THE STATES assembled on Wednesday, 11th May 2005, at 9.30 a.m. under the Presidency of the Greffier of the States, Mr. Michael Nelson de la Haye.

All members were present with the exception of –

John Baudains Germain, Connétable of St. Martin– ill Celia Joyce Scott Warren, Deputy of St. Saviour– ill.

Prayers read by the Deputy Greffier of the States.

Arrangement of public business for the present meeting

THE STATES agreed to defer consideration of the following matter from the present meeting –

Commission Amicale: appointment of President and Chairman.

P.89/2005.

Lodged: 26th April 2005.

Policy and Resources Committee.

Arrangement of public business for the next meeting on 24th May 2005

THE STATES confirmed that the following matter lodged "au Greffe" would be considered at the next meeting on 24th May 2005 –

Commission Amicale: appointment of President and Chairman.

P.89/2005.

Lodged: 26th April 2005.

Policy and Resources Committee.

Social Security Fund: removal of earnings limit – P.82/2005 Comments

THE STATES resumed consideration of a proposition of Deputy Geoffrey Peter Southern of St. Heliel concerning the Social Security Fund: removal of earnings limit, and, following consideration, adopted a proposition of the Connétable of St. Lawrence that, in accordance with Standing Order 26A(1), the question be now put.

Members present voted as follows -

POUR: 19 CONTRE: 17 ABSTAIN: 0

Senator R.J. Shenton
Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Peter
Connétable of St. Clement
Connétable of Trinity
Connétable of St. John
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.V.F. Le Claire
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator E.P. Vibert

Deputy of Trinity Connétable of St. Lawrence

Deputy R.C. Duhamel (S) Deputy A. Breckon (S) Deputy of St. John Deputy J.J. Huet (H) Deputy T.J. Le Main (H) Deputy of St. Martin Deputy M.F. Dubras (L) Deputy P.N. Troy (B) Deputy F.G. Voisin (L) Deputy L.J. Farnham (S) Deputy R.G. Le Hérissier (S) Deputy G.P. Southern (H) Deputy J.A. Bernstein (B) Deputy P.J.D. Ryan (H) Deputy S.C. Ferguson (B) Deputy J.A. Hilton (H) Deputy of St. Mary Deputy G.W.J. de Faye (H) Deputy of St. Ouen

THE STATES rejected paragraph (a)(i) of the proposition requesting them to agree that, with effect from 1sr January 2006, the earnings limit for employee contributions to the Social Security Fund should be removed.

Members present voted as follows –

Deputy M.A. Taylor (C)

POUR: 13 CONTRE: 35 ABSTAIN: 0

Senator F.H. Walker

Senator T.A. Le Sueur

Senator J.A. Le Maistre
Senator S. Syvret
Senator W. Kinnard
Senator P.F.V. Le Claire
Senator E.P. Vibert
Senator R.J. Shenton
Deputy A. Breckon (S)
Deputy J.J. Huet (H)
Deputy R.G. Le Hérissier (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy J.A. Bernstein (B)
Deputy of Grouville

Senator P.F. Routier Senator M.E. Vibert Senator P.F.C. Ozouf Connétable of St. Ouen Connétable of St. Saviour Connétable of St. Brelade Connétable of St. Peter Connétable of St. Clement Connétable of St. Helier Connétable of Trinity Connétable of St. Lawrence Connétable of Grouville Connétable of St. John Deputy of Trinity Deputy R.C. Duhamel (S) Deputy of St. Martin Deputy of St. John Deputy T.J. Le Main (H) Deputy M.F. Dubras (L) Deputy J.L. Dorey (H) Deputy P.N. Troy (B) Deputy F.G. Voisin (L) Deputy L.J. Farnham (S) Deputy J.B. Fox (H) Deputy J-A. Bridge (H) Deputy S.G. Ferguson (B) Deputy of St. Mary Deputy of St. Ouen Deputy P.J.D. Ryan (H)

THE STATES rejected paragraph (a)(ii) of the proposition requesting them to agree that, with effect from 1s

Deputy M.A. Taylor (C) Deputy of St. Peter Deputy J.A. Hilton (H) Deputy G.W.J. de Faye (H) January 2006, the earnings limit for employer contributions should be removed.

Members present voted as follows -

POUR: 9 CONTRE: 39 ABSTAIN: 0

Senator J.A. Le Maistre Senator S. Syvret Senator W. Kinnard Senator P.V.F. Le Claire Senator E.P. Vibert Senator R.J. Shenton Deputy A. Breckon (S) Deputy J.A. Martin (H) Deputy G.P. Southern (H) Senator F.H. Walker Senator T.A. Le Sueur Senator P.F. Routier Senator M.E. Vibert Senator P.F.C. Ozouf Connétable of St. Ouen Connétable of St. Saviour Connétable of St. Brelade Connétable of St. Peter Connétable of St. Clement Connétable of St. Helier Connétable of Trinity Connétable of St. Lawrence Connétable of Grouville Connétable of St. John Deputy of Trinity Deputy R.C. Duhamel (S) Deputy J.J. Huet (H) Deputy of St. Martin Deputy of St. John Deputy T.J. Le Main (H) Deputy M.F. Dubras (L) Deputy J.L. Dorey (H) Deputy P.N. Troy (B) Deputy F.G. Voisin (L) Deputy L.J. Farnham (S)

Deputy P.N. Troy (B)
Deputy F.G. Voisin (L)
Deputy L.J. Farnham (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy J-A. Bridge (H)
Deputy J.A. Bernstein (B)

Deputy J.A. Bernstein (B)
Deputy S.C. Ferguson (B)
Deputy of St. Mary
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy M.A. Taylor (C)
Deputy of Grouville

Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W. L. de, Fave (

Deputy G.W.J. de Faye (H)

THE STATES rejected paragraph (a)(iii) of the proposition requesting them to agree that, with effect from 1s January 2006, the overall contribution rate should be increased from that date by 0.5% annually (made up of a 0.25% increase in the employer contribution and a 0.25% increase in the employee contribution), until the requirement for supplementation was eliminated.

Members present voted as follows -

POUR: 10 CONTRE: 38 ABSTAIN: 0

Senator J.A. Le Maistre Senator F.H. Walker

Senator S. Syvret Senator W. Kinnard Senator P.V.F. Le Claire Senator E.P. Vibert Senator R.J. Shenton Deputy A. Breckon (S) Deputy J.A. Martin (H) Deputy G.P. Southern (H) Deputy of Grouville Senator T.A. Le Sueur Senator P.F. Routier Senator M.E. Vibert Senator P.F.C. Ozouf Connétable of St. Quen Connétable of St. Saviour Connétable of St. Brelade Connétable of St. Peter Connétable of St. Clement Connétable of St. Helier Connétable of Trinity Connétable of St. Lawrence Connétable of Grouville Connétable of St. John Deputy of Trinity Deputy R.C. Duhamel (S) Deputy J.J. Huet (H) Deputy of St. Martin Deputy of St. John Deputy T.J. Le Main (H) Deputy M.F. Dubras (L) Deputy J.L. Dorey (H) Deputy P.N. Troy (B) Deputy F.G. Voisin (L) Deputy L.J. Farnham (S) Deputy R.G. Le Hérissier (S) Deputy J.B. Fox (H) Deputy J-A. Bridge (H) Deputy J.A. Bernstein (B) Deputy S.C. Ferguson (B) Deputy of St. Mary Deputy of St. Ouen Deputy P.J.D. Ryan (H) Deputy M.A. Taylor (C) Deputy of St. Peter Deputy J.A. Hilton (H)

THE STATES noted that, subsequent to paragraphs (a)(i), (a)(ii) and (a)(iii) of the proposition being rejected paragraph (b) of the proposition requesting that the States charge the Employment and Social Security Committee, in conjunction with the Finance and Economics Committee, to bring forward for approval the necessary legislation to give effect to the proposal, was deemed to have been withdrawn.

Deputy G.W.J. de Faye (H)

Suspension of Standing Order 26(A)

THE STATES, adopting a proposition of Deputy Lyndon John Farnham of St. Saviour, agreed that Standing Order 26(A) of the Standing Orders of the States of Jersey be suspended during consideration of the proposition of Deputy Geoffrey Peter Southern of St. Helier concerning Income Tax: additional liability, (P.81/2005 lodgec "au Greffe" on 20th April 2005), and the proposition of the Finance and Economics Committee concerning the Fiscal Strategy, (P.44/2005 lodged "au Greffe" on 8th March 2005), and amendments.

Members present voted as follows -

POUR: 38 CONTRE: 10 ABSTAIN: 0

Senator J.A. Le Maistre Senator S. Syvret Senator F.H. Walker Senator W. Kinnard Senator T.A. Le Sueur Senator P.V.F. Le Claire Senator P.F. Routier Senator M.E. Vibert Senator P.F.C. Ozouf Senator E.P. Vibert Senator R.J. Shenton Connétable of St. Ouen Connétable of St. Clement Connétable of Trinity Connétable of St. Lawrence Connétable of Grouville Deputy of Trinity Deputy of St. John Deputy T.J. Le Main (H) Deputy M.F. Dubras (L) Deputy J.L. Dorey (H) Deputy F.G. Voisin (L)

Connétable of St. Brelade Connétable of St. Peter Connétable of St. Helier Connétable of St. John Deputy R.C. Duhamel (S) Deputy A. Breckon (S) Deputy J.J. Huet (H) Deputy of St. Martin

Connétable of St. Saviour

Deputy P.N. Troy (B) Deputy L.J. Farnham (S) Deputy R.G. Le Hérissier (S)

Deputy J.B. Fox (H) Deputy J-A. Bridge (H) Deputy J.A. Martin (H)

Deputy G.P. Southern (H)

Deputy J.A. Bernstein (B)

Deputy S.C. Ferguson (B)

Deputy of St. Mary Deputy of St. Ouen

Deputy P.J.D. Ryan (H)

Deputy M.A. Taylor (C)

Deputy of Grouville

Deputy of St. Peter Deputy J.A. Hilton (H)

Deputy G.W.J. de Faye (H)

Deputy Gerard Clifford Lemmens Baudains of St. Clement- attendance

Deputy Gerard Clifford Lemmens Baudains of St. Clementarrived in the Chamber prior to the consideration of the proposition of Deputy Geoffrey Peter Southern of St. Helier concerning Income Tax: additional liability (P.81/2005 lodged "au Greffe" on 20th April 2005), and was present for the remainder of the meeting.

Income Tax: additional liability – P.81/2005 Comments

THE STATES rejected a proposition of Deputy Geoffrey Peter Southern of St. Helier requesting them to-

(a) agree that the Income Tax (Jersey) Law 1961 should be amended to provide for the charging of an additional charge of income tax for a year of assessment, at the rate specified below, upon the amount of a person's liability to tax for that year as follows –

- (1) for the year of assessment 2006, 0.87%;
- (2) for the year of assessment 2007, 1.75%; and
- (3) for the year of assessment 2008 and ensuing years, 2.65%."; and,
- (b) charge the Finance and Economics Committee to bring forward for approval the necessary legislation to give effect to the proposal.

Members present voted as follows -

POUR: 10 CONTRE: 37 ABSTAIN: 0

Senator S. Syvret
Senator W. Kinnard
Senator P.V.F. Le Claire
Senator E.P. Vibert
Deputy A. Breckon (S)
Deputy G.C.L. Baudains (C)
Deputy P.N. Troy (B)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy of Grouville

Senator J.A. Le Maistre Senator F.H. Walker Senator T.A. Le Sueur Senator P.F. Routier Senator M.E. Vibert Senator P.F.C. Ozouf Senator R.J. Shenton Connétable of St. Ouen Connétable of St. Saviour Connétable of St. Brelade Connétable of St. Mary Connétable of St. Clement Connétable of St. Helier Connétable of Trinity Connétable of St. Lawrence Connétable of Grouville Connétable of St. John Deputy of Trinity Deputy R.C. Duhamel (S) Deputy J.J. Huet (H) Deputy of St. Martin Deputy of St. John Deputy T.J. Le Main (H) Deputy M.F. Dubras (L) Deputy J.L. Dorey (H) Deputy F.G. Voisin (L) Deputy R.G. Le Hérissier (S) Deputy J.B. Fox (H) Deputy J-A. Bridge (H) Deputy J.A. Bernstein (B) Deputy S.C. Ferguson (B) Deputy of St. Mary Deputy of St. Ouen Deputy P.J.D. Ryan (H) Deputy M.A. Taylor (C) Deputy J.A. Hilton (H) Deputy G.W.J. de Faye (H)

Fiscal Strategy – P.44/2005 Amendment and Comments

THE STATES commenced consideration of a proposition of the Finance and Economics Committee concerning a Fiscal Strategy together with an amendment of Senator Stuart Syvret that, in paragraph (a)(i), after the final word there be added the following words –

"except that GST will not apply to -

- (a) basic foodstuffs,
- (b) children's clothing,
- (c) medical services and products,
- (d) books and newspapers;"

Adjournment

THE STATES then adjourned, having adopted a proposition of Senator Terence Augustine Le Sueur that consideration of the amendment of Senator Stuart Syvret to the proposition of the Finance and Economics Committee concerning a Fiscal Strategy, (P.44/2005 lodged "au Greffe" on 8th March 2005), together with all outstanding matters of public business, continue the next day, Thursday 12th May 2005, and the following day, Friday 13th May 2005, if necessary.

THE STATES rose at 5.35 p.m.

A.H. HARRIS

Deputy Greffier of the States.