

STATES OF JERSEY

OFFICIAL REPORT

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

Deputy T.M. Pitman of St. Helier:

As a point of clarification could I just ask the Chief Minister if he could clarify, as it is the Strategic Plan debate, is it correct that his Minister for Housing is sunning himself in Crete? Because I think that is very disrespectful to other Members.

Senator T.A. Le Sueur:

He is on a holiday which was booked last year and I see no reason why this should change. While it would be helpful to have him here I am sure that we can manage to debate the Strategic Plan quite adequately in his absence.

Connétable G.F. Butcher of St. John:

Sir, before we start the debate can I advise the Assembly that I intend to invoke Article 84, the closure motion?

The Greffier of the States (in the Chair):

Thank you. You have given notice, Constable. That would only apply to the amendment, clearly, not the entire debate. **[Laughter]** The debate resumes on the amendment of the Deputy of St. Mary. Do any of the Members wish to speak?

PUBLIC BUSINESS – resumption

1. States Strategic Plan 2009–2014 (P.52/2009): fifth amendment Paragraph 1 - maintain overall population at present level (P.52/2009 Amd.(5)) (continued)

1.1 Connétable K.P. Vibert of St. Ouen:

The Deputy of St. Mary yesterday based much of his proposition of this amendment on the fact that it was not to reduce the population in any way but to merely bring in something which would leave it the same, keep it at the same level. Unfortunately, it is not going to stay the same. The population of the Island is going to change quite dramatically over the next 30 years. People are going to get very much older. The baby boomers who were born just after the Second World War are all going to come to retirement and, whether we like it or not, the cost to the Island is going to increase quite dramatically. Yesterday morning Deputy Tadier mentioned the European Assembly of the A.P.F. (Association Parliementaire de la Francophonie) which met here in April and all the representatives who were at that Assembly realised that they are all faced with exactly the same problem, the problem of an ageing society. There were an awful lot of options brought forward, from the option of raising the retirement age to the option of encouraging a higher birth rate. From the lowering of pension rates in the future to the raising of taxes to pay for the problems associated with the hike in the numbers of elderly, it was generally realised that nations will need to evaluate the way in which they are going to use their workforce in the future. Certainly I think that Jersey will need to evaluate how it uses its workforce in the future. I do not believe that the Island will be able to continue affording to spend large amounts of money training people into services only to give them retirement at 55 years of age. I think that in the future people who are still fit and able to do the job will need to be encouraged to stay in that job. The thing that the Assembly realised was that as, quite rightly, the Deputy of St. Mary said yesterday the option of increasing the working numbers by bringing more people in is not the answer. It is not the answer on its own but it is one of the answers, one of the options which will need to be taken on board. Certainly I was quite surprised that all the representatives who spoke at the Assembly realised that this was one of the options which they needed to look at and I had to say that we were clearly told at that Assembly that it is not going to be an option for very much longer because the birth rate across Europe and across the nations who generally in the past have produced the immigrants has dropped

considerably, and so within the next 20 to 25 years the availability of people to come in to work and to be active in the workforce is going to fall. I think that the Connétable of St. Helier yesterday hit the nail on the head. He said that what we need to be doing is bringing in policies which make people's lives, the quality of their lives, far better. I think that we need to realise that it may well be one of the consequences of making lives better that we need to encourage more people into the Island. So I cannot support this amendment, I think it is a blunt instrument to replace what is already a blunt instrument proposed by the Council of Ministers, and I do not think it takes us forward at all.

1.2 Senator S. Syvret:

I will certainly be supporting the amendment of the Deputy of St. Mary and possibly some of the other amendments as well because the Strategic Plan that is before us today in its unamended form is a prime example of the politics of failure. This is the same tired old retreat that essentially has been the policy of this Assembly for the last 40 years. We have to ask ourselves has that policy worked? Have we got to a point where we do not have to destroy our environment anymore? Where house prices have stabilised at some kind of credible and sane level so that families, new families seeking a starter home, do not have to pay over half a million pounds for a basic 3-bedroomed house. Have we found ways of dealing with the traffic? Have we found ways that are not going to bankrupt us in dealing with our rubbish that we produce? The answer to all of those questions is no, no, no, no and the Strategic Plan in its unamended form is going to carry on failing to answer those questions. It is the politics of failure which is why amendments like that of the Deputy of St. Mary are so important, because in its unamended form the policy that we have before us today is one of those policies that is simply irresponsible. It avoids the painful issues. It exhibits no leadership. It is a cowardly policy. Rather than be honest with the public and face up to the realities that we face in this Island it is "let us just carry on with business as usual for the next couple of political terms and maintain the fiction that everything in the garden is rosy, and hopefully a lot of the politicians in here will be off the scene leaving lots of other people to deal with the consequences of the failure to grasp the nettle", and those consequences will be exactly the same problems that we have today only worse. The plain fact is that infinite growth cannot fit into finite space. All societies in the West are facing the problem of an ageing society. Now mathematically it simply does not work to replace an existing ageing population with replacement migration. Even as is claimed by the Council of Ministers as a kind of stabilising palliative measure as opposed to trying to solve the problem, it still will not work. We have to face the fact that the entire structure of our society that we have grown complacently used to since the end of World War 2 is no longer sustainable. Indeed, that is not merely a speculation as to what may happen to our way of living at the moment, it is a fact. It is here with us now. The effects are to be seen in this Island, nationally and globally. We are entering into what will be an economic depression of apocalyptic proportions, worse, I imagine, than that of the 1930s. The world has also got compound problems that will make the coming depression even worse than that. In those days there was an abundant supply of oil. World oil production has now peaked and frankly everything we do in modern society depends on oil. We cannot go on believing in simply the growth, growth, growth policies, be it in population or development or any of these other concepts that merely push off into the future in a rather irresponsible manner the day of reckoning, and the day of reckoning was probably here quite some years ago for Jersey, because of the irresponsibility and short termness of this Assembly. I doubt even if we were to start an enlightened Assembly now and a clean slate and a new good policy that the Island situation would be redeemable even then, given the strategic damage that has been inflicted on the future of this community by the States over the last couple of decades. There is an unspoken issue in these kind of debates and again Members tend to always avoid it, and we never have had a detailed analysis of it, and that is the power, influence and effects of the accommodation industry in the Island. It proves when the public listen to these debates about how we have got to stabilise the population, we cannot let the population fall, we have got to keep population at current or increasing levels, of the cost of an ageing

population, all these kinds of things, the more significant and more honest reason behind these policies which goes unspoken is that the Island's rentier elite want to keep demand for their product, i.e. accommodation, up. They do not want a falling demand for their product. That is a very, very big problem for them now, is it not? Because having covered half the Island in concrete and built thousands upon thousands upon thousands of units of accommodation during the last couple of decades suddenly that is a very bad situation, is it not, for estate agents or substantial property owners or developers or builders? Because even a stabilisation, let alone a drop in population levels, would suddenly turn all of that accommodation industry market into a renters and buyers' market as opposed to a landlords and a vendors' market, and we just could not have that now, could we? That is the real reason why the States remains wedded to this frankly insane, nonsensical, wholly unworkable, doomed to fail policy of just going for growth and seeking to maintain the fiction that a stabilising population at a slower increasing rate is going to solve our problems. It will not. All western societies have ageing populations and that is an historical artefact. In the last 100 or so years we have suddenly had good, effective medicine which has developed in the course of the last century or so; so people now live much, much longer lives than they used to and people also have fewer children than they used to. That is simply a fact. That is why it is an issue that is affecting the entire world. We have to face up to that reality. The notion that an upcoming number of generations can pay off the costs and the burdens of us as we age, as has happened during the past say 50 years, is nonsense. It cannot work, it will not work, it is irresponsible. The kind of population demographics we saw in society back until probably the 19th century throughout all of human history, up until, say, towards the end of the 19th century, early 20th century, that kind of population demographic in terms of ages that was in place then is never going to be repeated. We are never, ever going to get back to that. We are going to have a society with fewer people, fewer younger people, certainly, and we have got to find ways of addressing that. Doing what the Council of Ministers want to do, just carry on the politics of failure, try just a little bit more of the same policies that have caused all the problems we confront today, I am afraid is just not responsible, it is not intellectually honest and I strongly believe that it is people like the Deputy of St. Mary who are trying to get this Assembly to face up to hard and inescapable realities and try and deal with them, rather than pretending there is some convenient and easy solution.

1.3 Senator P.F.C. Ozouf:

This strategic debate is clearly and rightly about the big issues in Jersey politics. We are going to come to amendments about tax and spending, we are dealing here and we will deal in later propositions with the issue of population. It is quite right that the Strategic Plan should deal with the choices at a very high level of which direction the Island should go. Now the Deputy of St. Mary is a well known environmentalist. He considers, and this is absolutely his entitlement and he is perfectly entitled to have this view, he believes that environmental considerations should be the ... I am not putting words into his mouth I hope that he will not agree with, but just as Deputy Southern is coming forward with his proposition later and asking for the single overriding objective should be social equality, I think it would be fair to say that the Deputy of St. Mary's single overriding policy objective is environmental. That is certainly a view which he is entitled to hold. There are, however, others in the Assembly who think that we have a need to balance the issues and sometimes the difficult, challenging trade-off issues of dealing with environment, social and economic issues. That is what the Council of Ministers is proposing. A number of Members have explained why unfortunately, as well intentioned as the Deputy's amendment is, his proposal cannot work or it cannot work without significant problems. I am afraid with a rising birth rate and an increasing ageing society the only way once the economy returns to growth, mindful of Senator Shenton's remarks about it might be that the population may fall in the next couple of years, the only way to implement the Deputy of St. Mary's amendment would be to shrink the working population. That would be a very problematic policy for this Assembly to send out. I well remember the former Deputy Jimmy Johns' proposals in the Assembly. It was one of the reasons why I stood for the States when he proposed that there should be a population cap quite similar to

the amendment that the Deputy is proposing. That followed quite rightly, as we heard yesterday, that well-known public survey that was carried out which led the States to put in place a policy of no population growth. I have to say to the Assembly that it took about 10 years for Jersey to recover from that message that was sent out that Jersey was closed for business. It was a very serious message that went out and I do not know how the Deputy of St. Mary could explain in his summing up how we could deal with that issue because if his amendment goes forward then we are going to be back to the 1995-1998 situation of a closed door policy. Moreover a requirement now, with the rising birth rate, to contract the working population. I simply cannot see how we are going to deliver it. We could deliver it by doing away with low value industries but I do not think that is what the Deputy of St. Mary also wants to do. He likes the creative industries, he likes agriculture, he is supportive of tourism, he wants to see a diversified economy. I would like to hear in his summing up how he will implement the policy if the Assembly was to agree to it. Statistics can be fixed to many politicians' arguments and certainly the situation with statistics is that they can be misleading. We are here dealing with, and I do not want to confuse Members, but I am just going to make a very simple point, the population as of December. I am sure that it will not have escaped alert Members that the population of Jersey rises in June, is always higher in June than it is in December. The Statistics Unit calculate the population of the Island at the end of December. What is happening is that the Island is becoming less seasonal. There are more people here in December, there are not as many people or there are as many people as there used to be in June. Our seasonal industries are becoming less seasonal, and so when we talk about population I am sometimes a little confused of exactly when Members want to cap the population. Is it at the December figure or is it at the June figure, because if the Deputy of St. Mary's proposition is to be believed is he dealing with the June figure or the December figure? I am not too sure. What I am trying to say is the whole issue of population and statistics, and he says that there has been a removal of 2,600, is a complex issue. What the Council of Ministers is putting forward is an overall long term policy which is plus 150 over a number of years and I would not encourage Members to get too drawn into the Deputy of St. Mary's remarks about the fact that there are 2,600 or whatever missing. There could be 2,600 missing in his figures if one was looking at the June figures. But anyway, statistics can be made to fit whatever your argument is. I think that the Assembly here has a clear long term strategy needing to deal with the issues of the ageing society. I just want to cover 2 more points, and I want to cover if I may the issue of housing costs, because it is something that many Members of the Assembly are rightly concerned about. Both Deputy Le Claire and Deputy Tadier I think spoke of the concern of people getting on to the housing ladder and of course they are right. The issue of housing costs has been one of the unintended consequences of high economic growth and which we must constantly work to try and find innovative ways to get people on the housing ladder. A prosperous community must invent policies like shared equity. We must invest more in social housing and we must do more in relation to delivery of homes. It is not simply an issue of increasing population that derives and demands more homes. It is the changing demography of Jersey. The ageing population means that there are more houses required for the same static number of people and so I am afraid that the numbers of population that Deputy Martin used, the numbers of additional housing demand, some of that is due to increased population but there is also an issue of the needs of the current communities in their housing needs because lifestyles are changing. Single people are remaining single longer. There is a higher divorce rate. People are living longer and they are wanting to stay in their own homes. I am absolutely at one with the Constable of St. Helier when he talks about a revitalised town; where he talks about and dreams about and has spoken about for as long as I have been in this Assembly a great town, being a great place to live and a great place to work. I do think that we can do a lot more in terms of creating great town living and I think the Minister for Planning and Environment has done a great deal on that. I have no doubt that this is an important amendment. I have no doubt that the Deputy of St. Mary is well intentioned in what he is trying to achieve from an environmental objective. However, achieving this objective is going to create too many problems for our business community, it is going to send out the wrong message for Jersey in terms of business and I am

afraid it is necessary to deal with the inevitable ageing population that not only an increase of 150 is going to have to deal with, we have a number of other issues that we need to deal with with an ageing society including raising the retirement age, dealing with difficult issues in terms of taxation, and all sorts of other issues. The 150 is not the silver bullet that deals with the ageing society, it is just one part of it. I will be urging Members to vote against the amendment of the Deputy of St. Mary.

1.4 Deputy D.J. De Sousa of St. Helier:

My colleague Deputy Martin spoke very passionately and covered most of what I wanted to say. I stood on the election platform for being against high density, high rise building in St. Helier and I still stand by what I said. Yes, we do need to rejuvenate the town and make it a nice place to live and work. If we keep building in the town we are not going to have the spaces, as our Constable said, for green areas and areas where families can go. Some Members say that they are against this amendment, and yet they campaign against building in certain areas of town that have already been passed by the previous House for rezoning. This amendment is not calling for a halt to immigration, it is simply calling for us to keep it at the level that we are at now for the time being and then review it at a later date. I will be voting for this amendment.

1.5 Senator A. Breckon:

I am pleased I have spoken just after Senator Syvret because I have got a suitcase full of papers on population and housing and I have thought about this a week or so ago, and I was reminded of former Deputy Layzell when we had a debate. I think it was in 2000 and beyond and he put a figure of 85,000 on, it was before Deputy Duhamel, and in the bundle of papers was a letter to the *Jersey Evening Post* from then Deputy Syvret that we should aim for a population of 80,000. At the time, the content of that letter is probably as true today as it was then, but among the bundle I was fortunate enough to inherit from the late Deputy Norman Le Brocq a suitcase full of papers and among there is some magical stuff about tourism, about transport and it was written by officers, most of this stuff. We did not employ anybody from anywhere else really, although there was some important people come to the Island, but among there are some magnificent quotes. I would just like to touch on some of these, because I think it is as relevant today as it was then. The heading of this particular document is: "The economy. It is not possible to relate precisely the growth of population to the growth of the economy. Economic gain may result in social disadvantages. Short term benefits may be offset by long term liabilities. The Committee considers that on balance, as matters are at the present time, the recent high rate of population growth, though accompanied by rapid growth of the economy, is not in the best long term interests of all the Islanders and doubts whether it is desired by Islanders as a whole." I think that has been expressed in some of the reaction to the 2035. People have said we do not want this, but I mean that stuff seems to have been conveniently parked. That document is a report and proposition on immigration on 20 February 1973. 1973. So what Senator Syvret says is absolutely true, we are looking at 40-year stuff and more. Also in another report, again it is relevant to where we are today because we are having the same discussions on the same issues, and it is saying here, this is a report from 1979: "The key issues are identified in the Policy and Resources Committee 1974 report. The concern that exists for the future quality of Island life if the rate of population growth is not regulated in some way and the need to satisfy the proper demands of a large section of the community for an improvement in their standard of living remains as relevant today. In the relatively buoyant economic conditions that have prevailed in recent years there has been little difficulty in obtaining the economic growth required to maintain and raise living standards. What is presenting a greater problem has been the regulation of the rate of population growth to the extent necessary to preserve the environment. Economic circumstances may change in the years ahead but for the moment at least population growth control remains the major problem." That document is from 1979. It goes on. There is considerable documentation in there and it is as relevant today I believe as it was then. What seems to have happened, instead of talking about containing population growth we seem to

be saying, or some do, let us go for growth. Let us go for growth, it is the only strategy, and concerns were expressed ... I say concerns; among the bundle in 1983 was a document on concerns, so they have been consistent in what they have said about some of the issues there. What it also says in there: "The present policy aim is that housing need in the immediate future should be satisfied through the development of areas within St. Helier but unless the pressure for new dwellings is abated the protection of good agricultural land must become increasingly difficult to ensure." That was said as part of a document in 1968, so what we are discussing really is 1968 and it goes on to 1974, 1979, it is consistent, and interestingly some of the objectives at the time, there was a working group set up under the then Deputy John Riley, an immigration working party and the issues they looked at perhaps as relevant today as they were then. They talked about interestingly: "Check excessive immigration as this could only result in abnormal pressures on the Island's physical and financial resources. Unhealthy rises in property values and the alienation of land from Jersey families to persons without roots in the Island, all of which factors have far reaching social implications." That is probably not politically correct to say that anymore but they said that at the time. The reason I have dug that out is because what the Deputy of St. Mary is saying is what others have said since, and said long before, but interestingly when some of this stuff is being worked through, where are we, what are we going to do; there was a question from Deputy Le Claire yesterday and the answer about the migration policy and they were still working on some of the issues, it was phase 1, phase 2 and phase 3 and it said in the answer: "Since its approval many elements of the agreed States migration policy have been introduced and migration continues to be regulated in order to achieve States approved economic and working population objectives." Well, I am not sure, I have never seen the workings of that, and I am not convinced. It goes on to say: "The desire to produce an appropriate legislation framework is considered paramount and these proposals in particular are a comprehensive and compulsory name and address register." Well, I would respectfully suggest that if they went to the Parishes and the Post Offices - this is not rocket science - the addresses are there and then find out who lives there. This was suggested by myself in 1997 and rejected by the then Policy and Resources Committee. The reason I say that is it is a lever to do what? I am not sure what and that is why I would certainly support this amendment. It talks about: "The Migration Advisory Group will continue to work openly with the Migration Scrutiny Panel." Well, my understanding is the former Migration Scrutiny Panel ran into the sand because I am not sure information was being shared and it concludes by saying: "Accordingly the work completed by the Migration Advisory Group including draft legislation for registration, a consultation paper dealing with entitlement and access to work and housing and an implementation plan will be presented to the Council of Ministers on 11th June." Well, I would suggest some of this has been a long time coming because there are background papers on all these issues. Something that Senator Ozouf touched on, what I think he was referring to was the Regulation of Undertakings and Developments, a policy statement from 12th February 1991 which suggested limiting job growth to 400 in 1990, 200 in 1991 and nil in 1992. At the time that came at the same time as an economic downturn and turned out to be not very effective. Also within there was a tool that was considered about the housing of essential employees, and again it was not very effective because there was an ebb and flow which the Deputy of St. Mary has touched on, which was not regulated in any way apart from housing controls, which proved not to be effective. I should say that with increases in population it is not a freebie. It does not come without its problems. Will we need another prison? Will we need a bigger probation service? Who exactly is going to be coming? What is the element of control over that? A lot of the documentation if you look back, for example health, hospital, they talk about water supply, things in there were based at the time on a population of 80,000. Okay, things have been upgraded but what are the consequences of a population of 100,000 for health, car parking, drainage and whatever else and then, of course, the States will get criticised if we need expert staff, for probation, for prison, for speech therapy, whatever it may be to support the needs of a growing community, wherever they have come from. I say I have some concerns about this. Sometimes I think I use the term: "If we are all going to watch a football match if somebody stands up then everybody has to stand up to

see.” It is a case sometimes of sit down, stay calm and I do not think we should be sending out a message that we are seeking this growth because I do not believe it is the right policy, and I do not think, to use a buzz word, it is sustainable and I do not think there is enough of this content in the document to satisfy me that other things will flow from the increase in population. I commend the Deputy of St. Mary for doing what others have done, and I know this was an election issue, people are worried about that because it is about quality of life. If we think there is nothing new about housing in St. Helier, there are certain things that we are talking about that have not been done and I do not think it is effective and it probably will not happen. I would like to conclude by saying to some of the country Deputies and the Constables, that if Planning are looking round and if there is a housing need in St. Lawrence, there are some lovely gaps in St. Lawrence. I went to a meeting on the Trent Village on the fields and that was rejected, for now it has been parked. But when these things come back if you support the growth in population then do not go weeping when it is coming out to you and these little green areas are getting infilled as they will. Because some of us with longer memories can say with land: “They are not making it anymore” but we did. We created the waterfront and one of the things about it was the housing gain so that we would not have to go into the countryside. The countryside development has not stopped. Look at the applications on a weekly basis and the country Parishes have knocked one down, built 4, whatever it is, that is still happening, and if Members are going to support this then there will be a record of that and when it comes up for these difficult developments in some greener areas then I believe Members are going to have to pay that price. So I would ask them to be mindful of that when they vote because they have to defend that when they go back to the people in the Parishes and in the Island and say: “Yes, I supported the growth” and I know Deputy Hilton had some problems with that recently: “Yes, we do. No, we do not.” Price is not the only issue. Housing for people is about availability and choice and we do not have that I am afraid at the moment, as well as pricing. As Members have probably gathered I will be supporting this and I hope other Members will search their conscience and do the same because I think it is worthy of support.

The Connétable of St. John:

Sir, is now an appropriate time to make my proposition?

The Greffier of the States (in the Chair):

You are entitled to, Constable. You gave sufficient notice.

The Connétable of St. John:

I would like to make a proposition to close this debate on this amendment.

The Greffier of the States (in the Chair):

Very well. You are proposing under Standing Order 84 that the matter now be put to the vote after the summing up. It is a matter for Members, thereby I see no reason to exercise the discretion to disallow the proposition. Is the proposition seconded? **[Seconded]** Very well, the appel has been called for. As it was a matter called at relatively short notice I will allow Members time to return to the Chamber for the unexpected vote. I will remind Members of the normal etiquette not to cross the floor of the Chamber please when the Assembly is sitting. The vote is therefore for or against the proposition of the Connétable of St. John that the debate be closed and the Greffier will open the voting.

POUR: 26		CONTRE: 18		ABSTAIN: 0
Senator T.A. Le Sueur		Senator S. Syvret		
Senator P.F.C. Ozouf		Senator J.L. Perchard		
Senator B.E. Shenton		Senator A. Breckon		

Connétable of Trinity		Senator S.C. Ferguson		
Connétable of Grouville		Senator A.J.D. Maclean		
Connétable of St. Brelade		Connétable of St. Helier		
Connétable of St. Martin		Deputy R.C. Duhamel (S)		
Connétable of St. John		Deputy J.A. Martin (H)		
Connétable of St. Clement		Deputy G.P. Southern (H)		
Connétable of St. Peter		Deputy of St. Ouen		
Connétable of St. Mary		Deputy of Grouville		
Deputy of St. Martin		Deputy P.V.F. Le Claire (H)		
Deputy R.G. Le Hérisier (S)		Deputy of Trinity		
Deputy J.B. Fox (H)		Deputy S. Pitman (H)		
Deputy of St. Peter		Deputy M. Tadier (B)		
Deputy J.A. Hilton (H)		Deputy of St. Mary		
Deputy J.A.N. Le Fondré (L)		Deputy M.R. Higgins (H)		
Deputy S.S.P.A. Power (B)		Deputy D. De Sousa (H)		
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

Very well. I call on the Deputy of St. Mary to reply.

1.6 Deputy D.J.A. Wimberley of St. Mary:

Well, I have obviously worked on the summing up and it is all ready but I am slightly surprised because I thought that was the trigger in half an hour's time. However not a problem. So I want to start on a lighter note with Deputy Fox. I enjoyed the travel log about Mauritius and indeed a wonderful place, I have been there myself and Members can ask afterwards how I managed to

afford that. It was winning a raffle, I won a raffle. But yes, the point about what he said about Mauritius is the creativity that you see everywhere. Every house, as he rightfully said, has these little metal rods sticking out of all the walls in all directions, it was a builders' paradise and every garden had these little piles of gravel and sand ready for the next bit of concreting to go ahead. I just think it is important to bear in mind that wonderful spirit and creativity because I think that is part of the solution to the ageing population. The Chief Minister said in his remarks that we have similar objectives, the objectives of the amendment and the objectives of the Council of Ministers and he listed 3. To keep Jersey green and pleasant; jobs for local people; and enough people to look after the elderly. Well, if you look at the 2 policies there really it does not stack up. The Council of Ministers' policy, let us look at it. Green and pleasant. How does bringing a further 7,700 people into the Island by 2035 serve to keep the Island green and pleasant? Jobs for local people, there is no difference whether you have plus 150 or whether you have a steady population, there is no difference in the effect on jobs for local people, in fact you could argue the toss on that, that my solution would be better. Enough people to look after the elderly, well, we have seen and in fact I had circulated this morning on your desks the support ratio chart, just to give you an idea in visual terms of how vast the drop is in the support ratio from where we are now to where we will be in 2035. It was just a single chart I had put out on the desks and if you look at the left-hand column that is now, the 2 other columns, the middle one is 2035 with I think the plus 150, the Council of Ministers, and the right-hand column is the amendment. Frankly there is very ...

Senator S.C. Ferguson:

Point of clarification, sir. What is the retirement age that the Deputy used in this?

The Deputy of St. Mary:

Those figures are using Statistics Unit figures, so it is 65. Right, so that shows that really the impact of bringing in these extra people on the number of people we have to pay for the elderly and look after the elderly is not significant enough in my view to counter the disadvantages of bringing in all these extra people. The third sort of major overarching issue was the one raised by Senator Ozouf when he said that the single overriding policy objective in the Deputy of St. Mary's world view is environmental. He is trying to paint me into the green corner so that we can dismiss what the Deputy of St. Mary is saying. This is not so. The consequences of letting in a further 7,700 people and then putting them all in St. Helier are social and political and economic and not just environmental. There would be a spin-off on the countryside because I believe we cannot fit all those extra people, the extra Maufant into St. Helier. So there will eventually be requests going out to the Parishes for more fields. So there would be an environmental element but it is not the only element in this amendment. I want to preserve the future and I want to preserve quality of life for all residents. The next major point that many people made was that there was no mechanism in this amendment. Well, that is tosh of course, because the mechanism that would be used to keep the population steady is exactly the same mechanism as is being used now to keep the population at whatever level it is being kept now. R.U.D.L. (Regulation of Undertakings and Developments Law) and housing limitations are the same mechanism and when the House, if they do vote for a register and there are things that go with it on the migration policy, then it will still be the same methods used to achieve different goals whether you want 91,800 people we are told and that remains steady or whether you want 99,500 people in the Island.

Senator P.F.C. Ozouf:

Sir, may I ask for a point of clarification?

The Greffier of the States (in the Chair):

Yes, if the Deputy is willing to give way.

Senator P.F.C. Ozouf:

The Deputy in his opening remarks spoke about a population pause and spoke about the pause being for the life time of the plan. I think he has gone into his summing up to saying that he wants the pause to be a permanent pause. I am just slightly confused, because if I had known that ... I was speaking about just the pause and the economic problems that would arise just with a short pause. If it is a further pause then did he not explain that from the start of the debate and the economic consequences are even bigger? Is he proposing a short pause or a long pause?

The Deputy of St. Mary:

He is proposing a pause for the lifetime of the Strategic Plan because that is what we are debating and if there is a pause for the lifetime of the Strategic Plan then that pause will exactly counteract the fact that those people under plus 150 are already here. They were airbrushed out of the figures but they are already here. So now on to some little points, actually quite big points, I would not talk about them if they were little points. Just to pick up on a few things. Closed for business, and again Senator Ozouf mentioned this, about sending out a message. Well, who sends out these messages? I do find this very puzzling because as I mentioned in my speech we are not closed for business under a constant population scenario for 5 years. There are 2,500 people coming in, 2,500 people going out in an average year all the time. By the way that solves the problem of the Minister for Health and Social Services who says: "Gosh, under Deputy Wimberley's policy we will not be able to have the consultants that we need and so on." Of course we can, they are in the 2,500 who come in every year. It is not a matter of population policy, it is a matter of applying Regulation of Undertakings so that we have the mix of people in the Island that we need. Informed consent. This is an important issue and one of the contributors to the debate mentioned or suggested: "Why do we not ask people about the 100,000?" Let us face it, 99,500 which is the figure you would get to with plus 150 and the Council of Ministers do say: "We might go for something between 150 and 200 later on." We are talking about 100,000. Now why not, if we are so convinced that the public out there are happy with 100,000, that the consultation implied 100,000, why do we not go and ask them? That puts the issue in a nutshell of the whole matter of public opinion, informed consent and how this House relates to the public out there. Now housing, pressure on housing. A number of people referred to this, they are absolutely right. The major problem with the policy of the Council of Ministers on this is the effect and the impact on house prices and the consequent damage to our social fabric. How many people have left the Island because they cannot afford to live here and how many people who have local roots cannot return? They cannot return because the quality of life which they would like has been taken away by this policy of endlessly letting more people in. I spelt out the implications on inflation across the whole economy of this policy in my speech and to sum that up, as Deputy Martin said, it is a new Maufant that we are talking about. The consequences of that? Well, let us have a look. My next thing is St. Helier. Now the Constable of St. Helier seemed to be happy to welcome a further 6,000 units into St. Helier. Now Deputy Martin raised this question of whether it is 6,000 units or it is 8,000 units and I am puzzled over this because she had the Officer Working Group figures and they quite clearly say in a column headed: "99,000 population", it is a different mix now because in that 99,000 there are more old people with the later figures but the figure at the head of the column was 99,000. The consequence of that 99,000 was a further 8,000 units of accommodation in those calculations. So it may not be 6,000, we may be talking about 8,000. So are we going to get all those people into a vibrant, happy, relaxed stress-free St. Helier? Or are we cramming people in? The Constable of St. Helier said: "Ah, we can get these units in, we can make St. Helier lovely, we can attract families into town." If you attract families into town that means making these apartments that some of the nice townhouses have become back into family houses, that means less population in St. Helier. It means we need that pause so that we have got the working space, the policy space, to improve the housing of St. Helier and have, realistically, family accommodation in town. It will require a big investment in the public realm and I do not believe that the Council of Ministers have any commitment to a real public investment in making a beautiful, lovely St. Helier. Now the reason I say that is that the only place they talk about making St. Helier really a better

place to live is in their comments to my amendment. They did not mention it in the report and in the Strategic Plan. I counted the number of references to St. Helier and to country. I googled them, or countryside, and the numbers are 7 to one. The word: "countryside" occurs 7 times, once in one of the main strategic aims. The word: "St. Helier" occurs once. That is the balance of thinking in the Strategic Plan and it cannot lead to a happy St. Helier with a further 7,500 people in it. Now I believe that what will happen is that it will be found to be impossible and that some of those people will end up living in the country under the Council of Ministers' policy and that will bring an impact on our wonderful countryside. Now the question of the airplane was picked up by various people. I looked down and I saw a countryside that is still beautiful. I want to make that quite clear. Green, brown, the odd house, it is fantastic, but I knew that I was flying across the middle of the Island, I was not flying across the north, over my house or over the Constable of Trinity's house where it really is open spaces and green fields and very, very beautiful. The middle is getting to be urbanised. I just noticed, I looked down, you cannot get many more houses into those spaces without that Guernsey feeling that Deputy Green mentioned. That Guernsey feeling, the place where we do not want to go. **[Laughter]** Now the next major issue is information and having a proper debate. There is a real problem with the information presented. For instance, the first point of course is the missing 2,600. Senator Ozouf tried to muddy the waters. The only comment in fact that has been made by Members on this vital issue of the fact that we are missing 2,600 people from the debate was to try and confuse it whether it was June or December. He is saying that the Statistics Unit cannot calibrate and cannot take the measurements on the same month in different years. It is quite absurd. What happened, and I have the Statistics Unit document here, is that they took the baseline from the end of 2005 for the population and the mix of population and they then started the immigration figures in 2009, because after all the debate is happening in 2009. The net inward migration that happened in 2006, 2007, 2008 was not included and that is why all the figures in front of us today are wrong by 2,600 and all the implications of that. So that is the first point on information. How can we decide on a policy of growing the population when the figures are so badly out? The second point that many made was we need a proper debate on all these issues surrounding the ageing population, and population itself and the relationship. We need this proper debate because, as I think again it was Senator Ozouf, because he has a nice turn of phrase, he said: "Not a silver bullet. The increase of plus 150 is not a silver bullet." Well, I quite agree. Where are all the other policies in this document? They are mentioned in passing and they are left for later. They are left for later, and I am being signalled that I have spoken for long enough. Right. Deputy Reed said that I should develop the policies myself. Well, it is very kind of Deputy Reed to join the Deputy Wimberley for Chief Minister Party **[Laughter]** which was last night at 2 and with his support is now 3. So long may this party continue to grow. I will not mention what people have said about economic growth but the working age population is an important thing which really cannot go without comment. We do have to move towards a conservation economy, we do have to be more intelligent with our labour. We do have to do the right things in our economy and manage to stop doing harmful things, and all those things allow us to achieve the same quality of life for less work and I have already mentioned how R.U.D.L. is the tool for making sure we have enough nurses and consultants and not simply turning the tap open on a permanent basis. So in closing I would like to say that this debate is really, really important. I have approached it in a heartfelt way and I am pleading for your vote today. Remember the lady who called me that I mentioned at the beginning of my speech yesterday, remember the young man who wrote to Scrutiny and all the people in between out there. Remember the surveys which have all shown what the public desires on this issue and, as I said, it is not a technical issue, it is not something they will swing on, it is a deeply felt concern and belief that they are asking us to respond to. First of all, when your finger is on that button, vote logically. Vote for the default position because we have not had the proper debate and we need a proper debate so why not pause until we get there? You are voting if you do that for freedom. If you vote for the Council of Ministers and against the amendment you are voting to tie your hands to a policy that has seriously damaging consequences. Remember the last 3 years. We have had these people in, they are here

already, they are very important people, they were left out of the calculations but we should remember and we should vote for the pause. I want you also not only to vote with your head but with your heart. What is right for this Island? Is Jersey special? What will happen to Jersey if you vote against this amendment? What do your constituents and your children and your grandchildren say to you as you vote? In whose interests are you voting; for the many or are you voting for the few? I move the amendment.

The Greffier of the States (in the Chair):

The appel is called for.

Deputy M. Tadier of St. Brelade:

Sir, before we have the appel can I just make a short statement? It is about an intervention I made yesterday while the Deputy of St. John was speaking and I believe I got the wrong end of the stick and I suggested that there were racist undertones in his statement. I have since spoken to the Deputy of St. John and I believe that was an unfair statement so I would just like to withdraw that.

The Greffier of the States (in the Chair):

Thank you, Deputy. The vote is for or against the amendment of the Deputy of St. Mary and the Greffier will open the voting.

POUR: 16		CONTRE: 34		ABSTAIN: 1
Senator S. Syvret		Senator T.A. Le Sueur		Deputy T.A. Vallois (S)
Senator A. Breckon		Senator P.F. Routier		
Connétable of St. Lawrence		Senator P.F.C. Ozouf		
Deputy of St. Martin		Senator B.E. Shenton		
Deputy R.G. Le Hérisier (S)		Senator J.L. Perchard		
Deputy J.A. Martin (H)		Senator S.C. Ferguson		
Deputy G.P. Southern (H)		Senator A.J.D. Maclean		
Deputy of Grouville		Senator B.I. Le Marquand		
Deputy P.V.F. Le Claire (H)		Connétable of St. Ouen		
Deputy S. Pitman (H)		Connétable of St. Helier		
Deputy M. Tadier (B)		Connétable of Trinity		
Deputy of St. Mary		Connétable of Grouville		
Deputy T.M. Pitman (H)		Connétable of St. Brelade		
Deputy M.R. Higgins (H)		Connétable of St. Martin		
Deputy D. De Sousa (H)		Connétable of St. John		
Deputy J.M. Maçon (S)		Connétable of St. Saviour		
		Connétable of St. Clement		

		Connétable of St. Peter		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

2. States Strategic Plan 2009–2014 (P.52/2009): eighth amendment Paragraph 1 - openness and transparency (P.52/2009 Amd.(8))

The Greffier of the States (in the Chair):

Very well. We move now to the next amendment, the first of the 8 amendments in the name of Deputy Le Claire. Perhaps just before the Greffier calls the amendment I could just mention one thing from the Chair. Every amendment is of course important. There are 70 amendments. Acceptance by the Council of Ministers is nothing more than an indication that the Council supports an amendment. It does still mean that every amendment is open to be debated or rejected, but perhaps having said that there are lots of amendments. I wonder if proposers and Members may consider that if an amendment is accepted and clearly non-controversial they may restrict their remarks to fairly brief matters so that we can spend more time on the really major controversial amendments that are clearly not accepted. **[Approbation]** In that spirit I call on the Greffier to read the eighth amendment, number one.

The Deputy Greffier of the States:

After the words “attached as Appendix 1” insert the words “, except that in Aim on page 7, in the fifth bullet point after the words ‘sound infrastructure’ insert the words ‘and which embraces a progressive culture of openness, transparency and accountability to the public’.”

2.1 Deputy P.V.F. Le Claire of St. Helier:

The Council of Ministers' comments on this amendment of mine reads in the following: "The Council accepts this amendment. The Council supports the notion of openness, transparency and accountability and accepts this amendment on that basis." If the Chief Minister can assure me that they do not just support the notion but the progressive moves towards openness and transparency then I will curtail my speech at proposing it here. If I could seek that assurance from the Chief Minister that he will agree to ensure that we adopt a progressive transparent process rather than just the notion of one then I can curtail my speech right now.

Senator T.A. Le Sueur:

I think I probably could accept that notion if I knew what progressive meant but with that minor caveat, yes, the spirit of the amendment is fully accepted.

Deputy P.V.F. Le Claire:

I make the amendment.

The Greffier of the States (in the Chair):

Very well. Does any Member wish to speak? Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? I put the amendment. Those Members in favour of adopting it kindly show.

Deputy P.V.F. Le Claire:

Could I have the appel, please sir?

The Greffier of the States (in the Chair):

Yes, the appel is called for.

Deputy P.V.F. Le Claire:

In the interests of openness and transparency. **[Laughter]**

The Greffier of the States (in the Chair):

The vote is for or against the first of the 8 amendments in the name of Deputy Le Claire and the Greffier will open the voting.

POUR: 42		CONTRE: 0		ABSTAIN: 0
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				

Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Peter				
Connétable of St. Lawrence				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy T.M. Pitman (H)				

Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

3. States Strategic Plan 2009-2014 (P.52/2009): eleventh amendment paragraph 1(a) (P.52/2009 Amd.(11))

The Greffier of the States (in the Chair):

We move now to amendments lodged by Deputy Southern which the Assembly agreed yesterday could be taken one day early. I think Deputy we do need to take them one at a time initially because they do relate to different priorities so if we could take the first 2 I think, that relate to the introductory paragraphs numbers (a) and (b) of the first amendment and ask the Greffier to read those both together. They can be voted on separately, so the eleventh amendments, (1)(a) and (b) together.

The Deputy Greffier of the States:

After the words “attached as Appendix 1” insert the words: “, except that in the Priorities on page 8 – (a) in the first introductory paragraph, after the words ‘will be delivered.’, insert the words ‘The single overarching priority shall be to take concrete and measurable steps to actively promote the creation of a more equal society.’”; (b) after the words “attached to appendix 1” insert the words “except that in the priorities on page 8”; in the second paragraph, after the words “main aim of the Plan.”, insert the words “In the application of these priorities, due attention must be paid to the creation of greater equality.”

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

In taking amendment (1)(a) and (b) together we have almost got belt and braces here, because they both make more or less statements about what our priorities should be. As I said, one is couched in stronger terms than the other. Indeed, the Council of Ministers have opposed one version, one form of words and accepted the other. One way or another I hope today we are going to get a statement about a more equal society into this Strategic Plan. I hope that it is the stronger version and I hope to show Members today why that is significant and also why it is important that we do make a very clear and meaningful statement about equality and inequality in our society. I believe it is the single most important aim and priority that we could adopt. The reasoning comes from an increasing body of research, nationally and internationally, which can be summed up in a very succinct fashion by a recently published book by Richard Wilkinson, *The Spirit Level*, why more equal societies almost always do better. What he is saying there is that the key marker in creating, and I will use the word once - I will probably use it again - more happy societies, more comfortable societies, is not the level of wealth - rich societies, poor societies - the key indicator that needs to be behind all social inclusion work and all social drive is the level of equality. Where you have got rich or poor society and you have a got a large gap between the rich at the top end and the poor at the bottom end, that produces unhappy dysfunctional societies. Where that gap is reduced, and it can be measured, then we tend to produce, whether rich or poor, happier more content more functional societies. The single aim that should underlie, and the word I have used is “overarching”, is that we should be actively seeking to create a more equal society. If we do that and succeed then we produce solutions to the vast majority of problems in our society. Yesterday, I circulated a little page of graphs which illustrate many of the aspects of this principle of an equal

society, taken from the Wilkinson book, and I will be referring to it in my speech; so if Members can dig it out of their briefcases or off the top of their desk, I will be referring to it in some detail. Where are we in terms of our social policy? We have recently introduced income support to replace the old welfare system. Excuse me; it is my early morning voice. Members will know that I have been working on that for some time and I am not overly impressed by the success at which we are delivering aid to those at the bottom, in particular, to move this to a more equal society and that income support was originally based on reports such as the Crisp report which set minimum standards and that the income support scheme that we adopted abandoned that research, some quite lengthy research, and went for a lower level of basic support. What we have done in terms of the last Strategic Plan was we introduced something which I believe was not really adequate and was not as good as it might have been in terms of delivering social inclusion, social support, throughout our society. When we look at what our society does, we have to look at the research that has been done and the research produced in 2005, I think - but certainly after 2004 - Professor Walker, along with Stella Hart produced the *Social Protection in Jersey: A Comparative Study*, which looked at the levels of poverty in this, our extremely wealthy economy. What it found, for example on page 39 of the report, was that the relative poverty rate in Jersey was on a par more or less with the E.U. (European Union) average. We have got a wealthy society with levels of poverty that are average and that immediately, from my mind, starts to require some comment. That when we look at a different graph and look at the net replacement rates for the unemployed, what happens when people fall out of employment, we find that instead of being the average we are at the bottom end of the scale; in fact, we are the very bottom end of the scale. That is not a significant factor when we have got full employment. One of the other factors that has been a marker in our society is that, by and large, we have got very low unemployment rates in our society. When people fall into poverty, when people fall out of a job, 2 things happen: one, it is often fairly short lived because there are jobs around, people can get work relatively straightforwardly, therefore levels of poverty are reduced so hence we are on the average mark. The key marker there is that we have had, traditionally, full employment and finding a new job is relatively easy. Unfortunately, today we are in different times, we are in recessionary times and significantly more people are becoming unemployed and it is significantly more difficult to move back into employment, I believe, than currently there has been. Why is that significant? Because here we are right at the bottom of what is called: "The net replacement rate for the unemployed." What that means is that, and here is the statement from the report commissioned by our own Minister for Social Security, as was: "A transition into unemployment from a full manufacturing rate in Jersey would involve a loss of 77 per cent of earnings compared with 36 per cent of earnings in Europe as a whole" a massive drop in earnings when you lose your job. When people are made unemployed, it is a very steep fall and if the job market is not healthy and you cannot quickly get out of that, it is a long way down. Our society does not protect particularly well against loss of employment; loss of 77 per cent of earnings, the very bottom of the scale compared with 36 per cent in Europe as a whole. Our support mechanism, particularly on unemployment, is significantly lacking. When this report came out at the end, it also pointed out that this average - here we stand at the average of Europe, which sounds fairly healthy - also has a rider: "However, it must be borne in mind that this poverty measure", the measure used in this particular calculation: "is calculated before housing costs, particularly expensive in Jersey, are taken into account." In addition to that, this average figure that is produced is without housing costs. Now, we know what is happening in our economy, housing costs are increasing still despite the recession and getting worse, so that the average which we might be quite content with is not as trustworthy as we might come to think and actual levels of poverty may well be lower because of our high price of housing. In the final section of this report, it talks about: "National Action Plan to tackle poverty and social inclusion." In a very brief page I will just read the opening paragraph: "As part of the European drive to promote equality alongside growth" note: "Promote equality alongside growth" and here we are talking about economic equality alongside economic growth: "Each of the member states of the E.U. have been required to produce their own National Action Plan on how they are going to tackle poverty and social

inclusion. The second phase of the National Action Plans were published in 2003.” On the end of this report about what is happening in Jersey, what social protection and social thought was in place, is a statement about everybody else is getting on with a National Action Plan to promote equality alongside growth. I do not see evidence for the promotion of equality alongside growth in much of what is being promoted here, unless we adopt this overall, and I say overarching, priority of promoting equality. There are some who say: “Yes, but when we look at relative poverty rate, of course, we are a wealthy society so our figures are depressed, comparing like with like.” That, for example, in the answer given by the Minister for Treasury and Resources to a question asked by Deputy Wimberley tabled at the last session on Tuesday, the 19th May, produced a big chart of comparators between our social spending and the rest of Europe. The overall Government spending for Jersey is 26 per cent of our G.N.I. (Gross National Income); the O.E.C.D. (Organisation for Economic Co-operation and Development) average is 44 per cent. We spend significantly lower than everybody else as a proportion of our G.D.P. (Gross Domestic Product) or G.N.I. but, it is stated, we are a wealthy society. For example, on education we spend 3.3 per cent of our G.N.I. compared to 5.3 per cent on average elsewhere in Europe in the O.E.C.D. On public health, big spender, we are always frightened, almost, by the amount we spend on health. We spend 5.1 per cent compared to 6.4 per cent in the rest of the O.E.C.D; so, again, a lower figure. On our social benefit system, we spend 6.9 per cent compared to 12.9 per cent in the rest of the O.E.C.D. because, as somebody says, we have more money, we have more G.N.I.; it is the Minister for Treasury and Resources; he is throwing his voice. Okay, so significantly lower expenditure than almost everywhere else in Europe, significant. We are, in each of those columns, the bottom of the pile in terms of our social protection spending on those 3 elements. But we hear the question: “But it is not like with like. We are a very wealthy society. We have got a high G.N.I., we have got a finance service dominating things, high profit margins therefore, yes, the relative spend will look less.” Let us compare with our rivals, for example, in Luxembourg and Switzerland; even, let us go to Ireland - they are competing with us - our competitors that are significant in the financial services sector, wealthy societies. Luxembourg, our spend, 26 per cent, Luxembourg, 51 per cent. Education spend, 3.3 per cent, Luxembourg, 3.8. Public health, Jersey 5.1 per cent, Luxembourg, 8.6 per cent. Social benefit system, 6.9 per cent for Jersey, 17.3 per cent for Luxembourg. Switzerland, again our arch rivals, very wealthy society, general government expenditure Jersey, 26 per cent compared to 34 per cent. Education, Jersey 3.3 per cent, Switzerland, 5.1 per cent. Public Health, Jersey 5.1 per cent, Switzerland 6.3 per cent and social benefit system - protection against unemployment, protection against poverty - 6.9 per cent, Switzerland, 11.2 per cent. I will not go and do the Irish ones but again, there is significantly higher spend even in Ireland than we do. Relatively speaking, on whatever measure you take, Jersey lags the rest of Europe in terms of its social protection measures and its social benefit measures in order to support those at the bottom end of society and hence promote a more equal society. The case is almost unarguable but, for some reason, the Council of Ministers wishes to argue it that, significantly, an overarching priority should be to promote equality, by which I mean economic equality, so that we all share in the product of our economy more equally rather than some getting the vast majority and a few getting the leavings; a more equal economic society. Right, so the question is: “Why this particular form of words?” and I will remind Members what that says so in the introduction to the priorities it should read: “The single overarching priority shall be to take concrete and measureable steps to actively promote the creation of a more equal society to ensure that we all benefit.” For me, I find it very difficult to see an argument with that as an aim in our society. If Members will turn to the sheet that I distributed yesterday of the various graphs, and I will try and go through them fairly straightforwardly, you will see on side one there is a single graph on its own at the top right-hand corner and then a pair of graphs placed adjacent to each other. The one on the right-hand side is the index of health and social problems as calculated by the U.N. (United Nations), so it is an international standard, index of health and social problems versus national income per person. Here is the argument about: “Is it about poor societies and rich societies or is it about unequal societies and equal societies?” We will see, right: “National income

per person”, take the top right-hand side, U.S.A. (United States of America). Rich economy, average earnings, average national income 40,000 dollars per head, compared to Portugal, relatively low in income, under 20,000 dollars so one is a relatively poor society one is a rich society but both of them significantly high, poor score, on the index of health and social problems. It is not about money. Equally, look at the U.K. (United Kingdom) and Japan. In the middle of the chart in terms of income, U.K. around £27,000 average income, Japan’s, ditto. U.K. very high, very bad score for social and health problems, Japan, much better. It is not just about income or wealth; it is about inequality and equality. Because when you look to the graph on the left, here we have it laid on: there is the line of best fit and that is where we rank now, the index of health and social problems, against income inequality. Lo and behold, what you have got at the top right-hand side, U.S.A. as a very unequal society and, by some margin, the worst in terms of its social problems. Portugal next at the low end, a relatively poor country and, look, the U.K. next. Our nearest neighbours, the economy on which we can make comparisons, high on the list of health and social problems. Where is Japan? Comparable in terms of income with the U.K., Japan right down at the bottom end, very good score in terms of its health and social problems. In between a whole string of countries, the measure and the best fit is about the level of inequality. How does that manifest itself? Let us look at the rest of these graphs and the bottom left-hand side: “Percentage Infant Mortality Rates” and you expect the U.K. to be doing pretty well on that. We have been doing National Health Service and delivery of high quality health services. Quite significantly again, against income inequality, who are the worst? Here we are: U.S.A., Portugal and, significantly, the U.K. at the high end of infant mortality, around the 5 or 6 per cent mark compared to Japan right at the bottom at 3 per cent, Norway and Finland, the Nordic countries, we expect there; they spend much more money on their social protection, we expect them to do it but it is not just them and the marker is income inequality. Health, infant mortality, life expectancy, again, the right-hand graph. What have we got? We have got the same pattern. Japan, the average is almost 82 now, for the U.S., Portugal, it is down around 76, 78. Where is the U.K.? Relatively at the low end; the U.K. around 78. Again, significantly, the markers in things like life expectancy again repeating exactly the same pattern: the measure is level of income inequality. Significantly, that average figure for both infant mortality, but particularly life expectancy, applies across the whole of society. People, wherever they come in society: high, low, wealthy, poor; they all benefit, life expectancy goes up with greater income equality, reduction in income inequality. Mental health certificates, if Members turn their sheet, again, a very straightforward best fit line, U.S.A at the top, U.K. second down to Japan at the bottom; Mental health issues. Ditto. Let us move to crime. Prisoners per 100,000; who is at the top? U.S.A., Portugal, Israel and the U.K.; putting people away, high levels of crime, high imprisonment rates. Who is at the bottom? Finland, Norway, Japan. Again, same story: use of illegal drugs, drug use, do you want to solve that problem? The key, income equality. Again, top end U.S.A., Australia, U.K., Portugal; the same culprits. Bottom end, Japan, Finland, Switzerland; low illegal drug use compared to high illegal drug use. Education, maths and literacy scores again, there is the best fit. Who is at the bottom end? U.S.A., Portugal, U.K. not doing too badly on this one; well done, the Education Minister in the U.K. But top end, Finland, Japan again; there is the best fit. Education. Finally, an issue that has been bouncing around for the last 3 years at least, overweight children in this particular case, but I could have gone almost anywhere in society and picked almost any marker but certainly percentage overweight 13 and 15 year-olds, here we are, it does not matter whether you are rich or poor, the U.S.A. and Portugal at the top end, middle earners, U.K., again at the top end. Why? Because of greater income inequality. Down at the bottom end - there is no Japan this time - but the Nordic countries doing best. If Members will turn to the priorities and the list, why have I put an overarching priority as: “Promotion via concrete and measurable steps of income equality”? Because many of these priorities, 16 priorities, will be addressed by that single item. “Protecting the public and keep our community safe”, crime figures down if we promote equality. “Enhance support service to vulnerable children, families and others at risk” the level of support will be better by promotion of this overall aim. “Enhanced and improved healthcare provision”, promote a

healthy lifestyle, by driving forward on income inequality. “Maintain high quality education and skills” again, if you want the answers, drive this forward; there is the overarching aim, that has got to be your motivator in everything or most things that you attempt. “Adequately house the population” and we could have used percentage of people in inadequate housing and I believe we would have found exactly the same graph that said: “Income inequality high, poor housing, income inequality low, better housing”; more people in the right housing. If you want to hit all those lists, I suggest accepting this overarching driving motivation and aim is the way forward. If I just return to that set of graphs on the first page, what has been happening recently? Now, I cannot measure in Jersey what has been happening to the level of income inequality; we had an income distribution survey in 2001, published in 2002; I have got several battered versions of it, I use it as my Bible because it nails some facts. We have not had an income distribution survey since; it is due for, the Chief Minister will tell me, 2010 or published in 2011, I suspect. Not even that hurry. We do not know what is happening. What we can do is compare what has been happening in our nearest comparator, where the economy is parallel, the U.K., and the top right-hand graph says what has been happening in the past 30 years in the U.K. What we see is that the level of income inequality has increased and is still at a high level. If one was to take 1975 and call that “one”, when one measures the relative gap between the top 10 per cent, the 90/10, and the bottom 10 per cent, one gets a figure for: “The top 10 per cent are this much better off at this much greater income than the bottom 10 per cent”; it is called the 90/10 breakdown of deck cards. Allocate that to the figure one as a starting point, during the Thatcher years, surprise, surprise; who benefited most? Why, the wealthy did, and the line creeps up until we get to a figure of over 1.4, i.e., a 40 per cent increase in the gap between the richest 10 per cent and the poorest 10 per cent, the gap increasing and increasing throughout the Thatcher years. I think we knew that was happening; we knew what happened. Then steadying out and coming down and being maintained more or less over the Major years; nothing much happened and over the Blair years where the action plan was adopted. Like that action plan or not, which had targeted reductions in, for example, child poverty, and we have got a slight decrease in the relative gap. The link is almost crystal clear. If you want to do something about poverty levels and support in your community then the trick is to attack the income inequalities. There we get over the Blair years a slight reduction in this ratio between the wealthiest and the least poor along with significant movement, for example, in what they targeted: child poverty. There is the key and that is what we need to happen. I do not know and I cannot swear that that has been happening in Jersey. I have no evidence to say that the gap between the rich and the poor has not increased in Jersey. I have got significant anecdotal evidence and experience from St. Helier No. 2 that the gap sure is not lessening; I suspect it is widening. We might not find out until 2011 but when we do, by God, we should be geared up to go for that and if the gap has increased then we should be driving at it and it should be in this Strategic Plan today so that we can attack that because that is the best way to work towards solving, and there is no panacea, all of those problems, all of those priorities is to get hold of this and to drive it forward. It can be concrete and it can be measureable. Back in 2001, we measured 2 factors: we did the 90/10 equivalent so when we do the new income distribution survey we can easily measure that and know where we are and decide how best to drive on an initiative which reduces it. Also, the other measure is called the Gini co-efficient and, on that measure, in the U.K. the Gini was 0.31; we had a slightly higher inequality factor in the Gini co-efficient of 0.33. That is easily measureable so we will know what has happened over the past 10 years and that can prepare us for driving through for the next 5 years and onwards into the future in our society. We are already just a tad less equal than the U.K.; less equality, based on 2001 which is the last figure we had, than in the U.K. and you have seen where the U.K. comes out on all of those factors: all of the drug use, educational standards, the health issues; relatively poorly. We start from a place that is behind the U.K., as far as we know. Do we want to do something about this? I believe we should be doing, which means that when we come to deciding on (a) and (b) we have the choice. For some reason, the Council of Ministers has decided to oppose one form of words and accept another form of words. I argue that the stronger form of words be overarching because of the links to almost all the factors. If we can

get this right we can crack many of the problems. I think the stronger version should be in there; it should be the overarching priority. However, they are prepared to accept in the application of these priorities due attention must be paid to the creation of greater equality. In driving forward every one of those, due attention must be paid or a single overarching priority to take concrete and measurable steps to actively promote. Pay due attention to for concrete measurable steps to actively promote. **[Approbation]** Neither is impossible, neither is more difficult than the other: due attention, actively promote. I personally prefer the stronger words and I think they should be there because, for once, what does that put in? That puts in something I am for ever talking to the Chief Minister and the Council of Ministers about: “How do you measure it? How do we know we are doing it?” The first version, the one opposed by the Council of Ministers says: “Concrete and measurable.” Is it measurable? It is easily measurable: the Gini co-efficient, 90/10 will do it, and that breaks down into many things that can be measured. I obviously and strongly support the stronger set of wording and the overarching drive, the Council of Ministers apparently opposes this amendment, although how anybody can oppose a drive to greater equality in society with all the benefits that that produces, I fail to understand, and they even misunderstand what we mean by “inequality”; they are arguing about forms of words. The wording suggested, while it may be regarded as attractive, it certainly is attractive, can be interpreted in different ways by different people. I am saying: “Hang on. No. This is economic equality, a drive towards equality.” “The Council believes the key to whether there is a communalist angle is meant by, ‘more equal society’ and how this could be defined in a way that is meaningful.” I have just, I think, defined it very clearly. I have hit the nail on the head; that is what it means. It means the Gini co-efficient measurability in terms of an equal society. If it is about equality of access and equal opportunities, well, of course, it is; that comes with the package but essentially it is about economic equality and the single most way to promote equal opportunity and equal access is economically. We know how it works; it is not by adopting vague pious-sounding, good-sounding phrases, it is about wider scope: “It is the economy, stupid.” Get in there, promote that equality and your society, by and large, in all sorts of ways will be a better, happier, more content successful society; that is the key. I urge Members both to vote for (a) and then include (b) in this proposition.

The Greffier of the States (in the Chair):

Amendments (a) and (b) of amendment number one of the eleventh amendments are proposed. Are they seconded? **[Seconded]**

3.1.1 Senator P.F.C. Ozouf:

We said earlier in the day that this Strategic Plan should be about the grand big political debates in Jersey politics, and quite right, too. It is perhaps important that this is the second big debate after population that we are having; it is of equal importance as the debate that we had on population. I should start by saying that the Council of Ministers has approached these amendments and I am sure Members will see, in accepting part of Deputy Southern’s amendments, a real signal that the Chief Minister has given of a desire to be inclusive; to try and find consensus and middle ground. I think that all Members of this Assembly want to promote equality and that is why the Council is happy to accept the second part of Deputy Southern’s amendment and I urge Members, because I am going to draw Members to it, if they could to look at page 8 of the Strategic Plan, with the very helpful amendments that have been made by the Greffe. The priorities and the preamble, the first 2 paragraphs, they are the paragraphs that set the tone for the rest of the Strategic Plan. It sets, together with the priorities, the general direction of the plan, the political direction of the Island; some might say the political philosophy. The word “manifesto” has been used; yes, this is the consensus, hopefully, but certainly the majority consensus of the Assembly when it has been, hopefully, voted on. It is fair to say that the Council of Ministers in relation to part (a) would even not have a problem with some of the words in the first sentence. I do not think the Council of Ministers would have any problem in dealing with, for example: “Taking concrete and measurable steps to actively promote the creation of a more equal society” somewhere in the document. There

are 2 problems, and Deputy Southern is a good debater and I hope that he is not going to criticise me for using words and interpretation, because I and the Council of Ministers have been struggling to interpret exactly what he means. I think that he means in: “A single overarching priority” something quite important. I think it is important; I was not sure when I read the report because the report is fairly weak. I think from his opening remarks we have had to base this really important decision on a graph that has been sent round. What does Deputy Southern really mean when he is talking about: “A single overarching priority of a more equal society”? I think that he is talking about transfer payments. I suspect that he is talking about - and this is no criticism of him; we are all entitled to a different political philosophy - a traditional tax and spending agenda. I think that he is promoting ...

Deputy G.P. Southern:

I know I get a second speech but I believe the Minister is accidentally misleading the House and I wish to point out that there is nothing concrete in this. There are no actual measures; it is not taxation; it is not benefits. At this stage, on these phrases, it is the acceptance of these phrases, full stop. **[Approbation]** There are some directions further on in further amendments to ways in which that might be obtained; none of them is concrete. They are things like explore mechanisms for X, Y, Z.

The Greffier of the States (in the Chair):

I think that is probably enough, Deputy; I think you have made your point.

Deputy G.P. Southern:

Yes. Okay. So that we are voting on this form of words and not on the mechanisms that will come later. **[Approbation]**

Senator P.F.C. Ozouf:

I am pleased I have let him speak because I think he has let the cat out of the bag because what he said was: “At this stage.” Because he is wanting us to agree to a grand political statement and the words that he meant is: “At this stage” and what is going to happen is that we are going to be lulled into a warm sense of cuddly security of agreeing **[Laughter]** some very well-constructed words which we all would agree on and we are then going to be held to the implementation of that. **[Laughter]** That is absolutely right because if we agree this: “Single overarching” objective we are going to be held to that implementation. Let me speculate, if I may, what that implementation will mean because that is what we have not heard from Deputy Southern. We all agree with equality, we all want an equal society. I think the difference is that we differ on how to achieve it. I believe that in raising the standard of living the best way that we have to do that and the best way that governments deliver that is by growing the size of the cake. We promote equality, we lift people out of poverty by economic growth, not by slicing up the cake in a different way but by growing the cake, and it is the growing cake that I remind the Deputy and those other Members that will no doubt speak of the desperate state of Jersey society and the desperate state of all our services, I remind the Deputy that it is the economic growth, it is the growing of the cake, that has funded important policy initiatives such as income support and the investing of a new £20 million in income support in putting more money into families that otherwise would not get it in terms of transitional arrangements. We invest and we share the proceeds of economic growth with our community. Negative growth, and that is the debate around the world that is happening at the moment, reduces people’s income; it particularly affects the lower paid. That is the real concern behind the global recession; that it is going to affect the poorest in our community. I do not think that, in Deputy Southern’s implementation after he would persuade the States of this: “Single overarching” objective, I do not think that he is going to be bringing proposals to grow the economic cake. I am not being disrespectful to him but I do not think that I have heard many proposals in a few years of being at the opposite side to this Assembly from him that grow the

economic cake. I agree with him and I agree with all Members that want to promote equality; we all want to do it but I ask him, and I ask Members who were considering supporting this amendment, this: "Single overarching" objective, where is the money for income equality going to come from? He is a traditional left thinker - and he is entitled to that view and that is absolutely fine; I have got some very good friends, some extremely good friends **[Laughter]** who are traditional left thinkers; I do not agree with them, too, on the way that you implement - what are the concrete measurable steps that Deputy Southern will be bringing to this Assembly to achieve this objective? I am struggling because the report was fairly thin and, if I take the graph that he has shown, I think that there are all sorts of problems with this graph in terms of infant mortality. We have a very low infant mortality in Jersey, as I understand it; I do not know whether that one is relevant. I think the bottom one on the first page, in terms of life expectancy in terms of income, I do note there, and I will illustrate the point, that I think that what he is talking about here are countries that do certainly have much, much greater proportions of their national income which is spent by their governments in pursuing some of those objectives. Certainly, Denmark, Finland, Germany, Norway; all of those people that are getting life expectancy. It means, and I think we need to be absolutely clear, Deputy Southern is saying that we should be moving the whole of the Strategic Plan to a much more different model, a model of much higher percentage of government spend and much more transfer payments. I am a little confused, because in the implementation I have no doubt that what his objective means is very significant increases in public spending. My problem is that I do not know where this is going to come from because the Deputy has been one of the leading Deputies against the implementation of G.S.T. (Goods and Services Tax). Most of those countries that pursue these very laudable - and of course it is a matter for their national assemblies - these very important policies of transferring wealth, of Norway and Sweden and France and Germany. They have V.A.T. (Value Added Tax) of 15 or 20 per cent. This is a Deputy that has said that we should not have G.S.T. so, clearly, in paying for his objectives, he has ruled out G.S.T. These countries that are also pursuing these objectives also have much higher levels of income tax. He has ruled out income tax increases for middle earners; he wants to stretch allowances and has brought propositions to this Assembly to stretch allowances for the lower income people - he is trying to interrupt and I am not going to give way - he has also brought forward proposals in recent months to stall 20 means 20; the very tax increases that are on the middle and higher earners. With the lower paid, they cannot be taxed, the middle income people, they cannot be taxed because he said there is no increase for 20 means 20. We have dealt with the people at the lower end of income tax; they must have bigger allowances. Who is left? What is the implementation of Deputy Southern's: "Single overarching" policy and how is it going to be paid for? I think that he has ruled out all measures to pay for it. I look forward to hearing in his summing up what he means by "Implementation". I am going to expect him to sum up and say: "In achieving this overarching objective, we are going to need to increase government expenditure. We are going to need to increase government expenditure and we are going to have to also grow the economy." That is going to be a new line for him, too, because I am not sure that he is bringing forward proposals to aggressively grow the economy; he has just voted against the population increase, so we cannot grow it by population, so I do not know where the money is coming from, but it is interesting if he wants to say that it is going to be taxation. Members need to clear; this is a big political decision, this is a very different direction for the Strategic Plan. It is a move to the Strategic Plan of a traditional tax and spending approach. Maybe in his summing up he will cite the utopia which does not have G.S.T, which does not have 20 means 20, which does not have income tax for the lower paid, which does not have higher taxes and stealth taxes across the board, which does not have higher population. Maybe he can tell me where that utopia is that we can deliver that. I say to him that I think the nearest place to utopia is right in our Island. I think that we have got that balance right, I think that we have pulled off the economic miracle of having relatively low taxation accompanied by very high levels of economic growth which we share to the extent that we possibly can with our community. I favour rejecting this "single overarching" policy not because I do not agree with some of the words; because I am absolutely clear that the direction that Deputy

Southern wants to take us in a very different direction from where we have been going and, in my view, we have been successfully sharing the proceeds of economic growth to the extent that we possibly can to our community in the best way possible; that is the Jersey utopia. I urge Members not to vote against a continuation of our utopia.

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

I am very pleased to be called straight after Senator Ozouf. He has a go at Deputy Southern on the priorities and he said: “Now, let us read what we are saying. Would not everybody like to agree that to have a single overarching priority that will take concrete and measurable steps to actively promote the creation of a more equal society? Is that not cuddly?” Then, you know, again I turn to page 8 of the priorities of the Ministers. Are there not 15 “lovely, cuddly” policies in there? **[Approbation]** Can anybody disagree with them? But the Senator accuses the Deputy of hidden agendas somewhere. What is his worry? I mean, I have had this conversation; I could not understand why the Council were accepting Deputy Southern’s second amendment but not the first and I have gone through the Deputy’s amendments, and I cannot see. In the Senator’s speech, he sees this as more tax more spend and the Deputy’s report suggests this is the Council of Ministers: “That all public services must be maintained at the current level.” The Council of Ministers are not prepared to support an amendment that suggests ongoing increased government spending and the tax implications which would follow during such uncertain times. Then he accused the Deputy: “We cannot do it by increasing the population.” Lost that debate, dear; we have just increased St. Helier’s population by 8,000 homes or 16,000 people. Do we need any more public services? Of course, we do not. Do we need anyone to clean the streets or do anything; collect the rubbish? Of course, we do not. What is a public service? Is it a school? I say that is a public service. Of course, we do. We have just decided to increase the population. All right “overarching” then, you know, we go on. Who is going to pay for this? Maybe the people can pay some towards it but I really wonder where they are coming from. Then again I go back and you know I never thought I would hear myself say this: “Come back, Senator Walker” **[Laughter]** because he did produce this document that has been sitting in my locker again, like all my others yesterday, and it has got a lovely word in it; I will get to it, right at the end: “Everyone counts. A social policy framework for Jersey” and it is basically on a hand-up not a hand-out, which the Senator has just said: “We need to keep giving people money.” No, we want to be helping them up the ladder and that is where, to me, the Deputy is coming from “overriding” **[Approbation]** and the Senator is making it political. If you want to be fluffy, do not put 15 fluffy statements in your own Strategic Plan and tell the Deputy and people with real social consciences: “You cannot be fluffy too.” **[Laughter]** We are not. Sorry, I will just get on to this report and quote a few things. I remember this down at St. Paul’s, I remember Senator Perchard, who is not in the House, but he was very happy because it had the word in it, as I was saying, but I do remember sincerely Senator Walker saying: “This is long overdue” but it needed much work. It has been sitting in my locker for 4 years. It has never got further than a final draft, it has never even been produced as an “R”. Everyone who was there on that day was in this House then and every Minister supported it. It really makes me shameful to be in this House when we have fluffy words and all we are talking about is fluffy promises. “Key principles for the social policy framework is an ambitious vision. The challenge for policy makers now and in the future is to maintain progress towards a long-term goal. They will constantly have to deliver, review and improve their policies and initiatives to make this happen. Promoting independence, supporting those at risk and protecting those in need. Where are we now? It is generally acknowledged that Jersey has not had a clear, articulated and joined up social policy. In 2001 a view of social policy in the Island concluded that social policy development was thought to be constrained by policy structures and procedures that encouraged short termism and inhibited the exercise of political leadership. Respondents argued that the committee structure” now, do not forget because that was ruining everything: “did not necessarily map well into social problems, resulted in fragmentation and inhibited policy development. In the absence of an overall aim of guiding principles, policy decisions are impractical and social issues in Jersey have tended to be

driven by business needs or budgets of specific States committees or the agendas of individual politicians. By default, the social policy of the States has been weighted towards quick fixes of managing and funding social protection rather than creating and supporting independence. However, it is also most important to note that progress is being made. The Strategic Plan 2005 to 2010 sets out an initial framework of policies which were intended to offer a more coherent approach. New initiatives, such as reform of the welfare system, the introduction of income support and a New Directions programme which will redesign health and social care in Jersey, are already underway.” We are still waiting for New Directions and there is much work to be done on income support; that is still not a hand-up. “These all featuring in the new Strategic Plan” and that is the last one, not this one: “and it is another step forward in developing a coherent approach to making policy needs and priorities.” Policy principle recommendation one: “All major policy initiatives that impact on social issues in Jersey should be assessed against the aim and key principles of a social policy framework.” These are not fluffy; these could not be fluffy because these were delivered, again, by the Council of Ministers: “10 key priorities. Society promotes the well being and independence of older people, people enjoy good health, the economy provides a sufficient supply of jobs with adequate earning potential, people have education skills and training necessary to access jobs with, adequate earning potential” not ones that need topping up with income support; I am just adding that one in there. “Households are able to maintain financial independence in retirement” again, not needing income support: “Households can access suitable accommodation for their needs.” I just may add this: the Constables of St. Helier are telling us all this accommodation will be good to live in town because they will all have very high ceilings and all the children will be hanging from because they cannot be playing on them. I am sorry that did not come out quite right but this will not make family life better. “Essential goods and services are competitively priced and accessed to all. Families are supported, people are socially responsible and communities are integrated and cohesive.” Then I go on and I think: “What is making it happen?” What will make this happen? Bring it to the States for one or let us have a debate but, no, no, no; this was the old Council of Ministers. I cannot see too many that have changed; others were Assistant Ministers then. “Making it happen. An agreed core list of key transitions around which support pathways will be based, an agreed list of agencies in public, private and voluntary sectors will serve in gateways into the support pathways. An agreed set of guidelines and protocols with gateways agencies will hear and refer in clients for assessment.” All this goes on. Again, we get to recommendation 2: “The States should develop a joined up system of support pathways that provide tailored support to help people through periods of transition, to build an independent future or minimise any ongoing dependency. Principle recommendation 3, introduce a systematically designed and managed corporate process for the collection and to analyse data to inform and evaluate social policy decisions in Jersey.” It says: “Jersey is still in a transition from government systems and structures described towards a fairer society. The introduction of Ministerial government and the approval of a new States Strategic Plan represent 2 major steps forward in addressing this legacy. Nevertheless, we should remain acutely aware that decisions about what gets done at an operational level are still based in the States departments. Many social issues cut across these department boundaries and it is often impossible for individual departments to appreciate the full-scale implications of social problems if the States business planning process relies on a bottom-up process” and we are still there. We do not want to join up and we do not want anything that sits at the top but now, let us really be scared of the wording because, in principle 4: “A formal process should be introduced. Produce an annual strategic social assessment, rigorously review compliance and issue an overarching policy recommendation.” “Overarching”, very frightening word, is it not, especially when it is put at the top of a set of very fluffy, cuddly priorities by the Council which, obviously, Senator Ozouf, I think, was it utopia he was looking for? In Jersey, in many places on the Island, we have it and if we get everything right from one to 15, we will definitely have it as well. But to me we have not stood still; we are going to increase the population so of course we are going to have more public services. Is the Deputy, in his amendment, saying these have got to be provided by the public sector. No. If you want to get

rid of the public sector, someone has to pay. It will be the States. It will be the taxpayer. The States and the taxpayer will have to pay for services that the public need. Whether they are provided by a States manual worker, a nurse or a company that provides gardening or cleaning services, the States and the taxpayer will pay that bill because Mr. Bloggs is not going to take his rubbish down to Bellozanne every Tuesday morning. He is going to wait for someone to collect it. I do not care who that is. If it is, as I say, a States worker or a private company, the bill will be met from the taxpayers of Jersey. I cannot get my head around where the Senator or even the Council of Ministers, they have accepted (b), and now they call the J.D.A. (Jersey Democratic Alliance) and they probably now can call me. "Deputy Martin always looks and is cynical" and they are suspicious. I would say their reaction to this is suspicious because who, as everybody would say, would not want this as a top priority in Jersey, in a good, fair society? I cannot see anybody, and it is only the top-level strategic. Go back to the last Strategic Plan and see how many top-level priorities really we did follow. All lovely. Very, very nice to read. I wish the Council of Ministers every success in delivering, but I really wish that they would just accept this amendment and stop being so suspicious and political, and talk about cuddly! Let us have a little bit of cuddly and fluffy over here, please, and accept it. Thank you.

Senator P.F.C. Ozouf:

Could I ask for a "cuddly" clarification? I generally just do not understand the Deputy's point. I did not say anything about who delivers services. I thought that I was saying that there was a cost. Can she just say where does the money come from?

Deputy J.A. Martin:

The Senator can miss a point when he wants to. I have been provided now for a population of 91,800 and we are going to still provide those services and increase the population. Who pays for it will be the taxpayer. The Deputy's amendment does not say anything about it not being the taxpayer. That is an argument on tax and spend, and if my recollection is right, the Deputy has lost and the Senator's side has won. So he has got the money but he does not want to spend it to give the people a hand-up in society. That is the way I read it. If that is political, I am very sorry.

3.1.3 Deputy R.C. Duhamel of St. Saviour:

I think this whole process of bringing Strategic Plans to the States, consensus to be built up and won after it has been debated has got real flaws in it. Some of the issues that we are struggling to get to grips to - and at the rate we are going we are going to be here for months - would adequately be covered under a party system. I think we are straying into a level of confusion which is trying to supplant from some sides of the House a different ideological philosophy or whatever which would be easily tied into a party running the Government, but we do not have that. So, as a consequence, we are here debating up to page 7. Strategic aims, according to the previous speaker, are very fluffy, and that is absolutely right because you cannot really do much more. Then, in order to flesh them out a little bit more, we are putting down a few priorities without going down into the meaty bits which are going to come later with the business plans and the money side of it and the raising of taxes and all the rest of it. The whole process is fundamentally flawed, but what do we do? Do we all tear our hair out - if it has not fallen out already - and just vote everything through very quickly, discuss the minutia of every different priority or whatever and get thoroughly fed up with the process or do we try to take stock at an early stage? That is why I am saying the things that I am saying, to see whether or not we can streamline the process a little bit and separate out the fundamental philosophical or ideological differences that do exist within the minds of all the Members in this Chamber. This very thing worries me. If we are going to be able to support - and this is the Council of Ministers - and accept in the application ... in the application of these priorities, due attention must be paid to the creation of greater equality. We have done it. The Council of Ministers have bent over far enough to show everybody that they have picked up on that element of opinion in the House that a move towards the creation of greater equality within the

systems is something that is desirable and we will all work to. I think that is fine, but then what do we have? We have the belt and braces approach of Deputy Southern who has gone a stage further in order to secure his argument, even though it has been won, by suggesting that we should take a further step to say that this particular issue is the single overarching priority and should take precedence over everything else. It does. That is what it says: "The single overarching priority shall be to take concrete and measurable steps to actively promote the creation of a more equal society." The way it has been written, had the words "single overarching priority" been taken out, we would have been in exactly the same place as the second amendment in agreeing that this is what we wanted, but because Deputy Southern is suggesting this must be the single overarching policy, and that is getting up the nose of the Council of Ministers because they do not want to be seen to be supporting the creation of a single overarching policy, whether it is supportable or not, as coming from any other place other than themselves, we cannot support it. The whole thing is, frankly, nonsense. I take my hat off to Deputy Southern in that he is keeping abreast with the debate on social policy, but just to show again how the system is flawed, he waved the book this morning by Richard Wilkinson and Kate Pickett and indeed we perhaps should have read it before we got into this debate as to whether or not the things outlined within that book that are being pushed forward as being gospel should be placed at the top of the agenda. I do not normally read *Prospect* - it is a magazine on social issues - but it does come to my house and is read by other members of the family and it was quite interesting because this month, the May 2009 version has a book review on the very book that Deputy Southern has been waving. The book review was written by no less a person than Julian Le Grand who is the Richard Titmuss Professor of Social Policy at London School of Economics. So he must know something about what he is talking about, one would hope, or at least he charges little enough to get his opinions published in a respectable journal. I do not know which is which, but nonetheless I think it is possibly useful for Members to be told of some of the things that he has put within his review and, indeed, if other Members would like a photocopy of it afterwards, I am happy to pass it around. He starts off by saying that the Richard Wilkinson and Kate Pickett book: "*The Spirit Level* has been making policy waves on both sides of the Atlantic [and] the problem with inequality is not so much its unfairness as its effects on the wider society." Then he goes on to say what they assert, but he is saying that in putting forward a range of graphs to demonstrate the ideas behind their argument, they do not supply the underlying statistical models. I have a background in mathematics, as Members know, and statistics, and that point is very well made as there are lies to have lies as statistics and probably all the utterings of States Members as well. I do not know which category we put those in, but to put forward at a very late stage part of what was in a very good book, potentially, which opens the debate as to whether or not inequality is to blame for all social ills, which is what it is about, and then to use that single-page argument and the fact that most Members have not read the book or the review to say: "Well, this is sufficient analysis to put the whole argument at the top of our list of priorities overarching and above everything else" is fundamentally wrong. It is sloppy work. I make no bones about it. I am not saying that I am in support of the argument or against the argument. I just think that we are not doing ourselves any favours in progressing what we all want to do which is to increase social equality throughout the Island and to give our Islanders and everybody else a better deal. I think we can do that by supporting part 2 and not necessarily supporting part 1. The overegging argument did not need to be made. So the review goes on to say that if indeed you have provided a range of graphs which can be interpreted statistically in various ways and you have not referred to the underlying statistical models that support your argument, it raises the obvious question is the inequality really the driving factor, which is what we have heard from Deputy Southern he thinks it is, or are there other underlying factors that contribute both to these problems and to the growing inequality in different places. That is where it starts to get interesting because the reviewer goes on to cite - and it has already been mentioned by our Minister for Treasury and Resources - that there are substantial differences in the cultural makeup of different societies. We have already had Deputy Southern indicate that those societies at the top of the tree in terms of providing a betterment in terms of social services or whatever and equality are

generally from a Scandinavian direction and those who appear to be at the worst end of the scale appear to be from Anglo-Saxon extraction. It goes further than that because if we were going to talk about the general characteristics of whole countries, again you have got a huge averaging process that is going on which does nothing to suggest reasons for the differences between populations and population make-ups in the individual countries. The review goes on to tell us that surprisingly, although the U.S.A. is coming out pretty badly because of this perhaps social inequality, there are however states within the United States such as Minnesota and Wisconsin which in the past were heavily settled by Scandinavians who have a cultural approach in order to look after their people and in order to look after people in the ways that are perhaps supportable. They do quite like paying higher rates of support monies through the taxation system into social security and whatever. So we have a huge argument here as to whether or not philosophically the Island wishes to move in the direction of an enhanced U.S.A. where the more you can earn, the better for you because the Government will take some of those monies and give it back through redistribution efforts to those who are hard-up or less advantaged, or whether or not we begin to move in the opposite direction towards countries that realise that the differences between the top and the bottom are destructive in societal terms and have moved towards the Japanese end, where they do limit the earning power of their top people compared to their lower people. The fact that they eat fish as well as rice and a whole stack of other things may well be contributory factors to keeping their population probably in a happier state, but we cannot at this stage, I feel, turn around and say: "Well, it is one thing or another", but I do feel that the argument should be opened. It is a matter of conscience and interest for all States Members within the House to determine the overall direction of the House and the Island through a strategic debate of sorts, but I do feel, coming back to my original point, that this is not the debate to do it in. I would favour and I have called for, on many occasions, a regular range of state of the nation or direction of the nation debates to thrash out the differences of approach from both sides of the House in order to settle the overall directional aims which would then work themselves through to the Strategic Planning process. In the comments I made yesterday, I hope Members kind of read between the lines to what I was saying, which is we have had strategic debates before and we do not really stick to what we are doing. So what is the point? To tell everybody, as some of the reference documents have come around, that what we decide today is going to be how we are going to play the game to 2065, I mean, that is utter nonsense, quite honestly. We have got 2 and a half years to run to the next election. We are then going to get into a better period, hopefully, where we will start to establish a longer period of tenure, 4 years or perhaps even 5 years, so we can begin to start laying down proper long-term plans, but the plan today is short-term and that is why I think a lot of these things do not matter as perhaps some Members would like to think they do. So I am quite happy. I think what we should be doing is adding as Back-Benchers or other interested Members, as indeed has happened within the Strategic Plan debate, sensible suggestions that solicit the support of the Council of Ministers in order to push the argument in the relative direction that we are going, but I do not think that we should get over hung up on trying to railroad through or ramrod through every single amendment on the basis that this is the only way to do it. It is not. That is what this debating chamber is for and I think, on that basis, I will support, as the Council of Ministers are supporting, the second part. I think the first part will come back in 3 years' time and hopefully before, when we can have a proper structure debate on not just the social provision of support to Islanders who are disadvantaged but a whole range of other things: the state of the nation for the environment, proper population debate and a whole load of the bigger, meatier things where the differences can be thrashed out and a proper consensus point of view worked out that we can all work to. Thank you.

3.1.4 Senator S.C. Ferguson:

I am glad to follow Deputy Duhamel on that because in actual fact the Chairmen's Committee has already suggested there might be merit in treating the Strategic Plan as perhaps a manifesto of the Council of Ministers and submit it as a report. My feeling is that we are starting with an elephant but if all the amendments in this debate go through, we shall end up with a camel; something quite

different from what was originally envisaged. I was also interested to hear the Deputy's comments on the graphs. Yes, I was concerned about the odd choice of countries and the assumptions and the basis for the parameters. One point he has missed is why are some countries not included on certain graphs so there is not true equivalence. For instance, in the one on mathematics and literary scores of 15 year-olds, they have left out Singapore. Singapore has one of the highest rates of literacy and mathematical ability in the world but it has also got high income inequality by their definition. I do not know. It also keeps coming and going on some of the other graphs, as do Switzerland, Greece and Israel. I am sorry I am sad enough; I went through them just to see. Quite honestly, as anyone with a basic knowledge of statistics knows, you can correlate virtually anything to anything. I mean, there is the classic graph correlating stock market performance to the length of women's skirts. I do not think they have managed to cope with the change to trousers with that. One of the most interesting factors is that the countries with equality by these particular authors' definitions - and we do not know the basis of their definition, but anyway, the Deputy may explain - the unequal countries are those where there have been most inventions and technology advances: a point to ponder. The Deputy in his speech concentrated on the various social benefits and wants to boost the safety net. Yes, I would support that too, but what he does appear to have missed is that you have got to have a flourishing economy to support this. As the Minister for Treasury and Resources said, the cake will only cut so many ways, but I will return to this. The Deputy also talked of economic equality. Perhaps he would, in his summing-up, give his exact definition of a more equal society. Is his underlying philosophy the one from each according to his ability, to each according to his need, economic egalitarianism? Well, the traditional approach to achieve this is using progressive taxation, income redistribution and property redistribution. This is difficult unless there is a large enough cake to cope, particularly if you are killing the goose which lays the golden eggs, taxing the entrepreneurs or those of ability in the society to death. It also depends how you want to make people equal. Do you want to give them a hand up or do you want to bring them all down to the same level, the economic egalitarianism route? It seems to me that the first equality we can and should offer is that of opportunity: the opportunity to achieve a fulfilling life. That is not necessarily an integral part of economic egalitarianism, nor is it absent from the antithesis of this, the "high-ec" type system. It does not matter how you approach the problem; you can never make everyone equal. You can give everyone the same start in life, but however you organise it - well, perhaps with gene manipulation you might be able to - you cannot give everyone the same abilities. It is essential to have a system which provides incentives for those with abilities who will provide the employment and support for the less able. It is far better to have a society where the strong willingly, not grudgingly through being overtaxed, give a helping hand to the weak rather than to force everyone into a bland conformity by the government imposing a punitive taxation system to redistribute wealth. In fact, I think you will find that this willingness to give a helping hand is the philosophy underlying the Honorary and the Parish system.

Deputy P.V.F. Le Claire:

On a point of information, may I ask the speaker to tell me where she has just read from, please?

Senator S.C. Ferguson:

I am sorry, I do not ...

Deputy P.V.F. Le Claire:

Sorry, if the speaker will give way, I believe she has just quoted somebody. The words were: "You can give everyone a good start in life. You cannot give everyone the same abilities. The strong would willingly give a helping hand to the less well-off rather than being grudgingly taxed." I wondered if that is a piece of literary work that she has quoted from and what the source of that is.

Senator S.C. Ferguson:

The source is one Senator S. Ferguson. **[Laughter]**

Deputy P.V.F. Le Claire:

It is not something I subscribe to, I am afraid.

Senator S.C. Ferguson:

My previous quotation though was the basic socialist philosophy as propounded by Karl Marx. For the ageing population though in this whole system of the Parish and Honorary systems, you know there used to be a system of dower houses on the ends of the farmhouses for the ageing population. The families looked after their own. So, basically, the economic equality or economic egalitarianism is a fundamental underpinning of big government and centralised controls. You can see this throughout the E.U. It would undermine the basic identity and ethos of Jersey. So perhaps, in his summing-up, as the Minister for Treasury and Resources asked, the Deputy would define his philosophy and say clearly how he would achieve his vision of equality in the Island. I shall not be supporting the more extreme of the 2 parts of the proposition. Thank you.

3.1.5 Deputy M. Tadier:

I have got a lot to say. I will be able to finish before lunch though so hopefully that will give Members some comfort. The good thing about debates like these is that you get several bites of the cherry. I do agree with what the person sitting on my right said before, that the whole Strategic Plan in many ways is flawed insofar as the whole debate, and the way it works is far from ideal but I believe he also quite rightly commented that under a party system it would be a completely different affair. That is not an argument on its own to have a party system, of course, but it is simply a truism, I believe. Unfortunately we have what we have here and Back-Benchers, while they were accused yesterday by the Connétable of St. Helier of scribbling things on the back of a fag packet, whether that is true or not, we have very little choice to do anything else. This is the only way we can make ideological or philosophical challenges to the Council of Ministers. This is exactly what we are doing and I do not think we should be seen or to be thought of any less for doing that. In fact it should be commended. The first point I want to address is this culture of spin. We are always being sold things as if they are true where in fact, as States Members, we should always be questioning things in a qualitative fashion: "Is this statement true?" For the first part of the deconstruction of propaganda, let us turn to page 15. I am working from the Draft Strategic Plan here. There is a quote which I will read out. It is towards the top of the page: "What we must do, it is all about sustaining public finances." The essence of the quote is: "The public continues to demand high quality services funded by low taxation." Do they? I do not necessarily think that is true, any more than we would go, for example, to buy a car and expect to have the top-of-the-range Ferrari for the same price of an old Mini. The public are not stupid. They do not expect to get something for nothing and they know that good public services cost money. However, what they do not want, like any of us, is to be ripped off. Quite simply, they are seeking value for money. So I do not believe that is true, that the public are so stupid, and it just shows the contempt that the Council of Ministers have for the public of Jersey that they come out with trite sayings like this that are simply not true. Many people who I have spoken to would be quite happy to pay higher taxes but in fact they would be quite happy for those who can pay higher taxes and at the moment who are not to be able to do that, so they do not constantly get ripped off. So, for example, we are told always that we have low taxes and that we have excellent public services. So why is it that we do not have a decent bus service? Why is it that we have escalating house prices which many people cannot afford? Why do we have such expensive food which is supplemented by G.S.T. that people are continually finding it more difficult to live and pay their heating bills? The next point I would like to make is the one which yesterday I did not manage to make, which is to do indirectly with population. This is why it is so key to have these kinds of debates because it really does give Back-Benchers the opportunity to point out the parts that they do not agree with. Obviously we know it is all futile and that we cannot get anything changed, but nonetheless we still have a duty to do it. There is a quote on section 5, page 17, why we must do this; all to talk about promoting sustainable population levels. Effectively the quote says, and I will read it here: "It is crucial that the working

population of the Island is able to sustain the economy.” I will read that once more: “It is crucial that the population of the Island is able to sustain the economy.” Note the subject and the object there. So who is doing what for whom? It is the population of the Island which is there to sustain the economy. Surely you would have thought it would be the other way around. You have an economy there which is not a tangible thing. It is an abstraction. Nonetheless, it is very real, we know, and it is there to serve the public. That is what it is there for. We work to live. We do not live to work. However, the Council of Ministers, and I am sure this is not a slip on their part although it could be perceived to be quite a clumsy syntax choice there that they have made, it is in fact, I believe, very revelatory of the fact of where they put their priorities. So it is a shame that Senator Le Main is not here to hear the speech because I believe he would term this as something of a ‘diatribe’, which I hope would be corrected in the *Hansard*. Of course you can have a choice there: the diatribe or tirade. I think that is probably where the confusion arose. Lots of people have talked about consent, saying: “Oh, it is essential that we have consent. We must work by consensus in the Chamber.” But how can you have any real kind of consensus or consent when you have elections where a vast majority of people prefer to abstain, because I believe they have such contempt for our system. So we have elections where there are 35 to 40 per cent of people who turn out to vote, and of those, some of us are representing some of their views. So I believe that the real reason for low turnouts is that the ordinary folk, the politically disengaged non-voting majority of the Island, they realise that our government has this aforementioned contempt for them. Jersey is run by the wealthy for the wealthy. Indeed the word “Jersey” for the Council of Ministers is first and foremost an offshore finance centre. The population, with its needs, social, emotional and political, are simply an inconvenience. The Council of Ministers demonstrates this in the way that they are very swift to action matters that relate to financial regulation and policy but indifferent or, at best, very slow when it comes to matters of social policy, equality and human rights. Of course, I believe that the majority of the public, far from being politically ignorant, they actually recognise this. This is the reason they choose to abstain from voting. They reciprocate this contempt which is manifested ironically by political disengagement, and something which surely suits the ruling elite. The Council of Ministers will no doubt say that it is unfair and point to few and far between victories this year where social policy has come through, but we know that Deputy Southern, in conjunction with the Minister for Social Security, brought some very good policies in to protect people who had lost their jobs through insolvency, but this was done begrudgingly and we have to realise that there was initial pressure against this from the Council of Ministers. It is only when they realised in fact it would have been politically naïve to do it that they backed down. So these states of affairs have been the same since 1948, to which the political lineage of today’s Council of Ministers can be traced. Indeed, it has been said that Jersey is not so much an island society so much as a corporation. In fact we probably should not really talk about the Chief Minister. It would be more appropriate to talk about a managing director. Remember it is a corporation which has a new brand which cost, I believe, in the hundreds of thousands of pounds with all the package, of course, that went with it. It matters very little whether the name of that president of the corporation is Krichefski, Jeune, Horsfall, Walker, Le Sueur or Ozouf because the underlying politics and the contempt for the working classes remains the same. They are wealthy men, appointed by the wealthy to look after the needs of the wealthy. Also they have been very successful in doing that, it has to be said. They point to the success of the Jersey model and say: “Oh, it has been working very well for years.” Again I ask the question why is it that we are in a position where we have spiralling house prices when ordinary folk are leaving the Island. I know they are. I am one of the younger generation who, for some reason, made the somewhat strange choice to stay in Jersey and, for all my sins, to get embroiled in politics, like Sisyphus pushing a stone up a hill when he knows that it is futile, but hey, you have to do what you have to do, I guess. Strangely, as one of the 3 youngest Members in the Chamber, I take these matters very seriously because I believe it is my generation and possibly the younger generation who will be left with these problems when other Members have long gone and are perhaps enjoying their retirement and their pension, which I doubt I will ever have. So it is normal that they pay homage to the low tax

model which has been, to quote: “responsible for Jersey’s economic success.” It is conveniently ignored that the Board of Directors or the Council of Ministers have historically and systematically been responsible for years of social neglect that has seen an underclass of Jersey resident develop who cannot even return to a home and necessarily to adequate accommodation. More still, they certainly cannot hope to own their own homes and are condemned to a cycle of paying extortionate rents to landlords, never seeing anything tangible in return for their money. We also see a society in which people struggle to feed their families, pay fuel bills, et cetera, et cetera. We do not need to go on. We could do, *ad infinitum*. So this is the legacy that this ruling party has left, and I see nothing in the Strategic Plan as it stands that would make me want to vote for it. Let us get back on to some other points. I would like to address an assertion that was made by Deputy Duhamel in the sense that his argument was that basically because we have the second part of Deputy Southern’s amendment, which says that due attention should be paid to equality and inequality and resolving inequality, that we do not need the first part. That is certainly one argument. I do not think that necessarily follows because overarching commitment to solving inequality or reducing inequality is not exactly the same as due attention because due attention, at the end of the day, means nothing. It is meaningless. I can say I paid due attention to something but in fact the due attention, because I do not believe that it merits any attention because I do not believe it is important, the actual attention that I pay to it would be minimal. It would be negligible, whereas if we make a statement that says we do believe that equality is very important, both economic and social, not simply equality of opportunity which I will address shortly. So I believe it is very important that we send that strong message here, that the overarching idea or philosophy is all to do with greater equality. What is wrong with that? It seems like a no-brainer to me. Why would you not want to vote for that? In fact, it seems like if you did not vote for that, you are saying that the overarching ideology is not equality. This brings me to my next and perhaps cynical postulation that in fact the Council of Ministers, for once - stop the press - are being very honest here. I believe Senator Ferguson, although she is not on the Council of Ministers, has summed it up right because Senator Ferguson, I have a lot of respect for her insofar as I believe she has a lot of integrity with her ideas, she does not believe in equality because equality, as she quite rightly said, is not present in nature. Some people are stronger than others. Some people are ...

Senator S.C. Ferguson:

May I just make a correction? I do not believe in the pursuit of economic egalitarianism by the traditional means.

Deputy M. Tadier:

I thank the Senator for that intervention. What I am saying, and do stop me if I am wrong, and it is a perfectly valid position, I believe, although I do not draw the same conclusions from it but basically, if we want to call it Darwinism or whatever, it is recognised that people do not have the same starting place as other people. That is just a truism. So I am not trying to infer kind of bad or nefarious motives there. That is just true. However, I draw different conclusions from that. I am probably more Rawlsian than the Senator is. So we know that the Council of Ministers in effect do not care about quality. No, that is slightly misleading. They do care about it but in its inverted form because they know, and they are very concerned about maintaining inequality because that is the basis on which free market capitalism is founded. We need the poor to have the rich. Do not let anyone try and sell you the idea that everyone can get wealthier, because it is nonsense. If everyone gets wealthier, then it simply means that the gap in between the 2 stays the same. So if the poor start earning more but the cost of living and food also goes up - and it usually goes up ... Senator Ozouf is shaking his head. We know that in Jersey; that the house prices and food prices are going up a lot faster than wages are. That is true. I do not know how he can sit there and shake his head. It would be nice, in the face of these facts, to live in where I can only presume is Cloud Cuckoo Land. So Jersey is no exception to this kind of wholesale adoption of these neo-liberal capitalist ideals. Indeed, in many ways, it is the example. In a past speech, I made an observation

not so long ago that no society is free from inequality. However, as we have seen, some societies are much better in terms of social and economic equality than others. This is not by chance. It is because they have set in place policies that are deliberately designed to take them in that direction. The difference is that Jersey has built its “success” (in inverted commas again) on equality and social injustice. We know that there is one rule in Jersey for one person, one rule for another, and that applies to housing, it applies to work, and it has ramifications in the area of pay and education where there are also vast inequalities in terms of wealth. This suits us quite well. It suits some Members in the States because in fact it just suits the wealthy elite who are not elected by a majority; they are elected simply by a minority of a minority. So the question really for me: is it possible for Jersey to have a different vision? We know that the world has changed. We know that the economy has changed. In reality, we should take stock of these facts. I will pause. I am getting slightly distracted by Members talking in the background. I know that is quite their right to do that. I will sum up because I know we are coming up towards lunchtime, but I want to sum up this whole myth of equality of opportunity. This is something which is expounded quite regularly on television shows such as Question Time when you have guests the likes of John Redwood, for example, who is a true blue in that sense, and he goes on about the fact that: “Oh, it is not so much equality that we need and social equality and economic equality. We cannot be giving everyone the same start in life. What we need is the equality of opportunity so that everyone has the same access to education” et cetera. This of course is nonsense. You cannot give someone equal opportunities if they do not have the same starting points in life. That is basically true and certainly true in a system like ours where we have means tested access to higher education, for example, whereby, okay, we will take care of the very poorest that cannot get a grant - and I know because I did benefit from a full grant and look what has happened; it has turned me into a raging leftie - but joking aside, we know that people in the middle simply cannot go to university because the costs are too high. This is the kind of society that we have created where people are just left to fend for themselves. If you cannot afford it, it does not matter, and if you do want to take the risk, you end up with hundreds of thousands of pounds sometimes if you are parents with a few children and you simply have that burden around your neck. So this is the kind of system we have. People like John Redwood, of course, always cite themselves as the example, that they have managed to somehow pull themselves out of the mire and did very well for themselves, but of course they are always the exception rather than the rule and they do not cite the thousands of people who are born in poverty, who have no opportunity and who quite simply remain in poverty and die in poverty because that is the norm; that is what happens. Senator Ozouf says basically: “There is no alternative to this system. It has worked very well. What is your alternative? Where are we going to get the money from?” Well, for example, let us just look at one host of measures which is available to the House if it wanted to pursue some radical reforms in the area of taxation and which it will have to do. I can assure you that if I am still here in 10, 15 years - God forbid - that we will be debating tax reforms and we will be going to the place where we should be going now. Let us just take a very simple example of inheritance tax. Nobody likes the word “inheritance tax” even though it is 2 words. No one likes the phrase “inheritance tax” because this is really low; we are taxing people on the way out, we tax them as soon as they come in, we tax their houses and we tax them when they die. But let us look at the logic behind inheritance tax. If we are really serious about equality of opportunity - and I can see one of the estate agents across the way shaking his head, perhaps not surprisingly - the idea of inheritance tax is that it is redistributive by its very nature. So, for example, at the moment, under our system, we do not have inheritance tax. Somebody can own a property which they may have got in 1066 or they may have got later on because they were faithful to the royalists and they were given a big bit of land somewhere, and they have kept this property purely because it was given to them in the past, and it may well be that that stretch of land that they have, the manor, was obtained by nefarious means. Morally, I am talking about. It could be because they were a lot stronger and better at killing peasants or enslaving people and the slave workers to work on that land, which would be unthinkable today, of course, but they have benefited from this and they remain in that strong position purely because there is no redistributive element.

If we are serious about equality of opportunity, then we also have to be serious about bringing more equality of starting points. Of course it will never be solved but we can take steps in that direction. So I believe that there is another vision and I believe, as I have said, in 5, 10, 15 years' time, we will be saying: "Hang on a minute. Why do we not have a speculation tax on property whereby people who buy attractive land and then, 'Oh, look, it used to be a green field and now I can develop on this property'." What if that happens and then somebody who owns a field which may be worth £30,000 and overnight it is worth £30 million, is it wrong to say: "Actually, mate, you have to pay 10, 15, 20 per cent [that is very modest] on that wealth you have made, so we can plough it back"? I know people have qualms about this and it is understandable because no one likes to think that they are stealing money from the rich in a Robin Hood style to give it to the poor, but it is not simply that way of giving people handouts, although I do not think that is happening at the moment anyway. I believe it is all about building an infrastructure so that society can have an inherent wealth, which is at their disposal, which they can use or not use. It will not stop people driving around in Mercedes or dropping their children off to school in Mercedes and Chelsea tractors if they want to, but it would also mean that they would have a real alternative if they want to do something which is greener, which is more socially acceptable. I believe it is our job as a government to provide this alternative vision, and that is something which I am promoting. While the speech might have been slightly radical for the tastes of some people here, the decision we are being asked to make on Deputy Southern's proposition is not a radical one. We are just simply asking, you either believe in greater equality or you do not. If you really believe in it and you are not just paying lip service, there is absolutely no reason why you should not want to support this proposition. Again, if you do not believe in equality, that is fine. Just be honest and say that and say, you know: "We need the poor because if we are going to have superiors and wealthy elites, then we also need the poor and the inferior people and that quite suits us because that is the way it has always been." So just be honest and vote against the amendment, but I see that as the only 2 options really. You are either for equality or you are against it and you will either strive to have a more equal society or you will not. Do not be brought in by the sophistry that has been suggested that we can vote for the second part and not the first part. I believe for many of us whether we accept the Strategic Plan or not will depend on whether we accept the whole of this amendment or not.

Deputy R.G. Le Hérissier of St. Saviour:

I wonder, on a point of clarification, could the speaker define, when he said Jersey was run by a wealthy elite elected by a minority of the minority, what was he referring to?

Deputy M. Tadier:

I will explain. We know that minorities turn out at elections and we know that under our current system because we have a first-past-the-post system and we do not have any kind of transferable vote whereby any elected candidate needs to get the majority of all the votes cast. I will use myself as an example so as not to embarrass any other Members. In St. Brelade, there was a 40 per cent turnout and I did not get an absolute majority but I came second, so I beat the other 6 candidates because I got more votes for them, but I was voted, let us say, by 35 per cent or 40 per cent which is roughly somewhere between 12 and 15 per cent, is it not? To his credit, my colleague, Deputy Sean Power, was elected with an absolute majority. He got more than 50 per cent of the votes cast, but then again, not wanting to take anything away from him, he only got 50 per cent of 40 per cent which is still 20 per cent of the actual voters in the Parish. That is what I am getting at.

Deputy S. Power of St. Brelade:

Can I just say, can the Deputy be thankful he is not in St. Helier. [Laughter]

Deputy M. Tadier:

What I am saying, in that sense, we are all elected on a minority and some of us are elected on a minority of a minority. The point is, and obviously it is a subjective statement, but I believe that, just to make the point, the trinity that we have in the Council of Ministers are all very wealthy men, and there is nothing wrong with that.

The Greffier of the States (in the Chair):

Standing Orders preclude one referring to the private affairs of Members in debate. You can make certain fiscal points but you should not impute motives for Members who may or may not have private affairs that are different from others.

Deputy M. Tadier:

I take that direction.

3.1.6 Deputy P.V.F. Le Claire:

That is a hard act to follow in 6 minutes. I can begin my speech and then I am going to have to curtail it for the break because unlike my second intervention in this debate, I think I need to say a couple of words based upon what has been said already. The Strategic Plan is the States Strategic Plan. It is not a political party plan. It is not necessarily the Council of Ministers' plan. It is the States Strategic Plan. That is why the debate is occurring in here and although some Members are groaning their way through it and moaning their way through it, they may really want to reflect upon why they are in the States because this is what the States does. Unfortunately, much of the States debates - and I have been in many that go on for a long time - have been around timely interventions by Deputy Southern, and this may have been a little untimely, but I think it is very appropriate that he has brought these amendments. I am glad that we have taken them in order, but what has happened now is it has deteriorated into a division in relation to speaking and we are getting away from the focus of what we should be doing today, which is dispatching this at the earliest opportunity in its entirety and then focusing on the mechanisms and the work that we need to do to get on with the business of this Island to make sure we can deliver it, because if we sit around all day long, gazing at our navels, saying what we will do, we will never get it done. I have got 5 minutes and I do not know if I am going to be able to finish in that time, but I will try. So if you can fasten your seatbelts, I would say to Members, with respect, I am going to whiz through what I think will take 5 minutes but should really take a lot longer. The eradication of poverty: some people believed it had been changed to the eradication of the poor and turned it on its head. I would like to take issue with some of the words and some of the beliefs that Senator Ferguson expressed. Although I do support her right to believe those things, I do not necessarily sign up to them. Her words were: "You can give everyone the same start in life. You cannot give everyone the same abilities." That is certainly right, and those with greater abilities who have not been given the same silver spoon in their mouths may not necessarily finish the race at the same time as others, but to go on to then subjectively say that the strong will willingly give a helping hand to those who are in need rather than be taxed into giving it unwillingly is a better form of society, I really think demonstrates the worst kind of thinking in society. To think that children are born with different abilities and can be boxed into categories because of their financial ability is ridiculous. I certainly was elected as a Senator. I did not come from a wealthy family. Does that mean to say that I had ability or does it mean to say that the system is somehow quirked in that one single instance, or does it really point to the fact that the argument made by the Senator is absolutely politically and socially unacceptable if we are going to have ...

Senator S.C. Ferguson:

Will the ...

Deputy P.V.F. Le Claire:

I am not giving way.

Senator S.C. Ferguson:

I will explain it over lunch.

Deputy P.V.F. Le Claire:

Over lunch? Lunch would be great, but I am going to lunch with someone else. I do not think I could afford to swallow much more of what I have heard today. I am sure we will talk and I am sure we will be able to settle differences but not on what she said this morning. I am coming at it from this perspective as well, and this is what I want to say because the perspective is the starting point and the rights of the child and the rights of the child that we have been failing demonstrably in this community for the last 20, 30 years. The issues that Deputy Southern has raised have set the hares running because we think it is about an economic argument that has to do with tax. It is not necessarily at this stage an economic argument that has to be or needs to be to do with tax because we have not, as he pointed out, made that decision and probably never will, but what it does have to do is with the distribution of tax at this stage and it is in the distribution of tax that we need to focus our efforts and our economy on the young. By doing so, I will demonstrate, if I am allowed to break for lunch and continue after lunch, through the report of the United Nations Committee on the Rights of the Child why so many of our ills, as quite rightly pointed out by Deputy Southern, have been determined by the fact that we do not invest at the earliest opportunity. If we do not have concrete measures, I do agree the overriding measure will probably be one of his biggest hurdles to overcome during this debate, but if we do not have targets and mechanisms to reach those targets, then it will be sophistry, as pointed out by the previous speaker. We all know it is sophistry because we have been living it: "We will do this. We will do that. We will do this. We will do that. We will do this. We will do that. We will do this." It never happens. Never happens. There are no measurable targets and that is where I part company with Deputy Duhamel because he believes that we can do this without measurable targets, and that is why I asked for the intervention earlier on in my first speech from the Chief Minister because they supported the notion of openness, accountability and transparency, and I sought clarification on a progressive and mechanised and identifiable set of targets that would be implemented and he gave me that undertaking. I have another 10 minutes to go, at most, but I do need to suggest that perhaps we adjourn.

LUNCHEON ADJOURNMENT PROPOSED

The Greffier of the States (in the Chair):

Members are content to adjourn and reconvene to continue Deputy Le Claire's speech at 2.15 p.m.? Very well.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS - resumption

The Greffier of the States (in the Chair):

Very well, Deputy Le Claire, you were speaking before the adjournment.

Deputy P.V.F. Le Claire:

Lunch has passed me and my appetite for the debate has somewhat been quelled, I must say. I am sure most Members would join with me in my sentiment again in repeating the fact that really the sooner we dispatch the Strategic Plan and get on with the actual mechanisms of dealing with what we are trying to do, the better it will be for us all. What I was going to do is I was going to make a 10 minute speech and I was going to read to Members from the U.K. Children's Commissioners' Report to the United Nations Committee of the Rights of the Child in which the 4 United Kingdom Children's Commissioners reported to the United Nations on the state of the Union for children in England, Scotland, Wales and Northern Ireland. In doing that, what I was going to try to get Members to see was that that report identifies time and time and time again that the inequalities and

the opportunities for children in our society have had serious and are having serious knock-on effects into dealing with real problems that emerge much later. We had reported in the *Jersey Evening Post* on 19th May 2009 the outgoing expert in relation to childcare; Professor June Thoburn, who stepped down after 2 years as chairman of the Jersey Child Protection Committee and she believed somewhere of Jersey's size and social composition should not have as many child related issues as it does. She made the point that a lot of children in the Island were displaying very challenging behaviour which could be the result of marital problems, domestic violence, mental health or drug or alcohol problems on the part of their parents, she said. Pro rata, there are more children on the child protection register and in care in the Island than she would have expected on an Island of this social composition. Now, if you read that in parallel with what they are saying from the U.K. Children's Commissioners' Report then you will start to see ... and, rather than reading it out to Members and treating them like idiots, which they are not; I will email it to them. You will start to see that a whole host of their recommendations are focusing upon the aim of targeting health policies and support policies to those with reduced income, especially those who are living in inequality and poverty. The reason why they say that is because their experience has led them to believe, and they are convinced of this, that unless income is distributed more fairly in those key areas, we will be building problems up for the future and continuing to have the problems that we are beginning to experience now. That was to counter some of the political argument that was going on before lunch. Now, rather than do that; rather than try to tackle a theme and an atmosphere that has passed us, I would like to ask Members, and I am going to put my sword down first, I would like other Members to follow behind me on this debate and try to park their political agendas and follow the debate more in accordance with the words in the propositions that are before us. If we focus solely on the words of Deputy Southern's amendment on the first half, he is clearly trying to have us focus on creating concrete and measurable steps that will actively promote a more equal society. If we do that and if we cast aside our allegiances for the Ministers, even though we may have been called into a special meeting before this debate as Assistant Ministers - I am not one so it was not me - if we cast aside those pressures of allegiances and we think about our own mandates then what that means is there is more money for health and there is more money for education and there is more money for housing. So, if the Minister for Health and Social Services and her 2 Assistant Ministers find it difficult to support this notion, then they obviously have got enough money and if the Minister for Education, Sport and Culture and his Assistant Ministers find it difficult to support equality with measurable targets, then he has obviously got enough money and if the Minister for Housing and the Assistant Minister, who is here today, believe that they have got enough then they do not need to get behind this either because at this stage it is not about taxation, and at this stage it is not about any kind of politicisation of the economy and it is certainly not about right wing or left wing philosophies; it is about sound economic principles and making sure that the tax that we have got is invested in heading off at the past the problems that we will not have the money to face up to in the future, but we will have the statutory obligations to with the more conventions that we sign up to. The Council of Ministers has already agreed to seek the ratification of the United Nations Convention of the Rights of the Child and in a future debate, I hope to make it very quick as with my first, I will be deferring the long debate on the United Nations Convention for the time that it comes and hopefully at that time it will be brought by Deputy Judy Martin as his Assistant Minister for Health and she will have her day, and she will make the points about the United Nations Convention. But I would like to make the point to Members, just before sitting down, that in the United Nations Convention's principles, the Commissioners will report upon their jurisdictions. This one was done in 2008 and the one before it was done in 2002; I will send it all to States Members, but it clearly and categorically shows that in a system or in a society where there is inequality in relation to disbursed income and no focus on changing that with - and it mentions this in the report as well so it is not some book review that Deputy Duhamel found that somebody in his family was reading, or was not reading, because I certainly get a lot of magazines and do not read all the articles nor colour in all the pictures - I would like Members to just trust in me because, in trusting in me, I will not have to read them out.

But, please, Members, could you trust in me telling you or assuring you and I will forward it to you later, that the recommendations from these 4 Commissioners highlight exactly what Deputy Southern was saying. If we do not have a more equal opportunity at the beginning of our lives, we are stacking up problems for the future; problems that we cannot afford at the moment and we certainly cannot, from an international finance reputation perspective, continue to allow these sorts of issues; the lack of childcare provision, the lack of social provision, the lack of unemployment provision, the lack of special needs provision, the lack of respite provision, the lack of adequate housing, areas to play; all of these things in isolation are problems for ministries but today we have an opportunity of accepting this amendment, not necessarily accepting the other ones he is going to bring; accepting Deputy Southern's amendment on this and saying that we will take seriously the issue about improving equity in our society. Taking it seriously; we will monitor it and we will target it and we will make concrete efforts to address it because the more we do to address equality in social housing, health and education, the less we will have to pay for the mistakes in the future. We have just seen an example of that, and there is more to follow, with the proposition I have brought that was before Members a couple of weeks ago. If we do not take measurable steps, I guarantee, Members, we will not take any.

3.1.7 Deputy A.T. Dupre of St. Clement:

Unfortunately the young man I wanted to speak to is not in the building because I would like to correct Deputy Tadier's earlier comments. I have to say that many working class people were in the States in the past, when the only benefits they got was the use of a telephone. Certainly my late father-in-law, who was a fish monger, Senator Norman's father was a barber, Deputy Pryke's parents and family were involved and we did it for the good of the Island; not for benefits and they were not rich people, thank you. [Approbation]

3.1.8 Connétable S.A. Yates of St. Martin:

I too was prompted to speak after Deputy Tadier of St. Brelade but the moment has passed and I shall vote accordingly.

3.1.9 Deputy D.J. De Sousa:

I am not one for long flowery speeches and most of what I want to say has already been covered by Deputy Le Claire and Deputy Martin. What we need to do is look at the wording. The wording simply says: "The single overarching priority shall be to take concrete and measurable steps to actively promote the creation of a more equal society." We are not talking about taxes or anything else at this stage. The top of this is a priority and, in my meaning of priority, surely, a priority is a main concern and this is what I think Deputy Southern is trying to do with the wording of this. I would implore the Chief Minister and the Council of Ministers and any other Members to back this.

3.1.10 Deputy T.M. Pitman:

Deputy Tadier seems to be the flavour of the moment and I am pleased to speak after him because he will now make me look like a real centre person, so that is good. I have to say, just briefly grabbing a few words with the Constable of St. Lawrence who, as you all know is my favourite Constable, and we were just observing that if we go on spending hour upon hour speaking about something as ridiculous though important as this, we are going to be here for weeks. This does not need this huge, lengthy debate, it really does not. I mean, I am really happy to get fluffy with Senator Ozouf, and I hope he takes that in the right meaning, but I just do not know why we are making this such a problem. So, though it will come as little surprise, perhaps, I will be supporting the amendment. Indeed, to be completely honest, having already watched with dismay the Assembly reject the amendment from the Deputy of St. Mary, I have to say if the Assembly also fails to adopt this, it may well make a difference to my original intention to support the Strategic Plan over all. Deputy Southern's amendment is, I believe, that important. The Deputy in his speech mentioned that recent research showed that societies with greater levels of equality are the

most beneficial. They are the best for nurturing, for our people, for our welfare generally. I believe that most Members would surely accept this as a given, even without what I consider the truly telling statistics that Deputy Southern has put before us. So, the question is what it has to be, in my mind at least. Even having read the Council's comments, how can the Council of Ministers not accept this amendment, unless their pledge is to a more equal society and nothing more than the politics of sound byte and lip service? Can this be so? I would hope most definitely not and I would hope that the Chief Minister might clarify that, if he chooses to speak. Senator Ozouf, perhaps, and I hope I am not putting ideas or motivations into his words, has given us a clue to the problem; it is simply that there is a different understanding of what equality means. Deputy Southern and Senator Ozouf both clearly believe in equality. Maybe it is just that the Senator's version is a "some are more equal than others" because that is what I have surmised from his comments. Deputy Duhamel made much of asking about the background methodology to the academic works Deputy Southern made reference to, and that is fair enough, but if that is a reason not to support the amendment then I have to say that the House really will have to reject the whole Strategic Plan because I truly have never seen a government present a case more riddled with flawed statistics and redundant - I hate to say the word - Thatcher-ite dogma but that is all I am going to say on those political differences. Deputy Southern's speech really is not about left or right and Deputy Le Claire has just touched on that, contrary to what it seems our Senator Ozouf implied, well that is the way I took it. It goes to the very heart of social justice; a platform on which I certainly stood and a great many others in the last election, I might add, stood. I have to say here, for Senator Ferguson, well, those who say: "Social justice costs money" I am afraid there is really no hope for such people. Social justice may well cost money but it goes a lot deeper than that and it is a lot, lot more important. Deputy Southern is not asking us to do this; X, Y and Z at this stage. It is quite clear he is asking for an overarching statement of intent; one that surely we can all agree to. I must say, with Senator Ozouf, and it seems like I am attacking him but I must say I have never heard a speech where a Member has implied so much content and intent that simply is not there. Honestly, you would have thought that Deputy Southern had jumped up on the desk here and shouted: "Hasta la Victoria Siempre" - excuse my dodgy Spanish accent; I do not spend as much time in Cuba as people think. [Laughter] I believe, and I am sure he will correct me because he always does, Senator Ozouf said that there were 2 problems with the amendment when he began his speech. I would suggest, on face value, those 2 words are "Deputy Southern". We have heard an awful lot about fluffy and no one does fluffy like Deputy Martin, and she really hits the nail on the head. This amendment is not about specific detail at this stage. You can read into it what you like but let us look at the words; let us not make things appear to be as they are not. We all speak English and it is clear in black and white. I challenge anyone to dispute the basic fact of that. Touching on Senator Ozouf's speech, if he said Jersey is Utopia; look, we all love Jersey; Jersey is a great place but if he thinks Jersey is a Utopia now with the way we are going, then I suggest he just marches along and really familiarises himself with just the income support scheme because he will find it is not Utopia. What we are looking for here is just to cement that drive forward about an equal society and it really should be a no-brainer, as someone else has said. So, to sum up, I really would say to the Chief Minister; accept this amendment, let it fall between the 2. There is nothing to be scared of, come on, get fluffy, put your toe in first. There is nothing to be scared of, honest, trust me. I used to be a youth worker, you know? As I say, if we cannot agree on things so simple, and, I am quite honest, I disagree with the political views of quite a number of people in this House but I will always vote for something if I think the issue is right and their views are right and we should not be arguing over this; it is just nonsense. We really are, honestly, this debate is going to go on for so long that Senator Le Main will be back from the beach all sun tanned and beautiful. It is going to go on for a month. Please support the amendment and let us get on with it. Thank you.

3.1.11 The Deputy of St. Mary:

I enjoyed the speech of Senator Ozouf; our Minister for Treasury and Resources, very much, in fact more than most speeches in this House. It was really rollicking fun. Now, he said, and I was absolutely pleased to hear what he said, he said we all agree with an equal society and amen to that. Then he went on in the next breath to say that the problem with the first part of this amendment was that then we would be held to implementing it. So, we all agree with an equal society but we cannot vote for an amendment that says that we are going to implement it. Well, that is bizarre in the extreme and I hope Members stick with the first part of the Minister for Treasury and Resources' sentiments. We all agree with an equal society and I think Deputy Le Claire made the case perhaps better than anyone in the debate for just what that means in terms of people's lives. Now, the second thing that really brought a smile to my face was that we should be promoting equality by growing the cake, and Senator Ferguson is also into baking cakes. The thing is that growing the cake of itself does not promote equality. It does enable you to fund trickle-down mechanisms such as income support but it does not promote equality and if I can just refer Members to the comments of the Council of Ministers on this amendment, they talk about, in paragraph 4 on page 2: "The Council does not intend to cut those core services that would impact on the most vulnerable in our society" and that is what we have, you see, we have the most vulnerable and, as others have pointed out, how come there are the most vulnerable? How come that some have such a bad starting point in the first place? The Senator said that we share our wealth, which we generate through various means, to the highest extent we possibly can but, you see, that is again trickle-down, is it not? We have just had a population debate in which we voted to increase the divisions in our society; to put more people in St. Helier while the countryside remains green. I have seen, in my various readings, a map of health in the Island. I forget exactly which report it was, possibly the annual report of the Health Department, and there was a map of the distribution of ill health in the Island and that map is the map of wealth in the Island. It is the map of Trinity, St. John, St. Mary, fine, perfect, you know, everybody is fine and dandy and then it gets blacker and blacker as you go south and towards the urban areas. That is the map that Deputy Southern is talking about. That is the map of inequality and it is not in the best interests of anyone in the Island to promote those divisions. I want to refer to a study done by an eminent Dutch economist by the name of Hueting. He is Head of the Department of Environmental Statistics, of the Netherlands Central Bureau of Statistics, author of *New Scarcity and Economic Growth* and numerous articles and papers. Now, he was invited to do - the Dutch Government did quite an innovative thing; they decided to run different economic scenarios for the entire Dutch economy in round about 1980 and it sheds light on the relationship between economic growth, income distribution and human welfare. He ran the ecological model; the conservation economy scenario. There was masses of research that went into it; they ran the model and they found that, yes, indeed a conservation economy does work and it saves the environment as well and all the details are in this book, which I recommend to all Members. It is entitled *The Living Economy*, edited by Paul Ekins, so do rush off and buy a copy. It is a fantastic guide into the new way that we are going to have to arrange our lives. Under income distribution, this guy has written an article based on all that research that was done for the economic model for the Netherlands, and I am going to quote because it is absolutely spot on, what we are talking about and what the Minister for Treasury and Resources said about baking a bigger cake: "Investigation of the subjective appreciation of income reveals that the absolute height and the growth of income are of much less importance to welfare or satisfaction than the place that a person's income occupies among the incomes of his or her peer group." In other words, everyone is looking around to see what everyone else is earning. They are looking around to see what the people they think are like them, how they are doing economically; the people with whom the person has contact and takes as his or her example and he cites the source for that: "Moreover, to achieve the same increase in satisfaction, more and more additional goods prove to be necessary as income rises." So, the richer you are, the bigger the dose you need to get that one little increase in happiness. So, if you are very, very rich and you have got a very big yacht then you need a whopping great big increase in your material wealth to make any difference, whereas if you are badly off and you find a beer, that makes you feel a lot better. In

other words, the effect on welfare of an additionally earned guilder falls sharply as income rises. So, the more unequal your income distribution is, the less impact making the cake bigger has so you might as well have equality first, bake your cake later, and I have just been shown where the map is; it is in the annual report of the Medical Officer of Health 2007, and it is a map of population density in Jersey, so that is very interesting for the population debate, is it not? But we have already voted on that, have we not? Now, the third interesting thing in what - I am not sure it was Senator Ozouf's debate, I think it was somebody else, somebody else demanded, someone in the debate demanded that the good Deputy define the concrete measurable steps so we now have a second candidate for Chief Minister. Yesterday I was put forward by Minister Reed because I was supposed to bring forward all the proposals for the ageing society and now we have Deputy Southern who will be bringing to the Assembly the concrete measurable steps for increasing equality. Well, he is not doing that; he is producing a high level amendment for the Council of Ministers to go away and produce the steps. So, I think that is probably enough to say and I do hope Members go with this amendment. I just think that we should all be grateful to Deputy Southern for a reasoned and logical approach to this. I think, in spite of what Deputy Duhamel said, I do hope that the Deputy covers some of those questions about the statistical methodology because, obviously, when you draw correlations, it could be correlating with the number of street lights in the capital city but, unlikely, given the range of data that the Deputy presented but I hope he will cover that in his closing remarks. I do urge Members to go along with the Minister for Treasury and Resources in his desire for equality in this Island.

3.1.12 Senator T.A. Le Sueur:

I always try to look on the bright side and, listening to Deputy Southern's opening speech, the one thing I picked out from it was the quote which I think he took from the E.U. about the need to promote equality alongside growth and I think today we have heard a lot more about equality but maybe not enough about the balance between that and the growth. What we have to do in the Strategic Plan is to provide a balanced approach and that is why I, despite the pleas from Deputy Pitman, cannot support the amendments. It does not provide a balanced approach; it asks us to take that approach as a single overarching priority. Now, I was waiting for a while to see just how many times in the course of this debate I heard the words "at this stage". It is up to 4 or 5 so far but all we are talking about is objectives about equality; we are not talking about taxation at this stage, so it does not matter; we can pass this now and reap the consequences whenever. That is not responsible strategic planning; that is trying to sneak things in through the back door and I think that that is what, without wishing to impugn improper motives to Deputy Southern, we might be trying to do if we ignore the fact that there are consequences to this and the consequence is that of higher taxation. Now, some people would seem to doubt that. Deputy Le Claire not so long ago, just after lunch, said: "Yes, we need to direct more money to health, to social benefits, to education", well if that is going to be directed in that direction, it has got to come from somewhere.

Deputy P.V.F. Le Claire:

May I ask for the speaker to give way for a second, just to clarify?

Senator T.A. Le Sueur:

Oh, very well. [Laughter]

Deputy P.V.F. Le Claire:

That is most gracious of you. Thank you very much. [Laughter] Hard to follow that. I would like to thank the Chief Minister for allowing me just to point out that what I was referring to was redistribution of the income we already have.

Senator T.A. Le Sueur:

Yes, it sounds great, does it not? We redistribute what we already have. We give more to A, B and C; we have not worked out if we can take any out of X, Y and Z but we just assume it will happen.

As a responsible Council of Ministers we wanted to make sure that anything like that can happen and, in my view, it cannot happen unless we are prepared to accept the fact that you find some way of, as Senator Ozouf says, increasing the size of the cake. Now, we have heard little about increasing the size of the cake and we have heard a lot about spending more. I think we delude ourselves if we think that this nice, call it fluffy, call it what you like, amendment for a single overarching priority does not bring consequences in its train and it is because of those consequences that I for one cannot support this amendment. It strikes me as being no more than a fig leaf covering a move towards what I would call a bit of a move to the left. Now, it may be that we should have that political debate and we should really polarise our views as to what it is but let us not be under any illusions about what this amendment really means and if we wanted to have that move, then so be it; let us vote for this amendment. If we do not, then I suggest that the first amendment of the 2 should be rejected. The second amendment, which I believe is quite reasonable, is that we should give proper attention to moving towards greater equality. Not absolute equality but greater equality and for that reason, the Council of Ministers is more than happy to support the second amendment but, I repeat; it cannot support the first one.

3.1.13 Senator S. Syvret:

I was interested in listening to the Chief Minister's speech and his reference to kind of reds under the bed bogeyman and how this might be a drift to the left if we engaged in this amendment, which I certainly will be supporting. Given the kind of degree of hostility and attacks I have been under pretty much constantly in my political career from a variety of sources, one has to - I would appreciate it if Senator Perchard could contain his temper and behaviour, please; Q.E.D. (*Quod Erat Demonstrandum*). When you have been so isolated in opposition to the general thinking of the States as I have over the decades - the last 2 decades - you have to constantly re-assess your own political position; you are forced to. You have to question your beliefs, you have to question what your thoughts are, your approach, your philosophy. Is it right or am I some kind of an anarcho-commie extremist, as the Jersey establishment would have it? Well, the way I gauge my political position is by comparing where I would sit on the political spectrum in modern western European democracies. That is my kind of gauge, as it were, to kind of test where my politics lie, and I would be on the centre left on that political spectrum; the entirely mundane, run of the mill, standard politics, as one would find in most European democracies. By way of contrast, the traditional approach of the Jersey establishment party is dramatically right wing, ultra conservative, certainly more right wing, dramatically so than Margaret Thatcher ever was. I mean, did Margaret Thatcher ever try to impose, effectively, a cut on health spending? No, she did not. There were all kinds of things that one might imagine that Margaret Thatcher might have done or had been tempted to do but she did not. Yet, when we look at the history of the decisions taken by the ruling grouping in this Assembly, we see, time after time, examples of what are, frankly, politically extremist policies. Yet, because that is what we are used to; that is the customary way of things here in Jersey and culturally we are used to, the Jersey establishment acting in this way and pursuing these policies, we, and many people in this Island have become inured to the fact. We regard it as, well, normal; that is just normal politics. Anyone who wants anything a bit different, well, they are some kind of communist. Whereas, in truth, if you used that international gauge of your politics, it is quite clear on many, many grounds, that the States of Jersey customarily is significantly more right wing than was either Margaret Thatcher or Ronald Reagan. In fact, it would not even be fair to describe the Assembly as an Assembly dominated by market fundamentalists because that would be being unfair; very unfair to market fundamentalists because market fundamentalists at least believe in proper, true competition, yet it took decades for the Jersey establishment to embrace the idea of a competition law and a competition policy. For decades, when other places, other countries had addressed these kinds of failings, we did not address competition practice. So, for decades, Jersey businesses of all descriptions have been able to, quite freely and lawfully, engage in practices that would be straightforward criminal offences in the United Kingdom, France, the United States of America; the U.S.A, in particular, the greatest

capitalist country in the world. In fact, so focused upon greed and the protection of the status quo and the protection of current wealth streams has been the States of Jersey customarily over the decades that it is not even accurate to call it a market fundamentalist Assembly because at least market fundamentalists believe in meaningful competition and a kind of level playing field; that is the theory, at least. So, then we get on to the dreaded “R” word; redistribution. Now, this apparently died with Tony Blair’s ascension to power; the notion that it was any role or part of government’s to seek to distribute wealth from the haves to the have-nots to some extent. But, nevertheless that is what most democratic countries - most; not all - do and they do it because they know that if you do not do it, the result is an extremely unbalanced society, a divided society, a split society, a society that has lots of social problems and inequalities, which ultimately cause societal decay, family breakdown, stress, dysfunctional families, a whole raft of problems which, ultimately, end up costing society in the future more and more and more to deal with. That is what the States of Jersey has to do already because of the failures in the past. We have to spend very significantly greater sums of money on child protection, on social workers, on all kinds of social provision if we are going to try and stabilise some of the problems we have in our community. Now, if perhaps that fire fighting, that kind of emergency reaction, that kind of shutting the stable door after the horse has bolted kind of policy would not have been necessary had we had a few taxation and social policies that were just a little bit less extremist and a little bit more reasonable and moderate and centrist, by European standards, than those which we have had. For example, I personally cannot take it seriously for one instant that we have a taxation system which enables a person to make a £125 million capital gain and pay not £1 of tax on that sum; not £1. Jersey has no capital gains tax, therefore, if you construct your financial affairs in such a way as they accrue as a capital gain from time to time, bingo; no tax bill. It is sometimes said that there are only 2 things in life which are inescapable; death and taxes. Well, in Jersey we have managed to cut that Gordian knot and we have avoided the taxation part. If we are going to have a stable and a decent and a civilised society in the future, it is that kind of, frankly, barking mad greed and absolute disregard for the medium and long-term future of this community as a whole that we are going to have to address. It is not even faintly an extremist policy to expect people who are fantastically wealthy to pay a little bit more for the benefits of the society which they live in and they make their money from. That is entirely reasonable and it is what most countries around the world, democratic countries, do and it is Jersey that is out of step. It is Jersey that is out of kilter with that mainstream political thought. We can either say that Jersey is the only place in the world that has got it right all these decades, we are the only place that is marching in step and everywhere else has got it wrong or maybe, just maybe, some of the problems we have today are because of the extremist, short-termist, frankly selfish policies that we have had and maintained and pursued for decade after decade. Jersey, when I last checked the figures, had the second highest G.D.P. per capita in Europe, the last time I checked. I think in fact Lichtenstein or Luxembourg was first, I am not quite certain about that, and so often when I speak to people from outside the Island, they say: “Well, you are rich in Jersey. Right, you are maybe not rich but you are all quite well off, are you not? You know, it is a very wealthy and successful place, you know, you have got life easy.” Well, the figures do not bear that out. The distribution of wealth in Jersey is atrocious so, while a crude indicator such as G.D.P. per capita might sound impressive, to get a truer picture of just how effective Jersey’s Government has been in ensuring that all members of our society share in the success we have to look at income distribution. That is the fundamental question. When I last checked the figures - I stand to be corrected because it was some time ago - but when I last checked the figures, something like 11 or 12 per cent of the population of Jersey lived in relative poverty, according to European Union definitions, relative poverty, using the E.U. definition for that fact. I think that was the correct figure and certainly, just anecdotally, that is an impression I can certainly fully endorse and believe to be entirely credible. When I speak to constituents, when I see their day-to-day struggles, when I look at the exorbitant rents people are paying, the atrocious cost of living in Jersey, the cost of living at least equivalent to that of central London, yet with comparatively few social benefits in the Island, and I see young families who have got one or 2

young children and both the parents are having to do 2 jobs, indeed one or either parent has to do another job as well; they have to do 3 jobs just to keep a roof over their heads and keep food on the table. Now, given that that is happening throughout much of our society, we have to ask ourselves can we really, really be surprised at the dramatically higher divorce rates in Jersey compared to the national average, the dramatically higher levels of family breakdown, the dramatically higher levels of alcoholism, the dramatically higher levels of family dysfunction and the dramatically higher levels of suicide? These are real documented problems that this society has and they will carry on being the problems that we face for as long as the Jersey establishment ...

The Deputy of St. Mary:

Could I just ask for a point of clarification, if the Senator would give way? I am quite surprised by those figures about higher levels of suicide, higher levels of all the things you have mentioned; could you give your source please?

Senator S. Syvret:

Health and Social Services data. Unless we are going to address those issues, we have to face the fact that we are going to carry on having those problems for as long as we fail to address them. For as long as we carry on pursuing policies which are more right wing than those of Margaret Thatcher and Ronald Reagan the more and more we will accrue the societal breakdown that we see now.

The Greffier of the States (in the Chair):

Does any other Member wish to speak? I call upon Deputy Southern to reply.

3.1.14 Deputy G.P. Southern:

May I say at the beginning that we have had an excellent quality of debate and a wide ranging debate and I am much appreciative of that. Can I start with the ultimate speaker; Senator Syvret, just to correct him on his statistics? He correctly referred to the core of this issue, which is about income distribution, but he under-estimated the number of people who are in the category of relative poverty because what we have in Jersey is a society in which the bottom 20 per cent, the bottom quintile of society, by and large, pay no tax and the borderline between paying tax and not paying tax lies fairly snugly on the O.E.C.D. relative poverty line so, in fact, the 60 per cent of the median income line falls at around the 20 per cent mark and the Chief Minister now, the Minister for Treasury and Resources previously, acceded to my request that exemptions and allowances are kept so that we do not put those who are below the relative poverty line into taxation because that is pointless because we are just going to give them money through a benefit system in order to pay tax, and that is what we succeeded in doing with the last reforms when we tweaked the allowances up a little, the exemptions up a little, in order to make sure that we did not do that. So it is around the 20 per cent mark and that figure is higher, obviously, for pensioners and for children. So, let us know of what we speak. I must turn to Deputy Duhamel's comments on my research but I must just remark that while I am confident that the quoting of the research is sound, it does beg the question as to where the opposition's case comes from, on what grounds is opposition produced? Where is the evidence? Where are the research papers that the Council of Ministers, with all of their officers; chief and otherwise, could have produced to say: "What a nonsense argument; this is clearly not the case, here is the case as to why we should not be doing this"? Instead of which we have just got: "Here is a form of words that sound stronger than another form of words" which contains no mention of additional spending anywhere in it, no mention of a push to the left wing, no mention of: "That Deputy Southern is taking powers unto himself to bring forward all manner of left wing propositions to enact without bringing them to the States." None of that but that was the argument that was produced by Senator Ozouf and Senator Le Sueur. At this moment in time this does not contain anything hard; it contains no single measure that says: "You must do this. You must do it this way" because, in fact, that argument, while it was excellent and it was wonderful to hear it again from the Minister for Treasury and Resources, was completely misdirected. What we

are talking about here is amendments 1(a) and 1(b), nothing more, nothing less. The measures that are tentatively suggested to address them occur in priority 3 and further down, in priority 5, and by the time we get to page 16 there is a measure that I incorporate that just talks about taxation, I believe quite rightly talks about taxation, but the time to oppose that is when we get to page 16; not now and not on this amendment. This amendment is a high level statement of principles and aims and therefore deserves to be supported. For example, in their comments, 5 paragraphs; one says: "The wording is confusing; we do not know what it means." I think I have defined that. The second says it is about equality of access and I think possibly Deputy Le Claire and myself have dealt with that. It is not just about equal opportunities; that goes without saying; it is about economic equality and the promotion of that equality. It then goes on to say: "Priority 8 recognises that people require support." What has that got to do with 1(a)? Priority 9, priority 11, priority 14; irrelevant. It then goes on to a paragraph that says, no, all of those priorities are linked to the central theme - which I think I have demonstrated - of promoting greater equality in our society which would help to solve each and every one of those problems. By the time we got to paragraph 4 they are talking about the Council does not intend to cut those core services. Well, where in this does it mention core services? Nowhere because that is 1(d), which they are opposing so, we are going to have that debate, perhaps, shortly, or not. That is 1(d) but it is roped into this general opposition to everything and, quite frankly, somebody said it; the 2 words that we are opposing here are "Deputy Southern", so therefore we must oppose it because it has got to be wrong. That is what is happening; no rational argument brought forward whatsoever. The Deputy's report suggests that all public services must be maintained at current levels, and it does elsewhere; nothing to do with 1(a) and 1(b), so let us clear that up. So the argument is about: "This is very dangerous ground; all sorts of devils will follow in its wake." It is a nice argument; nice to have, but please do not pay it any attention; you have the power to vote against any one of those amendments that puts some teeth on it and nowhere in here does it say anything will happen without being brought to the States, except that Ministers may, from time to time, make Ministerial decisions if we have given them a nice tough overarching aim at the beginning to get on with it, but nobody is going to be coming with anything devilish without coming to this House. So, I then turn to Deputy Duhamel who quite rightly points out that an academic in the magazine *Prospect* and I have seen the magazine *Prospect*; it is a very good magazine; it debates at a very high level and in a very straightforward way... the inability to keep things on this desk [**Laughter**]... the issues of the day and most famously has debates. Finds the 2 opposing arguments from respected academics, puts them together and says: "Get on with it; thrash the idea out." I think they have done exactly that with this book review. Here is a book produced by Professor Wilkinson, doing his usual thing; he has been doing this for 30 years; this is not flash in the pan; this is 30 years of research, epidemiological research, Professor Emeritus at the University of Nottingham Medical School, Honorary Professor at the University College London, he has been doing this work for 30 years. There are some - let me just get to them - 396 references in the back of the book; this is not a couple of journalists just tossing off a pot boiler; this is heavyweight research and has been going on for 30 years, and the link that is suggested, the suggestion that epidemiological research might be a little flawed, quite frankly, is quite an extreme case to make. For example, Julian Le Grand seems to suggest that there is some sort of genetic bias between the Nordic countries and the Anglo Saxons. This seems to explain everything away in any case and he refers to some references to American states where perhaps the argument could be applied. Yes, indeed, I did not mention any of the research that refers to American states but the same argument works; take the poor states, take the rich states and you do not notice any changes. Take the most unequal states and the most equal states and you do notice identical best fit lines that says exactly the same and, in this case, I will give you one example; per cent dropping out of high school; at the top are Missouri, Kentucky, Alabama, Texas and California with a high dropout rate. At the bottom are Arkansas, Utah, New Hampshire, Minnesota and Vermont; are their residents completely of Nordic or Anglo Saxon stock? No, they are not. The argument put forward, for the sake of argument, by Julian Le Grand is useful to have, interesting but I do not believe, fundamentally sound. I am also asked how the

countries were chosen by Senator Ferguson who questioned, again, that aspect of the research and I will just briefly address this because I think it is important because I think the link is proven. We must not imagine that somehow, because of Deputy Duhamel's words that this is just nonsense; it is not. How did we choose countries for international comparisons? First, we obtained a list of the 50 richest countries in the world from the World Bank. We then excluded countries with populations below 3 million. That left us with 23 rich countries. Not all of the countries in our data set had data for all the health and social problems listed on page 19 but 21 of them had data on at least 8 of the 9 criteria. We include all these countries in our index of health and social problems. Israel had only 6 and Singapore only 5 indicators, so they are not included in the index; the general one, but are included in chapters 4 to 12 whenever data permits. So, no jiggery pokery with the figures; straightforward selection and I will not give way; this is my summing up and I have dealt with the issues raised, I think, through the Chair ...

Senator S.C. Ferguson:

Through the Chair, no.

Deputy G.P. Southern:

... that the Senator raises. So, that is Deputy Duhamel dealt with, I believe, and Senator Ferguson. I have to now turn I think to the baking of cakes and other matters. We will start with Senator Le Sueur who talked about a balanced approach. I mean since he referred to the number of references to "at this stage", I think I will take a bet that we reach 3 figures on balanced approach. I think we are probably up to 20 on the 2 debates we have already had. A balanced approach. I agree with him entirely. We have to have a balanced approach. Where we differ is that I do not think he has got the right balance. The balance in this Strategic Plan is one of economy first and the rest later. What I am asking this House to do is to put a proper balance in there and talk about the drive to reduce inequality in our society as probably the mechanism that may just have us produce a more balanced, happier society. While he was talking about "at this stage", of course at this stage we are talking about 1(a) and 1(b), high level aims. If you want to vote against amendment 8 or part 8 of my amendment or part 7 or page 16, by all means. You are not tied if you accept this. Then we have got this argument that one form of words, it is a bit strong, is it not? That might bind us to do something about it and gives a very convenient measured - measured - the magic word. Smart targets. The aim in smart is measured. That would enable Deputy Southern every now and then to stick his head above the parapet and say: "What measures have you got that you have achieved anything?" Now if we do not accept the measured, I will not be able to do that and we certainly will not be getting any answers. We will get some generality, some fluffy words saying: "Oh, yes, we are doing that" but not in a measured way. What, I ask, is the worth of that? Nothing whatsoever. He then went on to say: "I do not want to impute motives but ..." It is always a good intro. "I do not want to impute motives but I think Deputy Southern is sneaking in things through the back door." Well, what a lovely slur that is and one that I completely refute. This is not about back door. This is about 2 statements in the aims and priorities of the Strategic Plan; nothing about sneaking anything past you. I will not be able to do that. This House, these Ministers will decide how to put that high level aim into action. He then went on to suggest that this means more taxation. It means as usual, Deputy Southern tax and spend. Well, yes, it does in terms of my philosophy. It does not in 1(a) and 1(b). That is for us to debate as we go on through the amendments that I have put in and to reject and to find a way to meet that aim through other means; not through the means I am suggesting. Again it is open and transparent. Nobody is trying to sneak things past your noses through the back door, to mix my metaphors. I think it works. Then finally Senator Ozouf says and the Deputy of St. Mary correctly pointed out - absolutely spot on - it was a wonderful speech but completely irrelevant. He said: "We all agree on equality." Well, hear, hear. Well, let us put that into action in the high level aims. Let us make a statement in the high level aims that we can effectively do that and promote a more equal society. He then went on to ask me what that meant in terms of actions, these things that I am trying to sneak past you. I will

address particularly one of those and it is on page 16 and this House today or tomorrow or some time will get to debate an amendment that says - now listen to this for dangerous - substitute the bullet point there by the statement: “The public’s expectations of high quality services will require a hard look at progressive alternatives in taxation measures.” That is the dangerous beast that some time in the near future you might be letting in and can vote against if you so wish when it comes to debate it. “The public’s expectations of high quality services will require a hard look at progressive alternatives in taxation measures.” One of those hard looks, and I think it is something that probably everybody in the room thinks we ought to do something about; people certainly who have been Minister for Social Security in the recent past and there are 3 of them sitting here have all at various stages promised to do it. The most regressive element in our taxation package is that of Social Security contributions and supplementation attached to it. We all know ... we sit there and we say: “That supplementation, that is a big whack out of our budget.” What is it? I have not looked recently. Is it £80 million? Year in and year out that is the way we organise our Social Security contributions. We have a bill from the taxpayer straight out £80-something million. Bingo. Do we really want to be doing that? Do we really want, do we really need, to take a hard look at that? Yes, of course we do. That is the sort of measure that is in there and this House and the Council of Minister might decide, yes, we might want to do that; that is probably a good idea or not. But nothing is being let in through the back door. Finally ... apologies, get back to page 8, 1(a) and 1(b). I will bring them separately because I think the first one is worthwhile and obviously we can decide whether we need (b). I would suggest we do whether 1(a) goes down or not or gets through or not. The words are and this is the commitment, I ask everybody in this House to search their consciences about which way they vote on this. Whether you are a Minister and you have some sort of collective responsibility agreement - I do not know how strong that is working - whether you feel you can vote for that. Whether you are an Assistant Minister, and again it seems to me there is an increase in the sort of feel that says Assistant Ministers too are somehow bound in to support their Council of Ministers. I know it is not said. **[Interruption]** It is not said out. I am talking about a feeling that that is increasingly the case. You are independent. You are put here to vote with your conscience, each and every Member in this House. You are asked to vote for and against the single, overarching priority shall be to take concrete and measurable steps to actively promote the creation of a more equal society. That is 1(a). I urge Members to search their consciences and support that. Failing that, 1(b) says: “In the application of these priorities due attention must be paid to the creation of greater equality.” Far more general, far more fluffy and I think one that can be sidestepped, can be got under, can be got round. The first version holds this Council of Ministers and this Strategic Plan to deliver and that is what we need to see. Please, Members, vote for 1(a) and then we will take on 1(b).

The Greffier of the States (in the Chair):

The appel is called for. Yes, very well, the vote will be taken as the Deputy has indicated in the 2 amendments, each in turn. So the first amendment is amendment 1(a) and the Greffier will open the voting now.

POUR: 15		CONTRE: 34		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F. Routier		
Connétable of St. Helier		Senator P.F.C. Ozouf		
Connétable of St. Lawrence		Senator B.E. Shenton		
Deputy of St. Martin		Senator J.L. Perchard		

Deputy R.G. Le Hérisier (S)		Senator S.C. Ferguson		
Deputy J.A. Martin (H)		Senator A.J.D. Maclean		
Deputy G.P. Southern (H)		Senator B.I. Le Marquand		
Deputy P.V.F. Le Claire (H)		Connétable of St. Ouen		
Deputy M. Tadier (B)		Connétable of Trinity		
Deputy of St. Mary		Connétable of Grouville		
Deputy T.M. Pitman (H)		Connétable of St. Brelade		
Deputy T.A. Vallois (S)		Connétable of St. Martin		
Deputy M.R. Higgins (H)		Connétable of St. John		
Deputy D. De Sousa (H)		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

		Deputy J.M. Maçon (S)		
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The Greffier of the States (in the Chair):

Very well. Do you wish the appel on the second part?

Deputy G.P. Southern:

Yes, please, Sir. I might win it.

The Greffier of the States (in the Chair):

Very well, I ask the Greffier to reset the voting system. The second vote is, therefore, for Amendment 1(b). I ask the Greffier to open the voting. If all Members who wish to do so have cast their votes, I ask the Greffier to close the voting. The amendment has been adopted; 41 votes were cast in favour, 5 votes against and 2 abstentions.

POUR: 41		CONTRE: 5		ABSTAIN: 2
Senator S. Syvret		Senator S.C. Ferguson		Senator P.F. Routier
Senator T.A. Le Sueur		Connétable of Grouville		Deputy M. Tadier (B)
Senator P.F.C. Ozouf		Connétable of St. Peter		
Senator B.E. Shenton		Deputy A.E. Jeune (B)		
Senator J.L. Perchard		Deputy A.T. Dupré (C)		
Senator A. Breckon				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				

Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

Very well. We come now to deal with ...

Deputy S. Power:

Sir, could I seek clarification on a small point on the States of Jersey Law? It is under part 4, item 18(e), under Council of Ministers, which is the section that refers to approval of the common strategic policy and approval by the States. Sir, we have effectively just dealt with 4 out of 70 amendments or sub-amendments and I make the observation that we are slightly quagmired in where we are at the moment, although it is States' Members democratic right to bring amendments to the Strategic Plan. Can I ask you, if under procedure, what happens? What are the procedural

consequences if: (a) the Strategic Plan is not adopted; (b) it is withdrawn; or (c) somebody invokes Standing Order 85, because I cannot find anything in the States of Jersey Law as to what the consequences are?

The Greffier of the States (in the Chair):

Standing Order 85 being the move to the next item, Deputy, just to clarify your question. I think as you have noted, you have looked. There is no procedural consequence in the law which specifies the consequence of the Strategic Plan not being adopted. The States of Jersey Law requires the Council of Ministers to agree and lodge for debate a Strategic Plan. I think the consequence of it not being adopted would be a purely political matter for the Council to consider. There are no procedural consequences. Nothing automatically follows. The States would simply not have a Strategic Plan to follow.

Deputy S. Power:

Okay, Sir, I make the observation that I think after the Strategic Plan, whether it is passed or otherwise, I do make the observation that I think there is going to have to be a change in the States of Jersey Law as to the way we deal with this because it seems to me that if the Council of Ministers produce a statement of their common strategic policy which is at the moment a Strategic Plan, for me 3 years ago and now this is an extremely cumbersome and difficult process. I acknowledge the right of Members to bring amendments but there is something fundamentally wrong with the way we do business with this. **[Approbation]**

The Greffier of the States (in the Chair):

We cannot have a debate on this now, Deputy. I am sure the Members have heard your comments and will take account of it but we cannot have a debate on this now. The procedure is being followed as required.

Deputy M. Tadier:

Sir, I would like to ask to move on to the next item, please.

The Greffier of the States (in the Chair):

Technically, Deputy, the move to the next item would simply be the move to the next debate on the next amendment. We are in the middle of the amendments at the moment but I do not think I can allow that proposition.

4. States Strategic Plan 2009-2014 (P.52/2009): fifth amendment paragraph (2) (P.52/2009 Amd.(5))

The Greffier of the States (in the Chair):

We come to an amendment by the Deputy of St. Mary, amendment 5, (2) which is accepted by the Council but I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words "attach as Appendix 1" insert the words " , except that in Priority 1 on pages 10 - 11 in the section entitled 'What we will do' after the last bullet point, insert an additional bullet point as follows - Evaluate on an ongoing basis Peak Oil and Climate Change and report to the States once a year on their impacts on policy for Jersey."

4.1 The Deputy of St. Mary:

I welcome the Council of Ministers' acceptance of this amendment. Obviously that will serve to make this speech a lot shorter than it would have been but their acceptance ... I am sorry but their acceptance is pretty odd. I will read it out to you and then you can see ...

The Greffier of the States (in the Chair):

Leave that to Members, please.

The Deputy of St. Mary:

Okay. So shall we just go ahead and I propose it and then if there are any comments on that, I will deal with them in the summing up. **[Approval]** Fine. So that will be my shortest speech. I move the amendment.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

4.1.1 Senator T.A. Le Sueur:

Just for the sake of formality to reiterate that the Council does accept the amendment and I see no point in speaking any further on the subject.

4.1.2 Deputy P.V.F. Le Claire:

In his previous debate, the Deputy of St. Mary made reference to the smuts which are the black bits of soot that fall on District No. 1 in particular, on cars, on boats, houses, washing and indeed buildings and people. As a consequence of burning oil that occurs. I would just like to say for members of the public who would like to have their cars cleaned, their houses cleaned and their washing cleaned and whatever else has been smutted including their boats, the Jersey Electricity Company does provide a service to clean houses. In the past it has done that. They do provide services to clean boats and cars if the smut is ...

The Greffier of the States (in the Chair):

Deputy, this amendment relates to report on peak oil and climate change. I am not sure why the J.E.C. (Jersey Electricity Company) smut is relevant to this.

Deputy P.V.F. Le Claire:

They are burning low grade fuel oil, Sir. This may not be a factor in the future but the telephone number for people who want to have that remedied is 610862. So for those members who might ... who are being affected by oil falling on them, that is the number.

The Greffier of the States (in the Chair):

Deputy, please sit down. Deputy, please... Deputy, I am addressing you. Those remarks are not relevant to this amendment.

4.1.3 Senator S.C. Ferguson:

Yes, I will not speak for long either. I am just appalled that the Council of Ministers committed as they are ... I am terribly sorry, I will start again. Frankly, I am appalled that the Council of Ministers committed as they are to reducing red tape are prepared to accept this amendment. I am sorry, there is no point in producing reports about these particular problems. Far better to get on with doing the things we should be doing and forget all this. I am sorry, this is absolute rubbish and with respect to the Deputy of St. Mary, with whom I disagree entirely, but I feel that this move is just pure red tape and bureaucracy and quite unnecessary.

4.1.4 Deputy G.P. Southern:

I thoroughly support this initiative. It is beyond time that it should have been done. We should have been getting far more serious about the impact internationally and globally of these issues. It is no good burying your head in the sand and pretending that peak oil is going away. It is not.

The Greffier of the States (in the Chair):

Do you wish to reply, Deputy?

4.1.5 The Deputy of St. Mary:

I think a brief comment on peak oil. I will not mention climate change after the excellent document produced by the Planning Department, *Turning Point*. But the report accompanying the Strategic Plan on page 3 in the original - not in the Greffier's version - says near the bottom of page 3 that the Strategic Plan needs to develop a plan to secure the long term future of the Island. That is an important aim and it cannot be achieved unless we monitor and evaluate and keep tabs on the main threats to the economic future and the social future of the Island. Of course among these threats are climate change and peak oil. As I say, I will not say anything about climate change. But peak oil, once again Senator Ferguson says, what is the point of looking at peak oil? I will not go into detail about the interview recently of George Monbiot with the chief economist of the International Energy Authority where he says just how serious peak oil is on a global scale. But I will just mention one example of the impact of peak oil on Jersey. Recently in the paper - I do not know if people noticed it - on the business pages there was an item in the *J.E.P. (Jersey Evening Post)* about British Airways. British Airways has just had a massive loss due entirely to the increase in the price of fuel. That jitteriness in the entire aviation industry, it was not shared by I think it was easyJet or one of the cheap ones who then turned out a profit, but I have been following this debate about the future of the aircraft industry and about the future of flying. Peak oil is indeed entirely relevant. At a certain point when the passenger levels fall below a certain point because of the rising cost of fuel then the entire aviation industry is at risk and that has a direct effect on Jersey's tourism industry. We have to be prepared not after the event but before the event. We need to monitor that as it comes over the horizon not when it is too late. I move the amendment.

The Greffier of the States (in the Chair):

Yes, the appel is called for on the amendment 5(2) of the Deputy of St. Mary. I ask the Greffier to open the voting.

POUR: 40		CONTRE: 4		ABSTAIN: 0
Senator S. Syvret		Senator J.L. Perchard		
Senator T.A. Le Sueur		Senator S.C. Ferguson		
Senator P.F. Routier		Deputy of St. John		
Senator P.F.C. Ozouf		Deputy J.M. Maçon (S)		
Senator B.E. Shenton				
Senator A. Breckon				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Helier				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				

Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				

Deputy G.P. Southern:

Sir, Members have just received documents on their desks, unsigned. What it is for? Who it is from?

Deputy M.R. Higgins of St. Helier:

I must apologise to the Assembly for that. It is from me. It is relating to my amendment that is coming shortly.

The Greffier of the States (in the Chair):

Perhaps I could just remind all Members - not directly as criticism of Deputy Higgins - it is helpful when ... there was a further document this morning from the Deputy of St. Mary. It did not have a name on. It does help if Members put a name on a document so Members can see where something has come from.

5. States Strategic Plan 2009-2014 (P.52/2009): sixth amendment paragraph 1(a) (P.52/2009 Amd.(6))

The Greffier of the States (in the Chair):

Very well, we come to the next amendment which is in the name of the Constable of St. Helier. Once again accepted by the Council, amendment 6, 1(a). I ask the Greffier to read that amendment.

The Deputy Greffier of the States:

After the words "attached as Appendix 1" insert the words - " , except that in the list of the Priorities on page 8 - in Priority 2 before the word "sustainable" insert the word "environmentally" and make consequential changes to the wording of the Priorities where they appear in other parts of the Plan."

5.1 Connétable A.S. Crowcroft of St. Helier:

Just a few words about this amendment which Members will see from P.52/2009, amendment 6, is substantially recycled from the amendments I made 3 years ago to what I believe was a much better Strategic Plan lodged by the previous Council of Ministers. The comments by the Council of Ministers show that they are still reluctant to accept the meaning which is generally accepted by most parliaments that I am aware of, of what we mean by environmental sustainability. Indeed I was tempted to speak on the last debate and point out that countries which put the environment at the top of their list of strategic priorities and which put sustainability there as well, understand that social equality is a key part of environmental sustainability. However, the Council of Ministers will pay lip service to the environment. This has been accepted. Three years ago it was accepted and very little happened as a result. I must say I share the view of many Members I think that it does not really matter in some ways whether one votes pour or contre to some of these strategic objectives. Will it make any difference? In my proposition I list 3 examples of how the States in the last 3 years has manifestly failed to place the environment anywhere near the top of its list of strategic priorities: the rezoning for housing of perfectly good agricultural land and sensitive greenfields sites while numerous potential housing sites in the urban areas remain undeveloped; the approval of the construction of an incinerator adjacent to the Island's Ramsar site; the failure of the Council of Ministers to give sufficient priority to bringing forward a sustainable transport policy. I apologise to Members and the public if I sound somewhat cynical about the point of putting the words "environmentally sustainable" at the top of our common agenda but as I say in my comments, if I had not done it I would have believed that I had let down the side. So I am pleased they have accepted it but I look forward to the Council of Ministers doing something about it in the next 3 years. I move the amendment.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

5.1.1 Senator T.A. Le Sueur:

Briefly, just to say that our definition of sustainability builds on the Brundtland definition which is commonly accepted and is also built on the *Jersey into the Millennium* document produced by Dr. Michael Romeril and others some 8 or 9 years ago. Nonetheless, I see no point in splitting hairs about this one. We are happy to accept the amendment.

5.1.2 Senator B.E. Shenton:

Just a minor procedural issue. The Chair mentioned that if we do not pass the Strategic Plan then the States will not have a Strategic Plan but that is incorrect. The Constable mentioned that he preferred the previous Strategic Plan. The previous Strategic Plan ran from 2006 to 2011 and has not been revoked. So if we pass this one it could be argued that we have 2 Strategic Plans. So if we do not vote for this one, I assume that the old one which states 2006 to 2011 will still stand.

The Greffier of the States (in the Chair):

I will think about that one, Senator. You may be right.

5.1.3 Senator S. Syvret:

Just briefly. The Chief Minister mentioned the report that was prepared following very extensive work by Dr. Romeril called *Jersey into the Millennium* about 9 years ago. I think in fact the citing of that report serves tragically well to illustrate the point that the Constable of St. Helier was making. It was a communal, grassroots piece of work that involved people from all walks of society over a sustained period of time developing and devising a sustainable future for this Island. What happened to that report? Not only did it not get taken seriously by the powers that be, it did not even get tabled in this Assembly for debate. So I find it somewhat ironic and strange that people can refer to that report now and cite it as though it was somehow a wonderful thing when obviously it was buried instantly when it came out by the establishment because they most certainly did not want that kind of sustainable society.

5.1.4 Deputy P.V.F. Le Claire:

Sir, you stopped me earlier on the other debate when I was trying to make a point in relation to the production of electricity and the necessity to run the Jersey Electricity boilers at certain parts of the year to maintain a backup facility to produce electricity from heavy oil. As a consequence of those emissions, I have met with the head of the Jersey Electricity Company with Deputy Duhamel and they are quite pleased for me to tell my constituents in No. 1 district who are being affected by the by-products of that oil what their telephone number is to have that remedied. I am wondering whether or not based upon the fact that this is an environmental sustainable amendment, whether or not my desire to inform my constituents of this number, whether or not that is sustainable within this amendment because I would argue that providing electricity from the Jersey Electricity Company has a by-product that needs to be considered when you are talking about environmentally sustainable options including - and I will not go into it - the fact that when they run down into a second capacity in the near future, that emission will cease and will be replaced by the emissions from the incinerator. I would like to know whether or not I can use this opportunity to inform my constituents, Sir, whether it is in order, of that telephone number which is freely available but not widely publicised.

The Greffier of the States (in the Chair):

Deputy, it is not really the opportunity to communicate with your constituents in a speech about maintaining an environmentally sustainable and diverse economy, I do not think really but ...

Deputy P.V.F. Le Claire:

Sir, unless you are going to bar me from telling the constituents what the number is then I would like to tell them.

The Greffier of the States (in the Chair):

I am not going to waste any more time, Deputy. If you want to give it out, you must give it out.

Deputy P.V.F. Le Claire:

Thank you, Sir. I am sure it will be useful to them to have their houses and boats and their laundry and everything else cleaned. The telephone number is 610862 so that when the oil does fall on top of them and the debris from the production of electricity from heavy oil does fall on them - it does not reach as far as the Trinity and the Minister for Health and Social Services would not have to rub her head so hard - then they can do something about it.

5.1.5 The Deputy of St. Mary:

I just wanted to make a brief point in addition to what Senator Syvret said about Mike Romeril's report. He mentioned that it was grassroots, that it was thorough and that it provided a blueprint. I took part in one of the working groups. I deliberately did not choose my own speciality because I thought there were enough people who knew about transport, and I took part in the social issues one. I want to emphasise the process which informed that whole exercise. There were a number of specialist working groups and we were led - we were facilitated - by a team from University College, London, the Geography Department, and they did a fantastic job of guiding us through prioritising issues in a proper, structured way so that by the end when we finally got to scoring, it was just almost total consensus. I just wanted to put that on the record because the value of that report to this Assembly cannot be underestimated. Most of those policy issues that were identified then are still valid. In the social issues it came top that we need to look after our youngest people - that is parenting, early childhood - for the obvious reason that the earlier you intervene, the earlier you have good input, the better results you get all the way down the line. But that is just an example. I just wanted to put on record how valuable that report is in the context of this amendment. I do hope that it gets looked at again; that we start to look at what that report contains.

5.1.6 Senator P.F.C. Ozouf:

I do not want to prolong the debate but it is important that we do not reinvent history. I have a copy of that report right here. On page 29 of the report it says: "The vision for a sustainable future is an Island with a resident population of 85,000 or less." The debate that we had on population clearly showed that there were issues about the ageing society, about a sustainable future for our Island and a sustainable environment and all the rest of it that follows. There were flaws in this report. We should not reinvent history. I would appreciate knowing whether the Constable of St. Helier will also sign up to every single aspect of this report. I do agree with the amendment. We are supporting the amendment that has been made but do not let us reinvent history. This did not have complete consensus as some people would suggest.

5.1.7 Deputy J.B. Fox of St. Helier:

I would like to reiterate what the Deputy of St. Mary said regarding the structure of this report. Bearing in mind there is a time difference between now and then, there are still many of the things in that report that are still current. Yes, the amount the Senator has just quoted is different. Times were different in those days. But there are good things about it. I will bring in my original copy and leave it in the anteroom so that anybody who wants to take information from it, they may do so.

5.1.8 Deputy G.P. Southern:

Since the Minister for Treasury and Resources has mentioned the word population and its knock-on effect, in particular relating to this particular maintenance of a strong, environmentally sustainable and diverse economy, I have to raise the point again - and I will probably do it again and again throughout this debate - that whatever population policy we have, where that is limited and where we are so dependent on the financial services industry which sucks in immigration every time it expands, that the maintenance of a diverse economy is made nearly impossible by the dominance of that sector, in that if we have a population policy, and we do now of 150 inwardly migrant heads of household, then at some stage when the banks start rolling again we are going to have to make decisions that other sectors of the economy will get reduced manpower allowances. We are cutting numbers in tourism, cutting numbers in agriculture and other industries in order to further

concentrate - because that is what will happen, history tells us - on the financial industry thus decreasing diversity. Oxera, our advisers, told us this when we embarked on the policy that we have of increasing high net worth, high productivity individuals, i.e. F.S.I. (Financial Services Industry) workers, that inevitably we would reduce other industries on the Island. We have got again a repeat in this Strategic Plan, as in the last Strategic Plan, polar opposites. We have got things that are mutually exclusive. If we are going to increase productivity, suck in people into the financial service industry then inevitably - Oxera told us this back in 2002 - we will reduce the diversity of our economy, reducing opportunities for our young people to do other than banking and finance. That is the reality. It sounds very nice, we will have a diverse economy. We cannot do it; not with the mechanism that the Council of Ministers is coming forward with. It is mutually exclusive. It will not work. This machine will not work.

The Greffier of the States (in the Chair):

I call on the Constable of St. Helier to reply.

5.1.9 The Connétable of St. Helier:

I am sure Members do not want to rerun the population debate again over this. Senator Ozouf did ask me whether I agreed with every word of the sustainability strategy which sets a ceiling on population. It is about how we live in the Island; how sustainably we live, not how many of us there are here, I believe, that is important. So, no, I do not think it was a perfect document. I do not think any report usually is. But I do think it is a shame that is mothballed by I suppose then the Policy and Resources Committee and has never, as far as I am aware, been formally adopted or debated by the Assembly. I am grateful for Members who have spoken. I must say I was hoping for a bit of reassurance that the next 3 years would deliver more in terms of environmental sustainability than the last 3 years have done, notwithstanding Eco-Active and other useful initiatives of the Minister for Planning and Environment. I would direct Members to the comments by the Council of Ministers. The Chief Minister quoted Brundtland at me, which I found pretty Orwellian, particularly if you look at the comments where the Council of Ministers says: “On balance, the Council accepts the amendment although it would wish to point out that sustainability is about more than the environment.” That seems to me to completely misunderstand the point of my amendment. But they accept it and I am grateful and I maintain it.

The Greffier of the States (in the Chair):

The appel is called for. I would like Members to return to their seats. The vote is for or against the amendment of the Constable of St. Helier.

POUR: 40		CONTRE: 0		ABSTAIN: 2
Senator S. Syvret				Deputy M. Tadier (B)
Senator T.A. Le Sueur				Deputy T.A. Vallois (S)
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				

Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Peter				
Connétable of St. Lawrence				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				

Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

Deputy S. Power:

Sir, before we move on to the next item. I am sorry to be a pest. When Deputy Tadier referred to moving on to the next item under Standing Order 85, Standing Order 85 does not refer to amendments. It only refers to propositions. I am just wondering if your ruling, Sir, that we move on to the next amendment which is the next item on the Order Paper was accurate. It only refers to propositions, Sir. We are dealing with P.52.

The Greffier of the States (in the Chair):

I think my ruling, Deputy, Deputy Tadier took me by surprise and I thought it was a difficult one to rule immediately. Usually in the middle of a debate, one considers that the next item is the next amendment. Do you wish to formally propose that the States move to the next item; namely the next item after the Strategic Plan?

Deputy S. Power:

Sir, I do not want to jump in on Deputy Tadier's thing but I think 85(5) refers to: "If the proposal is adopted, the debate on the proposition shall cease."

The Greffier of the States (in the Chair):

Yes, proposition. The Standing Orders does include amendments. It is the only difficulty, Deputy, but do you wish to formally propose that the States move to the next item on the Order Paper which would be the next proposition and not the Strategic Plan amendments?

Deputy S. Power:

Yes, Sir.

Senator T.A. Le Sueur:

Sir, this does technically mean that we have no debate and that it gets put straight to the vote. I do think we need to be clear in that event. We would have to vote on that.

The Greffier of the States (in the Chair):

The Chief Minister is correct that this matter is put immediately to a vote and cannot be debated. I think even the Chief Minister is pushing at the boundaries by trying to debate it.

Senator T.A. Le Sueur:

Yes, just to be sure - picking up Senator Shenton's point - that the old Strategic Plan would then still have effect. Either way, it strikes me that what we need is in the Business Plan debate in September to have some clarity ... **[Interruption]** This is not a debate, I am trying to ascertain the basis on which we debate the Business Plan in September.

The Greffier of the States (in the Chair):

I can appreciate some of the comments made by Deputy Power and the feeling of Members there are a lot of amendments to get through but I think I must rule that the States of Jersey Law has a specific requirement that there is a Strategic Plan lodged and debated. I think, therefore, I must rule under Standing Order 85(2) that it would be an abuse of the procedure of the States to allow that to

be put to the vote. We will, therefore, continue. The next amendment is in the name of Deputy Higgins.

Deputy P.J. Rondel of St. John:

Sir, on a point of order.

The Greffier of the States (in the Chair):

If you are trying to get me to change my mind, Deputy, you are wasting your time. **[Laughter]**

The Deputy of St. John:

No, Sir. I might be trying to ... Sir, could we have a legal definition of that from the Attorney General or Solicitor General, please?

6. States Strategic Plan 2009-2014 (P.52/2009): tenth amendment paragraph (1) (P.52/2009 Amd(10))

The Greffier of the States (in the Chair):

We can ask the Attorney to attend the Assembly and give that ruling in due course. We must move on at the moment to amendment 10, (1) in the name of Deputy Higgins. I will ask the Greffier to read that amendment.

The Deputy Greffier of the States:

After the words "attached at Appendix 1" insert the words - " , except that in Priority 2 on pages 12 - 13 in the section entitled "What we will do" for the second bullet point, substitute the following bullet point - Lay the foundations for a genuinely diverse economy."

6.1 Deputy M.R. Higgins:

I think with everyone deserting the Chamber it must be their thought that it is going to be a long speech which I can assure them it is not. In fact I will just explain what I am planning on doing. I am just going to make a few points to start with in relation to the diagram - chart - that I have given you. I am going to address some of the points made by the Council of Ministers in their comment and then really leave it to Members to make their own comments and I will pick up on anything that they feel I should have addressed. I must also apologise from the beginning because it is a touch of contagion because you will see from my first analogy I have been very close to the Deputy of St. Mary for the last 6 months. Anyway, to start. In 1977 when I came to Jersey the economy was like a tricycle with each of the 3 wheels representing a sector of the economy: agriculture, tourism and finance. Today our economy is like a unicycle with one wheel representing the finance industry. As we all know a tricycle is evenly balanced and, therefore, safe whereas a unicycle is highly unstable and very few people are capable of riding them safely or for very long. Although I support the finance industry, I also believe that any economy based on one industry is unbalanced and it is courting disaster due to unforeseen economic shocks, regulatory change or concerted political action against the Island. We may, for example, be on a white list today but we may not be tomorrow. Anyway, I would like to start by considering the current state of the economy using the States of Jersey Statistical Unit's publication *Jersey in Figures 2008* which relates to 2007's figures. Now the page that you have been given is taken from page 16 or the first part is taken from page 16 of this booklet which has a very nice coloured pie chart showing the different sectors of the Jersey economy and their contribution to Gross Value Added which is the measure we use in Jersey to calculate economic activity. This diagram clearly shows how unbalanced our economy is. It shows that the economy is dominated by the finance sector, a state of affairs that is partly by accident, partly due to external factors and partly by intent. Now if you look at the diagram you will see that, yes, finance contributes 53 per cent to G.V.A. and that the next important sector is other business. But what is other business? It is an amalgam of a range of services and activities such as architects, cleaning services, advertising, et cetera and rental income from private

households. If you look at that figure it is 18 per cent. So 53 per cent finance, 18 per cent for other business activities. Then public administration is 7 per cent; wholesale and retail, 6 per cent; construction, 5 per cent; hotels, restaurants and bars, 3 per cent; and then agriculture, manufacturing, electricity, gas and water, 1 per cent of G.V.A. each. So we have gone from having 3 wheels on our bicycle to one because you can see that agriculture, for example, is only generating 1 per cent of G.V.A. and tourism is effectively hotels, restaurants and bars and has an element of the transport, storage and communication which looking at the ... I forgot to mention as I was going through, which was 4 per cent. Further in the booklet it gives us other information about the finance industry. You can see why the Council of Ministers want to concentrate on finance. The total net profit for Jersey's financial services sector was estimated in 2007 at £1,460 million. The profit per employee across the finance sector was £121,000 per full time equivalent. The industry spent £568 million on goods and services. So you can see that finance is obviously the most productive of all sectors in the economy. You can also see, therefore, why it is the most favoured sector by the Council of Ministers. But, as I say, the figures show how dependent Jersey is on the finance industry. In fact we are far more dependent upon this sector than any other country or finance centre in the world as Michael Foot's interim report and the International Labour Organization's February report on job losses in the world finance industry shows. On the bottom of that sheet you have got is a copy of Michael Foot's report. This is his interim report. The one he gave shortly before he came to the Island a few weeks' ago. His final report will be in time I think for the budget at the end of the year. Michael Foot said that the success of the offshore finance centres in the Crown dependencies and overseas territories in attracting business means that they are heavily reliant for revenue and employment on the finance sector. If you look at that chart, you will see all the other centres are heavily dependent on the sector as well but we are the worst by far, in a sense, in terms of reliance upon it. Also in terms of the U.K., Michael Foot also said in relative terms the reliance is much higher than the U.K. and in some times 5 times higher. In fact we are the one who is 5 times higher than the U.K. The equivalent figure for U.K. financial services is 10 per cent of their G.D.P. He also said that the policy tools that financial centres have at their disposal to deal with economic volatility are generally more limited than those available to sovereign states. The International Labour Organization has mentioned that the share of financial services in overall employment varies among countries. If you look at the chart again you will see that it shows that in 2007, 23 per cent of our workforce was employed in financial services. In the United Kingdom, it is 4.8 per cent and in the United States, 4.7 per cent. These figures show how vulnerable our economy is to outside interests. We must remember that Jersey is not the master of its own destiny. Not only are we at the mercy of outside governments when they are acting alone or, far more importantly, when they are acting in concert with one another but the large international banks and other financial service companies that operate in the Island are governed not by their own local management but by their head offices who are based overseas. They will be looking at their group needs rather than Jersey's needs. Although everything may be fine in the Island today and the local banks unaffected by what is going on in the outside world, it could all end the next day with a letter from head office. That is how vulnerable we are. We are also extremely vulnerable to economic recessions caused by financial crises. When we are talking about the Economic Stimulus Plan I mentioned information from an I.M.F. (International Monetary Fund) report about the different types of recessions that we have had since 1960. This report revealed that not only are recessions that are caused by financial crises more severe but they also last longer than recessions caused by other causes. When Michael Foot was in the Island a few weeks ago or probably a month ago, he did meet with members of 2 of the Scrutiny Panels and he expressed the view the current recession could mean that it could take 3 to 5 years before we get back to the level of economic activity we had before we entered into the recession. The point I am trying to make is by having - as I am going to mention a bit later again - all our eggs in one basket, we are extremely vulnerable. If we look at the recession that the rest of the world is in and we believe that we are entering into and we are taking steps to try and mitigate, it has resulted in a number of ongoing things. Remember this recession was caused by the banking crisis in 2007 starting with Northern

Rock and then certainly flared up in September 2008 when Lehman Brothers went down and the money markets froze up. The effect of this banking crisis has been the collapse of a number of domestic and international banks. I have already mentioned Northern Rock and Lehman Brothers. It has also resulted in mergers and amalgamations among banks. Lloyds, TSB and HBOS, for example. It has also led to the partial nationalisation of banks such as HBOS and Lloyds and R.B.S. (Royal Bank of Scotland) due to the fact the banks required recapitalisation due to the toxic assets they had, the falling share prices and their inability to obtain funds through the money and capital markets. The result of the crisis and the examples I have just given combined with a subsequent global recession have resulted in many financial organisations restructuring, downsizing and reducing costs. It has also resulted in worldwide anger by members of the public with the greed and incompetence of bankers, the short-sightedness or sleepwalking of governments, regulators and central bankers who did not recognise the dangers or stop the excessive short termism of the capital markets and the bonus culture of the banks, that have ultimately resulted in the Government having to bale out the banks at great cost to the general population who will have to fund their failures with higher taxes and reduced public services or both for years to come. Also millions of workers worldwide are also angry at the loss of their jobs, both in the financial services sector and in the wider economy as a whole with the personal hardship and tragedy that accompany these events. This anger has been manifested in worldwide demands for a new global infrastructure, by which is meant new or beefed up international institutions such as the I.M.F. or the O.E.C.D. (Organization for Economic Cooperation and Development), et cetera and the Financial Stability Board to prevent a recurrence of the current banking crisis and induced recession. It has also resulted in demands for much tighter regulation of banks, hedge funds, et cetera, and also in a tax on offshore financial centres as exemplified by President Obama's Stop Tax Havens legislation and remarks made by President Sarkozy of France and Chancellor Angela Merkel of Germany. I know the Island has faced threats before and we have met the test and we have gone forward but as the Minister for Economic Development mentioned I think in the economic stimulus debate, it is almost like a perfect storm that so many things come together at exactly the same time. The challenges out there are bigger and greater than before. Just to give an example of some of the things that are happening, the Group of 20 agreed on 2nd April 2009 that the I.M.F. and the Financial Stability Board in co-operation with international standard setters would provide an assessment of adherence to international prudential regulatory and supervisory standards. This is just one body that is starting to get in and we are going to be examined again. The European Union following a report from the governor of the Bank of France, Jacques de la Rosière, has proposed new, powerful, centralised pan European financial regulators to govern the way that banks, insurance companies and pension funds are run and to prevent a repeat of the reckless behaviour that led to the credit crunch. These new super regulators are going to be given the power if it goes through - and I think it is likely that it might - to arbitrate between national supervisors such as the U.K. Financial Services Authority and ... so in other words, we are going to find that whereas the U.K. has in the past been regulated by their Financial Services Authority, Europe is going to have a bigger say. If you think about Jersey, a lot of our legislation is based on what the F.S.A. (Financial Services Authority) has done and we are indirectly influenced by the European Union. The U.K. although it has been reluctant to accept some of these proposals, has got itself into a bit of a situation because the original proposal was for one regulator across the whole of Europe. The proposal that is on the table at the moment is much better and they will find it hard to go any further in not accepting it. There are various other regulatory bodies and international organisations that are getting all into play. That means a lot of work for the Island and it could cause problems for our industry; the one industry that we are relying on. I will just mention a few things too about the recession that we are in at the present time. It was estimated that 20 million people were employed in the financial sector worldwide. The industry has shed since August 2007, 325,000 jobs with close to 40 per cent of those losses, or 130,000 lost jobs, announced from October 2008 to 12th February 2009. The report from the I.L.O. (International Labour Organization) says that it sees a rapid acceleration in financial job service cuts over recent

months. While the whole world is starting to feel the fallout from the crisis, financial centres, according to the I.L.O., like New York and London are going to be particularly hit. They are also going to be hit by the bankruptcies and consolidation resulting from the current crisis, not only in banking but also in the wider economy as firms cannot pay their debts or go bankrupt so they have increased losses. Just to give you an example. London has shed 30,000 financial services jobs in 2008 and the figures for 2009 are expected to be a third higher. I am not going to go through many more figures. The essential thing is that we have basically fixed our colours to a mast and the mast is the financial industry. Basically we are going to sink or swim with it. The point I am trying to get over to you is the fact that we have so little control over the industry that we effectively host. Yes, we have got local firms and they can make decisions but they are also dependent on the level of business that is coming in from the rest of the world. I know, for example, that there have been I think less funds - being new funds - being created in the Island which means there is less work for some of the lawyers who do those things although there is maintenance money coming in from the funds that are still here. What I am going to do now then is to go on and just refer to the Council of Ministers' comments to this amendment. First of all, I just want to say that they mention at the beginning of the comments that they have a reference to diversification in the Strategic Plan. What I would say there is their idea of what is diversification certainly differs from what I mean about diversification and I suspect many Members of this House and certainly many members of the public. The Council also say they do not support the formation of an economic commission which, I might add, is contained in the report to the proposed amendment and is not part of the amendment itself. So if anybody is minded to vote against the amendment just simply on this ground because the Council of Ministers are saying that basically it will be very expensive and a diversification from their other activities that they are doing, I would say do not worry about it. I am not bothered whether there is an economic commission or not in one sense. I just want to make sure that we address diversification and I do not mind if it is even done among existing organisations. It is not part of the amendment. The amendment is do we diversify the economy and, as I say, in a genuine and positive way? The Council of Ministers again in their comments have said that the financial services sector is both diverse and highly productive. They have said indeed it is the most productive sector from a global perspective. They also say that it is highly productive and this high productivity is translated into increased tax revenues and that the money that we receive from it underpins the provision of public services in Jersey. They say that far from thwarting diversification, they say that existing businesses in the sector are diversifying into other areas. I know that the Minister for Economic Development, if he speaks, will mention intellectual property which they have been preparing legislation for and e-Commerce. Basically what I want to say in relation to the comments they have got in that part of the paper is that essentially in one sense with intellectual property because it is primarily the lawyers who are going to benefit in that sector, they are not only putting all their eggs in one basket but they are piling the eggs higher and higher on top of each other so the basket is filled to overflowing. In other words, I am saying they are making us more vulnerable to the shocks that we could find in the future. They are also making the Island more open to blackmail by leading players in the industry than we are now. Dependency on one sector of the economy makes the Island vulnerable, as I say, to blackmail and to capture - and I will explain the term capture in a moment - by that segment of the economy. This means that they have tremendous leverage and they can say as they do on occasion: "If you do that, we will uproot and move to a more friendly jurisdiction." In other words, there is a danger of them playing us off with other jurisdictions who are seeking to poach parts of our industry so you end up having a race to the lowest common denominator, whether it relates to financial regulation or lower taxes or to financial inducements to encourage firms to leave or stay in a jurisdictions. If you think that does not happen, it does happen. To give you an example, the last one I mentioned about organisations setting up their head offices either in Guernsey or the Isle of Man or here there was a bit of a bidding war going on. Also I have suspected that the real reason why we have not had proposals for a deposit protection scheme up to now or a financial services ombudsman was because exactly certain elements of the industry did not want it. I believe that by focusing on finance at the

exclusion of all else, we are creating a 2 tier divided society because we have got our focus on the finance industry. To society, when those working in well paid jobs in finance relative to those working in other sectors can afford housing costing £500,000 or if the finance industry continues to grow and import new specialist and (j) category people then they will be able to afford £1 million houses and all those who are not working in the sector will be condemned to live with their parents in multi-generational households, pay extortionate rents in the private sector or be forced to leave the Island in which they were born, perhaps never to return. We are also forcing out of the Island those who do not have the skills, qualification or desire to work in the finance industry. I also believe too from reading the comments of the Council of Ministers that they are also sending a message to those engaged in the tourism and agriculture sectors that they are not important or relevant any more in the future that they envisage for us except to secure sufficient capacity for air routes in order to make them viable and to provide green spaces on the Island for leisure. If you do not believe that, have a look at paragraph 3.4 in their comments. The Council of Ministers say: "Jersey's economy would not be served by diversification from high productivity to low productivity sectors and if this were to occur it would be difficult if not impossible to retain the current level of public services." Also look at the lacklustre support for tourism and agriculture indicated in paragraph 3.6 where it says: "As with every developed economy, sectors such as agriculture and tourism rely on low cost labour to deliver sustainable operations. If Jersey is to compete in an increasingly competitive marketplace this must continue. This is not to say the training and development of local people is to occupy the higher value jobs in these sectors is not a priority. It is. The Skills Executive is working on this very issue." What I am trying to say is the comments in relation to agriculture and tourism are very scarce in a sense and not terribly positive. I have mentioned also that there are proposals to move into 2 areas of diversification: intellectual property. As I say, this is a very complex area and the people who are going to be dealing with it are largely going to be the lawyers because we are dealing with trademarks, design, patents, et cetera. As far as e-Commerce is concerned, yes, we have a small e-Commerce sector largely dominated by I think it is play.com but I am not convinced there are going to be that many jobs created in that sector. Anyway, I will stop at that point. I think I have made the point that I believe that we are very highly concentrated in finance and very vulnerable. I will listen to what other people have got to say and if there is anything that I have missed, I will address them when I respond.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]**

The Deputy of St. John:

Sir, could we have the Attorney General's definition, please, of ...

The Greffier of the States (in the Chair):

I had not necessarily intended to interrupt the debate but if the Attorney wishes to address the Assembly on a query.

Mr. W.J. Bailhache Q.C., H.M. Attorney General:

I would quite like to know precisely what the question is.

The Greffier of the States (in the Chair):

I think my understanding of the question was, Mr. Attorney, what the legal consequences would be if the Strategic Plan were not approved, either by a rejection by the Assembly or by, for example, the Assembly if it were allowed by the Chair moving to the next item of business.

The Attorney General:

I will deal with it now if you wish me to do so.

The Greffier of the States (in the Chair):

If it is convenient.

The Attorney General:

Three years ago, with considerable hesitation, the Bailiff as Presiding Officer agreed that there could be amendments to the Strategic Plan. That hesitation was quite understandable because Article 18(2)(e) says this ... the Functions of the States of Jersey Law says this: "The functions of the Council of Ministers shall be agreeing and within 4 months of their appointment under Article 19(7) lodging for referral to one or more Scrutiny Panels, established under Standing Orders, and approval by the States a statement of their common strategic policy." So the words "their common strategic policy" refer to the common strategic policy of Ministers and not of the States. It is the Ministers' statement which is to be lodged within 4 months for referral to a Scrutiny Panel and subsequently approval by the States. As long as the Council of Ministers does agree a strategic policy within 4 months and lodge it, the Council of Ministers has performed its statutory functions under Article 18(2). The consequence of not approving the Strategic Plan I think are that it could not be said that the Council of Ministers was in breach of its obligations. The purpose of the Article, if I can put it this way, is to ensure that Ministers put before the States for approval their policies so that if for any reason the States are significantly uncomfortable with those policies, the natural political consequence - and it would be a political consequence and not a legal one - would be a motion of no confidence in the Council of Ministers. That is why the Article is framed as it is. So I do not think there are any legal consequences if the States were not to approve the Strategic Plan. It would seem to be pretty apparent that there would be unlikely to be any political consequences in the sense that the Council of Ministers have done what the law requires them to do. But Members I am quite sure would want to think pretty carefully about whether it sent out any sort of sensible message if the Strategic Plan were just put to one side and not determined one way or another. I am not sure if that is helpful to Members. I think the answer is there is no legal downside; no result from the States of Jersey Law 2005, as I see it, if there were to be a decision to move on to the next item. Perhaps I just add, Sir, that in the light of the fact of the Bailiff's ruling 3 years ago which acknowledged that the States could receive amendments to the Strategic Plan, the ruling which you have made is one which is entirely a matter for the discretion of the Chair.

The Deputy of St. John:

Sir, if I may put a question to the Attorney General? Therefore, because the Bailiff 3 years' ago allowed amendments, does it necessarily say that the Strategic Plan should be permitted to have amendments added to them or made or should the Strategic Plan just be laid and we accept it or refuse it as it is given to the States?

The Attorney General:

The practice has been to allow amendments to be made. That being so, the amendments are here for discussion by the Assembly and it is a matter for the Assembly. Ultimately it is a political matter.

Deputy S. Power:

Sir?

The Greffier of the States (in the Chair):

Do you wish to end this debate or ask a question of the Attorney?

Deputy S. Power:

May I, Sir? Could I ask the Attorney General if the Strategic Plan can be produced as a report?

The Attorney General:

No, Sir, because it is to be lodged for approval by the States.

Senator P.F.C. Ozouf:

Sir, can I just clarify? The Attorney General's legal interpretation is clear. This is partly a legal interpretation or political interpretation. If the Strategic Plan were rejected then that would effectively be a vote of no confidence in the Council of Ministers. That is my understanding of that, just so that Members are clear about the options that they have: going ahead with the debate, deciding they are just going to move on and have nothing and have wasted hours of time or reject it, which is effectively a vote of no confidence. Is that what the Attorney General is effectively saying?

The Attorney General:

I think that would be a matter politically for the Council of Ministers to determine; for the Assembly to determine as well. If the Council of Ministers lodged a plan which was not the subject of any amendments and it was rejected by the States then one can certainly see that that would amount to a lack of confidence in the Ministers' common strategic policies. If there are amendments which are adopted by the Assembly, the Council of Ministers has a choice. Either, it seems to me, to accept those amendments and then, as it were, adopt them as part of the common strategic policy of Ministers or if the amendments are so fundamental that the Council of Ministers does not like the amended plan, the Council of Ministers would then itself tender its resignation.

The Greffier of the States (in the Chair):

Very well. We return to the amendment of Deputy Higgins.

6.1.1 Senator A.J.H. Maclean:

The Council of Ministers, I am afraid, opposes the first part of Deputy Higgins' amendment but does accept the second part. The first part of the Deputy's amendment seeks to introduce a new priority under the "What we will do" section on page 12 of the Strategic Plan, namely to lay the foundations for a genuinely diverse economy. Although we agree with the sentiments of this statement, it is the mechanism of an economic commission or similar that would be too costly and cumbersome. In fact, it is a reality the terminology that we have opposition to, in particular "lay the foundations", which implies creating a specific delivery mechanism. In essence, the amendment introduces nothing new. Under the sixth bullet point in the same section of the Strategic Plan it already states: "We will continue to work to diversify the economy supporting new and existing business, attract low footprint, high value businesses from elsewhere and foster innovation." As Members will be aware, efforts to diversify the economy are already well under way. The foundations to which Deputy Higgins refers were laid some time ago. The Economic Diversification Policy being followed by my department is well documented within the Enterprise and Business Development Strategy. It is being led by Jersey Enterprise and our partners. The report accompanying amendment 10 argues for the establishment of an economic commission or similar. The Council of Ministers opposes such a proposal on the grounds that such a body would represent an expensive and unnecessary institution, as I have already referred. My department is in the business of delivering results at lower rather than higher cost, a policy that I hope States Members endorse, particularly in these challenging times. Of course, we do not do this alone and certainly seek and receive advice from a broad spectrum of highly professional sources from within as well as from outside the Island when, of course, it is appropriate. Jersey is already well served through the Economics Unit, the Fiscal Policy Panel and the Statistics Unit which produces a series of key reports annually, outlining trends within the local economy. The advice provided by these bodies helps to shape both economic and fiscal policy. This in turn influences the delivery of business support and States investment in securing economic diversification. Deputy Higgins comments on an over-reliance on financial services. This is simply not the case and the Deputy's comment does not reflect the nature and contribution made by the Island's financial services

industry. The financial services sector itself has never been more diverse in terms of product and geographical reach. It is also highly productive. Indeed, it is Jersey's most productive sector by a wide margin and despite recent setbacks. It is the high productivity translated into profitability and tax revenues that underpins the provision of quality public services within the Island. Surely our diversification should firstly be focused on exploiting the value delivered by the cluster of businesses that support the finance sector. Importantly, these businesses also have the capacity and the capability to support wider economic diversification in sectors such as intellectual property and e-Commerce. The Deputy calls for innovative thinking. Well, I can assure Members that Jersey's approach to the development of these new sectors is innovative. Proposed legislative changes in e-Commerce and intellectual property due later this year and early in 2010 are a good example to reinforce this particular fact. The changes we are making to our legislation is already recognised by a number of major global businesses in these sectors as being of significant commercial benefit to their global business operations and therefore to presenting opportunities for Jersey's further economic diversification. The focus of our diversification must be on higher value activity that builds upon the strengths that we already have. Jersey's economy would not be best served by diversification from high productivity to low productivity sectors. If this were to occur it would be difficult, if not impossible, to balance the books and retain the current level of public services that we enjoy. Sectors such as agriculture and tourism rely on low cost labour to deliver sustainable operations. Although we continue to invest heavily in these sectors, to both diversify and move them up the value chain, it is unlikely that such methodology will be able to match the returns from innovative new technology-driven sectors. Without such returns funding public services to the Island and within the Island would be far more challenging. Significantly, the drive to support high value, low footprint business development underpins a key public demand, supported by the Council of Ministers, and that is to control our population at acceptable levels while continuing to deliver economic growth. Finally, I would like to explode one myth. Implicit in Deputy Higgins' amendment appears to be a mistaken belief that there is another as yet unidentified sector representing a magic bullet capable of delivering diversification within other areas of the Jersey economy. This, I am afraid, is simply not the case. Overall, Jersey's economy will be best diversified through a large number of existing companies delivering product and market development activity to broaden their trading base. These will in turn be supplemented by a large number of small scale business start-ups, the major companies, we hope, of the future, and indeed businesses that establish operations in the Island through inward investment. This is what we are doing and this is why we have set up Jersey Enterprise. Our continued activity, including an active diversification agenda, is fully captured in the Council of Ministers' Strategic Plan. This amendment, although well intentioned, would not only be costly but is unnecessary because we are already doing it. I therefore ask Members to reject the first part of the amendment. Sir, the Council of Ministers accepts the second part of Deputy Higgins' amendments.

The Greffier of the States (in the Chair):

We have not got there yet. We are only on the first part.

Senator A.J.H. Maclean:

Indeed, okay.

6.1.2 Deputy M. Tadier:

Sorry, you might have heard me laugh, and it is something I could not control when Senator Maclean was talking there. It was an involuntary reaction to when I hear something inherently but often unintentionally comic. We heard the statement that there is diversification in Jersey and I think the exact words are: "The financial services industry has never been so diverse", again completely missing the point of what Deputy Higgins was saying earlier that when we talk of diversification the Council of Ministers tends to only think of diversification in the finance industry, and we have had evidence of this first hand only a few minutes ago. I think what Deputy

Higgins is talking about is real diversification in the economy. Let us read the words of what he has put down. It says: "To lay the foundations of a genuinely diverse economy." It seems to me again that the Council of Ministers, in rejecting this, are saying: "We do not want to accept this amendment because we might have to do something about it then, we might have to put in genuine foundations to have a genuinely diverse economy." The reasons I suspect that we do not have that commitment at the moment, we do not have the foundations, have been evidenced by the experience I have had in the last few weeks with this very ... it is okay, I do not make an issue of it so ...

The Greffier of the States (in the Chair):

I am afraid Members are voting with their feet, Deputy. The States are becoming inquorate. Deputy Tadier, you may continue if you wish.

Deputy M. Tadier:

Just for people at home, obviously the Assembly went inquorate there because one Member left and while there is a debate to be had about whether it is the Member who left whose fault it is, obviously there are the 25 other Members who are also not present for that one person to make the Assembly go inquorate. Anyway, that is a side issue so I will carry on with my speech, if Members will indulge me. The reason I am going to support this amendment is because I suspect that at the moment we are not paying serious attention to investing time-wise and money-wise and other ways seriously in the other economies that already exist. I can give an example again. The Minister for Economic Development is shaking his head. I can give the quite concrete example that I have had in trying to deal with the not very glamorous problem of a cash machine at the airport where, to be quite honest with you, I was given flippant responses. We heard in this very Chamber that: "Oh, that is a commercial decision to get rid of a cash machine at the airport." Now when people arrive at the airport there is no cash for them to get out because, even though Jersey is an offshore finance centre and it is supposedly still a big tourist centre, we cannot even get something basic like giving them Jersey money to spend while they are on holiday in our Island. It is a commercial matter apparently; the Government cannot do anything about it. Surely that is what governments are there for. We are not there to be dictated to by institutions which are supposed to provide services. This is just a very small example. Also I found out this week that the cash machine at the harbour packed up so, again, nobody was able to get money there.

Senator A.J.H. Maclean:

Sir, would the Deputy allow? I would just be interested for clarification, if the Deputy would be very kind, as to how putting a cash machine at the airport or the harbour is going to diversify the economy?

Deputy M. Tadier:

I think that was a fairly trite and ... what is the word? It is certainly a specious comment. The point I am making here is not whether or not putting in a cash machine in itself is going to diversify the economy. The point is there is no underlying commitment at present to diversifying the economy; because the cash machine is at the airport, consequentially we are neglecting tourism in favour of finance. The Minister shakes his head and he is quite entitled to do that but I think this is just one small indication of the fact that we will bend over backwards so the finance industry can come to us and say: "We need this, we need that, we would like you to set up marketing programmes, we would like you to travel to India to get new markets." Who pays for this? Invariably some of it comes from the taxpayer. Very small things like signage at the harbour for tourists to help them get into town, taxis which are never available at the harbour, these things are all neglected and that is not because of the very hard work that the Tourism Department do, because I know some of them and they are very committed staff, but it is simply because of political ...

Senator A.J.H. Maclean:

I do apologise for interrupting again but just that comment was inaccurate about the taxis from the harbour. There is a free bus service provided by T.T.S. (Transport and Technical Services) to get tourists to the central bus terminus.

Deputy M Tadier:

A free bus service to get people to the harbour is not the same as the availability of taxis when you want one at the harbour. I think the Minister's interventions are quite unhelpful to the House and are just serving to extend unnecessarily my speech. So I would ask him respectfully: only interject if you have got something valid to bring to the argument. **[Approbation]** I will basically leave it at this. We clearly are neglecting our tourist industry, whether the Minister for Economic Development believes that or not, and I would quite happily, as I have offered in the past, come and talk to you about some of the ideas that I have about attracting tourists. We can do that in private. I am quite happy to do that. So, quite clearly I will be supporting this because I do believe that it will send out the right message once again that we do need to have a diverse economy which is not simply limited to the finance industry. It is not simply good enough to say to students: "Come to Jersey, you can get a diverse range of jobs. You can work in a trust, you can work in a bank, you can work drafting up trust law, and you can even perhaps go into intellectual property." What do we say to the people who want to be artists or the people who want to be actors and people who may want to do other jobs which do not necessarily involve the finance industry? There is no provision there; people who may want to work in tourism. So I am going to leave it like that and quite clearly I will support Deputy Higgins' amendment here because I think it is common sense and I would urge the Council of Ministers to do the same.

6.1.3 Senator J.L. Perchard:

Deputy Higgins spoke at some length ... I am having a fight with my suitcase. **[Laughter]** I am leaving, yes.

Deputy J.A. Martin:

He has packed for his summer holidays. We will be here that long. You know that, do you not?

Senator J.L. Perchard:

Yes, I have brought my pyjamas. **[Laughter]** Deputy Higgins spoke at some length about the financial services industry and his concerns as to, as he put it, our eggs all being in one basket and valid concerns they are. We are very dependent on a very successful financial services industry and are, as the Deputy highlighted in his speech, subject to external forces that may at a swipe cut or severely damage the ability of our industry to continue to provide jobs and economic activity in Jersey. On the face of it, I will support his proposition if he can inform when he sums up how government lays foundations for genuinely diverse business. What is government's involvement when laying foundations for new business? Deputy Tadier spoke of tourism. We are not talking about the tourist industry here, we are talking about foundations for new business. The tourism and agriculture industries do get support and must continue to get support from this Assembly and from Economic Development. That is not in doubt. We are talking about foundations for new business. So if the Deputy can explain to me what government's role is in laying foundations for new business. I do come from the business sector and I have to say it is business not government that lays foundations for business. It is business that plants the seed, the entrepreneurial seed, that develops into the green shoots of, hopefully, prosperity and vibrancy and it is the role of government, and particularly Economic Development, to feed that green shoot, to support it. It is not the role of government, and government is not the best machine, and we are certainly not equipped as an Assembly to identify what business Jersey should be diversifying into. So, I want to support the Deputy because on the face of it his amendment is absolutely right; we want to diversify our economy. What is the role of government in doing this? If the Deputy, when he sums

up, can help me there I will support him but I am quite clear that government must support business not be business. Thank you.

6.1.4 Deputy J.A. Martin:

I really will not be long but we are getting so confused in this debate. The last speaker even confused the words. Again, the Council of Ministers, I wish I had time to go through every amendment because you have missed a trick here. This could have been totally accepted if they had added it on because it is a lovely fluffy line. Again, cuddles: "Lay the foundations for a genuinely diverse economy." Where is the last speaker coming from? Where does it say: "Produce new business"? Then the Minister for Economic Development spoke to the comments, he spoke to the report. Standing Orders: you lay a proposition, what is voted on is a proposition, and in Standing Order 21(4): "The draft may be accompanied by a report setting out why the proposer considers that the proposition should be adopted." Proposes why the proposition should be adopted. The Senator wants me to give way.

Senator J.L. Perchard:

Just a question of the speaker. Could she explain to me what diverse economy means, if it is not new business?

Deputy J.A. Martin:

I really could not quantify that, to answer the Senator who has just stood up and said he is a genuine businessman, and he wants me to quantify a diverse economy. Well, I think we have a diverse economy. We are not joking here; the Senator said he fell over his suitcase. I have got a wedding to go to in September and we will be here, but the Council have done this themselves because they have chosen that ... it is a Strategic Plan and you do look at the ... the Bailiff probably did make a mistake last year allowing amendments because it could have been late [**Approbation**] and it probably would have been then rejected because the actual Jersey Law says Standing Orders: "... and approval by the States." Well, if anything it is not democratic. It is something that is going to come to the States that I am told that I am going to approve. No. The law needs to be looked at, this system needs to be looked at, but we really need to get ... the amendments are going on and on, but we really need to keep it clear, look at the wording, forget the reports. He has one line: "It may be established a way forward through the establishment is of an economic commission" and we have got chapter and verse from the Minister for Economic Development this cannot be done. Please remember this is a high level document again. We will go all the way through this. Now, it was not a vote against Deputy Southern. He got 16 votes for. The 41 were because the Council of Ministers accepted that one. We are going to go all the way through this and we are going to add hours to our debate until someone does a guillotine motion. We cannot now move on to the next item. So we either stick with the debate or the Council of Ministers better start, maybe have a little recess tonight and really look at this, because this is high level and a lot of these amendments can be accepted. If this does go on any longer I think it could be referred back even. I have looked under that one. I mean, there were things yesterday that I pulled out that are not consistent, so give me overnight and I will find something. But honestly the Council has made a rod for its own back. We have 70 amendments, we have been here for 2 days now and we are on amendment number 5 or 6. It is stupid and we are not even sticking to what the amendments say. It is not, I do not even think, Back-Benchers who have brought the amendments. It is the Council who are reading in between the lines; the Council have read the comments on reports that do not even have to be presented. We do not vote on reports. Please remember this, and I am looking to the Chief Minister and the Council to bring some sort of order to this debate overnight because honestly I really do have a wedding to go to in September. [**Laughter**]

6.1.5 Deputy D.J. De Sousa:

Most of what I wanted to say has been said and lot more has been said from the last speaker. Diversifying the economy in my mind means that we have several different businesses that work. We already have that in Jersey but it is disproportionate, the help that they get. I had the pleasure of speaking to several hotel owners 2 weeks ago and they feel over the years they have been grossly let down by the Government of Jersey because certain areas of the economy have had more help than them. We all know the number of hotels that have already closed down, been knocked down and been made into apartments and housing. Yes, we need more housing but we also need the hotels for tourism as part of the diverse economy. I also know of a hotel over at Havre de Pas that are looking at planning to turn their hotel into housing and accommodation because they cannot afford to bring their hotel up to the standard of today. If we are going to diversify the economy we have to do it equally across the board, and I will be supporting this.

6.1.6 The Deputy of St. John:

I believe Deputy Martin spoke a bit of sense and I sincerely hope that the Chief Minister and his team of Ministers go away this evening and look at some of these amendments, the one-liners like the one we are debating at the moment: "Lay the foundations for a genuinely diverse economy." We are seeing it happen so what is wrong with accepting it? We have seen this last week down at the docks with the Harbours bringing in their new policy on allowing super yachts to come here with the owners. We are talking about mega money here and they will be spending large sums of money, we are talking in the millions, on investing in the Island basically because they will be carrying out their victualling, their fuel, their bunkering, their purchasing of goods for keeping their vessel in good order. The vessel that came in this week alone will be spending approximately £1 million-plus on maintenance of that vessel, 10 per cent of the value of the vessel, and the more business like that we can attract the better for this Island. That is a diverse economy. I do not see why we cannot accept that. The good Deputy Higgins is right in raising these things; I do not see anything wrong with having that put in. I was reading another article briefly in the paper today. We are investing £1.8 million in Jersey Finance; it has gone up by 40 per cent on last year. That is okay. I sincerely hope that when we are setting up these offices off-Island the people who are travelling on our money are not necessarily travelling first class and we are going to get value for money. But that said, that is investment. It is investment like the Harbours have been doing. It is important and I think that Deputy Higgins is right. A one-liner like that, you should be accepting it. You should not be putting this House through the turmoil of drawing your teeth because at the end of the day there is going to be no winners, little bits twiddled here and there, because the Strategic Plan that was done 3 years ago is still alive until 2011. Can you not take it away overnight and come back tomorrow morning and say: "Yes, we will accept this, accept this and accept the other"? When you see the one-liners, and once again Deputy Martin is 100 per cent right, do not worry about the report that goes with it. That is not being enshrined in law or within the articles, it is only the one-liner. Please go and have a look at it. We have just got to look at some of the other investment that has been put in this Island in recent times, whether it is the Bartlett buildings and the way they are working within agriculture, huge investments. These people are looking to Jersey as a place to base themselves, run their business in a good way; big money is being spent. It is important that you look between the lines; we are just altering one or 2 words. Please have a good look at it tonight, Chief Minister, and your Council. Thank you.

6.1.7 Senator P.F.C. Ozouf:

Very briefly. I think there is frustration on both sides of the Assembly, on the Ministerial side and the Back-Benchers, and it is frustrating when one hears Members of the Assembly say things that are perhaps not completely accurate. Deputy Tadier, I heard him say that there was no attention made for tourism and agriculture. Has he not seen the amounts of money? I am not giving way. Has he not seen the amount of money that is diverted to agriculture and tourism, disproportionately to any other sectors of the economy? Does he not understand some of the failures of the past, that it is not just about putting money, it is the way you spend it? I was a 29 year-old Deputy in this

Assembly, an enfant terrible of the Agriculture and Fisheries Committee, complaining about millions of pounds being put into the industry which did not work. It is not only about money. But never mind, there are disagreements on both sides and I need to say to Deputy Higgins he has put forward a report to the Assembly in relation to the Michael Foot report. It is well known, as I talked to Mr. Foot about, that that chart is not audited information and it is probably very inaccurate and certainly it is from the national accounts from different years from different jurisdictions. Deputy Southern may remonstrate but I think that he will say and he will see that there will be a different schedule of comparative amounts of financial services importance to other jurisdiction in the final Foot report and Jersey is being asked to assist with the gathering of accurate statistics. So there. **[Laughter]** The problem is the Council is trying to accept amendments where we can but we want to be completely straight with Members and the difficulty is that Deputy Higgins' report says - and we would be held to deliver on it if we would have accepted the amendment - he wants an economic commission. Now, if he can stand up to the Assembly and say he accepts that the Council of Ministers is doing a diverse economy, which is exactly what the top of the priority says, that we are doing the things with Jersey Enterprise, no doubt we can get on with the debate and not have an argument.

Deputy M.R. Higgins:

I would like to interrupt at this point rather than wait until the end. I started my talk when I talked about the comments of the Council of Ministers and said I could not care less if there was an economic commission as long as we deliver the foundation for a truly diverse economy. I am not bothered. As Deputy Martin has said, it was written in the report; I made that point. It is in the report, it is not what is going into the Strategic Plan.

Senator P.F.C. Ozouf:

If he can sum up and, first of all, unequivocally says that there is not going to be an economic commission, secondly, that he says that we are not going to compromise on growing the financial services industry that is the key provider of economic activity in Jersey but we will do everything that we can to diversify the economy, then maybe we can do it but I do not understand what he is asking us to do differently if we are in agreement.

Deputy J.A. Martin:

Could I just have a point of clarification? I probably am wrong, and I have just gone through my States of Jersey Order. Do we in this House vote on what is in the proposition or do we vote on the reports? The Ministers are all talking to what is in the comments in the reports of the amendments. Now, I probably am wrong.

The Greffier of the States (in the Chair):

No, you are absolutely spot on, Deputy.

Deputy J.A. Martin:

Thank you. **[Laughter]**

The Greffier of the States (in the Chair):

It is a long established practice that the Assembly votes on the proposition itself. The report is for information, although clearly Members will draw on a report, and if there is something in the report that Members wish to comment on it is clearly informative for what the proposition is intended to mean but the actual wording is always that in the proposition, not in the report.

Deputy M. Tadier:

Sir, may I make a clarification? I did not want to interrupt because I know it can be off putting when one is in full flow. I did not say it is all about money. In fact, I have been telling Economic Development for a long time that it is not just about money and I have emailed them and I have got

5 or 6 or 7 recommendations which could be implemented straight away which are not about money which would increase tourism. I believe that the Senator is *encore toujours l'enfant terrible de l'Assemblée*.

6.1.8 Deputy G.P. Southern:

It sounds so much better in French, does it not? That is terrible. What is going wrong here? Why are we all getting frustrated? We are all getting frustrated because the wording of the proposition which says: "Lay the foundations for a genuinely diverse economy" implies 2 things. One, we have not got any decent foundations laid down and the implication there is the Minister for Economic Development is not doing his job properly, and, secondly, where we have got so-called diversity it is not genuine, so it is a sham, and again the ego of the Minister for Economic Development must take a blow if he accepts this wording because it implies he is not doing his job properly. So we have got politician's ego and ruffled feathers. So that is why we are saying: "Draw the line here, we are not accepting this, this is not on", instead of which we have got 3 points over the page, as usual hidden in some very usual wording: "We are going to support new and existing businesses, attract low footprint, high value businesses from elsewhere [sounds awfully like financial services again] and foster innovation [well, that is wonderful] and to continue to work to diversify the economy." So "continue to work", that is the key; we are already doing it and we will continue it. Fine, pat on the head, Minister for Economic Development doing a good job, and that is the difference. The reality is when we look at that, and there is no denying that pie chart, we are all aware that 50 to 53 per cent - we can argue about the odd per cent - of the economy is based on financial services. The argument is about reintroducing a balance into that economy. Now, the Minister for Treasury and Resources said that if the proposer can accept that we will continue to grow the financial service industries, because that is the milch cow, then we do not have a problem. Once again, this is the Minister for Treasury and Resources and the Minister for Economic Development defending valiantly the absolutely startlingly obvious indefensible because the reality is that if we are to continue to grow the financial services industry - I talk about growing the financial industry - then that orange bit grows and grows and grows. It inevitably means that we suck more and more labour, more and more resource out of every other sector, and within the population policy that we have recently adopted that is not going to work. We cannot hold these 2 things, or we can apparently but they are contradictory, they are mutually exclusive. Here we go again. We cannot grow the F.S.I. and grow the diversity genuinely, it just will not work. Osera told us it in 2002 and yet we plough ahead with this completely - it is not even a false dichotomy - false premise that we can hold these 2, diversity and growing financial services, as independently and logically we can do both. We cannot. So quite frankly it does not matter one jot whether we accept this amendment or not. The economic context in which we are working is that provided we continue to grow the financial services industry we cannot increase diversity in this Island, we will not, because, and we have seen it over the decades, the financial services industry, yes, it does produce all this tax revenue and it is there, it also produces relatively high salaries. Any time they want to, and they have got a pinch under population policy and Regulations of Undertakings policy that put a pinchpoint in staffing, what do they do? They say: "Well, if I am short of a financial adviser in this particular sector, an accountant here, and we have got a national shortage of accountants, then I simply up the money and I pinch one from over there, from that industry." While we have got population policy and a Minister who says: "Well, if financial services continues to grow [and I have heard him say it] and sucks in the substantial numbers of the 150 heads of household to staff that particular industry then we shall simply have to cut down elsewhere." Your farmers will not get their farm workers and your tourism certainly will not get its waiters, will not get its commi chefs, because we will just simply say: "Well no, we have done 150 over there. You cannot have your workers." We are going to decrease diversity. That anomaly sat with us at the last Strategic Plan, I pointed it out then; it is still with us at this Strategic Plan. The thing will not work. So, whether you accept this amendment or not, the fundamental structure of the economy in which we are working we cannot do diversity. We may as well accept that if we

are to continue to grow financial services we will become increasingly dependent upon financial services, full stop. That is a reality. Diversity, I am afraid, with the set-up that we have got, is not.

6.1.9 Connétable D.W. Mezbourian of St. Lawrence:

I am not sure where I want to start my speech because there are so many things that I want to say in relation to this debate. With the 70 amendments and 53 Members, 52 without Senator Le Main here today, if we all chose to speak on each amendment we would genuinely be here until the Annual Business Plan debate. I truly feel that we are likely to make ourselves a laughing stock if we continue [**Approbation**] in the way that we have done over the past couple days. I lay the blame fairly and squarely at the feet of the Council of Ministers and I believe I am not the only one who feels that they have in fact caused this to be burdensome upon us all. If we look at the comments to this amendment of Deputy Higgins, it is completely and utterly farcical that the comments say: “The Council opposes this amendment” and the reason given is that: “Diversification of the economy is already included under Priority 2 in the sixth bullet point under ‘What we will do’. This amendment would just duplicate what is already there.” So for heaven’s sake why not accept it? [**Approbation**] It is a genuine question: why not accept it? The words of the Council of Ministers are that this amendment will just duplicate what is already there, and we have spent how long debating it because they refuse to accept it. I cannot believe that as an Assembly we are forced to go through this. I look to the Chief Minister and I urge him, as others have done already, to reconsider this Strategic Plan and the amendments that have been brought, work into the early hours if necessary, but come back to the House with possible changes that will likely be accepted by the House and will preclude us from spending hours and hours and hours debating our strategy for the next few years. [**Approbation**]

6.1.10 Senator T.A. Le Sueur:

I understand and share the frustration of Members and certainly I will see to what extent we can review the amendments and see if there are any others that we can accept, but I have to disagree with the last speaker when she says that the fault for this is all with the Council of Ministers. The Council of Ministers has in fact encouraged open discussion and the need to get a plan to which we can all agree. When amendments come to the Council of Ministers and we have 70 to look at we have to say: “Why does this amendment come here and what does it add to our Strategic Plan?” Taking this particular one as an example, the wording of the amendment is: “To lay the foundations for a diverse economy.” Okay, “genuinely”. Yes, that is already in our priorities so why should we oppose it? The reason is that if an amendment is there to something which is already in the priorities we have to ask ourselves: “Why has that amendment been lodged at all, what does it add?” Therefore we have to say: “Let us see what is behind the amendment, let us find what the Deputy is getting at”, and that means looking at the report. The report, which is quite brief, talks mainly about the formation of an economic commission. It is that additional element to it which caused us to have concern. Had we ignored the report, had we ignored about the economic commission, we would have accepted the amendment as being totally meaningless, but why put the amendment in in the first place? The only point of putting the amendment in is to add, extend or clarify something in the report. When, having based his entire amendment on the fact of an economic commission, the proposer then says: “I do not care whether it is there or not, that is not relevant, there is no point in it”, I suggest that the fault for having this hour’s debate on this amendment is not with the Council of Ministers, it is with a proposer who does not care whether his report is accepted or not. [**Approbation**] If that is the situation he should never have brought this amendment in the first place.

Deputy M. Tadier:

May I have a genuine point of clarification? If I am understanding correctly, is the Chief Minister saying that only things that we are not currently doing but which we want to do should be in the

Strategic Plan? If that is the case, there are lots of things which we are currently doing which are also in the Strategic Plan which have been put there by the Council of Ministers.

Senator T.A. Le Sueur:

I was saying you do not need to put any priority or any action in there twice. If it is in there once, once is enough, and to put it in a second time to me obviously implies that there is something additional that needs to be looked at and that is the only reason why we were objecting to this particular amendment. One could say the words of the report do not matter and that strikes me as being a bit like Alice in Wonderland and the Queen of Hearts: "Words will mean what I want them to mean." If the words in the report say: "I want to have an economic commission" then I assume that we wanted to have, or the proposer wanted to have, an economic commission. If he now says it does not matter, right, my suggestion is that he should have withdrawn the amendment, not us. Anyway, to save us any bother, on the assumption that the Deputy has withdrawn his report I see no reason to carry on objecting to this particular amendment, but that is beside the point. If I am going to look at other amendments over the next few hours and see what else can be accepted I would have to ascertain whether those people lodging amendments stand by the reports or not. If they all say: "Oh, we do not care whether the report is accepted or not" then how on earth am I going to know whether to accept them or not? It puts the Council of Ministers in an impossible situation and I think we have to accept and read on face value what is in the reports. They may not be part of the proposition but they are there to help us understand what they are all about.

Deputy M.R. Higgins:

As a point of information, let us just deal with the report.

The Greffier of the States (in the Chair):

What is this, Deputy? You will be able to sum up. Is this a point of clarification?

Deputy M.R. Higgins:

Okay, I will sum up.

Senator T.A. Le Sueur:

I am not trying to be obstructive or prolong this debate. I do not want this debate to last any longer than anybody else does but I do think we have to be quite clear what we are doing and why we are doing it. I will look at these other amendments but I have to say that if we are to accept any that are currently suggested we reject it would probably be on the basis that the reports to the amendments are irrelevant. That strikes me as being a totally farcical way for us to carry on our business. It will not bring this House into any great repute whatsoever and it will make us in danger of being a laughing stock. If Members do not want to debate all these amendments I suggest that they should not have brought them in the first place, they should have just let the plan as it was simply be passed or accepted or rejected as is. I see no point in bringing amendments and then saying they do not matter.

6.1.11 The Deputy of St. Mary:

I had comments to make prepared but I will just respond to that last intervention by the Chief Minister immediately. If reports do matter, if reports really are worthy of serious ... well, in fact, they almost pass the proposition, then when this previous House - and I am sorry, I am going to go back to the incinerator just briefly - voted for that the report contained totally misleading information and, on the basis of that, that proposition went through. So if reports do matter then the House has a serious problem. That is the first comment. These things, you know, they are important. I do not think we can go through the Strategic Plan as if it is just sort of another piece of paper and let us get on with this because it is nearly Thursday. I really find that pretty extraordinary and the fact that there are 70 amendments is a commentary on the process which led to this document being produced today. It may be that the States have got themselves into a fix by

having this 4-months timescale to the lodging and that is virtually impossible to have any real debate, either out there in the community or between States Members, to have some sort of consensus underlying the plan before it comes to be lodged. So that is a side point. Now, duplicates. The amendment duplicates what is there already so we do not need to accept it. The reason that the Council of Ministers are digging their heels in on this is that they do not like what the amendment says. That is why, and this stuff about it duplicates what is already there so why bother, as other people have pointed out, why bother not to just put it in then if it is the same as what is there already? It would be duplication but there are other words that appear twice in the document so it does not really matter. The real reason that they are digging their heels in on this and really quite vehemently ... if you listen to the interventions of the Minister for Treasury and Resources and also the Minister for Economic Development, it was quite determined that this amendment does not go through and there are a couple of reasons for that. One, they do not like the word "foundations". Senator Perchard said: "How do you set up foundations for business and what is government's role in setting up foundations for business?" Well, I have news for the Senator. The U.S.A. would not have developed without the railroad. The railroad was put in with public money, so was the telecommunications network in the U.S.A. In Jersey we have an education system that produces skilled, creative, intelligent young people to start new industries. Then we have health so that when the workers - and I am being fairly reductionist here - get ill we can make them better again. What about a level playing field so that we do not have rip-off builders with people falling off scaffolding, so we have regulations to protect workers and we have regulations to protect the environment so that T.T.S. do not have to run around beaches picking up filth that has come down from somewhere that somebody has chucked in a stream? We regulate that; we cause a level playing so that we have foundations for business. So this is the sort of thing that government does, and it goes way beyond E.D. (Economic Development) to talk about diversification for a real, genuinely diversified economy. It goes beyond start-up grants to the individual business that rolls up to the door of Jersey Business Venture. Now, cuckoo in the nest. Deputy Southern has done most of that for me but he has left out one aspect. He concentrated on the fact that if that orange bit of the circle goes round and round and round then you have a squeeze on the resources available for all other sectors. There is another effect of the finance industry's growth which is inflation, which is the pressing up of the cost base, partly due to the pressure on housing costs, partly due to the fact that with their enormous buying power the banks can simply go and buy a house for their workers, they can simply go to the best restaurants, and everything pushes up the price because there is a lot of demand and money around. That had a direct impact on the tourism industry in which I was involved for many years. I went to many, many strategic debates within the tourism industry and there was this constant question of: "Why are we not holding our own? Why are they going somewhere else, the tourists?" Well, they are going somewhere else because it is not just cheaper but much cheaper, and if you looked at the graphs of cost inflation and what the Jersey tourism sector had to put up with, the costs were rising all the time and they were rising because of the cuckoo in the nest effect. So the finance industry was having a direct impact through inflation and increasing the cost base on tourism and that is part of diversification. So that is another strengthening in the argument of Deputy Southern that the finance industry has a direct effect on all other sectors by squeezing them. The next point is that the Council of Ministers is in a different world to the real one and this is partly what underlies this fear of genuine diversification. There are 2 comments on this. The finance industry is a high risk industry in the present political climate, and Deputy Higgins in his opening speech made that point very well. The second factor is peak oil. Peak oil, if and when there is an economic recovery in the conventional sense, is going to flatten that recovery immediately because the price of oil will immediately rise, and look what happened when it went through the roof last time. I will fill you in on the comments of the I.E.A.'s (International Energy Agency) chief economist. He and his team produce the World Energy Outlook every year and most governments treat this as gospel. He has done a new report in 2008. For the first time they went oilfield by oilfield through the world to assess the rate of decline and he said it was the first time the I.E.A. had ever done this, whereupon George Monbiot interviewing

him said: "Why is it the first time? You should have done it before." But anyway, he said proudly: "It is the first time we have ever done it." They went through the 800 largest fields in the world and they are the most qualified people to do this, and they found that the average rate of decline was 6.7 per cent per year. If your oil is coming out of the ground at 6.7 per cent less per year there is going to be an impact on prices as soon as demand rises. Remember, at the moment we are in a period of demand destruction. We have had the credit crunch, all the economies are going through the floor, there is no demand relative to what there was before. If economies pick up, that demand will go up and the price will go straight through the roof. Even without those factors, Birol gave these estimates of the price of oil in 2030. In 2007 he estimated the price at 62 dollars a barrel. That is at prices then, constant prices these are. In his new report, 2008, having looked at this fact of 6.7 per cent decline, 120 dollars a barrel; double. The cost of oil is double and that is going to feed through in every way and that is why we need a diverse economy because we are not going to be able to do things in the old way. One comment of an expert in the whole credit crunch issue as the shares were going down and down and down on every market was the markets are pricing in the end of growth. So we are in a very different ball game, we are in a different world, and it is time the Council of Ministers started to take on board these massive changes. My final comment is on productivity. We read in their comments, but of course comments do not do very much, that: "Jersey's economy would not be best served by diversification from high productivity to low productivity sectors." Well, that means let us keep things exactly as they are, but once again they are ducking the inevitable transition from our present economic model, which is you make, you consume and then you throw it away, and then T.T.S. get paid and we spend good public money disposing of it. That is a model that cannot go on; we all know it cannot go on but we just pretend that it can somehow go on. One example of the reverse of that, of the virtuous way of doing things, is in Monday's *J.E.P.* on page 3 or 5 it was, right-hand side, the story of the plastic bags. Do you remember reading about the Co-op? They were saving quite some substantial tens of thousands of pounds because 9 million plastic bags were not being made, not being consumed, not being used. That is the way to real productivity gains and you can multiply that up in every sphere. For instance, with Deputy Rondel just asking that little question how much energy does the States use, from that has flowed a whole raft of things; Environment Scrutiny are looking at that. Why are we spending nearly £10 million a year on heating and lighting? It is unbelievable, and there is another saving, a productivity gain, just sitting there waiting to be made. More fundamentally than all that I have said, we need a transition to a society where all work is valued, paid or unpaid, and this is the deep stuff, this is where this amendment is sort of going. We need the foundations for a really genuinely diverse, resilient economy that will not, when the going gets hard, just collapse in a puff of smoke and there will be real trouble out there - we do not want to go there - where the goal is human welfare and not G.D.P. and where we act in a genuinely environmentally sustainable way, getting more welfare out of less consumption across the board. That is the sort of economy we have to go to, that is in my view what is behind this amendment, but if we carry on the way we are, not setting any foundations, we will just - what is it - continue to diversify, continue to do what little we do, continue to see 53 per cent of G.V.A. come from one high risk industry. I really do commend this amendment to Members.

Senator S. Syvret:

I propose the adjournment, Sir.

The Deputy of St. John:

Before the amendment is proposed, could you look at Article 167 of Standing Orders, Sir, and see if we cannot lock the Chief Minister and Ministers in a room with the Members who have brought a proposition and see if we cannot get some of these put to bed? Under 167 I think the Bailiff or yourself have certain powers to make things happen, Sir.

Deputy G.P. Southern:

Who would hold the key? [Laughter]

The Greffier of the States (in the Chair):

If the Chief Minister wishes to meet the proposers of the amendments I do not think it needs the presiding officer to make any ruling on that. Just before the adjournment, I have to say from the Chair I have heard some of the frustrations expressed by some Members. I would nevertheless comment by my tally this debate has been continuing for less than 11 hours. It is a very, very major debate. Sitting here I have heard some very robust and well argued debate on population, equality, diversification, some of perhaps the most important issues that face the Island. Back-Benchers, I think, have a right to lodge amendments. There was a very adverse reaction when the Chief Minister suggested perhaps Members should not have done that, and perhaps Members should consider how much time they are prepared to set aside to debate them properly. We sat for 4 days in 2006 for the Strategic Plan and we are merely at the end of day 2. I put that for Members' consideration. [Approbation]

Senator P.F.C. Ozouf:

Sir, could I propose that we continue with this amendment? If we do not draw a conclusion on some of them then if we start again we may spend another hour on this tomorrow. We are not going to get anywhere. Surely, can we finish this amendment now?

Senator S. Syvret:

I am probably going to speak for half an hour alone and I think there are other speakers too.

The Greffier of the States (in the Chair):

The adjournment was proposed. I do have other Members waiting to speak. The adjournment is proposed. Those in favour of adjourning kindly show. Very well, the adjournment is adopted. I would just notify Members before the adjournment of the lodging of 3 propositions from the Chief Minister relating to the ratification of information relating to tax agreements between France, Ireland and the United Kingdom and associated regulations, together with the lodging of a proposition by the Deputy of St. Martin relating to the suspension of the States Employees: Composition of Review Panel. The Assembly stands adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT