

Cayman fears the UK will leave it to 'sink or swim'

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I was [amused by an article in the Telegraph this morning](#) that says:

A public consultation with the people of the Cayman Islands formed the basis of the report, entitled United Kingdom and Cayman Islands Relationship Review, and revealed that while loyalty to the Crown is still strong, there is a sense of dissatisfaction among islanders.

The feedback will be used by the UK Government as it prepares a new white paper outlining the UK's strategy for the Overseas Territories.

The biggest concern among Caymanians was the deterioration in relations with the UK and whether this would ultimately lead to Cayman being cut off completely and left to either "sink or swim".

The report said: "The dissatisfaction with the way in which the relationship is presently operating has largely coalesced around the perception that the two parties have often appeared to be at 'loggerheads' with one-another and that as a consequence, the Cayman Islands may simply be left to 'sink or swim'.

"Thus, when the Cayman Islands came under pressure from the international financial community, there seems, amongst several contributors, a sense that the Cayman Islands was let down by a failure on the part of the United Kingdom Government to fully represent the interests of the Cayman Islands and indeed protect these where necessary."

So let's get this straight. First Cayman thinks it will sink without support from the UK. I think that's right.

Second, they think the UK should therefore defend Cayman's right to run a tax haven that deliberately seeks to undermine the UK's tax system and regulation.

And third they think the UK should support them both against people like me and internationally when that's what they actually do.

Might the absence of logical flow in that argument have passed them by?

I think so.

And sink they surely will now that the flaw is apparent.

And let me assure Cayman: we won't cry.

But I will support their bail out - on condition the tax haven is swept away. But that will be the pre-condition.