

STATES OF JERSEY

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SENATOR FRANK HARRISON WALKER, CHIEF MINISTER: VOTE OF CENSURE

Lodged au Greffe on 10th October 2007
by Deputy A. Breckon of St. Saviour

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to censure Senator Frank Harrison Walker, Chief Minister, for his comments about the validity of the 19,209 signatures attached to the petition of the Jersey Consumer Council on Goods and Services Tax presented to the States by the Connétable of St. Helier on 18th September 2007.

DEPUTY A. BRECKON OF ST. SAVIOUR

REPORT

I was surprised to learn, if media reports are accurate, that Senator Walker had chosen as part of his "State of the Nation" address, at a Jersey Chamber of Commerce lunch on Wednesday 24th September 2007, to launch an unsubstantiated attack on the validity of the signatories of the Jersey Consumer Council Petition.

Media reports, written and verbal, confirmed the substance of the slur implied by Senator Walker to the signatories.

I have been (and still am) approached but many people who feel insulted by Senator Walker's comments in suggesting that they would cheat in the desire to prove something.

Even people who would be delighted to pay a Goods and Services Tax find the remarks of Senator Walker both unwarranted and distasteful. He cannot be left to stand unchallenged.

I decided to confirm with Senator Walker whether the comments attributed to him were accurate and if they were to give him the opportunity to apologize publicly. I wrote to him the following terms –

Deputy Alan Breckon
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St Helier
JE2 4WA

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E: a.breckon@gov.je

2nd October 2007

Dear Frank,

Certain comments have been attributed to you in the media following a talk you gave to a gathering under the banner of a Chamber of Commerce lunch of Wednesday 24th September 2007.

Transcripts that I have quote you as saying:

'We are told that 19,000 people have signed a petition urging the States to reject GST. The petition and the supporting comments made by the opponents of GST are horribly flawed in a number of fundamental ways. There are big question marks about the validity of many of the signatures, the organisers made no attempt to spell out why 0/10 had to be introduced in the first place, failed to mention what the consequences of not introducing it would be and quite falsely stated that the States had not considered the alternatives. Basically people were being asked if they wanted to pay more tax – yes or no. On that basis I'm surprised about 30,000 more people didn't sign it – including me!!

'It was gratifying and very helpful that your own adviser, David Kern, added his support to 0/10. Perhaps most importantly of all, he agreed that Jersey does need an alternative source of tax and that GST was the right tax

'So now the challenge is to introduce it on time and to ensure that those who oppose it, for all the wrong reasons, are not allowed to knock us off track and to jeopardise the confidence and business growth that our fiscal strategy has helped to generate. I remain confident the States will rise to the challenge and that GST will be introduced on schedule next May.' **Senator Frank Walker, Chamber of Commerce Lunch, Wednesday 24th September 2007**

This raises several questions:

Question 1

Did you really say this?

If you did your comments above as they have been reported are wholly inaccurate and deeply offensive to over 20,300 people who signed the Petition. In order to put the record straight I wish to set your comments above against some facts.

Your quote above is:

“Basically people were being asked if they wanted to pay more tax – yes or no”. **Senator Frank Walker, Chamber of Commerce Lunch, Wednesday 24th September 2007**

This is WRONG.

The petition is worded as follows;

We, the undersigned, petition the States of Jersey as follows –
The Minister for Treasury and Resources is requested to take no further steps to introduce a Goods and Services Tax in Jersey until public finances have been examined independently to identify potential savings and until alternative methods of raising funds have been investigated.

Question 2

What is it about the above that you do not understand?

Petition Process

Over 20,300 signatures were collected in about 8 weeks – I have no doubt that given more time considerably more would have been collected. Many ordinary people were active in the community and were collecting signatures, amongst friends and family and at the work place. Many traders were active through their customers (The Chamber of Commerce do not hold a proven majority view on GST) Signed petitions arrived daily either by hand or through the post – this was a true and genuine community effort.

Therefore, for you to say the following is very wide from the mark:

“There are big question marks about the validity of many of the signatures,” **Senator Frank Walker, Chamber of Commerce Lunch, Wednesday 24th September 2007**

These 20,300 plus signatures were then handed into the Greffe as they require four days to be checked over. The Greffe looks for any that may be “questionable” because the signatory is not clearly identifiable by an address or to look for duplication or fictitious names.

This process was done by the States Greffe between 4 p.m. Monday 10th September till 5 p.m. on Friday 14th September 2007.

As a result of this IMPARTIAL exercise by the States Greffe the number of signatures was verified officially as 19,209.

This means over 1,100 signatures has been “disallowed” or “struck off”. This officialises the number of

signatures.

I can say that many people in the community are deeply offended that you should question the validity of their signatures and also their effort in collecting them.

You have succeeded in insulting not only over 19,000 petitioners but also others who find your comments equally offensive and patronising.

Zero/Ten

Comments also attributed to you:

“the organisers made no attempt to spell out why 0/10 had to be introduced in the first place, failed to mention what the consequences of not introducing it would be” **Senator Frank Walker, Chamber of Commerce Lunch, Wednesday 24th September 2007**

On the contrary in our June 2007 Newsletter which was distributed to every residential address in Jersey (37,000) and emailed to each States Member you will read the following:

Back in 2004 the States agreed to do two things:

- 1. Reduce tax on corporate profits to zero from 20%**
- 2. Increase tax on Financial service providers to 10%**

This is known as “zero-ten”.

“Zero-ten” is the States answer to keeping Jersey competitive and in line with the demands of the European Union. However, “Zero-ten” will reduce the States future annual tax revenue by an estimated £80 Million.

The States agreed to get this money back in a variety of ways:

- 1. Restrict States Spending (it is going up 7.7% this year to record £523 million!)**
- 2. Detail an Economic Growth Plan**
- 3. Income Tax Instalment System (IT IS has already produced an unexpected £21 Million for the States for 2006)**
- 4. Personal Income Tax for shareholders in zero % companies**
- 5. Phasing out of certain Income Tax allowances for higher income groups**

The States worked it out that even after all these, and please see (1.) and (3.) above, there would be a £40 million shortfall. Enter you and me. Enter GST– the Goods and Services Tax. The GST that was designed to be as simple as possible, the GST that was to keep Jersey competitive, the GST that was to have the minimum possible impact on the cost of living.

Furthermore in Consumer Council’s GST Press Releases dated 12th July and 20th August 2007 Zero-ten was again mentioned:

As zero-ten (standard rate of corporate income tax of 0% and a special rate of corporate income tax of 10%) will not properly come into effect until 2010 ,due to corporate taxes being collected two years retrospectively, there is no real reason for GST to be implemented next year. This time should be used fruitfully and proper investigations should be made into States budgets and expenditures, thereby, creating a consumer- friendly remedy to the imminent revenue shortfall which will neither effect; Health, Welfare or Education.

Therefore, it is clear you have misled the Jersey population and it is quite clear that the Jersey Consumer Council made every effort to spell out zero/ten and used its reference on at least 3 separate occasions.

Therefore, I seek the following:

- (a) Answers to Questions 1 and 2 above
- (b) A full public re-traction of your comments with the acknowledgement that they were wrong.
- (c) A Public apology to the Petitioners and others in the community.

I seek a response by 12 Noon on Monday 8th October after which I will consider what further action I should take – if any.

Yours sincerely,



Deputy Alan Breckon

In an e-mail to me on 4th October 2007 the Chief Minister wrote –

Alan,

I have now received all the information I requested and as a result I will withdraw my comment that "there are big question marks about the validity of many of the signatures".

My comment was based on information received which appeared to have some credibility. However now that the petition has been checked by the Greffe I accept that any doubtful names have been removed and that the remaining signatures are valid. I am happy to so confirm and to apologise for suggesting otherwise.

However, following receipt of a number of reports, a second study of the petition document which you kindly sent me, and chronological information, I do not believe I should withdraw any of my other remarks and that they stand as valid criticisms. My reasons for maintaining my stance will be fully outlined in the Comments to be issued by the Treasury & Resources Minister to the Proposition of the Constable of St. Helier seeking to defer the introduction of GST [P125].

Regards,

Frank

-----Original Message-----

From: Alan Breckon

Sent: 08 October 2007 16:08

To: Frank Walker

Subject: RE: needs a reply soon

[Frank in my recent email with letter attached to you I ended with the following;](#)

Therefore, I seek the following:

(a) Answers to Questions 1 and 2 above

(b) A full public re-traction of your comments with the acknowledgement that they were wrong.

(c) A Public apology to the Petitioners and others in the community.

I seek a response by 12 Noon on Monday 8th October after which I will consider what further action I should take – if any.

As this has not been complied with in the timescale I requested I will be seeking a “Vote of Censure” at an early opportunity

I am informing you as a courtesy before you hear it from anywhere else. Alan

Following the expiry of the deadlines of Monday 8th October at 12 noon I had set Senator Walker and the conditions attached not being met, I decided to lodge this Censure Motion as I do NOT believe the comments made are appropriate for any States Member to make.

As an interesting footnote in an exchange during Question Time on 4th July 2007 –

“4.4 Senator B.E. Shenton:

If one of the Ministers were censured by the States Assembly, would the Chief Minister expect him to resign?

Senator F.H. Walker:

I think that would depend on the circumstances, but in all probability, yes.”

Financial and manpower implications

There are no financial or manpower implications arising from this proposition.