



Scrutiny Office

Corporate Services Scrutiny Panel
Quarterly Meeting
The Minister for External Relations

MONDAY, 27th JUNE 2016

Panel:

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman)

Deputy S.M. Brée of St. Clement (Vice-Chairman)

Connétable C.H. Taylor of St. John

Deputy K.C. Lewis of St. Saviour

Witnesses:

The Minister for External Relations

Head of Service, External Relations

Director for External Relations

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Hearing focused totally on BREXIT

[10:00]

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):

Minister, I draw your attention to the notices in front, which I am sure you are fully aware of, and also, members of the public, there are notices around the room which obviously we do expect members of the public and the media in the public seating to remain quiet at all times while the hearing carries on and obviously this is the quarterly public hearing for the Minister for External Relations. As we proceed through the questions, Minister, we may stop you if we feel you have answered the question sufficiently because we need you to try to be as concise as possible, given that we have an hour today. For the benefit of the tape if I start going round. I am Deputy John Le Fondré, Chairman of the panel.

Deputy S.M. Brée of St. Clement (Vice-Chairman):

Deputy Simon Brée, Vice-Chairman of the panel.

Deputy K.C. Lewis of St. Saviour:

Deputy Kevin Lewis, panel member.

Connétable C.H. Taylor of St. John:

Constable Chris Taylor, a member of the panel.

The Minister for External Relations:

Philip Bailhache, the Minister for External Relations.

Director for External Relations:

David Walwyn, Director for External Relations:

Deputy J.A.N. Le Fondré:

Okay. Well, welcome this morning. It will probably be no great surprise that the first topic we do wish to ask you about is obviously the results as announced on Friday for either the E.U. (European Union) referendum or Brexit, depending which expression you wish to use. Relatively succinctly, from the outcome of the referendum for the U.K. (United Kingdom) to leave the European Union, what is your initial reaction, Minister, in relation to the impact on Jersey? Minister, sorry, can I just pause for a moment. Welcome ...

Head of Service, External Relations:

Apologies.

Deputy J.A.N. Le Fondré:

No, that is okay, do you want to just say ...

Head of Service, External Relations:

I am running slightly behind time.

Deputy J.A.N. Le Fondré:

That is okay. Would you like to say your name into the microphone just for the benefit of the tape?

Head of Service, External Relations:

Yes, of course; Kate Nutt, External Relations.

Deputy J.A.N. Le Fondré:

Sorry, Minister.

The Minister for External Relations:

Chairman, thank you for that. Well, I think we all appreciate that the decision of the United Kingdom electorate to leave the European Union represents a political earthquake which is almost off the Richter scale. We have seen over the weekend turmoil in the British political system. There may be divisions in Europe. The consequences for Northern Ireland and for Ireland, for Scotland, for Gibraltar are unforeseeable at the moment and I think we should be very thankful that we live in Jersey. We should be thankful that we live in Jersey for 2 reasons: first, we are already outside the European Union and therefore the decision of the United Kingdom to leave the E.U. does not in substance - and we will talk about that perhaps later on - does not in substance affect the position of Jersey. Secondly, the Government of Jersey has been planning for this eventuality for the last 2 to 3 years. We know what we want to achieve and we know how we are going to seek to achieve it. So, I think I can say without fear of hubris that, relatively speaking, Jersey is in a good position. It is, relatively speaking, an oasis of calm in a continent, and indeed a world, which is undergoing a certain amount of turmoil.

Deputy J.A.N. Le Fondré:

Thank you.

Deputy S.M. Brée:

Minister, following the U.K.'s vote to leave the European Union, what discussions, if any, have the Council of Ministers had regarding pursuing a course leading to constitutional independence from the United Kingdom?

The Minister for External Relations:

The position of the Council of Ministers has been constant, Deputy, for a number of years and that is that the Government does not seek any change in its constitutional relationship with the United

Kingdom but it wishes to be prepared for any eventuality and the Government has been proceeding on those lines for a number of years and will continue to do so. I think it is fair to say that the decision of the United Kingdom electorate has made it much more important for Jersey to be prepared for the contingency which you suggest. So we have been working for the last few months in particular on a number of issues, one of them is the creation of a Judicial Services Commission which would have responsibility for advising on and in certain circumstances perhaps taking decisions on the appointment of judicial officers. The second one is the creation of a monetary authority. At the moment we have no mechanism for dealing with macro-economic issues nor for thinking ahead in terms of financial stability and the events of the last few days have shown us that financial stability is an issue, even for Jersey. We should therefore have in place an institution which has a responsibility for financial stability and which can advise a government, advise Members of the States and take any action which may be appropriate.

Deputy S.M. Brée:

Can I just ask some more questions on that with regards to a monetary authority? My understanding is for a monetary authority to be effective it has to have its own central bank and be in control of its own interest rates, is that not correct?

The Minister for External Relations:

No, I do not think it is. I think that a monetary authority can perform a very useful function even though the country concerned, Jersey, is in monetary union with another country, the United Kingdom. The Jersey pound is not an independent currency, as you know, and is linked to the United Kingdom pound and we do not have control over interest rates, money supply, they are all matters for the Bank of England. But there are matters in terms of financial stability for which we need an institution to take responsibility.

Deputy S.M. Brée:

Well how can we take responsibility for monetary issues when, as you say, we do not have a central bank, we are not in control of our own currency, we are not in control of our own interest rates, so any such authority could purely be an advisory group, would you not agree?

The Minister for External Relations:

No, I do not think it would be an advisory group. I think this is a technical question and perhaps I could ask Mr. Walwyn to elaborate a bit more.

Director for External Relations:

Thank you, Deputy. Emphasis has been placed on macroprudential stability over the last few years, in particular after the crisis in 2008, and the Financial Stability Board required that countries

looked at the accumulative effect of financial positions. It is important for Jersey to be able to have an institution which can look at the accumulative effect of the debt positions, for example, of the institutions that are here in Jersey, so the monetary authority could perform that role.

Deputy S.M. Brée:

Okay, well if I can go back to you, Minister, if I may. You say the Government's stance has not changed with regards to the potential of pursuing independence from the United Kingdom. Bearing in mind the referendum for the U.K. to leave the European Union, would you support independence from the United Kingdom for Jersey?

The Minister for External Relations:

It is not an issue at the moment, Deputy. The policy of the Government, as I have said, is that we seek no change in our constitutional relationship with the United Kingdom. We do know that 40 years ago or so when the United Kingdom was negotiating to enter the European Economic Community, as it then was, the Government was presented with the possibility by the United Kingdom Government that if it did not like the terms which have been negotiated, the Island could become independent. The position did not progress beyond that in the early 1970s because the arrangements which were ultimately negotiated and which became embodied in Protocol 3 were acceptable to the Government of the day, so the issue did not arise. I do not think it is very helpful to speculate at this stage on whether in 2 or 3 years' time the Government of Jersey might or might not be presented with a similar situation but what I will say is that it is very important that we should be prepared - and I think it is fair to say that in the 1970s the Government was not prepared - it is important that we should be prepared to take whatever decision is necessary in the interests of the people of Jersey. That obviously - and I have said this before I think before this panel - would not be a matter for the Government; I do not believe it will be a matter for the States. I think it would be a matter for the people; it would be an important constitutional change and that would require our own referendum on Jersey's constitutional status but we are a long way from that at the moment.

Deputy S.M. Brée:

Okay.

Deputy J.A.N. Le Fondré:

Okay, Chris?

The Connétable of St. John:

Yes, given that Jersey is already outside the E.U., in what ways do you expect the vote to leave will impact on us? I talk there of finance, tourism, agriculture, how will that be impacted?

The Minister for External Relations:

Well the constitutional way in which it will impact upon us is obviously that once the United Kingdom has negotiated its withdrawal from the European Union and the Treaty of Accession falls away, so too will Protocol 3. Protocol 3, as we all know, gives us the right to export goods freely and without tariff to the European Union. I think it is important to break down that right into different industries, different component parts because, so far as the agricultural industry is concerned, where the principal export is Jersey Royal potatoes, the crop goes mainly to the United Kingdom and our right to export goods freely to the United Kingdom has not been questioned and I do not believe will be questioned. It is not a question of Protocol 3; it is a question of the constitutional rights which go back to royal charters which are hundreds of years old. I would be extremely surprised if there were any challenge to our right to export goods freely to the United Kingdom. The fishing industry is different because the fishing industry exports its produce largely to France and through France to other countries in the European Union. The fishing industry, unless arrangements were put in place to replicate Protocol 3, would find itself in the position of having to export goods and to surmount a tariff area which does not at the present exist. It does not mean that they will not be able to export fish but it means there would be a tariff barrier over which they would have to go. But on the other hand one of the important considerations when fishermen are exporting to France is the exchange rate and, as we have seen, the pound has gone down very substantially as a result of the decision to leave the European Union. So one could take the view that the exchange rate compensates - perhaps at this stage more than compensates - for any tariff barrier over which fishermen would have to go in order to export their goods.

The Connétable of St. John:

Do you agree that as well as challenges there may be opportunities as well?

The Minister for External Relations:

I think there may be opportunities, Connétable. It is true, and we ought not to deny it, that the uncertainty and instability which is affecting the United Kingdom and other parts of Europe at the moment is going to spill over to Jersey to a certain extent. Certainly, in the financial services industry which is so closely linked to the City of London, that uncertainty is going to result in decisions not to take decisions, decisions not to invest which will have an effect to a certain extent on the activities which are taking place over here.

[10:15]

But, on the other hand, as I said earlier in this meeting, we are in a position that we have always been in. We are outside the European Union, we have negotiated market access in some respects as a third country and there is no reason why those arrangements for market access should be affected. So we are in a slightly stronger position than the United Kingdom which is not outside the European Union. So there may be opportunities and I am sure that different branches of the different industries which operate in Jersey are looking at those very closely.

Deputy J.A.N. Le Fondré:

So what are our next steps and who leads the negotiations on behalf of the Government?

The Minister for External Relations:

The lead department is the Ministry of External Relations so far as this issue is concerned working of course very closely with the Chief Minister. We have already taken steps. I spoke on Friday to the Minister of State at the Department of Justice to underline the fact that we had different interests which needed to be taken into account and asking that those interests should be expressly acknowledged. You might have heard press comment on the fact that the Prime Minister had announced that he would be consulting with Wales and Scotland and Northern Ireland and Gibraltar in relation to these matters but there was no mention of the Crown dependencies and we drew that to the attention of the Minister and asked him to put that right and I hope that that will happen.

Deputy J.A.N. Le Fondré:

Okay. Kevin?

Deputy K.C. Lewis:

Minister, I think the European Union tolerated Jersey because of its relationship with the United Kingdom. Therefore, regarding negotiations with the European Union basically what is in it for them from a trade point of view? I am thinking finance.

The Minister for External Relations:

I am not sure if it is correct to say that the European Union "tolerated" the Channel Islanders. We have relationships with Europe as a third country which I said earlier on are going to continue and I do not see why they should be affected by the U.K.'s decision to leave the European Union. I do think it is and it will be important for us to enhance our relationship with our closest geographical neighbour, that is to say France, because the United Kingdom has, as it were, been our friend in the European Union and we need another friend. We need a friend to replace the U.K. and

France is the obvious candidate in this respect. So, we will be - and this is very much work in progress - thinking of ways in which we can enhance that relationship with France and ensure that we have at least one friend at the European Court.

Deputy K.C. Lewis:

You will recall, Minister, in the 1960s that France tried to shut down Monaco for very similar reasons, even getting to a point of a blockade. Are you confident that we can negotiate reasonable terms with the French?

The Minister for External Relations:

Well we will not be negotiating terms with the French ...

Deputy K.C. Lewis:

Well the European Union.

The Minister for External Relations:

... we will be negotiating terms with the European Union but obviously France will be an important player in those negotiations. I think it is important to say that Jersey will not be negotiating with the European Union. Jersey will have a view but because we are not a sovereign state at this stage, the United Kingdom will be advancing arguments on our behalf or negotiating for us to obtain the kind of relationship with the European Union that we want.

Deputy J.A.N. Le Fondré:

Okay.

Deputy S.M. Brée:

Sorry, can I just pick you up there, Minister? You said in your response to Deputy Lewis that we are not a sovereign state as yet. That leads me back to my question, what do you mean "as yet"? Please define.

The Minister for External Relations:

Well I just thought it was a statement of fact, Deputy. We are not a sovereign state, if you like.

Deputy S.M. Brée:

Yes, we are not a sovereign state. It is merely that you said "as yet" and that raises concerns obviously I think in people's minds as to what the plans of the Government are.

The Minister for External Relations:

I have very clearly explained what the position of the Government is. I used the words “as yet” because if we were a sovereign state, the position would be different: we would be negotiating directly with the European Union but we are not a sovereign state so we have to negotiate through the United Kingdom. That was the only point I was making.

Deputy S.M. Brée:

Okay.

Deputy J.A.N. Le Fondré:

Chris?

The Connétable of St. John:

Thank you. Agriculture and hospitality industries rely heavily on migrant workers, what action will you be taking to protect this position?

The Minister for External Relations:

We are part of the common travel area and the Immigration Act of the United Kingdom applies to us. Therefore, the arrangements that are ultimately negotiated by the United Kingdom in principle will apply to Jersey unless we were to seek to change our membership of the common travel area but again there is no present plan to contemplate that. So it is difficult to answer the question because we do not know what the United Kingdom’s position is going to be. The only thing I will say is that I think there is a community of interest between Jersey and the United Kingdom in this respect. As you rightly say, some of our industries rely very heavily upon imported migrant workers and exactly the same position applies in the United Kingdom: horticultural industries, agricultural industries rely upon foreign workers.

The Connétable of St. John:

But was this not one of the main reasons why the United Kingdom voted to leave is because of migration and because of the impact of people coming in and therefore that is going to be one of the major aims of leaving, is to stop that? Are we not going to get caught up in that net?

The Minister for External Relations:

You are right, it was I think probably one of the major factors that persuaded the majority of people to vote “leave” but the official leave campaign has made it absolutely clear that they are not opposed to migration. They accept the value of migrants. I think it is an area where one cannot be specific at the moment but where I do not anticipate that Jersey will be in a significantly worse position because our interests are very much aligned with the U.K.

The Connétable of St. John:

Thank you.

Deputy J.A.N. Le Fondré:

Okay. Simon?

Deputy S.M. Brée:

Minister, what parts or areas of Jersey's economy do you consider to be at greatest risk from a change in the U.K.'s relationship with Europe? I am thinking, for example, what impact do you believe will the leave vote have on the future of the finance industry in the Island?

The Minister for External Relations:

I am not sure that I am the Minister to answer that question, Deputy, because I do not have responsibility for financial services. I think that the very high level answer to that is that because Jersey will continue to be in exactly the same position that it has been for the last 40 years and the finance industry has come to Jersey having regard to the position in which it now is and it will be, one would not anticipate that the challenges to the finance industry would be great but, as I said, I am not an expert on this subject.

Deputy S.M. Brée:

So, Minister, what plans do you have in the very short term to deal with maintaining and building the Island's relationship, not only with the U.K. but also with our trading partners remaining within the European Union?

The Minister for External Relations:

I think the first thing that we want to do, Deputy, is to ensure that there is a full understanding among departments in the Government of Jersey as to what the position is and their respective spheres of influence. We will be having discussions this week with the Environment Department, with the Agricultural Department, with the Tourism Department, indeed with all the departments which have responsibilities which include relations with the European Union and the United Kingdom. So we want everybody in Jersey to understand what I hope I have reasonably clearly set out this morning as to Jersey's position. In other words, there is no cause to panic, there is no cause to have undue concern because we are in a strong position and we know exactly what we want to achieve in the future. What we want to achieve in the future is a replication of the arrangements which we currently enjoy under Protocol 3: we want to have the ability to trade freely in goods with the European Union; we want to be able to control our borders through the legislation that we have in force at the moment which restricts the availability of work and of housing to those who are of benefit to the Island.

Deputy S.M. Brée:

But surely our ability to trade and move freely within the European Union is dictated by Protocol 3. If Protocol 3 falls away, then those rights and privileges will no longer exist, is that not correct?

The Minister for External Relations:

That is correct and that is why we would seek to recreate the kind of arrangements which we currently have under Protocol 3 in a new arrangement to be negotiated by the U.K. with the European Union.

Deputy S.M. Brée:

So you are relying completely on the U.K. to negotiate Jersey's position following leaving the European Union? You do not intend to try and influence those negotiations directly with European countries? You are happy for the U.K. to do it for us basically?

The Minister for External Relations:

We are not a sovereign state, Deputy, as you constantly ...

Deputy S.M. Brée:

We have established that fact, I think, beyond doubt.

The Minister for External Relations:

We have established that fact and the consequence of that is that the negotiations are conducted by the United Kingdom. That is very far from saying that we are not going to make it absolutely clear to the U.K. what we want to achieve and we shall be pressing very hard to ensure that that is understood and not only understood, that the U.K. Government does what we want them to do. We should be using such avenues as we can in the European Union through the Brussel's Office to ensure that our interests are understood in Brussels as well. We are doing all this at one remove because we are not a sovereign state but that does not mean to say that we are not in a position to achieve what we hope to achieve.

Deputy J.A.N. Le Fondré:

Right. Focusing a little bit more on the ... sorry?

Deputy K.C. Lewis:

Sorry, can I just come in?

Deputy J.A.N. Le Fondré:

Yes, go on.

Deputy K.C. Lewis:

Yes, we have established that we are not a sovereign state, Minister, that we are a Crown dependency, a British Crown dependency, but would you be in favour of greater autonomy for Jersey?

The Minister for External Relations:

I would be in favour of a wider ability to conduct foreign affairs, yes. In fact, we have asked the United Kingdom Government to give us an entrustment to enable us to negotiate and sign bilateral investment treaties. Those discussions are stuttering at the moment perhaps understandably in view of what has been happening over the last few months. But we will certainly be pressing very strongly to get that entrustment and there may be other entrustments that we would want to achieve. I think we have got to the stage, Deputy, where we are competent to conduct a broad range of external relations and it is for consideration as to how we achieve that objective.

[10:30]

The Faroe Islands have got a very wide ability to conduct foreign affairs and they remain part of the Kingdom of Denmark so it does not necessarily mean that we are aspiring to become a sovereign state but I do aspire to have a much wider responsibility in foreign affairs.

Deputy J.A.N. Le Fondré:

Perhaps just to release further doubt, we have made reference in the past to third country equivalence or third country status in certain parts certainly of the finance industry, but would you like to clarify where that puts us at the moment in terms of from a positive position, I would imagine?

The Minister for External Relations:

I am sorry, Deputy, it is my fault, I lost you. Would you mind repeating your question?

Deputy J.A.N. Le Fondré:

It is okay. I said we have in the past referred to third country equivalence or third country status, would you perhaps like to clarify what that means in relation to certain aspects of the finance industry?

The Minister for External Relations:

Well we are not part of the European Union and in order to obtain market access we have to persuade the European Union that our regulations are in many respects equivalent to the regulations that are in force in the European Union so that there is no imbalance in the market,

there is no unfairness by giving an advantage to traders in Jersey over traders in the European Union. So the European Union is concerned to ensure that we have what is called equivalence and if we have equivalence then usually the European Union will allow, not just Jersey, but any country which is not a member of the European Union to trade with the E.U. on those terms. So I am not sure if I have answered your question but a third country simply means a country that is not part of the European Union. That is why we were in a different position from the U.K. The U.K. was part of the European Union - still is - but Jersey was not. So we had to, if we wanted to have access, negotiate directly with the European Union to obtain that access.

Deputy J.A.N. Le Fondré:

So for the purposes of going forward, will that third country equivalence remain in respect of what happened in the U.K.?

The Minister for External Relations:

Yes, I do not see why it should change. We remain a third country in relation to the European Union, we will retain the ability to negotiate market access in particular areas where it is in our interest to gain market access.

Deputy J.A.N. Le Fondré:

So from a positive aspect that means certain areas of the finance industry are well served already from the point of view of the legislation in place?

The Minister for External Relations:

Yes.

Deputy J.A.N. Le Fondré:

Okay. Looking possibly overlapping or leading on from that question, in relation to the banking industry, what is the situation with E.U. passporting arrangements? Is there any impact on Jersey in terms of if those arrangements change through the U.K.?

The Minister for External Relations:

Can I ask Mr. Walwyn to answer that? It is a rather technical matter.

Director for External Relations:

Thank you, Deputy. For passporting, as you would have seen over the weekend, there are a number of institutions, for example, American financial institutions, which, for the purposes of the passport, would require to have some mind and management within an E.U. member state. So for those multinational banking companies, it is possible that they would need to move some of their

functions to within the E.U. member state. So one could expect some impact on those banks, but with respect to Jersey, that is not an issue because of course we are outside that passporting arrangement. Therefore, we would not expect any of those decisions by international banks to affect Jersey per se, it simply affects their decisions about locationing in London or in another E.U. member state. But Jersey remains unaffected by that.

Deputy J.A.N. Le Fondré:

Could that be in our favour, as it were, or is there no impact because it is a different arrangement?

Director for External Relations:

The latter really, no impact.

Deputy J.A.N. Le Fondré:

Okay. Thank you. Right, moving on to Jersey residents, E.U. residents living here, what are the expected changes for Jersey residents wishing to live, work or travel to other E.U. countries, that is, as opposed to United Kingdom?

The Minister for External Relations:

I do not envisage any substantial change in that respect. There are a number of Jersey residents who have properties in France. Obviously it remains to be seen what the ultimate relationship between the United Kingdom and the European Union is going to be but any Jersey resident going to France at the moment has to show his or her passport in order to gain access to the country and nothing will change in that respect.

Deputy J.A.N. Le Fondré:

Okay, and what about residents wishing to live, work or travel to the U.K.?

The Minister for External Relations:

Again, I do not think there will be any change in that at all because we have constitutional relationships with the U.K. which are freestanding and which have no relationship to the U.K.'s membership of the European Union.

Deputy J.A.N. Le Fondré:

Okay. Minister, how do you expect the position of European Union nationals working in Jersey to change both in the short term and in the long term?

The Minister for External Relations:

I am glad that that question has been put to me, Chairman, because I would like to make it absolutely clear on the record that so far as European nationals living and working in Jersey at the moment, there will be absolutely no change. Those people will continue to have the ability to live and work in accordance with our laws in Jersey and they continue to be very welcome in Jersey and I would like to make that crystal clear. I think one of the difficulties about the decision of the United Kingdom electorate to leave the European Union is that Europeans might get the impression that they are not wanted, they are not loved. I want to make it clear that European nationals living and working in Jersey are loved, are wanted and will continue to be able to live and work in Jersey.

Deputy J.A.N. Le Fondré:

Thank you, Minister. I will declare an interest; I do not know if you have the same interest as me, Minister, as regards to the stamp in our passports. Article 6 of Protocol 3 at present relates to having a U.K. parent or grandparent for that stamp not to be there, is there any scope under negotiations with the U.K. as things progress to possibly extend that or alter that to those with a European Union parent or grandparent?

The Minister for External Relations:

Well, this is one of the good things from the perspective of those with the stamp in the passport. I do not know if you are numbered among them, Chairman.

Deputy J.A.N. Le Fondré:

Yes.

The Minister for External Relations:

My children certainly are. One of the good things is that that stamp will disappear because it is a consequence of the definition of a Channel Islander under Protocol 3. If you are a Channel Islander as defined under Protocol 3, in other words you do not have the parental connection with the United Kingdom, then the stamp goes in your passport, so the stamps in the passport will go. The only trouble is that the discrimination, if you like, which currently applies to those with the stamp in the passport is going to apply to everybody because we will all be in the same position of having an invisible stamp in our passports depending upon the outcome of the negotiations with the European Union.

Deputy J.A.N. Le Fondré:

Thank you.

Deputy S.M. Brée:

On the question of passports, will the passports that are currently being issued have to change? Because I note that, having recently travelled myself, there is no such thing as a British passport anymore, it is a European Union passport. Therefore, am I right in assuming that we will revert back to a British passport?

The Minister for External Relations:

I think you are.

Deputy S.M. Brée:

Who currently is the issuing authority for Jersey passports?

The Minister for External Relations:

Every passport is issued by the Crown.

Deputy S.M. Brée:

Yes.

The Minister for External Relations:

The Crown is represented in the United Kingdom by the Secretary of State for Foreign Affairs. In Jersey the Crown is represented by the Lieutenant Governor so the Lieutenant Governor issues the passports at present and would continue to issue any revised British passport that would result from the withdrawal from the European Union.

Deputy S.M. Brée:

On that front, and obviously it is tied together, if I may just move back to a question that the Chairman asked which was the expected changes for Jersey residents who do have the right of the freedom of movement and habitation and work in the E.U., surely that will change. Because if we are now holding British passports and therefore not members of the European Union, should I wish to go and live or work in France, I would have to apply for a visa to do so, is that not correct?

The Minister for External Relations:

Well I am not sure about a visa but you might very well have to apply for a permit or a licence.

Deputy S.M. Brée:

Permission of some form or another?

The Minister for External Relations:

Permission of some kind, yes.

Deputy S.M. Brée:

Therefore, it would restrict effectively our freedoms that we enjoy at the moment?

The Minister for External Relations:

If you are a person without a stamp in your passport.

Deputy S.M. Brée:

Yes, I am. Yes.

The Minister for External Relations:

That is true.

Deputy S.M. Brée:

Okay. That is purely for clarity sake that we are trying to establish. Thank you.

Deputy J.A.N. Le Fondré:

Right, anybody else at this stage or should we go to Simon's?

Deputy S.M. Brée:

Yes, go on.

Deputy K.C. Lewis:

If I can just take it back to E.U. legislation for one moment, Minister. You did say earlier on that ... sorry, I will come back to that one.

Deputy J.A.N. Le Fondré:

Yes, all right. Okay, Simon?

Deputy S.M. Brée:

We have spoken about the constitutional relationship with the U.K. previously and I do not intend to cover that area again but one concern is that the withdrawal process of the United Kingdom from the European Union is likely to be a complicated and probably quite fraught process. How will you, Minister, ensure that Jersey's voice is heard?

The Minister for External Relations:

We can only do our best. We have during the last 2 to 3 years had numerous discussions with Ministers of the United Kingdom Government, with parliamentarians, with diplomatic ... I know it does not affect the United Kingdom but we have had engagement with diplomatic representatives of other countries in order to make sure that as many people as possible understand what Jersey's position is and what Jersey's interests are and that will continue. We are not clear at the moment exactly what mechanisms are going to be put in place to ensure that the different constituent parts of the United Kingdom are fully consulted but we would expect to be involved in that as well. One assumes that there would be negotiating committees which are involved in the different aspects of the United Kingdom's relationship with the E.U. and we would certainly want either to have a seat on those committees or, at the very least, to be kept informed about what was going on. Because if one is not kept informed it is very difficult to ensure that our interests are not going to be overlooked.

Deputy S.M. Brée:

But is that not a risk in the grand scheme of things for the United Kingdom? The interests of Jersey and the other Channel Islands are not at the top of the list of priorities? The question is, how will you ensure that our interests are not only protected but maintained and dealt with at the highest level?

The Minister for External Relations:

Well it is a risk, you are quite right. We are, relatively speaking, small beer so far as the United Kingdom's relationship with the E.U. is concerned but I think I can only repeat that we will be engaging at a number of different levels whether between officials and Ministers in order to make sure that Jersey's interests are not overlooked.

Deputy S.M. Brée:

Will you be working with Guernsey and the Isle of Man to present a joined-up position for all of the Crown dependencies?

[10:45]

The Minister for External Relations:

We will certainly try to do that. I expect that we will be working very closely with Guernsey. In fact, I lodged today in the States a report which is very similar to a report which is going to be lodged tomorrow by the equivalent authority from the Bailiwick of Guernsey. The Isle of Man has lodged 2 reports in the last few months which, again, are quite similar to the reports which have been put forward by the 2 Bailiwicks. The duty of the Government of Jersey is to protect the interests of the

people of Jersey. The people of Jersey elect us and we are accountable to them. To the extent that one of the other Crown dependencies might take a line which we think is not in the interests of Jersey people, we are not going to go along with that. But certainly so far as Guernsey is concerned, I would be surprised if, in essence, our interests differed in any material extent. So I would hope and expect that we will continue to work very closely with Guernsey throughout this process.

Deputy S.M. Brée:

Another area that obviously I think people have concerns about is in recent years a number of, if you like, Jersey legislation has been brought in on the requirement to be in line with European Union legislation on certain areas. Do you believe that there is going to be a requirement for a major review of Jersey's laws to take into account that we may not wish any longer to have certain laws on the statute books?

The Minister for External Relations:

We certainly will have to have a major review of all the legislation which has connections with the European Union. Indeed, I was talking with officials at the end of last week in particular about sanctions, United Nations' sanctions, because at the moment we have linked our implementation of sanctions to the process of the European Union. So that when the European Union changes a list of people in Russia, for example, who are subject to sanctions, then those changes automatically take effect in Jersey under what we call the ambulatory provisions of our law. One of the things we have to think about is how we are going to implement in the future United Nations' sanctions. My own provisional view is that we need a law which gives us the power to have arrangements put in place and leaves it to later decision by regulations passed by the States as to how one does that. We need to link into one system or the other. Whether it is more appropriate to link into the new United Kingdom system which I assume will come into existence or to remain with the system in the European Union I think remains to be seen but we want to give ourselves the flexibility.

Deputy S.M. Brée:

One of the big areas of legislation that has changed over recent years is the enshrinement of the rights under the European Convention of Human Rights into Jersey law. As we will no longer be or have the same relationship with the European Union, what is your view on cases being referred to the European Court of Human Rights?

The Minister for External Relations:

We need to underline the fact that the European Union is a different institution from the Council of Europe and the European Convention on Human Rights is an instrument of the Council of Europe

which is different from the European Union. But you are quite right that the United Kingdom is giving consideration at the moment to the enactment of a Bill of Rights. I am not sure whether it was you who asked the question but somebody asked me a written question not long ago about the proposed British Bill of Rights in the U.K. I hope that we will call it the United Kingdom Bill of Rights and that the United Kingdom Government will refer to it as the United Kingdom Bill of Rights because it is not the intention, as I understand it, that it should apply throughout the British Isles. I certainly would not be in favour of it applying throughout the British Isles because my understanding is that Members of the States are attached to the European Convention on Human Rights, are attached to the ability of Jersey citizens who fall out with their Government or feel they cannot get justice in Jersey to go to the European Court of Human Rights in Strasbourg. I think it is a very important safety valve that that right should continue. I will certainly work very hard to ensure that even if the United Kingdom does withdraw from the Convention on Human Rights - and there is no indication at the moment that the U.K. wants to do that - but if they do that we do whatever we can to ensure that Jersey's connection with the convention continues and that our citizens continue to have the rights to go to Strasbourg.

Deputy S.M. Brée:

One final question, if I may, what role will the London Office and the Brussel's Office play in representing Jersey's interests during this period of negotiation and discussion?

The Minister for External Relations:

They will play very important roles both in London and in Brussels. The London Office has only been in existence for the last 3 years. Mrs. Nutt was the Head of the London Office before coming to Jersey to become Head of Service here so she is very well aware of what the London Office does. I am quite sure that it will continue to play a major role. I do not know whether she wants to say anything about that.

Head of Service, External Relations:

If I may. Yes, I will agree, Minister, that both the London and Brussel Offices will be absolutely key in our involvement in what the U.K. does going forward in the same way that they have been in the run-up to the referendum. The Minister has already spoken I think about some of what has been going on in London but I cannot emphasise enough the importance of that engagement that we have had in London with the Government, with M.P.s (Members of Parliament) with officials, all of those contact points and those good relations that we have built up are going to be really valuable to us going forward. The same applies to the Brussels Office with what they have been doing there as well. So, yes, in essence, absolutely key roles in the future.

Deputy S.M. Brée:

Thank you.

Deputy J.A.N. Le Fondré:

Kevin?

Deputy K.C. Lewis:

Minister, even though we are not part of the European Union, some of the legislation we pass in the States is to be European Union-compliant. Do you envisage in the future that we would carry on passing European legislation or equivalent to a trading with Europe?

The Minister for External Relations:

It is a very interesting question. We have, as you know, at the moment a law which enables us to apply European Union legislation even if it does not apply to Jersey directly so that if we choose, for example, in the sphere of sanctions to apply European rules we can do that. I am quite sure that in some respects we are going to continue to need to apply European legislation. Data protection springs to mind. The rules of the European Union require that certain standards are met before electronic data can be passed between places outside the European Union and countries of the E.U. We certainly will want to ensure that we are within that net and, I suppose to that extent, I think we will continue to apply European Union legislation.

Deputy J.A.N. Le Fondré:

All right. Okay, you are done, Kevin, for the moment?

Deputy K.C. Lewis:

Yes.

The Connétable of St. John:

Just to sort of sum up, if we want to trade with the E.U. we have to have their rules and play by their rules is what you are effectively saying?

The Minister for External Relations:

Well they are a little bit bigger than we are. So if we want to trade with the European Union we have to do so on the basis of the rules that they set.

The Connétable of St. John:

Thank you.

Deputy J.A.N. Le Fondré:

Minister, we are obviously getting close to wrapping up, and had a few other areas which were drafted pre-Friday and obviously that question time went slightly differently over the weekend. I have been negligent as well in not welcoming Kate Nutt to the first hearing. We look forward to seeing you in front of us on many more occasions, I am sure, but anyway formally welcome to this hearing.

Head of Service, External Relations:

Thank you.

Deputy J.A.N. Le Fondré:

I think where we are, Minister, 2 final questions from myself. One is going back to the point of possible detail when there were references to the monetary authority from Mr. Walwyn which was I think he made reference to looking at possibly debt obligations and things like that within the financial service institutions. Could you just perhaps clarify how that might differ, for example, to the role of J.F.S.C. (Jersey Financial Services Commission) at present?

Director for External Relations:

The J.F.S.C. is not looking at the overall indebtedness of Jersey as a whole.

Deputy J.A.N. Le Fondré:

Right, so they just focus on the individual institutions so it is at a much more macro level, is that correct?

Director for External Relations:

That is right.

Deputy J.A.N. Le Fondré:

Okay. I think, really, Minister, to wrap up and we will possibly give you the final word is, could you succinctly - or relatively succinctly then - just summarise what we might call the Jersey objectives for the coming period?

The Minister for External Relations:

Yes, certainly. The broad Jersey objective is to continue the status quo. Our relationship with the European Union has worked very satisfactorily for the last 40 years or so and we want to ensure that the position of institutions in the financial services industry which have grown and flourished under the current relationship continue to be able to do so. We want to ensure that the rights that we have to control migration through - I can never remember the name of the law - the Work and

Employment Law, whatever it is called, continue in force. We want most importantly of all to ensure that in any new arrangement that may come to pass our constitutional and fiscal and political autonomy is not diminished. We have enjoyed that autonomy for more than 800 years and under this Government there will be no acceptance of any diminution of that autonomy.

Deputy J.A.N. Le Fondré:

Right, well thank you very much, Minister. I think that was suitably succinct and I think we wish you all the very best in your endeavours over the forthcoming days and weeks.

The Minister for External Relations:

Thank you very much, Chairman.

Deputy J.A.N. Le Fondré:

Thank you very much for appearing in front of us today on what is obviously a fairly important day. That closes the hearing. Thank you very much.

[10:58]