mauritius may surrender to the gesticulations of Frau Angela and Monsieur Nicholas, but business will carry on as usual in the rest of the world. The rest of the world where people works hard to make money (not 35 hours a week) and to improve their quality of life without taking into consideration the politically correct.

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