

#### **4. Questions to Ministers Without Notice - The Chief Minister**

##### **The Bailiff:**

We move on to questions to be asked of the Chief Minister.

##### **4.1 The Deputy of St. John:**

At a recent J.C.R.A. seminar, the French president, Bruno Lasserre of the *Conseil de la concurrence* made reference to a report of collusion by Condor and Emeraude ferries. At the end of 2004 and early 2005 a report by the *Conseil de la concurrence de France* - for ease of others, the French competition authority - a decision number 04D74 of 21st December 2004, within that report finds against Condor and Emeraude whereby they colluded against Channiland; in truth price-fixing. The authorities' hands were tied as far as the penalties were concerned because of cross-border booking and looking only at deals which were within the French base. Given that J.C.R.A. are our regulator, when such cases cross borders what agreements exist for joint or multi-agency workings? If none, will the Chief Minister please put something in place?

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

I am grateful to the Deputy of St. John for bringing this issue to my notice because matters for the J.C.R.A. are normally dealt with by the Minister for Economic Development. But certainly cross-border activities can be a difficulty as far as competition regulators are concerned. We have a good working relationship I think between the Islands and to some extent between us and the U.K. But as far as working with the European Union and other countries are concerned, this is very much a grey area at the moment. I would like to see and I am sure all Members would like to see better relationships in order that anti-competitive measures are eliminated. Certainly there are matters which I can do in conjunction with meetings that I hold from time to time with the French authorities. I will raise this matter with them.

##### **4.1.1 The Deputy of St. John:**

Would the Minister like a copy of the report or would he have it within his department?

##### **Senator T.A. Le Sueur:**

I would be grateful for the Deputy to provide me one. I do not read everything in my department and I do not know where I would find that one.

##### **4.2 Deputy J.M. Maçon:**

In light of the O.E.C.D.'s (Organisation for Economic Co-operation and Development) recommendation regarding a level playing field for tax, can the Minister justify the introduction of the Deemed Distributed Law which discriminates against Jersey-owned Jersey companies in direct contravention of the O.E.C.D.'s directive?

##### **Senator T.A. Le Sueur:**

I believe I can but again it is one of these questions where it is very much a grey area. But it is under review anyway so I think that the whole matter may well be superseded by subsequent events. I believe that what was proposed at the time did certainly meet the letter and understanding as we knew it then. I clearly cannot speak now about that particular aspect which has not been raised with me in recent times.

##### **4.3 Deputy M. Tadier:**

Does the Chief Minister regret not taking on the advice of experts such as those involved with the Tax Justice Network who foresaw the problems with Zero/Ten a long time before we were informed this week by the media?

##### **Senator T.A. Le Sueur:**

I do listen to the advice from experts from a variety of sources and I rank them according to their expertise and ability. The advice of the Tax Justice Network is one which I do take note of but in this particular case I felt it was not appropriate. Indeed some of their advice seems to be slightly at odds with what even the E.U. are saying. Recently I read something whereby they were suggesting that a zero per cent rate was indeed within the law.

**4.3.1 Deputy M. Tadier:**

Is the Chief Minister acknowledging then that he took the wrong advice?

**Senator T.A. Le Sueur:**

No, not at all. As I say, I take advice from a variety of people and put them into balance and into perspective.

**Deputy M. Tadier:**

A final supplementary if I may, Sir.

**The Bailiff:**

No, you have asked 2 supplementaries.

**Deputy M. Tadier:**

I have asked one supplementary, Sir.

**The Bailiff:**

One supplementary after an original question so you asked 2 questions which is what is usually fair.

**4.4 Senator S.C. Ferguson:**

The U.K. Prime Minister is determined to sign the Copenhagen Treaty. Has the Chief Minister considered the sovereignty wealth transfer and enforcement implications contained in this treaty?

**Senator T.A. Le Sueur:**

I am aware of the treaty to which the Senator refers. I have not looked at it in depth and it would be a matter in which I need to take advice from the Law Officers. This is a matter of international negotiation and diplomacy. I think that the implications for the Island need to be carefully examined, both by myself and by the Minister for Planning and Environment to whom this matter primarily relates.

**4.4.1 Senator S.C. Ferguson:**

A supplementary. The Chief Minister has undertaken to confer with the Attorney General. Will he report back to the States on the proposed treaty, especially paragraph 38 which refers to world government wealth transfer to lesser developed countries and enforcement and all apparently controlled by the United Nations?

**Senator T.A. Le Sueur:**

If having taken that advice I feel this is a matter which does need to be brought to the notice of Members, I will certainly do so. At this stage I am not in a position to say whether those criteria are likely to be met. I would need to take that advice first before deciding.

**4.5 Deputy P.V.F. Le Claire:**

This morning the Chief Minister responded in relation to questions regarding Zero/Ten and outlined for Members the feel for things that has led us into a position where Zero/Ten is no longer felt to be acceptable by the European Union. Can I ask whether or not he now feels that relying upon the United Kingdom, a member of the European Union, to transmit and conduct our business is satisfactory? Does it continue to be satisfactory? Would we not be better served in

the future in representing ourselves to the European Union so that we know that our feelings are transmitted to them?

**Senator T.A. Le Sueur:**

Two questions there. First, yes, I do believe that the relationship we have with the U.K. in acting on our behalf is satisfactory. Could we negotiate directly with the E.U.? No, we could not. We are not a sovereign State so that option is not available to us. Even if we were independent as maybe the question was hinting, that would still not require the E.U. to negotiate with us. They could simply ignore us. I believe we are far better served by being represented properly and with understanding by the U.K. authorities.

**4.5.1 Deputy P.V.F. Le Claire:**

Can I ask one supplementary, please? Given that the finance industry is based upon 3 levels of a tier system - the ability to offer tax, a stable financial centre by having a stable government and confidence - does he not accept that having allowed the United Kingdom to represent us the way that it has, it has rocked the confidence in this Island about our ability to plan our own tax affairs?

**Senator T.A. Le Sueur:**

Absolutely not. I believe that the confidence which this Island has in its international reputation is undiminished by the comments in recent weeks. Indeed I believe that what we have here is an opportunity to demonstrate to the world how we are a responsible jurisdiction, how we are regulated and how indeed we can build on that confidence and, indeed, generate new business opportunities for us in the future. I believe that far from being any threat, this is an opportunity for us to improve our position.

**4.6 The Deputy of St. Martin:**

The Chief Minister stated that details of the panel to review the suspension of the hospital consultant would be made known by mid-October and the details of the chairman and panel members to review the role of the unelected officers would be made known by 20th October. Will the Chief Minister inform Members of why his promise has not been kept and when will the details be made known to the public?

**Senator T.A. Le Sueur:**

Yes, I accept that I had made that estimate. I did indeed discuss and review last week the applications that we had received for that position. I have 3 potential applicants at the moment. I wanted to just verify their credibility and any connections they may have had between their staff and the hospital staff. Subject to that, I hope to be in the position to make a final decision probably by the end of this month. But I do apologise to the Deputy that we did not indeed meet the 20th October target that I had hoped to achieve. Nonetheless, I believe it is being done as expeditiously as is possible.

**4.7 Deputy R.G. Le Hérissier:**

Can the Chief Minister identify who gives him advice, while being based in Brussels, on developments and movements in the European Union?

**Senator T.A. Le Sueur:**

Advice comes to us from a variety of sources. That is co-ordinated by our new Head of International Relations at the Chief Minister's Department who has expertise and experience in Brussels. In addition, we have contacts within Brussels who have been advising us for many years now. In addition to that, we take periodic visits to Brussels and elsewhere in Europe to be able to pick up information. There is always room for further development in that stage. It is a matter of resources and time. But I believe that we do get more than adequate information of

what is going on in Brussels. What we do not have at the moment is the ability in sufficient depth to be able to put our case directly to people who might matter.

#### **4.7.1 Deputy R.G. Le Hérissier:**

Just a supplementary. Could the Chief Minister, without identifying names, indicate whether the representatives - I understand a couple of lawyers in Brussels - advised him of the way sentiment was moving in terms of Zero/Ten?

#### **Senator T.A. Le Sueur:**

I cannot honestly recall any particular advice to that effect, no. It is not to say that they have not done so but certainly I am not aware of anything.

#### **4.8 The Deputy of Grouville:**

In an answer to one of my questions this morning it was suggested that the whistle-blowing policy has been held up by the States Employment Board. As chair of that board, could the Minister confirm if this is the case and, if so, why?

#### **Senator T.A. Le Sueur:**

No, as far as I am concerned the whistle-blowing policy has not been held up. The policy was published many months ago and the person to whom any suggestions or allegations are made - the Comptroller and Auditor General - is there willing and ready and able to receive such whistle-blowing discussions. I am not sure where the Deputy gets her information.

#### **4.8.1 The Deputy of Grouville:**

It was in answer to my question this morning by the Minister for Social Security. Could the Chief Minister please tell us if the whistle-blowing policy is going to be publicised and people encouraged to come forward?

#### **Senator T.A. Le Sueur:**

I believe I have given it publicity at the time of its presentation. If it requires further publicity, I am happy to do so. In fact I take this opportunity to do so publicly now. I am sorry it is not better understood but I was of the opinion that all employees and people concerned were well aware of this policy. I can see if there is any way in which it can be circulated to staff employees in a circular or by other means so that there is no doubt that the policy is clearly understood and the person to whom concerns should be raised, also made aware to those people.

#### **4.9 Deputy G.P. Southern:**

Despite 7 years of attempting to achieve compliance with the E.U. business taxation standards and despite his statement that: "My committee has ensured that its proposals comply", who in the Chief Minister's opinion will take responsibility for this singular failure? Will he consider resignation or will he consider sacking some of his advisers because somebody should be responsible because his fiscal strategy is now a thing of tatters and rags?

#### **Senator T.A. Le Sueur:**

The Deputy will not be surprised to learn that I refute that allegation completely. For a start, I do not believe that we are in a position of failure. We have moved to a situation where our finance industry is regarded very highly and where our tax revenues have held up extremely well. We have responded to the challenge of that time in an appropriate way, just as we will need to respond in the future to new challenges in an appropriate way and maintain our position as a well regulated, highly respected jurisdiction and one which generates revenue which provides the services which all Islanders need.

#### **4.9.1 Deputy G.P. Southern:**

Will the Chief Minister, despite that barrage of words which are very pretty, state yes or no whether our current proposals are compliant or not with the E.U. code on business taxation?

**Senator T.A. Le Sueur:**

The simple answer is I do not know but the indications I have is that they may not be.

**Deputy G.P. Southern:**

Thank you. So it is a no.

**4.10 Connétable J. Gallichan of St. Mary:**

In written question today the Chief Minister gave an answer on the cost of Blackberry bills. Will the Chief Minister confirm that charges and specifically roaming charges are greatly aggravated by the receipt of non-relevant emails circulated routinely to all Members by the inconsiderate use of the “reply to all” button?

**Senator T.A. Le Sueur:**

I am afraid that remains the case. Sadly if Members generally had better discipline in respect of the use of the email system, including use of Blackberrys, it might well reduce those costs slightly. But I have to say that the overall cost of the Blackberry service I believe are good value for money in relation to the services provided to a number of people. There is always room for us to take note of the comments of people like the Constable of St. Mary. I welcome those comments. I would happily not receive quite so many emails that I can do nothing else but delete as being superfluous. Maybe Members in an effort to show a good sense of responsibility would take note of the Constable’s comments and not send me so many “reply to alls”.

**The Bailiff:**

Very well. I am afraid that brings questions to the Chief Minister to an end.