

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 1st NOVEMBER 2017

PUBLIC BUSINESS - resumption	3
1. Brexit Information Report: July 2017 update (R.87/2017) - (consideration in committee)	3
1.1 Senator P.M. Bailhache (The Minister for External Relations):	3
1.1.1 Senator I.J. Gorst:	5
1.1.2 Deputy J.A.N. Le Fondré of St. Lawrence:	7
1.1.3 Senator P.F.C. Ozouf:	10
1.1.4 Deputy G.P. Southern of St. Helier:	11
1.1.5 Senator I.J. Gorst:	12
1.1.6 Senator P.M. Bailhache:	13
1.1.7 Deputy G.P. Southern:	14
1.1.8 Deputy S.G. Luce of St. Martin:	15
1.1.9 Deputy S.Y. Mézec:	15
1.1.10 Senator I.J. Gorst:	17
1.1.11 The Deputy of St. Martin:	17
1.1.12 The Deputy of Grouville:	18
1.2 Deputy K.L. Moore of St. Peter:	18
1.2.1 Deputy M.R. Higgins of St. Helier:	20
1.2.2 Deputy R.J. Renouf of St. Ouen:	20
1.2.3 The Deputy of St. Peter:	20
1.2.4 Deputy G.P. Southern:	20
1.2.5 Senator I.J. Gorst:	20
1.2.6 Senator P.M. Bailhache:	21
1.2.7 Deputy M.R. Higgins:	21
1.2.8 The Deputy of Grouville:	21
1.2.9 The Deputy of St. Peter:	22
1.2.10 Connétable C.H. Taylor of St. John:	22
1.2.11 Senator I.J. Gorst:	22
1.2.12 Deputy J.A. Martin of St. Helier:	22
1.2.13 Senator L.J. Farnham:	22
1.2.14 The Deputy of St. Peter:	23
1.2.15 Senator P.M. Bailhache:	23
1.2.16 Senator I.J. Gorst:	23
1.2.17 Senator P.F.C. Ozouf:	24
1.3 Senator P.M. Bailhache:	24
1.3.1 Deputy J.A.N. Le Fondré:	24

1.3.2 Deputy G.P. Southern:	25
1.3.3 Deputy A.D. Lewis of St. Helier:	25
1.3.4 Senator P.F.C. Ozouf:	26
1.3.5 Senator P.M. Bailhache:	27
1.3.6 Deputy G.P. Southern:	28
1.3.7 Senator I.J. Gorst:	28
1.3.8 The Deputy of St. Mary:	30
1.3.9 Senator L.J. Farnham:	30
1.3.10 Deputy S.M. Brée of St. Clement:	30
1.3.11 Senator P.F.C. Ozouf:	31
1.3.12 The Deputy of Grouville:	32
1.3.13 The Deputy of St. Martin:	32
1.3.14 Senator I.J. Gorst:	34
1.4 Senator P.M. Bailhache:	35
1.5 Senator I.J. Gorst:	36
1.5.1 Senator P.M. Bailhache:	36

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS37

2. Connétable D.W. Mezbourian of St. Lawrence (Vice-Chairman, Privileges and Procedures Committee):	37
2.1 The Connétable of St. John:	38
2.1.1 Senator P.F.C. Ozouf:	38
2.1.2 Deputy P.D. McLinton of St. Saviour:	38
2.1.3 The Connétable of St. John:	38
2.1.4 Senator I.J. Gorst:	38

ADJOURNMENT.....40

[9:31]

The Roll was called and the Dean led the Assembly in Prayer.

PUBLIC BUSINESS - resumption

1. Brexit Information Report: July 2017 update (R.87/2017) - (*consideration in committee*)

The Deputy Bailiff:

The next item of Public Business is the Brexit in committee debate in relation to Brexit which has been requested by the Minister for External Relations. I remind Members that for in committee debates Standing Order 96 applies. Unlike in usual debates therefore each Member can speak more than once and there is no vote at the conclusion of the discussions. The Minister for External Relations will start the debate. The Greffier has, I believe, circulated to Members the Minister's proposal for how the in committee debate should be divided into distinct parts with the suggestion of a total time for debate should be approximately 2 hours. Minister, it might be helpful to remind Members briefly of your proposed structure when you open the debate.

1.1 Senator P.M. Bailhache (The Minister for External Relations):

We have proposed, as you have said, a running order for the in committee debate and while naturally the Chair must have a discretion in this respect I hope that you may be fairly brutal in keeping Members to the timetable which we hope to observe. This is the third report into Brexit preparations that the Ministry of External Relations has placed before the Assembly following the U.K.'s (United Kingdom) decision to leave the European Union and the first time that Members will debate the Island's post-Brexit future in an in committee sitting. The report provides an update to Members on developments that are relevant to Jersey. A review of our Brexit priorities, a summary of the ongoing engagement between the Governments of Jersey and the United Kingdom, and an outline of the next steps that we will need to take, both legislatively and politically in preparation for the United Kingdom leaving the European Union. I will keep my opening remarks brief as the central purpose of the debate is to allow Members to express their own views. I will highlight the risks and opportunities that have been identified and hope that that will be helpful to the Members. We have proposed a structured debate which divides the discussion into 4 broad areas. First is the general debate, which I am opening now on political engagement, government objectives and so on. The second section will examine the personal impact of Brexit on Islanders in matters of immigration, migration and citizen's rights. The third will be a discussion of the potential effects on business, looking particularly at the implications of changing trade and customs relationships. The fourth and final section will be to look to aspects that affect both individuals and businesses in matters of transport and communication. Also the legislative measures necessary to ensure the proper functioning of relevant law in Jersey related to E.U. (European Union) legislation. May I first update Members on developments since the report was lodged on 18th July? I should emphasise that Jersey's Brexit preparations are a truly cross-governmental undertaking. While under the co-ordination of my ministry they include significant contributions from Ministers and officials across other government departments. Most significantly this involves the Department for Community and Constitutional Affairs in relation to immigration and customs, the Financial Services Unit in relation to financial services and the Department for the Environment in relation to agriculture and fisheries. There are regular meetings of officials, including those from non-executive departments, to ensure a high degree of co-ordination and shared knowledge. Ministers meet on a monthly basis to review progress to provide direction to ensure co-ordination across government. For that reason I shall be asking my fellow Ministers to assist me in answering the questions and points that Members may raise on Brexit preparations within their areas of responsibility. While there has been significant international political development since the first Brexit report was presented in June last year our core priorities, although refined, remain the same.

Our first and most critical priority is to continue the fundamentals of our existing relationship with the United Kingdom. This includes membership of the C.T.A. (Common Travel Area), Common Customs Territory, however described, freedom of movement of capital and external trade based on tariffs in common with the U.K. On this I can say with confidence that we continue to have in general a strong and productive relationship with the United Kingdom Government. I am encouraged by the honest and open dialogue that has taken place between Ministers and our counterparts in the U.K., including correspondence and support from the Prime Minister of the U.K. Our second priority is to continue the benefits of our relationship with the European Union, as already established under Protocol 3, so far as we can. This includes access to E.U. goods markets on terms no less favourable than the U.K., access to E.U. markets for financial services through equivalence, mutual recognition of regimes for third countries, and securing a deal on movement of persons in the E.U. for British Nationals resident in Jersey, as for British Nationals generally. The Chief Minister in his speech to this Chamber following the referendum emphasised the value that we place upon the contributions made by the many E.U. citizens living and working in Jersey and committed to provide certainty on their position at the earliest possible stage. That commitment remains exactly the same today. We are in regular contact with the United Kingdom Government on matters of immigration and the position of E.U. citizens with a further roundtable session due to take place later this month. Thirdly, we want to ensure that Jersey has the right agreements and international relationships in place to benefit from global opportunities. This includes extending the W.T.O. (World Trade Organization) territorial application to Jersey.

[9:45]

Our strengthened relationships with global markets, in particular in Africa, Asia and the Middle East, an expanded network of international agreements and entrustment to negotiate bilateral investment treaties between Jersey and our key trading partners. A joint Jersey/Guernsey working group on trade met with H.M. (Her Majesty's) Treasury on 27th September and a further round table on financial services is due to take place or is indeed taking place today. Finally, we have committed to apply our governmental resources to ensure effective engagement with the U.K. Government, States Members and the public to manage a legislative programme, which ensures the uninterrupted functioning of those elements of E.U. law that we wish to continue in force in the Island to ensure that we still control access to our housing and labour markets and to working with the Governments of Guernsey and the Isle of Man to maximise influence on the Brexit negotiations. The negotiations between the U.K. and the E.U. have entered formal stages with monthly meetings of the negotiation teams taking place in Brussels from June 2017, although unfortunately at an impasse at the moment. These negotiations have focused on matters which the E.U. has stated must be agreed before discussions of future relationships between the parties can be considered. They are the rights of E.U. citizens living and working in the E.U. and *vice versa*, the Brexit Divorce Bill and the border between the Republic of Ireland and Northern Ireland. Preparations for Brexit within the U.K. have also begun in earnest. In the Queen's speech in June, the U.K. set out a bold legislative programme comprising 8 Brexit Bills. The first of these Bills, the European Union Withdrawal Bill has passed its second reading in the House of Commons on 11th September. Since the commencement of the negotiations the U.K. has also published a succession of position papers and future partnership papers including in relation to matters critical to the interests and objectives of the Island. The papers make positive references to the interests of the Crown Dependencies. The United Kingdom Government has also published 2 White Papers on trade and on customs matters. In these it is clear that the U.K. is planning to make provision for a wide range of outcomes from a deep and special - like boat trade - relationship with the E.U. to what might be called a hard Brexit. In her Florence speech, the Prime Minister also proposed the creation of a transition period of no more than 2 years following Brexit. This is a significant development and hints at a rather softer approach to Brexit than had been the case before the

general election in the U.K. We have made it clear that any implementation of a transitional period that is negotiated should encompass the Crown Dependencies insofar as that is achievable. As Members will be aware, when the European Council met in late October they did not believe that sufficient progress had been made in the negotiations and would not approve moving to discussions of the future U.K./E.U. relationship. Jersey's position is unchanged by the present impasse. Our regular process of engagement with the U.K. through workstream round tables and quarterly meetings continues to ensure when the negotiations recommence that our position and objectives are well understood. As part of the contingency planning we have been preparing for a range of Brexit scenarios, including a hard Brexit which some commentators think is more likely. As I have already said, our engagement with the U.K. is substantial and productive. The Chief Minister meets quarterly with Mr. Robin Walker, the Parliamentary Under-Secretary of State at the D.Ex.E.U. (Department for Exiting the European Union) with the Chief Ministers of the other Crown Dependencies. They will meet again on 13th November. Equally Jersey officials will continue to work with officials from D.Ex.E.U. and other departments across Whitehall and the pace and frequency and intensity of those meetings has accelerated in recent weeks. I would close by saying that given the significance of our Brexit preparations it was acknowledged early on that we must communicate our work effectively with the public, industry, States Members and the media. The "Let's Talk Brexit" campaign has been a successful means of public engagement and remains ongoing, and we have sustained a considerable level of interaction with the public through social media. This has been most notable from the response to our Brexit resident survey, which showed that 80 per cent of Islanders we surveyed felt that they already had a sufficient understanding of Brexit issues. The full results of this survey have been published and shared on social media. We will shortly be publishing the results of the Brexit Business Survey, which has provided a helpful understanding of the concerns and opportunities envisaged by industry as a result of Brexit and will form the basis for future discussions. Our campaign of engagement has not neglected, I hope, the States Assembly and has included 5 States Members workshops led by officials from across government departments, and I thank Members most warmly for their attendance and input at those workshops. They will continue in the coming months with focused sessions on legislation and trade. I cannot provide an unequivocal guarantee that Jersey will not be disadvantaged by Brexit, however I can repeat that the Government believe that our interests are being fully taken into account by the U.K. during these negotiations. We are well prepared and have dedicated extensive cross-governmental resources to ensuring the best outcome for the Island to which many Members have helpfully contributed over the past months. So I commend the report to the Assembly and look forward to this opportunity of addressing Members' views.

1.1.1 Senator I.J. Gorst:

I would like to start by thanking the Minister for External Relations and his ministry for all the work day to day trying to get to grips with the technical issues that arise out of Brexit. This truly is a cross-departmental piece of work. Some people like to criticise the Civil Service. I think that is unfair. I see in this piece of work, this coming together of some of our brightest people, with the best minds in our community, thinking about the difficult issues that Brexit throws up and thinking about our future. I want to thank them. They are right across every single department and that should not be forgotten. **[Approbation]** This first section has been entitled as a "political update". Is Brexit the positive sunny uplands that some in the United Kingdom and some in the media would have us believe? Or is it woe is me, all is lost, and we are just going into terminal decline. No, it is not. It is neither of those. The reality is, it is technical, it will require us to move sometimes quickly, always carefully, but we in this community have faced the forces of international changes and challenge every single year. This is no different. I am not naïve to think that we are entering the positive sunny uplands. But I am, for all the reasons I have just said and will go on to say, absolutely optimistic that we can navigate this well. All my interactions with U.K. Ministers, with

ambassadors to the European Union and elsewhere around the globe give me hope for the future. The negotiations are, as Members will know from reading the media, ongoing. We have, of course, I think everyone involved in our preparations for the U.K. leaving the European Union were not surprised by the recent decision that the Europeans felt not at this stage had enough progress been made in those negotiations. But as the Minister for External Relations said, there are 3 threads to the opening or part one of the negotiations, that is E.U. citizens, what is going to happen on the island of Ireland and how much is the Brexit Bill. So Members will know that I returned from Brussels yesterday morning, and the feeling there among member states that I engaged with was that good progress is being made in relation to E.U. citizens. There are one or 2 issues which still need to be agreed but good progress is being made. Likewise, good progress is being with regard to the border and the island of Ireland, albeit we know that there are some very important negotiations going on about the Northern Ireland Assembly, and that will play into the E.U. negotiations as well. Members will also be aware that we have the honour again of hosting the British-Irish Council next week. So we are hopeful that progress is made in early order in relation to that. Although there is an acknowledgement as well that some of those issues will fall over into the second part of the negotiations about the future relationship just by their very nature. Then we probably get to the stickiest issue, which is the money, which of course is entirely a matter for the U.K. We do have an interest in what is negotiated for E.U. citizens. Of course we have an interest in the border and what is negotiated on the island of Ireland, not only because of our relationship with those areas through the British-Irish Council but also for any potential effects that it might have on the other elements of the negotiation. There again, if we were to read the media we would think all is lost when it comes to the money discussion. But that is not the feeling that I got from those member states that I engaged with on Monday. There is a distance to travel but all of them felt that that difference in approach, as we stand here today, could be bridged with the appropriate openness to what might be required. Although there are now 7 or 8 weeks until the next council meeting, where there will have to be a decision about whether there is a move to the next stage, I am not sure that after my engagement I would describe where we are as entirely an impasse. The European Union are offering the British Government the opportunity to increase the number of negotiation sessions between now and Christmas and the British Government is ready to take advantage of that, but they would like them to be more free-flowing and perhaps not just 9.00 a.m. to 5.00 p.m. office hours for a couple of days a week. So I think we are going to see progress in that regard as well.

[10:00]

Then of course we have got the transition period which for our businesses is, I think, a really important step forward and everyone in Brussels on Monday was impressed and felt that the U.K. Prime Minister's Florence speech set the groundwork for more closer co-operation and working together more positively throughout the coming period. I am not sure that I can add too much more to the political update. As Senator Bailhache said, I will be seeing U.K. Government Ministers again at the end of next week. I will be in London the following week meeting with U.K. Government Ministers again. I say that because what Members say today in this debate is important because it will continue to help form those conversations that I have with the Ministers throughout the coming weeks and months. So we have got the U.K. engagement. We have got the E.U. engagement, albeit we must remember that it is the U.K. that is doing the negotiation, not us, but it is helpful for us to have engagement and for them to understand where we fit into that. But we must not forget throughout this process that our worldwide engagement has become even more important than it was even 2 or so years ago. That is why I just want to take this opportunity again to thank Senator Ozouf for all the work that he has done previously in that worldwide engagement. I was in Washington last month building on the firm foundations that he had built at that global event where we are able to make our case. We are able to build relationships with governments

around the globe and we believe also from that there will flow business. So I thank him for that work which was often unseen and certainly not always well understood and we are continuing to build on our work in the Middle East and in the Far East as well as we see growing opportunities, as the Scrutiny Panel has suggested in the past, in the United States of America and that was very positive, those meetings that I had there as well. Members do not want to listen to me, I do not think, on a further political update in this regard but I do want to listen to what they have got to say because it will help continue to form those conversations and that engagement and I look forward to what Members have got to say.

The Deputy Bailiff:

We now move to open the discussion on this part of the in committee debate. We have allowed approximately 20 minutes but obviously we will be flexible about that.

1.1.2 Deputy J.A.N. Le Fondré of St. Lawrence:

I thought I would rise early, and I will speak later on the W.T.O. I am wearing 2 hats today. One is as the chairman of the Brexit Review Panel that Scrutiny and the Chairmen's Committee has established and it is very early days but it is in anticipation of when the E.U. withdrawal legislation comes through to us, which I think is going to be lodged, if I recall correctly, in January. Secondly, to talk a bit about my experiences - and I apologise to members of Corporate Services because they will have heard the story already - as the Assembly's representative on the British-Irish Parliamentary Assembly and also, having said all that, as Members will also know, we are all members of the Assemblée Parlementaire de la Francophonie so in this Assembly we are in a somewhat unique position of sitting in or having access to both sides of the arguments at times. It is quite fascinating. But I thought I would take the opportunity - I do caveat this as a member of the Scrutiny side - that what I will say will hopefully be quite complimentary at this stage but, and I always reserve my position until we see the detail later on and whether we have any observations on that point. But I think I am delighted to follow the Chief Minister because he touched on 2 things that I have come across in the last couple of years, one is his references to the island of Ireland issues and, secondly, to the very good work that the Minister for External Relations, in particular, has been doing with his team. I just want to elaborate on it because the Minister is always going to support his own team. I do have a couple questions at the end of this but I think I would like to endorse on these and just talk about some of the experiences I have had in the last couple of years relative to Brexit and particularly our constitutional position. I think it is worth saying firstly, in terms of the international engagement that we are getting, when one goes out, certainly in my experience, people are interested in our story. They are very interested to know that while we, as an Island 9 miles by 5 miles... I will say the third oldest or one of the oldest parliaments in the world and whether, as people know, I too was in Washington earlier this year, hopefully another Member from this Assembly might be going there next year, and he will obviously speak to the Americans about New Jersey and that story, and that is really good and then you start talking about the contribution we make to the British economy and to the European economy and when you talk about £500 billion of investment being facilitated from Jersey alone they suddenly start pricking their ears up. Bringing it slightly closer to home, and by way of updating this Assembly as their representative, so there are 2 Members here who attend the British-Irish Parliamentary Assembly. I am the main representative and Deputy Kevin Lewis is the associate. So we attend at least twice a year the various plenaries, and it was ... and people never quite understood our position and where we fit in and oddly enough, as a result of a suggestion from Guernsey, we did ... and I was party and presented or made a presentation on the constitutional position of this Island, and obviously Guernsey was next to us and Isle of Man participated as well, to the members of the plenary for B.I.P.A. (British-Irish Parliamentary Assembly) a couple of years ago. Oddly enough, that was when I first met Robin Walker or Mr.

Robin Walker because he is on the same committee, or was on the same committee as myself, on B.I.P.A. We only overlapped a couple of times. He was elevated to far greater standing. But it does help because again there is a contact there and, as the Chief Minister will know, he suffered or enjoyed the presentation that we made. He had a sort of understanding of where we come from and why we are constitutionally different, for example, to Scotland. Just stepping forward slightly, and one thing I will just note, when the vote had taken place on Brexit B.I.P.A. met, I think, about 2 weeks after and the atmosphere in the room was fairly charged, shall we say. Just by way of reference you have got a range of politicians, obviously all parties are from Ireland, including Sinn Féin, including the D.U.P. (Democratic Unionist Party). You have got the devolved assemblies. It will be applied to Cymru. It will be Welsh Labour. It will be Scottish National Party. It will be Scottish Conservatives. It is members of the House of Commons and members of the House of Lords and remainers and leavers. So the atmosphere was fairly charged. What I will say at the end of that, apart from the issues around the Irish border, was that there was a recognition that the vote should be recognised. I would say that was the attitude of 70 per cent of the people in the room. The vote had been taken, now was the point to get the best result out of it and that was across the board, and for Ireland it is critical for them because the volume of agricultural products they export across the border into Northern Ireland and into the U.K. Where does that take us? Well, going forward people then started looking around and saying: "Well, who is, for example, in the position that the U.K. may be ending up in?" and they do look to the Crown Dependencies to see if there is anything they can learn from. Now, what I was going to say is that what had been absolutely fascinating to me and is a very major compliment to the team from External Relations, is that I was able to present the paper that External Relations had produced, which if you remember was 2 days after the vote or 4 days after the vote, to a clerk at the ... he was a member of the House of Lords Committee who then eventually did a review into the position of the Crown Dependencies at that plenary conference. Just by way of example, the committee I sit on in B.I.P.A. is doing a review into agriculture and fisheries and we visited Belfast, Northern Ireland, and Dublin on the 2 I attended. Northern Ireland basically did not feel prepared at all. This was October of last year. Southern Ireland had been looking at this for a year because it was very highly on their ... it is a big risk thing. Even though they did not want it to happen, they had done some work. It was interesting just in terms of the level of preparedness from those 2 different jurisdictions and I think that was the measure that came through so I really do want to commend and place on record that the work and the ability of the team in External Relations, given that they are a small team, I have been very impressed with so far. I am sure there will be mistakes and issues that come along as we go along, that is the nature of things, but from a positive point of view I just want to endorse the comments that were made possibly to the embarrassment of the team at External Relations that I do welcome; (a) the support they have given me, (b) the briefings they will be giving to us on the Scrutiny Panel I am sure, but just to say that their work is recognised. Just to continue that story slightly, we had the steering group for B.I.P.A.; we hosted it about 3 or 4 weeks ago in Jersey, because this year it rotates, but this year Jersey and myself sit on that. The chairman, which is Conservative M.P. (Member of Parliament) Andrew Rosindell wanted to try and get people to understand certain things so he suggested, at short notice, that they met here. So we did. We reran the 20-minute presentation that I do on the high level constitutional position and then we brought the technical people in. We brought in the team from External Relations the next day which talked about financial services and talked about our position on Brexit. Again what is clear - I am sure the Chief Minister and the Minister for External Relations have been finding this - is that people still do not understand why we are different and it is so useful to get that engagement. We all have a responsibility because all of us, in our different roles, will meet politicians from different jurisdictions at different times, whether it is on a C.P.A., whether it is on an A.P.F. (Assemblée Parlementaire de la Francophonie) or whether it is on B.I.P.A. and for people to understand that. So what was very clear is that ... so on the steering committee you have people from the devolved

assemblies, people from Westminster and people from Ireland as well and they finally started understanding that our constitutional position was different. What was also very interesting, and I do not know if the word “jealous” is the right word, but there was certainly enthusiastic interest in the fact that our communications that are happening with Whitehall are very good and are very frequent and that the team has worked so hard to try and get that message across. The difficulty in all that is politics as well because obviously the relationship between Westminster and the devolved assemblies is fundamentally different with the relationship that they have with us. I think that understanding is quite critical to that process and then people start looking at it, well, how do you control immigration? How do you deal with ... you know, what is the position if we leave ... we are, for example, an exporter of shellfish and things like that. What about the agreements that you have with the fishery side. So I just re-emphasise that it is a major compliment to say that the teams that ... it is a small team. They have got bigger. I think it is very clear that for the moment Brexit is the main game in town, both on this side of the water and on the U.K.; it has to be. That they need all the support they ... we need to make sure that that support is there and, as I said, I do commend the work of the team. Now, I have 2 questions, I suppose, that said. I will not touch on W.T.O. at the moment because I think that will come under the section when we get to trade I think. I suppose 2 questions are ... is one is, I think I probably know the answer, but I think it is worth just putting it on the record. When will we know, for the Minister, perhaps he can respond, that all the hard work has been paid off; that we have been listened to? Now, in my view it can be at the conclusion of negotiations but I think it would be interesting just to know how do we know that tangible work, and there is a lot of hard work and good work going on, has paid off? Is there any early point? You know, when do we know what that final position is and how it affects us? I think the second concern I would have, and it has become clear, assuming I can read this on the note that I sent to myself, there is a lot of work in the individual departments and so it would be interesting to hear from the respective Ministers, when they speak at their various points, what their own ministries are doing in relation to Brexit. Obviously the interaction of each department that they are having with their respective U.K. counterparts and kind of in their view the key laws that we will be needing to be changing affecting their department. Now, as a guide, I did take the opportunity at the plenary for B.I.P.A. was, I will say, 2 weeks ago. It was in Liverpool. On the way down I stopped off in London for 2 days and I was very fortunate to meet both Hilary Benn, who is the ... I cannot remember the exact title but he is chairman or acting chairman of the ... I think he is chairman of the Commons Select Committee on Brexit, or one of them.

[10:15]

I also met Lord Jay, who was the former ambassador to France, but he is the, I think, acting chair in that case of one of the Lords Brexit committees as well. What was interesting was that firstly there is a big concern around what they are calling the Henry VIII clauses, that is obviously coming across from the devolved assemblies and that will be relevant for us from the point of view, is the distinction between order making powers and regulations. Now, generally this Assembly is quite keen that certain things stay in regulations. There is not too much put into order powers. Now, one of the conversations I had is that I believe in Westminster they are looking, although it is complicated, about sunset clauses. There is going to be this tension between the ability to move fast because some technical matter arises that you need to move quickly on because you have a finite period of time to do this on, versus giving power to Westminster versus the devolved assembly in our case, from the Assembly to the Ministers, and for how long. So it would be interesting just to understand that position. As a guide in the U.K. once the Repeal Bill is approved, I will say once it is approved, that is obviously a political issue, there is something like 800 to 1,000 pieces of secondary legislation that is coming down the line for them and they will have to deal with that within a year, broadly speaking, or by the deadline date. I suppose after that, switching briefly to the French speaking side, there are interested parties, countries, watching the

process. On the A.P.F. we are one of the few British connected jurisdictions there so occasionally one does get some conversations from that side of people just trying to seek and understand the position. I will not dwell on that too much because I think that goes off completely separately. So I would be interested on those kind of areas, where the ... what the position is going ... how we would judge the success ultimately, when will we know the ministerial input because there can be a tendency for a department to think, although I have been impressed by the workshops we have had so far, I am going to get on with my day-to-day job because Brexit is External Relations. How do we make sure that is not happening? I mean I do understand it. I think there has been both internally within the States ... it breaks down the silos, people are talking to each other more and externally it is giving us a lot more access to Westminster for people to understand us. But how do we make sure, for example, he is not there, but the Minister for Health and Social Services, I understand they have a lot of E.U. nationals who work with them, how they are being communicated with. I shall stop there. I hope that has informed the Assembly on certainly some of the other experiences that are out there.

1.1.3 Senator P.F.C. Ozouf:

So I was going for the remarks of the Chief Minister that he made about the work that had been done in paving the way for Brexit. If any Member wants to see what an Assistant Minister did then they can see it because ... I am smiling across the Assembly at Deputy Higgins, who asked for a copy of my full diary for 3 years and was published in the summer. I do not think anybody read it apart from me and ... well, I prepared it and nobody read it probably apart from Deputy Higgins. But it serves just the purpose of explaining what the work was that was necessary in paving the way to dealing with some of the new international arrangements and new organisations that we gave it to and I hope that that diary answered it ... helped Deputy Higgins for perhaps a role that was not understood and perhaps it was my fault that I did not explain it. It was certainly not explained by others except the Chief Minister. Now, the U.K. is leaving the European Union in 519 days. The U.K. has been the main interlocutor of relations with the European Union for Jersey and the other Crown Dependencies and we are going to continue to trade with the United Kingdom and we are going to continue to trade with the European Union. It was pleasing to hear that Back Bench parliamentarians that Deputy Le Fondré speaks of have understood now for the first time what the value of Jersey's trade is to Britain and also, to a lesser extent, that of the European Union and it is important that Back-Benchers, they are not the executive that Deputy Le Fondré is very clear about, they are Back-Bencher committees but it is important nevertheless that they are informed and certainly keeping these people informed with having proper data is important and that must continue. Nothing is going to change in 519 days with the fact that we have what effectively is a free trade agreement with the United Kingdom. We had it with the Crown of England since 1204 and later with the Crown of the United Kingdom and Union of Scotland in 1707. We had effectively a free trade agreement. Now, nothing is going to change that. That is the key explanation that the Minister and the Chief Minister for ... the Minister for External Relations and the Chief Minister explained was the pre-eminent objective of these negotiations. We have exploited that U.K. free trade agreement with the U.K. We often look up at Walter Raleigh. He was responsible for getting an opportunity to maximise that free trade because that is how the cod fishery happened. But the most question that I have in this stage of the debate is, is that with the U.K. no longer being part and round the table of the European Union table, we are not going to have the United Kingdom to speak up to represent ourselves and to deal with the mechanics of what are effectively going to be issues which are going to be of importance to us because we are not leaving Europe, just like the United Kingdom is not leaving Europe. But we are not going to have a voice at all at the table. We were never part of the European Union in all senses of the word. I would like some reassurance by the Minister for External Relations and, where appropriate, the Chief Minister in saying what are we doing to build new relations, tangible relations, with other

governments in the European Union because we are going to need friends in the European Union that understand and that are more likely to be sympathetic to our cause of being a services centre. A reputable, well-regulated, proper, value-adding services centre and I cite, for example, Estonia, and I wonder whether or not the Minister would agree with me that we have not made sufficient progress with the development of the relationship with the Government of Estonia. We have missed an opportunity. It was there and it seems, to much regret, that it has not been taken up. We had relations with ... who is holding the E.U. presidency of Estonia. There was not a surprise that we had the ambassador of Estonia here just a few months ago and I know we have to get a private jet back to him at a net cost of £1,200 to taxpayers for important E.U. meetings in London but there was not a happenchance that we had the ambassador of Estonia in Jersey earlier last year. It was because they are holding the president of the E.U. It is because they matter. They are a digital economy. Now, what is being done to secure relations, tangible, real, ministerial, government to government relations with effectively countries that will share a similar philosophy, a view, such as that of Malta too? Obviously Malta has been in the headlines recently for other reasons but we have had longstanding relations with the previous government, not the current government, in Malta and those have been a feature of some of the work ... people will look at my diary. So I am worried that we are effectively going to be not really putting enough effort into ensuring that ... the U.K. is not going to be there to protect us. They are not going to be there. Not going to be at the table. We need new friends and we need to invest in relations and you do not only call your friends when you are in trouble. You build relationships over a long period of time and we should be doing more of it.

1.1.4 Deputy G.P. Southern of St. Helier:

Before I start can I just have a quick word about procedure? It seems to me that we have had at least 2 questions, 3 questions, coming from the previous speaker over there, another question now, an important one. I do not want to wait around for three-quarters of an hour when I have forgotten the questions to get some answers. It seems to me that we could better deal with questions individually as we go through the debate and get them out the way with any consequences or supplementaries that apply rather than wait for an hour and a half and get a whole pile of answers when we have forgotten what the questions were if all know they are answered..

The Deputy Bailiff:

Well, there is no particular structure to an in committee debate in that way. There is no requirement that it wait to the end for someone to sum up or anything of that nature and I am certainly open to calling upon those who light up with a desire to answer the questions that have been posed to them.

Deputy G.P. Southern:

Could we adopt the approach of when Members pose a question that it is answered in appropriate ... without another 6 questions being tapped on to it?

The Deputy Bailiff:

Well, it might be that there is a consolidation logic in the sense that perhaps wait for 2 or 3 questions but perhaps not wait for ...

Deputy G.P. Southern:

Can I put it to you we have had at least 3 ... 2 from over there and one from there which could be answered before I speak?

The Deputy Bailiff:

But did you want ... before you speak. Well, there have been 2 questions. It is entirely a matter for either the Chief Minister or the Minister of External Relations, whether they wish to answer any of the questions now.

1.1.5 Senator I.J. Gorst:

We are always happy to answer questions. I see one of the questioners is listening elsewhere **[Interruption]** and yet he asked a very good question, which is a question that is asked about diplomacy all over the world. There is no, I suppose, concrete answer to such a question. I think he indicated ... he is now listening again in the Assembly. I think he indicated that he felt that we might not see the benefit of all of this effort and interaction and engagement until we know the final future relationship and where we fit into that. On the one hand he is absolutely right because we must be in no doubt about this, the engagement that we have built up over, as Senator Ozouf said and as Deputy Le Fondré alluded to, in advance of the referendum result we had done a lot of preparation work, financial services, external relations, my office as well, together with other departments, to produce the report which he was then able to hand to parliamentarians and use so effectively in that forum. So we had done a lot of work then. That showed us to be credible interlocutors for people, not only in the British Government but elsewhere in Europe and right across the parliamentary spectrum in the U.K. It meant I was able to go to the Lords Committee and be questioned by that contact that Deputy Le Fondré has and it worked incredibly well. The relationships that I have been fortunate to build with U.K. Ministers throughout this period already pay dividends on a week-by-week basis where I am able to have very informal contact with them as well as these formalised meetings. So the money that we spent, the people that we have employed; they are already paying dividends in building that relationship in helping others understand our relationship. I mean some of the ... I dare to talk in this Assembly about where some of those relationships have been built and where conversations have been held but the opportunities have been created for those conversations and when, then, U.K. Ministers leave those conversations they have a better understanding about what we need but ultimately I think the Deputy is right, we will only know when the deal is finally ironed out. We have some expert advisers who have been through negotiations before in their former roles but are now here in Jersey. We also know that these negotiations can go ultimately through the night and ultimately people round that table are having to make really difficult decisions and trade-offs and that is why, for me, the personal relationship that is being built is so important because it is at that point when there is a trade-off, those people know they have got to come back and look you in the eye, even though you have built a good relationship with them. So there is pay off now but ultimately he is right, we will only know when we know where we are in that particular deal or not. Senator Ozouf made, I think, very eloquently a speech explaining why it was that despite the great political grief I took and the, perhaps public grief I took, of why I reintroduced him as an Assistant Minister and it is a little bit heartening for Members to be now nodding in agreement with the points that he has made. Some on the back row are not nodding in agreement at all but even they, in their heart of hearts, know that the unseen work that he did with countries like Estonia getting there on the ground, building relationships with regulators, with Government Ministers, with technology people is really important and it comes through constant networking and constant relationship building and it is very difficult to replicate it from the word go. So officials and Ministers are doing their best but I have got to be honest with Members, it is not as good as could be and we all know the reason why but we have got to put extra effort into it. On Monday I met with the Romanian ambassador to the E.U. Romania will be taking the presidency of the E.U. in 2019 at the very point when ... although they would like to have the deal negotiated 6 months in advance, I think we all know that they will not, so the Romanians are going to be left probably holding the cards or the baby, whichever term we want to use.

[10:30]

So we are starting there to build relationships. We have got a strong Romanian community here. I also met with the ambassador of Cyprus to the E.U. as well as the French one but we have spoken about that already and we are continuing to build good relationships with Ireland in Dublin through the British-Irish Council. We will be welcoming the Taoiseach next week to Jersey. These are all really important pieces of work together with the work that Deputy Le Fondré is doing at B.I.P.A. I, again, this month was in Rome meeting the Finance Minister as well. I have got an invitation to go to Berlin, now that they are ... well, they have got to form their Government first after their election. But Senator Ozouf makes an absolutely critical and fundamental point. We can negotiate Brexit well but we have to be mindful that the U.K. will no longer be around the table defending our interest. This is another reason why I do not think ... some people might believe that a different constitutional relationship is a possible outcome of Brexit. No, it is not. It is absolutely not. The way that the U.K. stand up for us and defend us might not always be as strong as we would like if we were in the room but we are not a member of the E.U. The way that they do that will be lost but that is a real tangible benefit that we feel the positive effect of day in, day out of being a dependency of the Crown and having this long constitutional relationship. While we will still have that relationship post-Brexit with the U.K.; that is absolutely fundamental to our interest, our relationship with the E.U., I am convinced, would not be enhanced. It would be diminished even further if we look for a different type of constitutional relationship. So we have to be mindful that places like us, we have to move swiftly. We have to show that we can move swiftly but we need to build relationships. That strongest relationship is with the U.K. It must be maintained and enhanced but we also must, as Senator Ozouf rightly said, build those relationships with other member states as well, which we are doing but I think he also rightly challenged us that we could and should be doing more.

1.1.6 Senator P.M. Bailhache:

Just a brief postscript to the Chief Minister's words. I saw the new ambassador for Estonia in London on Monday and Senator Ozouf is nearly right. I think we have not necessarily lost an opportunity with Estonia but we are certainly losing an opportunity with Estonia. He knows the reason why and I am not going to go any further into it this morning because it has nothing to do with this debate. Senator Ozouf also mentioned Malta I think. All these small countries are all certainly important for us and because they are small it is easier for us to build relationships with them but they have no "clout" in the European Union. The "clout" is held by the larger countries; by France and by Germany, and it is those countries which the Ministry of External Relations has put at the top of its list and is trying to build up relationships there. We once had a good relationship following our removal from the French blacklist with Monsieur Cazeneuve, who ultimately was the Prime Minister of France, and his advice to us was that in order to build up a good relationship with the National Government in France we should begin with the regions, with Brittany and with Normandy. We are doing that and I believe that we are doing it quite successfully but it is a long haul, and Senator Ozouf is quite right to draw attention to the necessity to have other friends, apart from the United Kingdom in the European Union.

Deputy S.Y. Mézec of St. Helier:

Could I ask a point of clarification from the last speaker?

The Deputy Bailiff:

Yes.

Deputy S.Y. Mézec:

I am sorry to rise to the bait I guess but the Senator referenced an issue to do with Estonia, which he said was not relevant to this debate. Well, if he mentioned it it must be relevant to this debate. What is the issue with Estonia that is causing us problems? I would quite like to know.

Senator P.M. Bailhache:

It is not relevant to this debate. It is an issue of how we develop our e-Government and there are different points of view in relation to that and I do not think it is positive to deal with that on the floor of this debate.

The Deputy Bailiff:

Deputy Southern, did you wish to speak?

1.1.7 Deputy G.P. Southern:

I have basically got some questions. We know what we know through the media in general terms around the U.K.'s and E.U.'s relationship over Brexit and we know that it is fairly stuck and we also are aware that there are moves towards a hard Brexit, falling off the cliff edge it is described, versus a soft Brexit. What we do know, I think, and most economists now are talking about the degree of damage to the U.K. economy that will exist, whether it is soft or hard Brexit, after Brexit. There will be damage. We know that there are some 54 papers outlining the impact on various sectors of the U.K. economy that mark that damage. So my question is, have we had any access at all to those 54 papers, which may be examining the potential impact and if not, have we got our own equivalent done departmentally or through the Department of Foreign Affairs into what the extent of that damage may be, given a hard Brexit and reliance on W.T.O., for example, in particular on our own industry, our own major industry, the finance sector, because we are told only this week, I think, of potential damage there; between 70,000 and 100,000 jobs lost in the financial sector in the U.K., what the equivalent is. Have we got any data or have we got any estimates of what may happen to our own economy as a result of the U.K. Brexit, especially in the light that economists are generally saying there will be damage. I guess the question is: how do you limit that damage and how extensive will that damage be and that is the question I want answering? If we have got those papers, like the 54 papers that nobody has seen, I believe, if we have got our own papers can we see them please so that we are all as up to date and fully informed about the potential of what is going to happen to our own economy linked to the U.K. A minor question, as, I think, the Chief Minister was talking about rights of E.U. citizens. The question would be, because of our relationship with the U.K., our maintenance of that free passage and free trade, are we inevitably bound by whatever position the U.K. ends up with on E.U. systems, are we inevitably bound that we have got to adopt the same or identical conditions in order to maintain our free access to the U.K.? So 2 questions there. One about the level of Brexit, what work have we done? Can we see how much damage there might be? Secondly, on E.U. citizens?

Senator P.M. Bailhache:

I wonder if I might test Members' views. I am very conscious of time and I wondered whether we might ... Deputy Southern raises some very good questions, which I would like to deal with but I wonder if he might agree that we deal with that under Part 3, business trade and so on, and if we might, at this stage, move on to the second part and hear the Minister of Home Affairs.

The Deputy Bailiff:

Well, I have one other Member indicating they wish to speak at this part of the debate. Could I ask Members whether there are others who wish to speak on this part? I am conscious of the time. We are now well beyond the 20 minutes we had nominally allocated but it is not of timing fixed in stone. It is a matter for the Assembly as to how long it wishes to deal with any particular section ultimately but I will assume that I will call on the next 2 Members who I have listed, which are the Deputy of St. Martin and Deputy Mézec, and then move on to the next section.

Senator I.J. Gorst:

Could I just make a comment about timing? I know that the External Relations Department were trying to be helpful with their timing and we are very grateful to them but for my part the debate needs to run as long as it needs to run because I am finding it interesting. This is a really important issue that we need to, together, navigate well so I would rather hear what Members have got to say and endeavour to answer questions if they have them than necessarily foreshorten the debate.

The Deputy Bailiff:

Well, this is an in committee debate. The normal rules of debate apply other than those varied by Order 97 and Members can speak for as long as they wish on any particular matter although ultimately the duration of the debate and the duration of parts of it are within the discretion of the Chair. I certainly do not propose to strictly restrict ourselves to 20 minutes if there are people who wish to speak on the matter.

1.1.8 Deputy S.G. Luce of St. Martin:

I was only going to rise in order to try to answer questions as they appear on the floor and in response to Deputy Southern I would just say, and if I might answer on behalf of the Minister for Economic Development, and talk about agriculture and fisheries. Very early on in the debate I asked officers to go away and examine, as quickly as they could, the financial effects of having to resort to a W.T.O. tariff regime should we find ourselves in a situation where tariffs had not been renegotiated. I can tell the Assembly that the cost to the agriculture and fisheries industry would be, in an approximate way, £500,000 per annum. The vast majority of that would be made up of shellfish exports into the E.U. Members will know, of course, we have a large export trade in lobster particularly and there would be a small tariff effect on the agricultural industry because the dairy actually export a small amount of goods in to the Republic of Ireland and that would also be subject to a certain amount of tariff. So in answer specifically to my particular part to Deputy Southern, we did some work really early. The labour thing is a much broader cross-departmental subject which we can discuss again. But very specifically, financially, the effects on agriculture and fisheries financially £500,000 if we resort to the W.T.O. tariffs.

1.1.9 Deputy S.Y. Mézec:

I do not want to start on too negative a point but the Chief Minister, in his speech, and I suppose more generally in his contributions in this Assembly, I think has a sort of weird habit of making an issue out of nothing when nobody has criticised something. He said in his opening speech: “Oh, you know, some like to criticise civil servants but I say Brexit is ...” well, I have not criticised the Brexit stuff over this. I do not know who is criticising the Government for their strategy on this. I am not going to criticise the strategy because I think there is a lot of common sense behind it. The engagement that there is with international organisations, with politicians in the U.K. I mean I would hope that that would be what any Government of Jersey would be doing. It is eminently sensible and I do not really see where that criticism is coming from. There may well be things to point out in terms of what some of us might consider the imprudent spending on certain elements but the overall strategy, I have not heard a word of criticism about it because I think it is largely common sense. In terms of sort of the wider situation that both Jersey and the U.K. now faces itself with Brexit on the horizon, because of Jersey’s constitutional position I think we are in a relatively fortunate position compared to other sections of what I will call the British family here in that the U.K. is going to suffer, and I think “suffer” is the right word, a political choice which is nothing but an act of political and economic stupidity. There is no future for the U.K. outside the European Union, which is more positive than remaining inside the European Union. A democratic decision has been made and so the Government of the U.K. obviously has to go ahead with that but what frustrates me is what I see in the U.K. discourse, arguments which simply are not sensible. No deal, for example. The Prime Minister of the U.K. saying: “No deal is better than a bad deal.” That

is simply not a sensible position. No deal is the worst potential option. It means a hard border in Northern Ireland. It means tariffs. It means a worse position for the U.K. and therefore the rest of us too as members of that British family, albeit Jersey probably not as badly affected potentially as others.

[10:45]

In my view I think there have only really been 3 political commentators that have spoken much sense in the past few years on this. That would be the Shadow Brexit Secretary, Keir Starmer, who I seriously hope will one day be the actual Brexit Secretary, because he is the only person who, right from the start, has spoken sense about transitional agreements which are going to be necessary if the U.K. is to safeguard ... and for the rest of the British family as well to safeguard our interests as the U.K. leaves the European Union. The other is Nicola Sturgeon, First Minister of Scotland, who in the immediate aftermath of the referendum, I think, was the only one who spoke sense there and so I hope that the Government is working as hard as it can to establish good relationships with the Scottish Government, with the Scottish Nationalist Party as well because they are obviously in a particularly difficult situation where their part of the U.K. did not vote for this and they have a particular interest in maintaining as much of the benefits of membership of the European Union while they leave. The other politician who I think has spoken a lot of sense has been the Chief Minister of Gibraltar, Fabian Picado, who I know the Jersey Government is in communication with. I know that they had representatives at their day in London recently. That is positive. I hope to see more of that. But to follow on from a point that Senator Ozouf alluded to, which was a very sensible point and it is one that I regret I have not heard more often in this debate, is talking to other countries, which could be potential allies here, and the one word that I have not heard in this debate is the Commonwealth. We are part of an organisation, a family of nations, which get on very well together, have a shared history. We have the Commonwealth Parliamentary Association where Members of this Assembly, who are not part of the Executive, get to establish relationships with and speak to them about the problems we face. Two members of the Commonwealth are also full member states of the European Union, Malta and Cyprus. When I have been at C.P.A. events, and I have been saying to other U.K. politicians: "You know, what work are we doing to speak to our friends in Malta and Cyprus who, when it comes to the final Brexit deal, will have a veto over it?" So little Malta, with a population of only, I think, about half a million people, will have a veto, a veto, of equal value to Germany with 80 million people. So that is, I think, an opportunity not just for Jersey but for all parts of the U.K., to be saying to our friends in those countries: "You know, forget our relationship with the U.K. Government", but directly with those governments and say: "You know, we are your friends. We have common interests in many of these areas. You have a veto at the end of this, please do not forget us and make sure that if there is some small print in an agreement somewhere that would negatively affect Jersey, you know, please speak up for us and say: 'Well, hang, you know, Jersey did not vote for this. Jersey could stand to lose out if there is not a good deal.'" It is not against the European Union's interests to give Jersey a good deal. It may well be to give the U.K. a bad deal but it is not in their interest to give Jersey one. So I think we need to be doing more with those countries to get them to speak up for us and I do think it is fair to say that I have not heard anybody talking specifically about those 2 countries. Senator Ozouf mentioning Malta in his speech was the first I have heard a U.K. Government representative do that and if they are doing that they need to talk about that more often because I think that that is a really good opportunity. The last point I want to make might, I suppose, be a bit of a weird point. I said before that the mantra that no deal is better than a bad deal is simply not a sensible statement. It is bad for all sections of the British family of nations. There are some in the Conservative Party in the U.K. who want to leave the European Union, not for economic reasons but because they just do not like Europe. They have this sort of nostalgic view of Britain from the 1950s. You know: "That was the good old days. We should return to that", all of this nonsense that people - of my age at

least - have absolute distain for. There are some who want no deal for these weird reasons, nostalgic because they just do not like the E.U. They, you know, long for the old days of the Empire and that nonsense. There, I think, is a British patriotic case to say that this is bad for the U.K. standing in the world and its relationships with its territories. Many of these sort of ultra-conservative politicians are very proud of the relationship between the U.K. and the Falkland Islands and Gibraltar and to the Crown Dependencies as well. I think it would be good to see if work was being done, say, to those parts of the Conservative Party, who now that the Conservative Party has lost its majority, will hold more sway than they would have before, to say to those that it is anti-patriotic to support any sort of agreement that will negatively affect the U.K.'s overseas territories and its Crown Dependencies and that we, as part of that British family, our perspective is important and I think their position on no deal is simply not sensible and I would like to hear more from the Government of Jersey saying: "This is not a good position and if you care about the wider British community, British citizens who live outside the U.K. then this is something to, I think, talk about as well."

The Deputy Bailiff:

Chief Minister, do you want to speak on ...

1.1.10 Senator I.J. Gorst:

I just wanted to pick up on those points that Deputy Mézec raised. Perhaps he will forgive me for reminding him that I did say that I had met with the ambassador to the E.U. of Cyprus only on Monday, talking about these very issues. Senator Bailhache talked about his building a new relationship with the new Maltese Government. Earlier this month I met with the Commonwealth Secretary General, Baroness Scotland. Senator Routier was meeting, last week, with Lord Marland at the Commonwealth Trade and Investment Enterprise Forum. By the way, this is another organisation that Senator Ozouf was pivotal in getting us involved in and building relationships. He smiles and shakes his head but it is absolutely the truth and it is a good opportunity just to remind people. That is why he, Senator Ozouf, went to Malta when the Commonwealth Heads of Government was being held there and building relationships right across the Commonwealth and that, of course, is what we are doing as well in the Commonwealth when we are building relationships with Commonwealth Governments in Africa as well. So he is absolutely right to say that we should be doing this work. We are doing this work and we will continue to do this work but we should not be naïve about other countries, others who are one of the 27 member states, just how much political capital they are going to use to talk about either the Crown Dependencies or the Overseas Territories during the height of this negotiation because they have confidence in the negotiator. So in the British press we might have read various things about Monsieur Barnier and whether the E.U. had confidence in him. Again, on Monday I was told very clearly, by those interlocutors, that they have absolute confidence in him and they think he is doing a good job and so he is right to build relationships. That is exactly what we are doing. But we should not be naïve about what is going to be negotiated ultimately when it comes to the crunch.

1.1.11 The Deputy of St. Martin:

Just in response to Deputy Mézec I would just to like to say for my own part, and following on from the Chief Minister, I have also had meetings with the Environment Ministers from Crown Dependences and Overseas Territories and while we continue as an island to speak to the U.K. and we continue with work with Guernsey and the Isle of Man to speak to the U.K. we also do that in conjunction with the Overseas Territories and I have met with people from the Caribbean, B.V.I. (British Virgin Islands), Cayman, Bermuda, Gibraltar particularly has, at the moment, a very vocal Environment Minister, the Falkland Islands, St. Helena and Pitcairn in the Pacific. I have met with these people. Fortunately I did not have to travel to the middle of the Pacific to meet them. They

all came to Alderney quite recently. But they are very concerned about the effects of the Brexit as well and many of these places benefit enormously from E.U. money coming through the U.K. to them for environmental schemes. In some cases the environmental schemes keeps their small islands ticking so it is important. So we are talking to these people.

The Deputy Bailiff:

Very well, then I propose now to move to Part 2 and invite the Minister for **[Interruption]** I beg your pardon. Sorry.

Deputy C.F. Labey of Grouville:

I did put my light on.

The Deputy Bailiff:

I apologise. I just did not see it on the screen.

1.1.12 The Deputy of Grouville:

Just very briefly and I had wanted to follow on from Deputy Mézec because the points he raised were very good. I was going to speak briefly but seeing as he mentioned it, the C.P.A., but in particular the C.W.P.A. (Commonwealth Women's Parliamentary Association), which I am on the steering committee, so I have worked on a lot of relationships with the women that I sit with there, Malta, Cyprus and Samantha Sacramento in Gibraltar and I think there is an awful lot more that could be done with the Commonwealth so I just flag that up. But there are issues and I do not see any way of where they fit in to this timetable or this agenda. There are issues where women are very concerned about how Brexit is going to affect pensions, for example, of part-time workers. Equal pay only came about from the Dagenham car factory in the 1970s where no justice was got in the U.K. so the women then had to rely on Europe for their support. So women are particularly concerned about various issues. They are worried that there is going to be a power grab so where the power becomes devolved into the parliaments and they will not have the support networks that they do now so I would just like to mention that. Seeing as we are talking about relationships with other organisations, for example like the Commonwealth and the twinning associations, our relationships with France. I do not know if we are co-ordinating anything here because a lot of the Parishes have very good relationships with their particular towns in France and Normandy. I do not know if there is a mechanism of bringing all of this together to give support to one another and speak with one voice as it were. Also perhaps a little further afield there is my work on ... well, our work, Jersey Overseas Aid. I know this is not particularly on Brexit but I just wonder if we are looking a little further afield at different relationships with different countries, we have a particularly good relationship with Rwanda and the work that we are doing there. We are moving into Malawi. Dare I say it, Lebanon? I just think that we need to be broadening our horizons and working simultaneously while we sit and wait and do what we can for Brexit we also ought to be looking a little further afield, but it is with the women in particular, the Commonwealth Women's Parliamentary Association, I am concerned and women are concerned mainly to do with their sort of worker's rights, pensions, part time, those sort of aspects. I just flag those up now.

The Deputy Bailiff:

Very well, the Minister for Home Affairs.

1.2 Deputy K.L. Moore of St. Peter:

In the interests of time I hope that my comments will be both brief and informative for Members to help the debate continue. As Members will know, of course, negotiations around the future immigration controls and passports, which are responsibilities from the Home Affairs portfolio, have not yet begun although the U.K. have started to set out their future objectives for controlling

immigration from E.U. countries. Firstly, we wish to maintain the Common Travel Area, an objective that is shared across the British Isles and in Ireland and on that which we have received further regular reassurance from the U.K. Government. Secondly, Jersey must be able to retain control over who lives and works here in the Island so that we can meet our future labour requirements and we must also retain autonomy in setting our own excise regime and import and export controls. We also wish to secure no less favourable a deal on the movement of people in the E.U. for British nationals who are resident in Jersey and for British nationals generally.

[11:00]

The other Brexit related matter that falls within the Home Affairs remit is on the future arrangements for the British passport including the Jersey variant. Again, while no decisions have yet been made or taken we have articulated Jersey's position to our colleagues. It is fairly clear that the European Union endorsed ... the Jersey variant passport will need to be replaced post-Brexit although the pace of this change has not yet been agreed and will be significant for Jersey. Any future arrangements and the transition period to achieving them will therefore need to take into account resources available to the Customs and Immigration Service. It has already been mentioned by many that these have formed part of ongoing discussions with U.K. Ministers and officials but also and particularly in answer to the ...

The Deputy Bailiff:

I am not sure that we are quorate, Minister. Can I invite Members who are in the ... thank you.

The Deputy of St. Peter:

As the Deputy of Grouville was rightly mentioning, both as a member of the Assemblée Parlementaire de la Francophonie and also as a Minister, we regularly reach out to our close geographic neighbours in France. As Minister we have hosted recently both the Préfet Maritime and the Préfet of Brittany. It was the Préfet of Brittany's first visit to the Island; it is the first time that we have hosted the Préfet of Brittany. These people are very significant appointments. They are appointed by the President and his council, and so they have a significant role within the regions of France. We have also in the past met with the Préfet of Normandy. But from a Home Affairs perspective it is absolutely vital that we follow up on this blossoming relationship because it really was a very positive visit. As we share a great interest in transportation and border security between our Island and France, those issues are very much live to the Préfets and they also form part of, on an operational level, ongoing discussions and, I think, excellent relationships between the Douane and the Police Aux Frontières in France. I must pay great credit to particularly the French-speaking members of the Customs and Immigration Service who, on a very regular, if not daily, most certainly several times in a week, are in consultation and discussions and work closely with their French counterparts building those relationships. So, I hasten to add really that I am very confident of the work that is being done by our department. Along with my Assistant Minister who holds delegated responsibilities in this area, we will be meeting with the Brexit Minister, Robin Walker, again in the next few weeks and those will form part of our continued dialogues. While we also mention our interactions with colleagues elsewhere, of course there were the party conferences recently. I attended both the Labour and Conservative Party conferences myself and was able to enjoy many interactions with a number of people. Because of course it is not just the members of those parties who attend the conferences but also there are ambassadors and members of other allied and interested parties who wish to be there to interact with members of the parties. So we did have conversations and attended functions, along with Scotland and Gibraltar and other such places. So, I have mentioned that I am very confident, and I thank my department for their enthusiastic work in reaching out and working in all of our interests to further the discussions in

this area. Along with the Assistant Minister, Senator Routier, and the rest of the ministerial team, I look forward to hearing Members' views and asking questions.

1.2.1 Deputy M.R. Higgins of St. Helier:

I am not sure if the Minister for Home Affairs is the right person to answer this question or whether it would be the Chief Minister or the Minister for External Relations and that is in fact part of the stumbling block. As I understand it, for many people in the U.K. Parliament with regard to Europe is the role of the European Court and the fact that so far as we state in this report we have got 15,000 non-British E.U. citizens here part of negotiations from the European side is they want the European Court to be the final court in terms of dealing with their nationals. That certainly is not the position at the moment; obviously the U.K. has its own courts, we have our courts. I would like to know how they are going to try and deal with this particular issue, if it is something that they insist upon.

1.2.2 Deputy R.J. Renouf of St. Ouen:

I am sure all Members are aware of the significant numbers of E.U. citizens who work in our health services and hospital services, not only the public parts of those services but also in private care providers. We would have great difficulty, I believe, in furnishing sufficient staff for those services if there were significant restrictions on the immigration of E.U. citizens. My question to the Minister is therefore, if the United Kingdom was to set a quota on immigration from the E.U., would Jersey necessarily fall within that quota and would we be struggling with the U.K. to grab a part of that quota for Jersey? Or could Jersey ever have the ability to bring E.U. citizens into the Island to work in care in the numbers that we choose without having to fit into some overarching E.U. quota system? Thank you.

1.2.3 The Deputy of St. Peter:

Thank you for those questions. The European Court is perhaps more of a constitutional matter but just as we do now, we reach out to other Courts and you, Sir, are probably better placed in your knowledge base. The point about staffing and the potential for a quota system, as an Island we enjoy the opportunity of controlling, as I mentioned in my speech, our own immigration and migration policies, and it is our hope that we will continue to do that. It is a key part of our work to ensure that that is done. Of course, the changes will open up and also bring potential change in the way we interact and look to other pools of employment beyond that of Europe.

1.2.4 Deputy G.P. Southern:

If I may, would it be appropriate at this stage, since we just had a non-answer there from the Minister, the reflection elsewhere, that we deal with the issue of E.U. citizens now?

The Deputy Bailiff:

Well I think you are already pre-empting those who have asked to speak. Senator Bailhache.

1.2.5 Senator I.J. Gorst:

Perhaps if I could just pick up on Deputy Higgins's point, it is a well-made point, and he gets to what is probably the most thorny issue about E.U. citizens. So, as I said in my opening remarks, the message that I got from those E.U. ambassadors on Monday, bearing in mind one of them was the French Ambassador and it plays into some of the other points that certainly Senator Bailhache made earlier, that with the exit of the U.K., and the U.K. have been sort of exiting even before they made the decision to exit, where their effect has been in Europe, we see the access changing between France and Germany and that strengthening. We know that from the results of the French election. So the stumbling block is exactly the point that Deputy Higgins makes, that the United Kingdom would like the U.K. Court to be the arbiter of E.U. citizens remaining in the U.K. post-

Brexit and the European 27 would like it to continue to be the European Court. Because the point they make, and they made it again to me, was their national courts do not make that decision, they abide by the European Court. Is there going to be a way through that? We could suggest that there is not. I think there will be. They are committed to ensuring that E.U. citizens are able to continue to remain in the United Kingdom, but I cannot tell him or any Member what that way through will be because it certainly was not certain on Monday, but I really do think that there will be one because they are absolutely committed to delivering on that.

1.2.6 Senator P.M. Bailhache:

May I add another postscript to the Chief Minister on Deputy Higgins's question because I certainly agree with the Chief Minister that I think a solution to this will be found. But the point I wanted to make in relation to it, is that it is not really a Jersey problem. Citizenship is not a matter over which we have any control. It is a British matter, and therefore whatever problems there might be in that respect, they are United Kingdom problems and they are not Jersey problems. Just turning to the Deputy of St. Ouen's intervention, it is very difficult to know what solution is going to be arrived at by the United Kingdom in relation to controls on immigration from the European Union and it is true, and it is a concern which has been articulated a number of times in the discussions which have been taking place over the last few months, that if the United Kingdom were to establish some kind of cap, some sort of quota for European Union workers entering into the United Kingdom, how would that affect us in Jersey? The assurances that our officials have received many times is that the position of Jersey is well understood. We have somewhere between 15 and 20 per cent of our population who are European Union citizens. The difficulties that we would face if there were to be a shutting off of the tap of European immigration, not just in the health service but also in other industries as well, particularly agriculture and tourism, that is well understood by the U.K. The answer that they give is that because in United Kingdom terms the numbers are so insignificant that we can be assured that we will continue to be able to control the numbers of people coming to our Island in accordance with the legislation that we have in force at the moment. Those are the assurances that we received, and I am hopeful that they will be delivered.

1.2.7 Deputy M.R. Higgins:

I would just like to come back on Senator Bailhache's statement regarding that it is a British problem. Surely access to courts within Jersey is Jersey's decision, the main reason being that I do not believe that the U.K. does legislate for our courts, does it not? Do we not have a separate legal system to the U.K.? We know that the U.K. Government is responsible for defence and foreign policy, but I have never heard it having responsibility for our courts. So is the Minister saying the U.K. will decide on that particular issue, whether Jersey allows people to go to the European Court or not?

1.2.8 The Deputy of Grouville:

Just coming back on the Common Travel Area. It has been said that we want to maintain the Common Travel Area. Could we hear a bit more about that, why we want to maintain it and what are the pros and cons of maintaining it? Also going back to the Deputy of St. Ouen's point about the quotas and Senator Bailhache's response. Surely, if the U.K. have a quota of E.U. citizens coming in, why would they use up their quota letting them flow into Jersey? If they need those people in their workforce, why would they, in essence, be happy for them to flow our way? So that is not entirely clear also. What guarantees have we had from the U.K. Government about Jersey's requirements being protected under the new U.K. Immigration Act? Thank you.

[11:15]

The Deputy Bailiff:

The Minister for Home Affairs, do you wish to answer any of those?

1.2.9 The Deputy of St. Peter:

Well I am sure that Members are quite aware of the benefits that we enjoy from being part of the Common Travel Area which is simply the ability to travel freely around the combined area without control, so it is a great benefit to us all and one that we absolutely protect. We have assurances and reassurances from our colleagues that this is a shared view around the common travel area.

1.2.10 Connétable C.H. Taylor of St. John:

If I can start by thanking the Minister for External Relations for the information we get. Every Friday we have an extensive and very long email putting us in the picture as to what developments have been made, and I find it absolutely fantastic. Thank you. The observations that I have is with regard to immigration. Prior to the U.K. joining the E.U. we did of course have the freedom of mostly French workers coming to work in agriculture, but in the hospitality industry we have had Italians, Spanish, French and so on. So, if that situation is now reverting back to pre-1971, it is reasonable, I would have thought, that we could continue to access those areas for labour within our hospitality industry. I think that is all for now.

1.2.11 Senator I.J. Gorst:

I am conscious that if we are not careful we will be bobbing up all the time to try and answer questions, the 3 or 4 of us, and I am not sure if that is helpful or not. I think the Minister made the point that the Constable of St. John has just in effect made earlier that we would, or could, just revert to how it used to be where you have to have a visa for European citizens. The Deputy of Grouville does make a very good point, and this is a point that we have made to the British Government, that if they were to decide they wanted a quota approach, we would want part of that quota, so they understand, and they know that. For my part, as we stand here, I am not sure that a quota approach is the best approach. I think something that is much more flexible is a better approach for the reasons that again the Deputy of St. Ouen said. But we have made it very clear that if it is going to be a quota approach, and that is what will ultimately be negotiated, we, like the other Crown Dependencies, would need some of that quota. The immigration issue, it is interesting because suddenly people who have been strongly opposed to the levels of immigration in the United Kingdom coming from the other 27 member states are now recognising that that immigration is absolutely fundamental to their communities and to their economies. To cut off that supply of immigration without some approach which will enable it to continue to move to the U.K. could potentially be detrimental to their economy, so they have to find an approach that is going to work. We know, from our own experience with the Control of Housing and Work Law, that these end up being somewhat controversial issues: when do you turn the tap on, when do you turn it off, how do you respond to businesses and their needs for labour? So, we have made the point that the Deputy of Grouville made, she is absolutely right, and I would personally support a broader-ranging approach, but we will, as this negotiation is ongoing, see where it wends its way.

1.2.12 Deputy J.A. Martin of St. Helier:

Thank you for calling me now. It is just to push the Chief Minister, or the Minister for External Relations or even the Minister for Home Affairs. Just on this point alone, I understand what you are saying about the quota and we would be at the bottom of the list, but I do not see anything ... the Chief Minister has said we may have to go back to the way things were on visas or work permits. But I sometimes see, being a small Island, being the pressures, this could be an actual opportunity for us to go back. I am hearing too much of that, so that is really all I am asking. It could be a positive, that is all I want some confirmation on. Thank you.

1.2.13 Senator L.J. Farnham:

I just wanted to follow on from that because I think when we look at immigration and the forthcoming population policy is going to look closely at where we draw labour from in the future. Outside of what we are talking about today, I think we are going to be looking probably to satisfy the staffing needs of our commerce, not necessarily the financial services sector, but agriculture and tourism and retail from outside of the E.U. There is a shortage, there is far less demand for E.U. citizens to come and work in the sterling area right now, so businesses are facing significant challenges in drawing in staff. This is something for the Minister for Home Affairs to consider because we currently have a quite stringent regulation on bringing in workers from outside the E.U. So I think that is something we are going to have to look at broadening in the future. We have done it successfully in the past, of course.

1.2.14 The Deputy of St. Peter:

I just thought it was a useful moment to remind Members that we do already operate a work permit system through Customs and Immigration. As I felt I was alluding at the end of my speech, it would be for us to change that, to make modifications and to look beyond the pool of resource and people that sit beyond the current E.U.

1.2.15 Senator P.M. Bailhache:

Can I just come back to Deputy Higgins on the point that he raised? I am conscious that this is quite a difficult legal issue and perhaps it should be pursued offline, as it were, with the assistance of the Attorney General. But the basic position is, and the reason why I said it was a United Kingdom problem and not a Jersey problem, is that Channel Islanders have no right to establish themselves in the European Union. That is part of our protocol and those Channel Islanders have a stamp in their passport which makes it clear that they have no right of establishment in the European Union, so there are no rights for Channel Islanders which need to be protected in that respect. It is true that there are a number of people who live in Jersey and Guernsey who do not have a stamp in their passport, but they derive their rights of establishment in the European Union, not from their association with Jersey or Guernsey, but from their association with the United Kingdom as a British citizen. It is as a British citizen that they establish themselves in the European Union and that is why I say this is principally a U.K. problem rather than a Jersey problem. But I defer to the Attorney General on this, if he wishes to disagree with any of that, and it is certainly a very interesting and rather difficult technical matter which perhaps could better be discussed outside the confines of the Assembly.

The Deputy Bailiff:

Well I propose to move on to part 3. Sorry, Chief Minister, do you wish to speak on part 2?

1.2.16 Senator I.J. Gorst:

Sorry, if I may, just very, very quickly. I think Deputy Martin is right, there is an opportunity here. It is nice to be reminded to be positive because she is right. I also just wanted to pick up on what Senator Farnham said. He knows that I, together with the Minister for the Environment, have, over recent months and weeks, met with the Farmers Union, keeping a watching brief on the current levels of E.U. citizens coming to work in that particular industry because we were alerted that there might be concerns. They have visited out to a number of European countries and they are satisfied that this season will be okay, but we will continue with them to have a watching brief. It is interesting that one of the stories they told us when they returned was that historically the Jersey farming sector have taken E.U. citizens from a particular area, in this instance it was Poland. When they visited, they visited this rural area and house after house they were told: "That is a Jersey family" or: "They came and worked in Jersey and they now have a nice house and infrastructure improvements in there, there, there, there, there, there", as opposed to others who had not. We sometimes are quite negative in our discourse about immigration but there we can see the positive

benefit that immigrants coming to work in Jersey benefit us, because they benefit our industry, they benefit jobs, they benefit our economy, but they also benefit the country from which they have come and their families in their state of origin as well. So it can be win-win, it can be one and one makes greater than 2, and sometimes we need to take that message. Farmers are often criticised but there they are, the immigrants that they employed here have created benefits back in the countries where those immigrant workers have come from.

Senator P.F.C. Ozouf:

May I make a point of clarification?

The Deputy Bailiff:

Yes.

1.2.17 Senator P.F.C. Ozouf:

It is quite an important point because Deputy Mézec, who is not in the Assembly, said in supporting some of the work that has been carried out prior to Brexit debate, he said that the European Union vote had a veto and therefore countries such as Malta and Estonia would have a veto on the actual decision. Can I just correct for the record - and I am not saying he spoke as though he was a member of the Labour party; I know he has a great affection for Kier Starmer and others - but it is not right to say that it is a veto. It is qualified majority voting and if it assists him there is an E.U. app on the E.U. link system, which I will send around, where you can play with the app and decide how you vote. You can see how the qualified majority voting, which is quite a complex thing, which is a blend of the percentage of the population of the European Union and the majority voting of countries, which is the final vote. That is why it is important to have relations with quite a few countries and, yes, a blend of countries with lots of people and countries with smaller populations. It is not a veto; it is much more complicated. It is really important that one understands that, if one is working out exactly what the future looks like. A second point of clarification is to the Minister for External Relations. With great respect, he said there is no right of establishment but there is the possibility of establishment. I, as a Jersey Islander with that stamp, who did not have it, was able to work successfully and lawfully in both Germany, France and Spain with my passport stamped. It was not as a right, but I went to the Bundesarbeitsamt and got the permission to work and I did so in those other 2 countries lawfully, so it is not automatic, but it is possible.

The Deputy Bailiff:

Well, we come to, I think, part 3 and would the Minister for External Relations like to introduce that part of the report?

1.3 Senator P.M. Bailhache:

I shall give a very brief introduction because I did touch on this in my introductory remarks. But the management of Brexit preparations is a cross-government initiative and the co-ordination function is undertaken by the Ministry of External Relations, but matters are dealt with by officials across the different departments in question, for example, immigration and citizens' rights by the C.C.A. (Community and Constitutional Affairs), trade matters by the Financial Services Unit and transport matters by the E.D.T.S.C. (Economic, Development, Tourism, Sport and Culture). There are 6 round tables, that is to say, regular meetings with United Kingdom officials and they cover, firstly, customs union and trade; secondly, financial services; thirdly, agriculture and fisheries; fourthly, immigration and citizens' rights; fifthly, transport; and, sixthly, communications. I shall leave my fellow Ministers to deal with any questions from Members on those particular subjects.

1.3.1 Deputy J.A.N. Le Fondré:

I did say I would raise the issue around the W.T.O. in this section. What I am curious about, whether the Minister could just elaborate on the desire of Jersey to have the U.K. extend its membership of the W.T.O. to ourselves.

[11:30]

Perhaps he could elaborate on where are we on that process? What needs to be gone through? Are we going to an audit process internally before we formally ask the U.K.? Have we formally asked the U.K. the position? Because I am not entirely clear how easy it is. A reference was made at the steering group that in essence the U.K. just had to write a letter. I rather suspect the U.K. has to be satisfied that we meet certain criteria. One assumes it is in our benefit, but could the Minister perhaps elaborate as to why it is to our benefit to have the W.T.O. regime extended to us, those kinds of issues? I think, essentially, because in the foreword to the Minister's report that has given rise to this debate, he does say: "We have been pressing the U.K. Government for some time for an entrustment to negotiate bilateral investment treaties." Has there been any success since that July update in that regard? If not, if there has been a lack of progress on that in conjunction with the extension of W.T.O. membership, is that just an indication of a wider problem or not? But mainly I think just to understand, what is the position of the W.T.O., what do we need to do to try and get there and why is it going to be beneficial to the Island? Thank you.

1.3.2 Deputy G.P. Southern:

A reference to the question I asked, 54 papers that we have not seen, what work has been done about potential damage to our economy as well as the U.K.'s? When can we see the work that we have done, *et cetera*?

1.3.3 Deputy A.D. Lewis of St. Helier:

It is interesting on page 10 of the report, it talks about tariff terms no less favourable than the United Kingdom's. Is it possible for us to have differing tariffs for trade purposes to the U.K.? Is that possible and feasible? I am sure it would be a hard task for negotiation. I think you would really hear about France in particular, would they be allowed to do that as member state themselves? But also it mentions the airspace issue as well. At the moment we have quite a bit of income that comes in from aircraft flying in airspace above us that we manage but that is an agreement; we have a contract, I believe, with the French authorities. Is that subject to change because of Brexit or is that something that we have negotiated separately? Therefore, it should not be under threat. I am just curious to know what the threat there is because clearly there is a benefit to us in terms of income from management of that airspace. Also electricity supply, is the issue there concerning tariffs again? In other words, if they place a tariff on this, our electricity would obviously cost more, or is it about the fact that the French are selling it to us in the first place? Would they still be permitted to do so under terms that they have negotiated directly with us without reference back to the E.U. or is it just subject to tariffs the issue that we are concerned about? Deputy Le Fondré mentioned the World Trade Organisation. My understanding was that the World Trade Organisation, if we were to go down this route, that is a default option for the U.K. so if everything went wrong, then that is what we would end up having to use, the World Trade Organisation current arrangements. But as a very small state, are we able to do that on our own or do we have to rely on the U.K. negotiating that for us? We also have, it says here: "To develop, and secure entrustment to negotiate, bilateral investment treaties between Jersey and key trading partners." Now I understand we have done a lot of this already with a number of states as a third country, very successfully. Is there a threat that those arrangements could change even though they were negotiated separately and independently directly with those member states? Is that something which would be up for renegotiation or would those arrangements stand? Because clearly a lot of work has been done on that already successfully and I would think the U.K. are quite intrigued with

the fact we have done that at all. I guess their own kind of services industry is probably wishing that they could do the same. So I am curious to know whether those would stand or whether there was anything the U.K. did on our behalf for us to successfully arrange those treaties with those other countries some time ago. I think I will leave it at that otherwise I will be straying into areas that we have not quite got to yet but perhaps the Minister, when he gets to the point where he has had too many questions and needs to sum some of them up, I would be interested to hear his responses. Thank you.

1.3.4 Senator P.F.C. Ozouf:

The largest part of our economy is what is colloquially called the finance sector. I prefer to call it the export professional services sector because just as the finance or what they call in the city is not in the Square Mile and it is not banked in the Square Mile - it might have been that before the Thatcher revolution of Big Bang where the U.K. banking system was effectively unleashed into a whole load of new services - it is a massive diversified effectively value-adding services-based economy with all sorts of components in it. Our finance industry - or what we call the finance industry - but our professional services industry has seen a remarkable resurgence. It should be a source of pride to Members that we are, I think, the only such economy that has seen more people in work in this sector today than at the start of the financial crisis. That is notwithstanding the fact that probably 3,000 to 4,000 jobs out of the 13,000 or more jobs that we have today were lost and therefore have been replaced by new jobs and by new positions. Now the reason why I raise this is that Brexit is certainly a risk to the finance industry but the bigger risk which we also know about is the issue that I have just mentioned, which is the change in technology. It is a fact that probably another third of the finance industry - and, Sir, I am speaking about the service sector that you hail from originally, the legal services sector of which J.L.I.B. (Jersey Legal Information Board) is a good example of something that we have set up in Jersey and is a world leader in terms of productivity for legal services, vital to our professional services industry - that is an industry which is going to be ravaged by technology, artificial intelligence. We are probably going to need - sorry to say this, Deputy Le Fondré, who is an auditor - we are going to need about 40 per cent less auditors and we are going to need less lawyers because basically robots and artificial intelligence is going to do it for us. So what does that mean? This is relative; people think I am talking some sort of space-age world. It is happening now. Artificial intelligence is eroding jobs and it is eroding jobs at a faster and faster pace which means that, notwithstanding Brexit, we are going to have to effectively, just as we have always done in the past, reinvent ourselves and find new productive lines of work, of service-based work, for people to do because their jobs are going to disappear. They are not going to disappear because we are a bad place, or we are fully regulated, or we have got bad relations, but because of technology. I would like to ask the Chief Minister what he is doing - because I know he is doing quite a bit - in relation to effectively securing a future for our service-based economy to ensure that we can deal with Brexit of which W.T.O. membership is important. That is why we passed the Intellectual Property Laws and they are all in place; that was a long piece of work that has been done. Effectively, notwithstanding that, what are we doing to secure? The point that was made earlier, particularly in the Commonwealth, Jersey is the only member of the Commonwealth Investment Trade Council. We are the only members of a small country, certainly when I was involved with it, but we still are. We are good, I understand. Senator Routier was there last week; that is good. Because of course we have got the biggest opportunity to explain what Jersey does at one of the biggest global events which is going to happen in April 2018, which is called the Commonwealth Heads of Government Meeting in London where there is going to be a business forum. It is going to be a massive event. All members of the Commonwealth are going to be there, and we should be there in numbers with Jersey firms promoting all the good work - and women, the Deputy of Grouville mentions - we should be there.

So we have got to work hard. We have got to run faster to stand still in this world of technology and the Commonwealth is there but what is the Chief Minister doing about it?

Deputy D. Johnson of St. Mary:

My question relates specifically to fisheries. I wonder if it would be helpful to the Assembly if some of the questions already asked might be first answered by the other Ministers. I am happy to defer asking, if they are available.

The Deputy Bailiff:

Well it is a matter for the Minister for External Relations.

1.3.5 Senator P.M. Bailhache:

I think there are 3 points with which I would like to deal. The first is the point raised by Deputy Le Fondré and others relating to the World Trade Organization membership. It would be possible in theory for Jersey independently to become a member of the W.T.O. but there are, I think, somewhere in the region of 170 member countries of the W.T.O. and it will require unanimous approval of all those countries before we could become an independent member of that organisation. So the sensible option, which is the one we have pursued, is to seek that the United Kingdom should ratify the agreement on our behalf, extend the W.T.O. agreement to Jersey, and Guernsey is in the same position. There are technical discussions which are taking place which I think are pursuing themselves satisfactorily. For many years, the Island's Government relied upon advice from the relevant United Kingdom department and brought forward changes to our Intellectual Property Law and other legislative changes to enable us to meet the requirements of the organisation so that the United Kingdom could extend it to us. Unhappily, about a year ago, or perhaps a little bit more, the legal adviser in the relevant United Kingdom department either changed or formed a different view as to the relevant requirements for the Island to become part of the organisation. It was a legal view which was not shared by our Law Officers nor, I think, although I do not know, is it shared by legal advisers in some other government departments in the United Kingdom. That has caused a delay in pursuing our wish to have the W.T.O. agreement extended to us. It relates to a particular convention called the Paris Convention and, without going into the technical details, the objection taken by the new legal adviser in the relevant government department in the U.K. means that Jersey could not, in effect, have its own intellectual property registration system. That is unacceptable to us for a number of reasons and we think it is constitutionally wrong, as well as being legally wrong. Legal discussions and political discussions with officials are taking place at the moment. I think it has caused some difficulty in Whitehall because not all Whitehall departments share the same view, but we have recently had a response from the United Kingdom Government which we are considering at the moment. So, that is the position with the W.T.O. It is not entirely satisfactory but certainly the Ministry of Justice is very well aware of the importance that we attach to having the W.T.O. agreement extended to the Channel Islands. So far as bilateral investment treaties are concerned, I must say this is another area where I have a very high degree of frustration with the approach which has been adopted by the United Kingdom Government. We have in general terms so far as Brexit is concerned, as both I and the Chief Minister have said, very good relations with H.M.G. (Her Majesty's Government) and a great deal of co-operation has been extended to us. In relation to bilateral investment treaties, we have been wading through treacle. We have asked about 3 years ago for an entrustment to enable us to engage in, first of all, the negotiation of bilateral investment treaties at large with those countries with which we wish to deal as part of our global strategy, but more recently in relation to 2 particular countries: the U.A.E. (United Arab Emirates) and Rwanda where we have narrowed our request for an entrustment to those 2 countries.

[11:45]

We have instructed lawyers through the Law Officers' Department and have produced a draft bilateral investment treaty for use by Jersey and the content of that draft agreement is in the process of discussion and I hope agreement very shortly with the Department of International Trade in the U.K. We hope that the settlement of those discussions, the finalisation of those discussions, will lead almost immediately to an entrustment from the United Kingdom Government to negotiate and conclude bits with the U.A.E. and with Rwanda. Assuming that those negotiations are brought to fruition, we expect and hope that the entrustments will come more freely and without the inordinate delay which has so far taken place in fulfilling our request for an entrustment. Deputy Southern referred to the planning which was taking place in relation to contingencies and there is an organic document which is in existence. It is not a document which I think the Government can put into the public domain because many of the contingencies which we are considering are sensitive and it would not be appropriate to put those sensitive matters into the public domain because they might just bring to fruition the concerns that we are looking at, but I hope that answers the question which Deputy Southern put.

The Deputy Bailiff:

The Deputy of St. Mary, do you want to ... I beg your pardon, Deputy Southern, did you have a ...?

The Deputy of St. Mary:

Yes, unless the Chief Minister is about to get up to speak.

The Deputy Bailiff:

Well if there are further questions you wish to answer, I am perfectly content ...

Senator I.J. Gorst:

I did, but if Deputy Southern just wants to ... I think he wants to respond to that answer and then I will respond again.

1.3.6 Deputy G.P. Southern:

I can barely speak; my jaw just dropped literally. So we are to know nothing about any contingencies and any contingency planning that is going on in our department or between us and the U.K., given various scenarios. If you do not mind me asking, why are we having this meeting if we are going to go away none the wiser about a vital issue that we hear in general terms, but we do not know any specifics as to how it relates to Jersey? I find that quite astonishing.

1.3.7 Senator I.J. Gorst:

I am pleased we have astonished Deputy Southern. He started his comments in the earlier section asking about projected job losses in financial services based on the report that the Bank of England has this week published. He will know from reading that report that there were a number of other underlying reports that they had looked at which varied from something like 10,000 job losses in the City ... so do not forget, financial services in the U.K., yes, there are a lot of jobs in the City of London, but they are right throughout the United Kingdom. There are several hundred thousand in Birmingham and another several tens, if not hundreds of thousands in Scotland, so it is not just City, but they looked at the underlying report. Some said perhaps 10,000 jobs in the City; others said as many as 200,000 jobs in the City. The Bank of England looked at various assumptions and suggested they thought it might be between 75,000 and 100,000. Of course, that is interesting because for us it is a secondary effect. We are not in the European Union for services now, nor will we be after Brexit. We have heard other speakers talk about Gibraltar, they are the opposite: so they are not in for goods, but they are in for services which is why they took the view that they did during the referendum. So, yes, we have done some contingency planning, and I will just come back to the frustration that Deputy Southern verbalised. But when I speak to local banks and when

I speak to their chief executives in London and their chairmen, as I have done over the last couple of months, some of them are holding very different views. So, some of the, let us say, U.K.-focused banks or with U.K. parents, are quite optimistic. To date, they are already bringing businesses, they are already creating new jobs, and we have seen some of that in the local media. Some of our European names, and we saw in the *F.T. (Financial Times)* yesterday about what UBS were suggesting, I have met with senior executives at their headquarters in Zurich and again in Washington, and they are more concerned about their need to relocate jobs, not from Jersey, but from the city into Europe. Then of course I have been meeting also with senior executives of some of our important African banking brands and, although they know Brexit is going on, they are not concerned about Jersey in that regard and they continue to see it as being an important centre for them and they continue to see growth opportunities. So at this stage we have not looked at potential job losses from Brexit in our services sector arising from Brexit because what we are now seeing is growth. But Senator Ozouf, again - and I am going to have to stop referring to him in this debate - is absolutely right, and I see our challenge around the changing employment in our community; it is not Brexit-related. Our services sector largely when you net out the gains and losses will see job growth coming through Brexit and more funds here and greater opportunities. The challenge absolutely is around technology and digitisation and what effect that is going to have on the service industry over the coming period. Members will be aware that we are doing a strategic review or, should I say, Jersey Finance, together with Digital Jersey, are doing a strategic review and they are trying to look at what effect that will have on numbers. But while Senator Ozouf perhaps unusually talked about the downside of the numbers falling off because of digitisation and technology, there are opportunities as well for us. Our challenge now is on the cusp of these changes to grab and develop those opportunities. So there is work that Senator Ozouf knows absolutely is going on with Digital Jersey, with the financial services section in the Chief Minister's Department about the use of technology around due diligence, around onboarding, and all of those sorts of areas. He has been involved with conversations at the most senior level with executives from our financial services brands around all the work that they are doing to deliver technology in their operations and how they could use Jersey as a test bed for that technology, depending on where their client base is. We continue to have those conversations at the very highest level and there are some exciting opportunities in the pipeline. So it is that where I think our focus should be about job losses. The conclusion of that strategic review is nearing, and we are now considering how we can cascade that down to States Members and the amount of detail that we can divulge in that regard. Senator Bailhache talked about the overall contingency planning around Brexit and I absolutely understand Deputy Southern's frustration. I think that we can go away from this in committee debate and look at that and I am pretty sure that there is a level of detail that we could provide Members about that particular work, but we do always have to be absolutely mindful that this is jurisdictionally sensitive. We can understand why the U.K. is not publishing its 50-odd reports but I think we can be more open than that and there is a level of detail there that we can provide to Members about where we are in that particular regard. I do not think I can add much to the issue of W.T.O. that Deputy Le Fondré raised or the signing of the bilateral investment treaties.

Deputy G.P. Southern:

Could I briefly, if I may? Could I just add an amendment to that? When might we know some of this detail?

Senator I.J. Gorst:

We are just starting November today - a couple of minutes to do "pinch-punch" - but I would hope that we can have that before Christmas.

The Deputy Bailiff:

Well those that have indicated the desire to speak, the Deputy of St. Mary has a question, Senator Farnham, Deputy Brée, the Deputy of Grouville, so that is under this section. The Deputy of St. Mary.

1.3.8 The Deputy of St. Mary:

I thank you for your patience. The 2 references in the July update report regarding fisheries which at first sight seem slightly conflicting, I am hoping the Minister might be able to clarify. The first reference is that contained in paragraph 5 on page 7 which says: “The decision by the U.K. Government to give notice of its withdrawal from the 1964 London Fisheries Convention does not directly affect Jersey; primarily because nothing within the 1964 Convention shall prevent the maintenance of existing agreements, and this includes the Bay of Granville Agreement.” However, we turn to paragraph 25 on page 14, reference is there made to: “While the Common Fisheries Policy does not apply to Jersey, under our Fisheries Management Agreement with the U.K., catch in the Island counts towards U.K. quota.” I just want to ask the question that if under any new arrangements the quota of the U.K. entitlement is diminished, does that impact on Jersey or does somehow Jersey’s quota remain sacrosanct and the U.K. have to take a corresponding reduction? Thank you.

1.3.9 Senator L.J. Farnham:

I know my colleague, the Minister for the Environment, will want to respond to the question, I am sure, if that is in order. But I just thought it would be helpful just to touch on agriculture and other areas of trade. Fortunately Jersey has a very diversified economy and a number of different trading partners in the E.U. and around the world. This protects our economy and it is particularly useful in times such as these. But the overarching objective, especially for agriculture, is to maintain the current trade relationship with the U.K. to establish a relationship with the E.U. on the same lines as the U.K. will during the negotiations and, where desirable, advantageous and appropriate, to partner on future free trade agreements external to the E.U. Jersey already benefits from our position as a third world country for financial services and this will doubtless develop during and after the Brexit process. We have reached out through this Brexit process to local industries in areas of commerce to help us identify opportunities for the Island because, to echo Senator Ozouf’s words, we are not just an offshore finance sector of excellence, we are an offshore business centre of excellence. There are, as Deputy Martin said, a lot of opportunities here and, if anything, I think Brexit has sharpened our resolve to become more of a global trading partner. Sorry, I have got a ring binder on the button here; I better be careful. Having said that, just going back to agriculture, the vast majority of exports, somewhere between 85 and 90 per cent going to the U.K.

[12:00]

So our main priority there, as I said, remains preserving our *de facto* customs union with the United Kingdom which pre-dates, incidentally, U.K. membership of the E.U. or the E.E.C. (European Economic Community) and is guaranteed by royal charter which I think is an important point to note. I think the relationship of the catch in the fishing industry is slightly more complicated by virtue of the Fisheries Management Agreement and the Granville Bay Agreement, but I will leave that to another Minister to answer and I hope that has been helpful.

1.3.10 Deputy S.M. Brée of St. Clement:

While the Chief Minister has answered a number of questions raised about financial services, I think we need to go back and think a little bit more about the financial services sector and the impact of Brexit on it. As we are all aware, the financial services sector is by far the most important and major economic sector in our economy. Therefore, any impact of Brexit, any at all, represents a major risk to our economy. Now, in the report under paragraph 34 with regards to financial services, the report would have us believe that financial services will not be directly

affected by the U.K. leaving the E.U. In my opinion I find that to be a somewhat naïve statement. Of course our financial services sector will be affected. Why will it be affected? Well, taking the fact that the conservative number that the Bank of England have forecast for job losses in the U.K. is 75,000, not just in the City but across the country. So we are looking at 75,000 job losses being forecast by the Bank of England as a conservative figure. We are looking at the head of Goldman Sachs London inferring that he is going to be spending a lot more time in Frankfurt. Now, as we are all aware, or at least I hope we are all aware, Jersey has very close relationships with, in particular, the City in a large number of areas. We raise, very effectively and very efficiently, capital that flows upwards into the City for further investment. Therefore, any impact of Brexit in the U.K. is going to have an effect on us. Then we look at point 36 that is made in the report which is referring to future market access arrangements with the E.U. This is a major risk because it starts to look at the whole areas of third country status. Now, at the moment, Jersey has third country status, however, to use the Chief Minister's own words earlier on in this debate, the U.K. is no longer around the table to protect our interests. My question is: does that represent a risk? Well, in my opinion, I think it does because we well know that certain countries within the European Union have long looked upon Jersey, Guernsey, and the Isle of Man as well, as what they like to call offshore tax centres. We have been placed on a number of blacklists over the years and, due to the work of various people, have managed to be removed from them. However, we are facing the fact that the European Union is looking to produce a further blacklist of non-co-operative countries. One of those areas that is the criteria for getting on that blacklist is zero corporation tax. That is one of the criteria. Not the only one but one. So does that represent a risk to us that as the U.K. is no longer around the table to protect our interests we do not have a voice within Europe anymore? Therefore, should E.U. countries decide to change their own internal tax policies with regards to residents of their countries, or indeed the E.U. as a whole look to change tax requirements of countries within the E.U., how much is that going to affect us? Is it going to affect us? These are all questions that nobody knows the answer for because we do not know what the Brexit exit arrangements are going to look like. So my question to not only the Chief Minister but also the Minister for External Relations: how much work have we done in talking to not only the U.K. banks but the European banks, the overseas banks, to get to the bottom of where their major concerns are? I think that while on the one hand this can hopefully provide opportunities, we have to be realistic in saying we do not know the impact of Brexit on our financial services sector. Thank you.

1.3.11 Senator P.F.C. Ozouf:

Can I just point out a couple of facts? I hope the Deputy does not mind if I rise to speak because I know that you know the facts probably better than I do. I was before him quite a lot talking about financial services in my previous role and he speaks about 75,000 jobs being lost in the U.K. financial services as a result of Brexit. Can I just point out that there are 2.2 million jobs in financial services in the U.K. and that represents 3 per cent of the jobs in the United Kingdom? He shakes his head, but that is 3 percent. In Jersey, are we 14,000 here? Not quite, 13,000, so that is going to be about 300 jobs. Now, being a small jurisdiction ... and I thought Deputy Brée being an expert in financial services would know what a small jurisdiction does. What a small jurisdiction does, it does not wait like a fly waiting for a windscreen and getting swatted, what it does is it is fast moving and nimble and we seek new opportunities in new global markets. That is exactly what we have been doing. Where have the jobs of the last 3,000 ... because there has been 3,000 jobs ... Deputy Higgins, who is a bit grumpy sometimes, and he is right to be grumpy, but he warned us that there were going to be job losses in financial services. He was right. There have been 3,000 to 4,000 jobs lost in financial services in the last 5 years. But we have recreated them in new endeavours, in new lines of work, in new markets like SoftBank and other things like funds in other areas of growth. That is what we need to concentrate on and that is the opportunity. We are not, by

the way - also for Deputy Brée - a member of the European Union, we are a third country at the day of Brexit, the day of the referendum, the day after and in 519 days. That is why, basically, because of the arrangements that we have in Jersey as a third country, there may well be more use of our third country arrangements that are already in place in Jersey, which is why on balance there is a net benefit of Brexit for Jersey rather than a disbenefit. I thought the Deputy, as chairman of the Scrutiny Panel, is supposed to know these things. That is why he should not wag his finger at the Chief Minister and say: “Do not tell us we do not know what we are doing” because we do know what we are doing. We are not part of the European Union, we are already a third country, we are small, nimble and fast moving and we have already done, like no other place, no other finance professional service centre in the world has the same number of jobs ... sorry, correction, more jobs in professional services and financial services than at the start of the financial crisis. If we cannot do that again then, frankly, we are not doing our jobs properly.

1.3.12 The Deputy of Grouville:

I would like to take up Senator Bailhache’s statement when he said: “Overall contingency planning is needed.” I totally agree and I think these sort of debates or discussions help that and help us understand where the contingencies may lie. He did say, when we were talking about the W.T.O. that it is made up of 170 member states and we would need to get ratifications from all those members. I would like to know what that would entail. Would that be a huge piece of work or would it be relatively easily done because I am very anxious when I hear things like this piece of legal advice that is not allowing the extension of the W.T.O. through the U.K. to us, so therefore our opportunities in intellectual property are thwarted. If we are relying on the U.K. I am a bit pessimistic of this situation, to be perfectly honest. There are so many mixed messages coming about. I remember I attended a very, very informative breakfast meeting which Senator Ozouf kindly invited me to because I happened to coincide a visit of mine with the C.P.A. with his in London and that was a very informative meeting with business leaders, bankers, M.P.s, and what I took away from that very quick half hour was, as well as the ambiguity of the situation, the fact that U.K. financial services are looking or waiting to see where they are going to be established. Whether it is going to go to Frankfurt or Brussels or whether it is going to remain in London. As nobody can perceive what may happen there, I think we do have to put in contingencies because if that were to happen, if financial services, if the base headquarters for financial services is going to move to Frankfurt or Brussels then London will in fact be competing with us and competing with them. London will then become an offshore financial services centre. So they will be competing with us. So the point I am trying to make is if they are competing with us on the financial services then how reliable will their place around the table be for us if we have to rely on entrustments being given to us through the U.K. when we are in fact competing with them? So contingencies, yes, have to be planned for but I would also like to know a bit more about this 170 members have to ratify us or if we can go it alone, how easy that would be.

1.3.13 The Deputy of St. Martin:

Maybe I can answer just a few of the questions from the Deputy of St. Mary in the broader context of the few words that I have scribbled during the course of the debate. I just wanted to talk on behalf of fisheries. At the outset of the Brexit the *status quo* was our desired position but, of course, it became apparent that Protocol 3 was not going to endure and we may well have some challenges. But I do not see challenges, I see opportunities and all sectors of the fisheries have a desire to maintain trade with the E.U. but there are other opportunities further afield and I will come back to those in a just a minute. Our capture fisheries - you know, the lobsters, the crabs and a small amount of wet fish - want more control in Jersey waters and I think that is something we can achieve during negotiations. I have to say to Members, and I am sure they are already aware, that capture fisheries is the most complex of subjects that one could wish to get one’s head around.

We have our Fisheries Management Agreement with the U.K., we have local licensing, we have the Granville Bay Treaty with our cousins in Normandy and Brittany and we work with our Guernsey neighbours as well with licensing across our waters.

[12:15]

On top of that, since my time as Minister, I made the decision that I wanted to renegotiate the Granville Bay Treaty and then we had Brexit as well. It is hugely complicated and a huge amount of work but something we can achieve out of all this will be better control of the quotas. I mentioned that to the Deputy of St. Mary. I think we do have opportunities to do better with the quotas that we are allocated from the U.K. and we want to increase our ability to act unilaterally on that. I did mention the Granville Bay Agreement and I also mentioned that it is under review and will be in the coming months, but this is a separate issue and while it is caught up in the wider Brexit debate I continue to wish to keep it separate as much as we can. We have had, at officer level, good and constant dialogue with our fellow officers at Defra in the U.K., regular meetings over there. Indeed, their special representatives have had 2 additional meetings specifically here in the Island and those meetings will continue. We also go, as one of 3 Crown Dependencies, to speak on fisheries issues. It can be a little bit challenging in as much as the 3 of us - ourselves, Guernsey and the Isle of Man - come from slightly different angles with slightly different fisheries with different types of species that we catch. So that is not always quite as straightforward as it might be. Talking about the London Convention, and the Deputy of St. Mary mentioned that, I would say it may well be said that there is no direct effect to the Island, but it is the indirect effect on the Island that would concern me as the Minister responsible for fisheries, and depending what happens with the outcome of the London Convention and the ongoing negotiations by U.K. Ministers, there may be displacement effect whereby a lot more boats that have not fished in our waters up until now may look at our waters and decide that they might wish to be here. So that is something I am bearing very much in mind during the renegotiations of the Granville Bay Treaty. I particularly wish to retain our ability to determine our own fisheries policy and I want, at the same time, to retain bilateral co-operation with our French cousins on maritime protection, and I would like to think Members will know that I have been particularly tough on protecting all species within our territorial waters in the time that I have been Minister. I have to say to Members that since I have become Minister we have seen major changes in the fisheries team in the Environment Department and we have had a lot of changes in marine resource officers. I also have to say to Members that in talking to a great number of fishermen, I feel that the industry is very content with the team that we have at the moment. They are well respected, they have a good working relationship with the fishermen, they are firm but they are fair. They have done excellent work thus far but there is still much more to do. But I can say to Members that when it comes to Brexit matters I feel that the fisheries team are well ahead of the curve and they spend a lot of time and are hugely respected around the table when they offer their thoughts. Yes, there are ... we started off thinking we would cope quite easily with the number of meetings but it soon became quite apparent, with the roundtable meetings and sub-groups being formed, that it is a lot of work but we are coping and we have enlisted a small amount of help from the U.K. with that. I will just finish by saying very quickly, on a personal level, I have met not only with George Eustice but with Michael Gove, I would hope to continue those meetings and the opportunities to talk to 2 important U.K. Members of Parliament and Government on fishery matters. I recently went with the Chief Minister to Normandy to meet with the President of La Manche, the President of Normandy, they were very keen to talk to us on Brexit matters, specifically fisheries. I have mentioned my work with other Ministers for the Environment from the overseas territories and Crown Dependencies. I will just finish by saying this. Unlike financial services, we are very fortunate that our lobsters and oysters cannot be digitised. They are world-class produce and I am confident that regardless of what happens with Brexit we will continue to have demand for those products. Having said that,

while we might desire to continue our market place in the E.U. afterwards, I have encouraged all parties to look further afield. I can say to Members that I know on a regular basis whelks are now leaving the Island to the Far East and oysters as well, and I think that is one of the opportunities rather than the challenges that we face here. There is a massive demand on the other side of the globe for quality fisheries products which we have in Jersey in abundance. As I said at the beginning, I see this as an opportunity and not a challenge. Sustainability is the name of the game, quality produce with provenance and I look forward to a very positive future regardless of what might happen in the next 12 months.

1.3.14 Senator I.J. Gorst:

I would like, if I may, just add to the comments that Senator Ozouf made in response to Deputy Brée. Only this morning officials are at H.M, Treasury ... well, the meeting has now finished because I have just had a brief update from it. Officials are at H.M. Treasury discussing financial services. That is one of the roundtables that they frequently have. If Deputy Brée is talking about thinking strategically about financial and business services for the future then I think he has a point; we should be. We are in conversation with the U.K. that they also do and that we do it together. This, of course, is not constitutionally correct but when it comes to business and financial services we are, in effect, a satellite of the City of London. I pick up on a point that the Deputy of Grouville made, I do not see that we are in competition. We are facilitating sorts of businesses through the City that because of their structure they would struggle to do themselves. So what we do is complementary to the City. So, on the one hand, Deputy Brée is correct, if the City is seeing decline then that is not good for us because it will ultimately have an effect. But as Senator Ozouf said, if we take the same assumptions that the Bank of England have taken to the City, we are looking ... I have not done the calculation but let us say 300 jobs. I make that point again because there is a hierarchy of risk and it is the right approach to focus on the risks at the top of the risk profile. That, to my mind, is technology because the number of jobs and the effect that technology will have on the business and service industry is far greater than that. Also in my conversations, as I said earlier, with British based institutions or British parented institutions we see that they are creating jobs in this period not losing them. But Deputy Brée is also right to say that we should be having conversations with our European brands. I was in Paris earlier this year meeting 2 of our French banking brands, talking about these issues and their ongoing support for their Jersey operations. I met, again, a senior executive earlier this week from one of those brands who was in the Island and we share the same concerns and the same desires for the future. So major is not the work that I would use to describe these risks. These risks are there, we are navigating them, we are continuing to have conversation and the Prime Minister's Florence speech talking about transition is very helpful as well to those brands. As I have said, we also have other African brands and they see very much that their operations here in Jersey have the opportunity for growth. Of course, they are concerned that we continue to show ourselves at the highest standard complying with relevant international standards, which we continue to do. Deputy Brée also touched on the European listing of non-co-operative tax jurisdictions. That is an important issue. It is very important, it is receiving very high priority from myself at this moment in time because the deadline is approaching, we know that the expert panel have done their work, we have been engaged with them but helping people to understand our structure and our industry is not always straightforward. Some of the metrics that the 27 member states might apply are different from what we would apply, particularly when we come to talk about substance. The Deputy said that one of the criteria was zero or low rates, not quite. It was one of the areas that they said if a jurisdiction had zero or low rates they were going to create another gateway or a criteria about substance. So the zero and low was a gateway for the substance criteria. For us the challenge is around the substance criteria and how we show that substance and how we enter into dialogue with the European Union to show that substance and to show that our structure, what we do here, is not detrimental to other member

states. It could be argued of course because we do not layer another rate of tax on inflows and outflows to Jersey that benefits the tax take of European member states where that capital either emanates from or flows to. The bigger picture - and again I think Deputy Brée mentioned this - of course is our global trade and our global markets and all the work that not only Senator Ozouf did in this regard but also officials have done, and the pace of that has to be increased and we need to refocus those flows and providing services to the Middle and Far East faster than we ever have done before. I know some Members do not like that either and criticise us for that but I am absolutely convinced it is the right approach. Particularly, also, when we talk about Africa and we join together with the good work that the Deputy of Grouville rightly said the Overseas Commission is doing. We have talked about Rwanda, there we are, a golden link through there. We are building on our African brands, the work that Overseas Aid have done and a member of the Commonwealth are all perfectly aligned in what we should be doing in building into the future jobs and growth for our economy. So, of course, I am a positive person, there are risks and we must face up to those risks but we must also keep them in perspective of even greater issues that we face as a community.

Senator P.F.C. Ozouf:

May I confess to a ding on my iPad when I was getting excited about what the Chief Minister was saying.

The Deputy Bailiff:

Thank you very much, Senator, all contributions greatly accepted, I am sure, to the fund. That brings us, I think, to part 4 of the debate and I wonder if the Minister for External Relations would like to introduce that part of the discussion.

1.4 Senator P.M. Bailhache:

This part of the debate concerns transport, communications and legislation. I think there is not too much to be said about the first 2. The most important matter, I think, so far as transport is concerned is that we continue to secure access to the Common Travel Area, but we have already discussed that. So far as air transport is concerned, we have control over the Channel Islands control area, which is an area of air space which falls mainly within the French sector but also partly within the British sector, but I do not think that there is any particular threat to those arrangements at the moment. On communications we have a data protection regime which is currently that of a third country adequacy, which is the status we have received from the European Union.

[12:30]

The E.U. is about to implement a new regulation and considerable work has been done to ensure that we comply with the new European rules and that adequacy will continue so data that flows between Jersey and the European Union can continue without interruption. So far as the legislative programme is concerned, Members will recall that they agreed by a large majority a few months ago to endorse the intention of the Council of Ministers to bring forward legislation to repeal the European Union (Jersey) Law 1973. On 19th October I signed a Ministerial Decision to authorise the drafting of the European Union Repeal and Amendment (Jersey) Law. There is one particular aspect that may be of interest to Members because I am sure that Members will have read of the controversy in the United Kingdom in relation to the proposed part of the equivalent Bill now before the House of Commons which would confer very substantial powers upon Ministers to fill in gaps that might appear and that would prevent an orderly succession once the United Kingdom leaves the E.U. We have had considerable assistance - I am sorry he is not able to be here at the moment - from the Attorney General and his department in formulating the drafting instructions for the draftsmen. It has been agreed in Government that the equivalent provision that is in the United

Kingdom Bill should not be replicated in the Bill before the States. There are 2 parts of European law in question. The first is the law of the European Union that we have voluntarily accepted through the European Union Implementation Law. That is to say where we think European rules are helpful for our own purposes and we want to import them. We do that through regulations or orders made by Ministers. Nothing of substance will change in that respect. The second area of law is the law that is in force through regulations directly in the Island as a result of Protocol 3 and when Protocol 3 falls away there is a decision to be made as to whether or not we wish to continue in force the European law that currently is in force through regulations made by the European Union. A very considerable amount of work has been done in the Law Officers' Department to identify exactly what that body of law is and departments are now considering to what extent the law should be replicated in domestic law once the Protocol falls away. What is intended is that the law that is to be reintroduced as Jersey law following the leaving of the European Union should be done by regulations passed by the States so that Members will have the opportunity to consider and debate what extent European law should be replicated once the Protocol falls away. Inevitably there will be gaps, interstices, things that no one has thought about that will have to be dealt with in the aftermath of the enactment of those regulations and the intention is to put in the regulations for consideration by members when they know exactly what areas of law are in question a consideration of whether those gaps should be filled by further regulations or whether it would be desirable in certain narrow circumstances to authorise Ministers to deal with that by order. But that will be a matter not for debate when the law itself is debated but when the regulations come back for the States, which will be some time probably in later 2018. I think that is all I wish to say at this stage.

The Deputy Bailiff:

Does anyone wish to speak on this aspect? If no one wishes to speak, Minister, the protocol provides for you to sum up.

1.5 Senator I.J. Gorst:

Perhaps I could, and I know Senator Bailhache will do this as he sums up, thank everyone for their contribution. As I said earlier I found it an interesting debate and it has gone on to continue to be interesting. Senator Bailhache and I serve at the pleasure of the Assembly until next May and then we will see what the pleasure of the electorate is. But I make that point in all seriousness because these conversations, this engagement with the U.K., with other member states and globally will continue between now and May as Members would expect. But we value greatly the insights of Members, the opinions of Members as we have those conversations, as we continue to form that engagement. So, we do not say it lightly. We do mean it that we welcome continued engagement from Members in particular areas where they have expertise or where they are approached by their parishioners or where they just have an interest and it is going to be critically important as we continue towards May and the ongoing negotiations that we continue to have that dialogue. I want to also just again thank officials for all the work they are doing in this regard. I said before and I will say it again, it is quite difficult, it is technical work, also requires great diplomacy skills but if we are honest the hard work is only just beginning and it is going to be constant and at an even faster pace throughout the coming months to the beginning of 2019. I hope that this third report is only the start of the debates that we have in this Assembly. We will obviously have the legislation to agree in due course but also debates about the policy directions we are taking throughout this process and I thank every Member for their contribution in that regard.

1.5.1 Senator P.M. Bailhache:

The vote in the United Kingdom in June 2016 was a surprise to most people in the United Kingdom and even, I think, to some people in Jersey. I recall that we held a meeting at the Town Hall at

which a number of Members were present in order to explain the preparations the Government had made. Deputy Mézec was there and he was surprisingly silent and I asked him afterwards why he had not wished to say anything during the discussion. He said: “Well, it is all a waste of time because, of course, they are going to vote to remain.” **[Laughter]** I just thought I would like to remind the Deputy of that exchange. We were prepared in Jersey and I think we are entitled to be a little bit proud of that. A report was launched within days of the referendum and since that time we have all been trying to keep ahead of the game. There is, as the Chief Minister has said, good co-operation with the United Kingdom Government. We have work streams with officials in Whitehall but nonetheless we are entering a phase of great uncertainty where the Government of Jersey is essentially waiting for the outcome of negotiations between the E.U. and the United Kingdom. We have made contingency plans for different scenarios but we cannot do more than that. I mentioned in my opening remarks that there was an impasse in the negotiations and I have received a note to remind me, I did I think know, but I had forgotten, that the Secretary of State for Exiting the European Union had accepted the offer of the European Union to negotiate on certain dates and the negotiations are going to continue on 10th November. The Chief Minister spoke of the excellent work done by our Civil Service and I would like to specify, if I may, in particular the officials in the Ministry of External Relations, who are of a quality and ability that one would usually only expect to find in the finest bureaucracies of the world. I am very grateful to be served by such a team. **[Approbation]** To conclude I, like the Chief Minister, would like to thank Members for their contributions both today and during earlier discussions we have had and I hope that Members have found the in committee debate this morning to be useful. I think it is worth repeating what has been said many times; that is that Jersey is fundamentally already outside the European Union. We are in a different position from that of the United Kingdom. Whatever uncertainties swirl around discussions across the Channel we can take comfort from the fact that the uncertainties in the United Kingdom in large measure do not affect Jersey. I am confident that we will emerge from the Brexit quagmire in as strong a position as we are now and I thank Members very much for their participation in the debate. **[Approbation]**

The Deputy Bailiff:

That concludes Public Business for this meeting and I ask the vice-chairman of P.P.C. (Privileges and Procedures Committee) to propose the arrangements for public business.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

2. Connétable D.W. Mezbourian of St. Lawrence (Vice-Chairman, Privileges and Procedures Committee):

I am happy to do that in the absence of the chairman. As far as I am aware there are no amendments to the arrangement of public business on 14th November. However on 28th November we have added the Amendment of the States Act, dated 21st April 2010 - which is P.109 - and the addition of the Minimum Wage Revocation of Social Security Order - which is R. and O. 109 of 2017. Those are both on 28th November. Following the calling-in by Scrutiny of the Draft Public Health and Safety, Rented Dwellings (Jersey) Law - P.66 - that has now been added to 12th December in accordance with the wishes of the chairman of the Scrutiny Panel. Due to the amount of business to be conducted in December it is proposed that the Draft Connétables (No. 2) (Jersey) Law - P.110 - although it has been lodged in time to be debated in December, be put to the first sitting in January and I am advised by the chairman that if the Sates agree it in January and if the Privy Council keep to their order then it can be implemented in time for the election in May and I am sure Deputy Higgins will be pleased to hear that. Those are the amendments to the order papers.

[12:45]

In addition the chairman has suggested that we sit on the afternoon of Monday, 27th November in order to take questions and to deal only with questions. This has become the norm as Members will know when we have the Budget and, of course, the Budget is down for 28th November. That has been proposed by the chairman that we meet at 2.30 p.m. on Monday, 27th November and similarly that we also sit on the afternoon of Monday, 11th December again in order to take only questions. That is because the meeting of 12th December has the Future Hospital: preferred funding. Those are the suggestions of the chairman but clearly we are in the hands of the Assembly. It is for the Assembly to decide and they will do so in a moment. The other thing to mention is that the chairman also believes we will probably be sitting for 3 days when we meet on 28th November.

The Deputy Bailiff:

Do Members agree to accept the order of business set out by the vice-chairman of P.P.C. with the addition of Monday afternoon, 22nd November and Monday afternoon, 11th December to deal with questions?

2.1 The Connétable of St. John:

I would ask that we do not sit on Monday, 27th November in the afternoon. The Public Accounts Committee has a longstanding public hearing on that afternoon. As it involves the C. and A.G. (Comptroller and Auditor General) coming from the U.K. there would be considerable alterations needed and it would be inconvenient. But it is for the House to decide.

2.1.1 Senator P.F.C. Ozouf:

I understand the P.A.C. (Public Accounts Committee) chairman saying that but there has been a longstanding convention that the Budget debate that is going to happen on the Tuesday is taken as the first item of business at the start of the day. Therefore surely the P.A.C. officials or somebody should have known about that and cannot the P.A.C. simply move their meeting to somewhat earlier? Question time is not going to take all afternoon. If we just do question time it is going to take a matter of 2 or 3 hours and we should maintain the principle that the important annual Budget debate starts at the start of business on the Tuesday and I would respectfully ask that the chairman of P.A.C. makes, as he should have known or his officials should have known, arrangements that are in place to ensure that happens so that we take questions on the Monday.

The Deputy Bailiff:

I think what we will do is deal first ... sorry, Deputy.

2.1.2 Deputy P.D. McLinton of St. Saviour:

As it is a longstanding convention, which seems to surprise people every year, I wonder if it is possible for P.P.C. to put this in the diary on a regular basis. That way nobody would be surprised by it. I wonder what the Assembly thinks of that.

2.1.3 The Connétable of St. John:

I believe also the Budget debate is usually the last debate. This is the second last sitting of the Assembly.

The Deputy Bailiff:

I suggest we deal with the matter of 27th November as a distinct matter.

2.1.4 Senator I.J. Gorst:

I just want to make it clear to the Assembly that my understanding of the Budget debate is normally at the same time as it is this year but last year it moved to the last sitting to give Members more time but normally it is at this time.

The Deputy Bailiff:

Very well. Leaving aside the question for a moment of sitting on 27th November, do Members agree to take the order of business as proposed by the vice-chairman sitting on the afternoon also of 11th December? We now come to the question of whether or not the Assembly will also sit on the afternoon of 27th November. Do you propose that?

The Connétable of St. Lawrence:

Yes, as I said earlier, as Senator Ozouf has said, it is convention that we do that now.

The Deputy Bailiff:

Is that proposition seconded? **[Seconded]**

Senator P.F.C. Ozouf:

Could I also just say perhaps we should just meet to agree some time with other business that afternoon? Perhaps we could agree that it is just to take questions and any other business basically is at the end of that agenda.

The Deputy Bailiff:

That is certainly the way it has been put by the vice-chairman so that is the way I am sure the Assembly will understand it. Does any other Member wish to speak on the proposition?

The Connétable of St. John:

Can we have an appel, please?

The Deputy Bailiff:

The appel is called for. I am sure I do not need to invite Members to return to their seats. I ask the Greffier to open the voting.

POUR: 25		CONTRE: 6		ABSTAIN: 0
Senator P.F. Routier		Senator P.M. Bailhache		
Senator P.F.C. Ozouf		Connétable of St. Ouen		
Senator I.J. Gorst		Connétable of St. Saviour		
Senator L.J. Farnham		Connétable of St. John		
Senator A.K.F. Green		Deputy J.A.N. Le Fondré (L)		
Senator S.C. Ferguson		Deputy A.D. Lewis (H)		
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Martin				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy M.R. Higgins (H)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy S.Y. Mézec (H)				

Deputy R. Labey (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy P.D. McLinton (S)				

The Deputy Bailiff:

The vote is on whether or not the Assembly sits on 27th November for the purposes of questions only. That concludes the Public Business and the States stands adjourned until 14th November.

ADJOURNMENT

[12:50]