

HOW
OFFSHORE HAVENS
ARE
SILENTLY KILLING
OUR
MIDDLE CLASS

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THE PRICE WE PAY

A documentary by HAROLD CROOKS

THE PRICE WE PAY

a film by **HAROLD CROOKS**
produced by **NATHALIE BARTON**

inspired by Brigitte Alepin's book *La Crise fiscale qui vient*

Québec, Canada, 2014, HD, colour, stereo, 90 min.

Directed by	Harold Crooks
Assistant Director	Nancy Marcotte
Editor	Louis-Martin Paradis
Consultant to the Director	Philippe Baylaucq
Written by	Harold Crooks, Brigitte Alepin
Research	Harold Crooks, Nancy Marcotte
Cinematography	Alex Margineanu
Motion Design & Graphics	Patrick Doan
Sound	Olivier Léger, Patrick Mauroy
Music composed by	Ramachandra Borcar
Sound Design and Editing	Benoît Dame
Produced by	Nathalie Barton

Produced by InformAction Films

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The Price We Pay exposes how "offshore" tax havens and Google, Amazon and the other tech giants of the "cloud" economy are eroding the foundations of the democratic state.

Synopsis

Director Harold Crooks (*Surviving Progress*) blows the lid off the dirty world of corporate malfeasance with this incendiary documentary about the dark history and dire present-day reality of big-business tax avoidance, which has seen multinationals depriving governments of trillions of dollars in tax revenues by harboring profits in offshore havens.

Tax havens, originally created by London bankers in the 50s, today put over half the world's stock of money beyond reach of public treasuries. Nation states are being reshaped by this offshoring of the world's wealth. Tax avoidance by big corporations and the wealthy-citizens of nowhere for tax purposes is paving the way to historic levels of inequality and placing the tax burden on the middle class and the poor. Crusading journalists, tax justice campaigners and former finance and technology industry insiders speak frankly about the accelerating trends that are carrying the Western world to an unsustainable future.

The Price We Pay is inspired by Brigitte Alepin's book *La Crise fiscale qui vient*.

Director's note

The Price We Pay, as with other documentaries I share credit on, is concerned with how powerful institutions impact ordinary lives. In the case of the TIFF-selected, Genie-winner *The World Is Watching* [producer-writer], our focus was foreign news coverage of the 80s Central American peace process; in *Bhopal: The Search for Justice* (producer-writer) the human impact of a chemical company's criminal negligence; in the TIFF and Sundance-winner *The Corporation* (co-wrote narration with director Mark Achbar) the omnivorous corporation; and critically-acclaimed *Surviving Progress* (co-director, writer) is a sweeping survey of the major ideological, economic and environmental «progress traps» facing our global civilization.

When InformAction's Nathalie Barton approached me about this project, I was hooked once I realized that taxation is a lens through which we understand power - who has it - who doesn't - the rules we're governed by - and whether most people have a hope in hell of getting ahead. Working again with *Surviving Progress* editor Louis-Martin Paradis and a team of virtuoso Quebecois film-making talents, we sought to make an instructive essay-style film that is also a cinematic experience. Our story - told mostly by former insiders now free to speak frankly - is intended to show how the offshoring of the world's wealth is putting at risk the fruits of 20th century social progress: the middle class and the welfare state.

Western leaders who are vowing to reverse alarming inequality trends fail to acknowledge the extent to which they lack the tools for meaningful action. Since the 80s, the nation state - once guarantor of middle class security - is being reshaped into a "competition" state - whose role is to compete against other states for private investment and jobs - the welfare state be damned.

Further eroding government's redistributive function is a radical new digital economy. Google, Amazon, Apple and other Internet businesses with the largest computing power succeed by incorporating the "free" labour of hundreds of millions of unpaid users into their value creation chains, bankrupting small and medium-sized companies and driving people into a winner-take-all informal economy, while shifting offshore their staggering profits.

Gaming the archaic tax system, these corporations along with other virtually state-less multinationals are forcing governments into a race to the fiscal bottom. As public treasuries become less and less able to fund the welfare state, income and wealth inequality is pushed to levels unseen for a century and more.

The film illustrates how the tax haven system originally put in place by City of London bankers in former colonial dependencies as a replacement for the British Empire is today an unregulated "space of money". Through this space beyond democratic control flows over half the world's stock of money, multinationals' profits and vast amounts of private wealth. But as we reveal this "offshore" world is a legal and accounting fiction. The Caymans and other major tax havens could disappear under the sea without losing their rank as major financial centers. They are artifices that allow their corporate clients to be "citizens of nowhere". The untaxed trillions of dollars booked here - the so-called "missing" wealth of nations - remains under the control of global finance and big business, which leverages its financial power to dismantle the progressive taxation and social security that once assured rising 20th century equality.

Spurred on by a small band of tax justice campaigners on both sides of the Atlantic, US Congressional and UK parliamentary hearings have exposed massive corporate tax avoidance abuse, and propelled the OECD in 2013 to commit itself to reversing the flow of corporate profits "offshore" and the erosion of public finances. But what some see as a "game changer", others fear is a charade.

Like the villagers surrounded by Roman Legions in the Asterix The Gaul comic series, today every nation - no matter how large - is outflanked by multinational corporations. None can deal with corporate tax avoidance alone.

As best-selling French academic star Thomas Piketty explains in the film: Only tax cooperation between nations can prevent the disappearance of corporate income taxation in the coming decades.

Other remedies advocated by our interviewees include: adapting tax rules to the novel ways Internet companies create wealth by exploiting their users; and financial transaction (Robin Hood) taxes on the trillions of dollars churning through global financial markets - in what former Wall Street and UK financial insiders we interview say is in large measure "socially useless" investment.

For audiences the take-away of *The Price We Pay* is this: in a world where corporate and financial wealth no longer has a fixed address, democracy can only be preserved by acting co-operatively beyond borders.

BRIGITTE ALEPIN, Harvard trained independent Quebec tax expert and policy advisor, parliamentary witness, and outspoken author of the best-selling *Ces riches qui ne paient pas d'impôt* (2004) and *La Crise fiscale qui vient* (2010).



ANGUS CAMERON, political economist, University of Leicester, UK.



Experts

NICOLAS COLIN, Inspector of Finance with the French Inspection générale des finances, author of a 2013 pathbreaking study for the French government on the fiscal challenges posed to tax authorities by global internet companies of the digital ("cloud") economy, co-author of *L'Âge de la multitude*.



ALAIN DENEAULT, philosopher and teacher of political science at Université de Montréal, author of *Canada, a New Tax Haven*.



STUART FRASER, former Deputy Policy Chairman at the City of London Corporation that played a key role in the creation of tax havens as offshore financial centers at the end of the Second World War as a "Second Empire". Fraser once described himself as the "UK's most powerful financial lobbyist".



JAMES S. HENRY, lawyer, former Chief Economist at McKinsey & Co, Edward R. Murrow Fellow at Tufts University's Fletcher School of Law and Diplomacy, author of *Blood Bankers* and of widely cited 2012 study on the missing wealth of nations, *The Price of Offshore Revisited*.



DANIEL LEBÈGUE, technical adviser to the French Prime Minister's Cabinet in charge of economic and financial affairs, Director of Treasury from 1984 to 1987; former Banque Nationale de Paris CEO and Vice Chairman, and today Chairman of the Board of Transparency International France that opposes tax havens.



RONEN PALAN, City of London University, author of *The Offshore World: Sovereign Markets, Virtual Places and Nomad Millionaires*.



Experts

THOMAS PIKETTY, Paris School of Economics, winner of *Le Monde's* prize for best young economist, the world's leading expert on income and wealth inequality, and high profile social commentator whose 2014 book, *Capital in the Twenty-First Century*, is a publishing phenomenon that has rocketed to the top of Amazon's book chart in the US.



RICHARD RAHN, former Director, Cayman Islands Monetary Authority, former Chief Economist of the U.S. Chamber of Commerce and Senior Fellow at the libertarian Cato Institute.



TIM RIDLEY, former Chairman, Cayman Islands Monetary Authority, former Senior Partner with Maples and Calder, the island's leading law firm, and board member of the Cayman Islands subsidiary of the \$173 billion hedge fund GlobeOp Financial Services.



SASKIA SASSEN, renowned sociologist, Columbia University and London School of Economics professor, prolific author of many books including *The Global City: New York, London, Tokyo*. She is credited with coining the term "global city".



NICHOLAS SHAXSON, author of *Treasure Islands: Tax Havens and the Men Who Stole the World*.



FATHER WILLIAM TAYLOR, Anglo-Catholic vicar of St Thomas Church in Hackney, recently elected as the first ever Labour councillor to the Corporation of the City of London borough council.



Director's bio

JOHN CHRISTENSEN, director of the Tax Justice Network, former economic advisor States of Jersey, a major European tax haven.

KRISHEN MEHTA, Senior Global Justice Fellow, Yale University, former partner PricewaterhouseCoopers, the world's second largest accounting firm.

PASCAL SAINT-AMANS, head of tax policy at the OECD (Organization for Economic Co-operation and Development), the leading policy organization of the world's 34 most advanced economies.

DAVID MARCHANT, investigative journalist and editor of Offshore Alert.

JACK BLUM, Washington attorney and chair of Tax Justice Network USA.

JARON LANIER, Microsoft computer scientist, Virtual reality pioneer, composer of classical music and author of *Who Owns the Future?*

WILLIAM BARCLAY, Chicago Political Economy Group, former Senior Vice-President, Chicago Stock Exchange, the third largest in the US.

Experts

WALLACE TURBEVILLE, Senior Fellow, Demos, New York City, former Vice-President Goldman Sachs.

LORD ADAIR TURNER, Fellow, Institute of New Economic Thinking, former Chief Financial Regulator of the UK.

LINDA MCAULIFFE, graphic artist from Vancouver.

SAM HOLLOWAY, Chicago firefighter,
...and also Dublin barmen and barwomen, leaders of the National United Nurses at a Robin Hood Tax Rally in New York City, and demonstrators from all over the world...

Harold Crooks' documentary film credits include:

Co-director and writer, *Surviving Progress*, 2011, feature documentary, executive produced by Martin Scorsese and Mark Achbar, produced by Cinémaginaire Inc. with National Film Board of Canada and Alliance Vivafilm, shown in festivals worldwide, released theatrically in over 30 North American cities, broadcast by BBC 4, Arte and HBO Canada among others.

Writer, *Karsh Is History*, 2009, produced by Productions Grand Nord (Montreal) with participation of Bravo TV and The Portrait Gallery of Canada, Best Canadian Film at the 27th FIFA.

Writer, *Anthrax War*, 2009, produced by Galafilm (Montreal) and Studio International (Paris), nominated for a Prix Europa.

Writer, *Pax Americana and the Weaponization of Space*, 2009, feature documentary produced by Lowik (Montreal), Coptor (Toronto) and In Fine Films (Paris) with participation of ARTE, CBC and SRC, distributed theatrically by KinoSmith.

Co-writer with Mark Achbar of the narration of *The Corporation*, 2003.

Education:

McGill University
Delhi School of Economics, India
London Film School

Awards:

Harold Crooks is the recipient of many awards, grants and fellowships, including a Genie Award of the Academy of Canadian Cinema and Television; a Gold Hugo at Chicago International Film Festival (Best Documentary); a Leo Award for Best Screenwriter [Documentary] of Motion Picture Arts and Sciences Foundation of British Columbia; a National Documentary Film Award (Best Writing) at Hot Docs 1996; a Writers Guild of Canada Top Ten Awards finalist; a Commonwealth Fellowship for doctoral studies in economics in India and; a Fund for Investigative Journalism travel grant.

Books:

Dirty Business, Toronto 1983 and *Giant of Garbage: The Rise of the Global Waste Industry and the Politics of Pollution*, Toronto 1993. Also published as *La Bataille des Ordures*, Éditions Boréal, 1993. The Financial Post's Christopher Waddell included *Dirty Business* on his list of the five best business books in North America in 1983.



InformAction is one of Canada's leading documentary production companies, specializing in point of view and creative documentaries directed by some of the best filmmakers in Canada. Founded in Montreal in 1971, InformAction produces single documentaries and mini-series on social issues, art and popular culture, international affairs and human rights for Canadian prime-time television and for theatrical release. Many have won awards and all are distributed internationally.

Some of InformAction's signature titles: **The Price We Pay**, feature documentary by Harold Crooks and **Grassroots in Dry Lands**, feature documentary by Helene Klodawsky (coproduced with the NFB), both to be released in 2015, **Frameworks, Images of a Changing World**, feature documentary by Helen Doyle, 2013 (winner Best Cultural Documentary, Prix Gémeaux 2014), **Sand Wars** by Denis Delestrac (coproduced with La compagnie des taxi-brousse, winner Best Nature Documentary, Prix Gémeaux 2014), **Trains of Life** by André Melançon (2013), **Planet Yoga** (feature documentary by Carlos Ferrand, 2011), **Unlikely Treasures** and **Small Wonders** both by Tally Abecassis, **Battle of Wills** by Anne Henderson (2009), **Seeking Refuge** by Karen Cho (1st Award – Toronto Human Rights DocFest 2010, Gemini-Award nominee for Best Directing), **A Dream for Kabul** by Philippe Baylaucq (ReelAward for Outstanding Canadian Doc 2009, Gemini-Award nominee for the Donald Brittain Award for Best Social/Political Documentary) coproduced with the NFB, **American Fugitive: The Truth about Hassan** by Jean-Daniel Lafond (prix Gémeaux nominee), **East End Kids** (Prix Gémeaux and Prix Jutra nominee) and **The Moon and the Violin** (Best Canadian documentary Hot Docs 2003), both by Carole Laganière.

InformAction also supports emerging directors, among others **En attendant le printemps** by Marie-Geneviève Chabot (2013, Jutra Award for Best Feature Documentary 2014), **La Vie après la shop** by Vincent Audet-Nadeau and **The Genocide in Me**, by Araz Artinian (both nominated for Best Social Documentary at the Gémeaux Awards 2006).

Producers Ian Quenneville and Ian Oliveri joined the company 12 years ago and teamed up with senior producer and co-founder of the company, Nathalie Barton. Nathalie was documentary representative on the board of the Quebec Producers Association (AQPM) from 1994 to 2002, served five years on the executive of Women in Film in Quebec and was Chair of the Observatoire du documentaire (The Documentary Network) from 2008 to 2011. Ian Quenneville is currently documentary representative on the board of AQPM and Ian Oliveri is co-chair of Doc Québec (Quebec chapter of Documentary Organization of Canada).

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About Filmoption International

Founded over 30 years ago by Maryse Rouillard, Filmoption International specializes in the distribution of feature films and in the sale in Canada and overseas of films, documentaries and television programs. Filmoption represents on an exclusive basis a large number of companies in Quebec and Canada and several foreign companies (USA, France) on international markets. In Quebec, Filmoption imports foreign feature films and documentaries for theatrical exhibition. The company also works closely with several Quebec producers to develop and finance films, documentaries and TV series.

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