



Lo and behold

What struck me most in the past week is that Gonzi is ready to allow that no preference will be given to his party as regards debt collection from VAT and national insurance contributions, whereas Sant evaded the question completely.

Gonzi stated on television that his party's accounts are up to date and they have been presented to the Malta Financial Services Authority, but that the Labour Party is lagging three years behind and that for the past three years Labour has failed to publish its audited accounts.

There is no doubt that much is owed to the public coffers in VAT and social security contributions and other taxes by the political parties, especially Labour. We all remember that Manwel Cuschieri teased the VAT department, the immediate response was garnishee orders by the VAT on Labour's commercial companies including Super One so that they ended not having enough funds to pay their employees salaries.

Lo and behold, therefore, that if all debt collectors were to demand their dues, I will not be surprised if one of the parties will collapse as it will not be in a financial position to continue with its operations. This applies also to the facilities given to the political parties by the commercial banks. I have already expressed my reaction to how sceptical are our banks becoming in the lending of money; but it seems that such scepticism stops when it comes to lending money to political parties.

Two weights and two measures are being operated by the banks. No strict guarantees are normally requested to the political parties when it comes to

lending them money. Facilities against facilities with no questions asked. I cannot understand why this two weights and two measures approach but it seems that even our banks are ruled by politics.

The system shows that debt collectors including the Commissioner of VAT, the Commissioner of Inland Revenue, the Department of Social Security, the banks, they are all lenient with the political parties but demand the pound of flesh from us, normal beings. They also seems to be immune to the Tax Compliance Unit as it does not question where the millions of euros it takes to run a political party come from.

I am more than sure that if one fine day all these departments and banks decide to take the political parties to task, they will be in for the collapse of one of the two major political parties thus leaving the country in a big constitutional crisis. But on the other hand we cannot tolerate that discrimination continues to be flagrant between the citizens and the political parties.

What happened to Harry Vassallo of Alternattiva this week is what we have been witnessing all these years and what I have many times criticised; and that is, that fines are being converted into imprisonment automatically by the Court as they have been empowered to do by an amendment in the law blessed by our Parliament. I am afraid to say that Alternattiva never voiced its concern about this amendment in the law and never criticized the government for those businessmen who found themselves in jail for not paying the VAT fines imposed by the court.

Harry Vassallo is a lawyer

and ought to have known what will happen to him if he does not pay the fines: he may have his good reasons for not paying it but he ought to seek constitutional remedies if he thinks that such law goes against his human rights. It is a pity indeed for Harry Vassallo to end up in prison, but at the same time we are grateful for what happened to him so that maybe, thanks to him, the law will now change.

It is true that the law is the law and VAT returns have to be submitted on time against a penalty. It is also true that it is not fair for those who flout the law to continue to be excused and pardoned but at the same time, we cannot continue to send people to prison for not paying administrative fines and penalties. There must be a more humane deterrent than prison: I am sure that Harry Vassallo has enough assets that the Commissioner of Vat can seize as an off-set for what is due by him.

Jail must always be a last and not the first resort. I am sure that the commissioner of VAT has enough funds to engage debt collectors. Lawyers are not debt collectors and we all know that the system of debt collection in our courts is slow. The changes in the law which are sending debtors to jail were meant to release much of the burden on debt collection departments so that instead of taking action for the recovery of the amounts due, the fines are being converted into prison terms, so that law-abiding citizens are being punished twice: first for not having more money in the public coffers because there are people out there flouting the law; and secondly by having to pay tax money to sustain those that

“
What happened to Harry Vassallo of Alternattiva this week is what we have been witnessing all these years and what I have many times criticised

are being sent to jail for not paying vat or submitting their VAT returns on time.

I am sure that you will agree that this is not the solution especially when it seems that different approach is being taken by these departments and our banks when it comes to political parties. If Labour wins today, the situation will not change except that the law will change regarding conversion of vat penalties into jail: at least that is what Sant promised. But if Gonzi wins, and since he stated that his party and his party's commercial companies audited accounts are in order, I will not be surprised if he takes Labour to task and demands that action be taken across the board, so that public debt will be collected straightaway.

How Labour will get the money I do not know but I am sure that we will be in for a lot of surprises.

The Registrar of Companies also has a major part to play, and must ensure that audited accounts of the companies are submitted within the time limit imposed by law. We cannot continue with this laissez-faire attitude so much so that we have come to a stage where there is no deterrent to those who do not comply with the time limits.

The man in the street is sick and tired of the discrimination that is taking place and wishes to be treated au par with the political parties; or better still, that the political parties are treated the same way as the debt collectors treat him.

If thousands of votes are not collected, it is not because people are not interested in politics, it is because they hate to be treated differently from others.

Reporter. 7.45pm TVM



Toni Abela and Pierre Portelli on reporter tomorrow and Tuesday