

Guernsey admits it is in the Black Hole I predicted in ...

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There was a [fascinating comment article in the Guernsey Press](#) yesterday which said:

The States need to fill the black hole, it also needs to allocate far more cash for capital spending if the island's infrastructure isn't to deteriorate slowly.

In total, we are at least £60m. short of where we need to be. Money doesn't grow on trees and rapid economic growth looks unlikely, so the only place to get that cash is from you and me.

Hang on to your hats, folks. There is a storm coming and structural damage is highly likely.

I have, of course, [warned of this for years](#), saying for example of Guernsey's plans in 2009 that:

The burden of tax is, once again, being transferred from the tax avoiding corporate community onto ordinary people.

What is clear is that this is unsustainable. Of course a modest GST could be imposed in Guernsey, but let's be clear, the capacity to do so is limited, not least because the cost of living in the Channel Islands is already very high and at some point people in Jersey and Guernsey (and Cayman and elsewhere) will reject the option of being a tax haven when the pressure upon them for being so becomes too great.

Tax haven's days are numbered.

I still think that is true. People will only suffer increasing tax charges for so long when they realise that they are paying so that others from elsewhere can evade and avoid their responsibilities using their jurisdiction as the excuse to let them do so.

It's taking some time for the Crown Dependencies to cotton on that I was right, but increasingly that looks to be true. But I'm still seeing no real awareness of true understanding of the crisis they are in. That, I suspect, will now happen too late.