

2.4 Deputy M.R. Higgins of St. Helier for the Chief Minister regarding the lessons to be learnt from the current Irish crisis:

What lessons, if any, does the Chief Minister think can be learnt from the current Irish crisis and what impact or implications does he see this crisis having on Jersey?

Senator T.A. Le Sueur (The Chief Minister):

The Irish crisis is indeed unfortunate for the whole of the European economy and poses a significant problem for Europe. However, while there are, no doubt, lessons to be learned from the crisis on a national scale, I do not think that there are any immediate lessons or direct implications for Jersey other than, perhaps, we should learn not to overreach or over-commit ourselves and not to borrow to excess.

2.4.1 Deputy M.R. Higgins:

I am surprised the Chief Minister has not commented on the corrosive effect on small island states that can exist between politicians, bankers and property developers which, in Ireland's case, were the major factors in the economic collapse of the Irish state and which is condemning the Irish people to 10 years of austerity. If the Chief Minister is interested I will provide him with the details of 2 books on the Irish crisis, *Ship of Fools: How Stupidity and Corruption Killed the Celtic Tiger* by Fintan O'Toole ...

[10:00]

The Bailiff:

This going to be a precise question, Deputy, is it?

Deputy M.R. Higgins:

Yes, it is. Secondly, *Bankers: How the Banks Brought Ireland to its Knees* by Shane Ross. Would the Chief Minister like details of these books because he can learn a lot from them?

Senator T.A. Le Sueur:

I am always willing to learn, but on the other hand I think what we can learn is that the Jersey situation is considerably different from that in Ireland.

2.4.2 Senator S.C. Ferguson:

Is the Chief Minister aware that, in the *Economic Press*, there is a graph of the increasing tax revenues, the increasing income in Ireland, which is closely shadowed by unbridled and increasing expenditure by the Dáil? Does the Chief Minister not think that that particular incident does have lessons for Jersey?

Senator T.A. Le Sueur:

Yes, and I hope we understand those and continue to understand and apply those.

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

Does the Chief Minister not accept that the lesson to be learned from Ireland is that slashing public services, sacking public servants and freezing or reducing wages, which is what they have done, is no way to recover an economy?

Senator T.A. Le Sueur:

The Deputy seems to imply that Jersey and Ireland are stuck in the same position. The lessons that Ireland are having to learn are lessons which I hope we can deal with in a far lesser scale by dealing with them now, promptly, and not waiting for a crisis to happen. [Approbation]

2.4.4 Deputy P.J. Rondel of St. John:

Will the Minister be raising issues to do with the most recent crisis in Ireland at the British-Irish Council and, if so, in what context will he be raising issues?

Senator T.A. Le Sueur:

The British-Irish Council, which meets in just under 2 weeks' time, has devoted an extra part of the agenda, this time, to dealing with matters on the economy. I look forward to discussing those with the Irish Taoiseach and other members of the U.K. and other national parliaments. But, I think what we can do is demonstrate just how well the Crown Dependencies, in general, and Jersey, in particular, have done in planning, in advance, to deal with any such measures like this, including the setting up of the Stabilisation Fund which has been very beneficial to the Island's economy.

2.4.5 Deputy M.R. Higgins:

More specifically, would the Minister prefer to make any comments about the specific impact on Jersey? We have a number of Irish banks in the Island, some of which have been nationalised, or close to nationalisation, by the Irish Government and British banks - as we have recently discovered - Lloyd's and RBS have over £80 billion worth of debt ... sorry, they are creditors of the Irish banks and that money is owed to them. Does he have any comments to make about any impact that might have on Jersey?

Senator T.A. Le Sueur:

I think the fact of the matter is that a package is being produced and approved by the European authorities and the Irish authorities in order to maintain the stability of the Irish banking system and ensure that depositors in Jersey, or elsewhere, are not put at risk by any actions or things that have may happened in the past. We should be grateful, I think, to understand that the European Community, as a whole, appreciates the importance of maintaining a strong and sound banking system.