



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 29th June 2016

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Present:

Richard James McMahon Esq., Deputy Bailiff and Deputy Presiding Officer

Law Officers

H. E. Roberts Esq., O. B. E., Q.C. (H.M. Procureur),

People's Deputies

St Peter Port South

Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall,
B. L. Brehaut, R. H. Tooley

St Peter Port North

Deputies J. A. B. Gollop, C. N. K. Parkinson, L. C. Queripel, M. K. Le Clerc,
M. P. Leadbeater, J. I. Mooney

St Sampson

Deputies L. S. Trott, P. R. Le Pelley, J. S. Merrett, G. A. St Pier,
T. J. Stephens, C. P. Meerveld

The Vale

Deputies M. J. Fallaize, M. M. Lowe, L. B. Queripel,
J. C. S. F. Smithies, S. T. Hansmann Rouxel

The Castel

Deputies R. Graham L.V.O, M. B. E, C. J. Green, B. J. E. Paint,
M. H. Dorey, J. P. Le Tocq

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,
D. de G. De Lisle, S. L. Langlois

The South-East

Deputies H. J. R. Soulsby, H. L. de Sausmarez, P. J. R. Roffey,
R. G. Prow, V. S. Oliver

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

The Clerk to the States of Deliberation

J. Torode, Esq. (H.M. Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller)
Deputy D. B. Jones, (*indisposé*)

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States of Deliberation

*The States met at 12.30 p.m. in the presence of
His Excellency Vice-Admiral Sir Ian Corder, K.B.E., C.B.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE DEPUTY BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCAATION

CONVOCAATION

The Greffier: Billet d'État XX. To the Members of the States of the Island of Guernsey, I hereby give notice pursuant to Rule 2.4 of the Rules of Procedure of the States of Deliberation and their Committees, that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday 29th June 2016 immediately after the meeting already convened for that day, to consider the items listed in this Billet d'État, which has been submitted for debate.

Tribute to the Sheriff, Richard de la Mare – Good wishes for the future

The Deputy Greffier: Members of the States, this is the last occasion on which H.M. Sherriff, Mr Richard de la Mare, will discharge the duties of that office in and about the States of Deliberation, and I would invite him briefly just to go and stand at the Bar, please, Richard.

Mr de la Mare has decided that there are new challenges to be undertaken elsewhere and he is therefore leaving us very shortly to move to the United Kingdom and to work in the charitable sector.

He became H.M. Sheriff and also H.M. Sergeant in late 2005, succeeding Carole Goubert as the holder of both of those offices.

Mr de la Mare, as you are probably all aware, comes from a naval background, having served as an officer in the Royal Navy; and he has applied that military precision to the discharge of the somewhat onerous duties, from time to time, of H.M. Sheriff and H.M. Sergeant. Those duties extend beyond this Assembly; in fact the majority, it is fair to say, may be outside of this Assembly rather than within this Assembly. But the attentiveness and smart demeanour that is expected in all the finery of the office holder is something that marks the importance of the parliamentary debates that take place in this Assembly.

Happily, I cannot recall any occasion during those nearly 11 years when the Presiding Officer has considered that the conduct of any Member has been grossly disorderly or offensive, that it has been necessary to proceed under what is now Rule 8 and to vote to suspend such a Member from service in the Chamber, and to require them to leave the precincts of the Chamber. But that Rule is there, please remember, (*Laughter*) and it will not be Mr de la Mare, but it might be one of his successors who has to eject you in due course. But I am sure that, had such an event arisen in

the last 11 years, H.M. Sheriff would have been called upon to execute the duty of escorting the Member from the Chamber, would have so efficiently and would have done so in a pleasant way, because one thing that marks Mr de la Mare's service to the States' Assembly for those 11-odd years has been his pleasant demeanour and his willingness to assist all Members in their parliamentary functions.

I am sure that in expressing our thanks as parliamentarians to you this morning, Richard, I can extend those thanks on behalf of the most recent incumbent of the office of Lieutenant-Governor, because one of the functions that you have had to fulfil, time in, time out, is to assist the Assembly by going and locating His Excellency within the precincts of the building and announcing him and others when they arrive, and you have always done that with immense efficiency.

Monsieur le Prévôt de la Reine, we thank you very much for the impeccable way in which you have discharged your duties in and about this Assembly since 2005. You have always done what is necessary, with great dignity and charm, and we wish you well in your new endeavours elsewhere.

Thank you from all of us. *(Applause)*

Billet d'État XX

I. Election of members of the Guille-Allès Library Council – Deputy Paul Le Pelley and Deputy Lindsay de Sausmarez elected

Article I.

The States are asked:

1. To elect a member of the Guille-Allès Library Council who shall be a member of the States and who is a member of the Committee for Education, Sport & Culture, to serve until the 30th June 2020, in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation, as set out in Section 1 of The Rules of Procedure of the States of Deliberation and their Committees.

2. To elect a member of the Guille-Allès Library Council who shall be a member of the States, to serve until the 30th June 2020, in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation, as set out in Section 1 of The Rules of Procedure of the States of Deliberation and their Committees.

The Greffier: Article I, Election of Members to the Guille-Allès Library Council.

The Deputy Bailiff: The first of those elections is a member of the Committee for Education, Sport & Culture. Who is to be proposed?
Deputy de Lisle.

Deputy De Lisle: I am proposing Deputy Paul Le Pelley, sir.

The Deputy Bailiff: Thank you.
Is that nomination seconded? Thank you, Deputy Meerveld.

There is a narrowing number of eligible candidates, but are there any other candidates?

Well, there being no other candidates for the Committee's nomination to the Council, I put to you the election of Deputy Le Pelley, proposed by Deputy De Lisle and seconded by Deputy Meerveld. Those in favour; those against.

Members voted Pour.

55 **The Deputy Bailiff:** I declare him duly elected.
The second seat is for a Member of the States. Any nominations?
Deputy Le Pelley.

60 **Deputy Le Pelley:** Sir, I am very pleased to be able to nominate Deputy Lindsay de Sausmarez
for this position.

The Deputy Bailiff: Is that nomination seconded?
Deputy Dudley-Owen, thank you.
Are there any other nominations?
65 Once again a single candidate, so no speeches.
I put the nomination of Deputy de Sausmarez, proposed by Deputy Le Pelley and seconded by
Deputy Dudley-Owen, to you. Those in favour; those against.

Members voted Pour.

The Deputy Bailiff: I declare her duly elected. Congratulations.

POLICY & RESOURCES COMMITTEE

Managing the implications for Guernsey because of the UK's changing relationship with the EU – Debate commenced

The States are asked to decide:

Whether, after consideration of the Policy Letter under the above title dated 27th June 2016, they endorse the Policy & Resources Committee to lead on the negotiations with the UK, in accordance with its mandate, in particular to:

- i. engage with the UK in the four main areas of concern outlined in paragraph 7.4;*
- ii. seek to protect and secure the best interests of Guernsey in its trading relationship and for those resident in the Bailiwick;*
- iii. to take all other necessary measures that may be considered appropriate; and*
- iv. to note that the Policy and Resources Committee will undertake to keep States' Members advised of progress.*

The above Proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

70 **The Greffier:** Proposition pursuant to Rule 18, Policy & Resources Committee – Managing the
implications for Guernsey because of the UK's changing relationship with the EU.

The Deputy Bailiff: I invite the President of the Policy & Resources Committee, Deputy St Pier,
to open debate on the Propositions on page 2016/19.

75 **Deputy St Pier:** Thank you very much, sir.
Sir, I think, I can keep this introductory speech for this particular debate relatively short.
The policy letter, although it was only published on Monday, obviously has been widely
distributed and read. It is relatively short, it is very straightforward. However, again for the benefit
of those who will not have had an opportunity outside the Assembly to review it, I think it is worth
80 just briefly describing its construction as it has been developed.

85 It clearly, I think, usefully sets out the history of the relationship between Guernsey and the European Union; it describes our current position, the history behind the decision for the UK to hold a referendum following the attempt to renegotiate the UK's position; it seeks to analyse, as best as we are able at this point, the impact on us, of the UK's exit, both in legal and in economic terms; then explores the current view of what the alternative options may be for the UK and how we might fit into that. Again, although there are seven options described, I think there is, as I said earlier, sir ... in a very fluid situation I suspect that list is probably not exhaustive, and things may well continue to emerge and develop.

90 I think it is perhaps worth drawing particular attention – of course, as it always is – to the Propositions and actually what the Assembly is being asked to do. Again the Propositions are very straight forward: to seek to endorse the Policy & Resources Committee to lead on negotiations with the UK in accordance with its mandate.

95 I think, I just want to draw attention to that, because I think certainly an issue which Policy & Resources Committee considered ... this matter is quite clearly within our mandate and I think it would be a perfectly legitimate question, and challenge from this Assembly is, therefore, why it is necessary to bring this matter to the States at all.

100 However, given the significance of the event, as described earlier in my Statement, Policy & Resources Committee were unanimous in the view that it was entirely appropriate to seek the Assembly's endorsement for the approach that we were proposing to adopt. As Members are very well aware, simply because any Committee has delegated authority, of course, does not mean that it should always seek to us without reference back to Members and this Assembly. It is for that reason that we felt it was entirely appropriate to seek the endorsement of the Assembly. In particular, with engagement with the UK in the four main areas of concern, which are set out in paragraph 7.4, to:

'Ensure the interests of Guernsey residents are taken into account by the UK.'

105 – and to –

'Ensure, where possible, free movement of goods ...'

– and I referred to that earlier, sir, in my Statement, as currently dealt with by Protocol 3. And to –

'Ensure there is no detriment to the existing, and historic, constitutional relationship ... [with] the UK.'

110 Again, it is clearly encouraging that the Ministry of Justice take and share that same view, and to, of course, seek other opportunities with the UK and beyond. Again, Deputy Gollop questioned me on that in questions arising on my Statement in the previous meeting, sir. I also had referred to the possibilities of other relationships, including, for example, the World Trade Organisation and extending membership to us, as indeed does exist with some other dependencies and territories that the UK are responsible for.

So that is the approach which we believe is entirely appropriate at this stage, given information that is currently available to us. Clearly, the reference in the Propositions:

'... to take all other necessary measures that may be considered appropriate ...'

115 – I think, it is appropriate to seek that level of flexibility, given the extent to which this situation is likely to evolve, and quite possibly at short notice.

120 Then, finally, to note that we will continue to keep Members updated as we have done today, and as things develop. Again, one could argue that that is not strictly necessary as a Proposition, but we felt that it was an important signal of our intent to ensure that Members, and indeed the community, are kept very much in the loop.

So the final issue that I wish to draw attention to is paragraph 9.6 which draws attention to the possible resource implications. Again, I did briefly touch on this earlier. I think at this point it is

125 simply impossible for us to assess what the resource implications will be, other than it is obvious
that there will be some, both within the External Relations team and also, one would imagine, in
due course, for St James Chambers, in particular reviewing legislation and what needs to change. I
think it is entirely likely, and possible, that a dedicated team will need to be constructed to deal
with this issue as things develop. We will, obviously, give consideration to that.

130 In terms of we are obviously not seeking any additional resources as this point, it is merely to
note the probability that we will need to think about the allocation of resources. In practice, what
does that mean? It means that so far as we are able to manage within existing resources or
reallocation of existing resources, clearly we will do so. If we are unable to do so then we will
obviously revert to the Assembly in the normal way, through the normal budget processes, to
seek additional resources and make a good case to the States at that time.

135 So there is nothing outside the normal processes that we are suggesting here, in relation to
how we would need to manage the resource allocation to support this. But I think it is appropriate
for us to acknowledge that there clearly will be resource implications. It would be simply,
impractical to consider handling an issue of this scale without recognising the burden that it will
place on a small jurisdiction like us.

140 Sir, I think that is enough from me, by way of introducing the debate. I look forward to
responding to the debate in due course.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

145 I read the Report last night and I intend to support it. I think it is very prudent, as it now looks
likely that the UK will be leaving the EU. I put it no more strongly than that, because I do not think
it is a certainty. I certainly do not think 4 million votes on a website is going to make a ... it will be
put to a fresh referendum, and nor do I think the fact that some of the supporters of Brexit now
look like startled rabbits and look as if what they have done – what the odd Member of this States
150 has done in the past – support a populous thing on the basis that they are probably going to lose
... but, by God, they can show that they tried to get it through and therefore have scored brownie
points. No, I do not think it is that; it is the fact that the process will take another couple of years
and, as somebody once said about politics, what comes along in those years are, 'Events, dear
boy, events'.

155 I could well see that a new general election in the UK, fought with a new leader of the Tory
Party, a new leader of the Labour Party maybe, and a Liberal Democrat Party who will try to revive
their fortunes by attracting Europhobes – sorry, Europhiles – to their banner, might bring a
different landscape, and what we might end up with is ... Of course, no party will fight the Election
on the basis of ignoring the referendum, but they could well fight on the basis that once the final
160 deal for the divorce has been agreed, will the UK have access to the single market and, if so, will it
mean the free movement of people as the other side of that, and will it mean a contribution to the
EU Budget? Then that final deal, of course, has to be signed off by the British people, and I
wonder which way that referendum will actually go.

165 I think we are wise to proceed on the assumption that the UK is going to withdraw from the
EU. What I do not want to do, and this is difficult ... we heard yesterday about being positive and
about sending out the right messages, and I agree with that, but I just think there is a danger
sometimes, that we can over promise and under deliver.

170 Back at the time of Zero-10, I supported that fully because I thought it was what the Island had
to do, but I warned that it should not be sold as a good news story, and it was sold as a good
news story; and I think yesterday showed that that was probably a tactical mistake. I do not want
us to sell the withdrawal of the UK from the EU as a good news story for Guernsey, because I do
not believe it is. I genuinely do not believe it is.

Yes, there are opportunities – of course there are opportunities – and, yes, I will join with
Deputy St Pier in sending out the message about our stability, or relative stability, compared with

175 the rest of the World, but I think it is bad for the UK and their economic prospects, and by and
large Guernsey prospers better when the UK is prosperous and therefore it is bad on that basis,
and it is bad because I think we will struggle to replicate Protocol 3 in a form that is as good as
the existing Protocol.

180 Now, I know it is woefully out of date and it was all drafted at times when the Guernsey tomato
was our main consideration, and whether we would be able to import it to the UK without any
tariffs, but I think you have to give credit to the people that negotiated on our behalf back in
those days. We came out pretty much with our bread buttered on both sides. We moan and we
groan about what we do not like about it, and I was one of those when I was in charge of
185 agriculture and all the ... wanted to make sure that no milk could be imported, and there were
challenges maybe under Protocol 3, but by and large it was a darn good deal for Guernsey, and
good luck to those negotiating for its replacement. If you think you can get as good or better, I
hope you are right, but I do not think it is ... I think there are down sides for Guernsey here.

So let's be positive, let's try and exploit the opportunities, let's try and get the best for our
Island, but let's not over promise, because if we do we may disappoint the people of the Island.

190

The Deputy Bailiff: Deputy Graham.

Deputy Graham: Thank you, Mr Deputy Bailiff.

195 I wish, on behalf of the Assembly that Deputy Dave Jones could have been here today to
savour the moment, but he is not. In his absence, the first thing to do really is to congratulate
those responsible for bringing this policy paper to the Assembly today, on a thoroughly good bit
of work, in my view. It has a number of good policies. It is certainly timely and I would certainly
not accept any hint of panic in it at all. It is precisely timely and we could not have done any
better than to give it our support today, as I hope we will.

200 It is also, in my view, given the sort of nature of the policy area which is rather recondite,
wonderfully easy to read, for those of us who really are not in the trade, if I can put it that way. I
think it will be widely understandable outside this Assembly.

I also give it great credit really for being, given the timescale involved, extremely thorough and
well up to date. When you consider that in the United Kingdom neither the Government seems to
205 have had a plan B and Brexiteers do not even seem to have had a plan A ... and here we are, we
have given some pretty good thought to the process in advance.

Now, of course, in situations like this there is a great appetite for clarity, and even sometimes
an impatience for clarity, and I do not really think that we should accept that. I think the policy
paper has gone as far as it reasonably can. We have got more than just Plan A and Plan B,
210 certainly in terms of options – and I will come on to one of those later on.

Because I only had two remarks really to make about last night's reading of the paper. The first
one is a little bit parochial for me, I have to say. As a former member of the Constitution
Investigation Committee, I see that in paragraph 9.6, in amongst the difficulties that we may well
have on resources – and Deputy St Pier has alluded to this – one of the casualties, or in terms of
215 the pace of future progression of some policy objectives, may well be the carrying forward of
proposals of the Constitutional Investigation Committee, which, if I could paraphrase very briefly –
and I have half an eye on the fact that H.M. Procureur is here – is briefly that it was designed to
enable us to be more proof really, against United Kingdom Government political interference into
the process by which our primary legislation is made, and also by which we engage with
220 international treaties and agreements. That has quite a lot of merit on its own, in my view. It also
fitted in very nicely into the context that we are trying to extend or push the boundaries of
making a special international identity for ourselves, as one of the Anglo-Normandes Islands.

I take fully the point that there is going to be a pressure on resources. I also take the point that
actually the Ministry of Justice may well have other things on their mind. Equally, and perhaps,
225 conversely, we could argue that if we are going to strike it could well be the moment where H.M.
Government, with other things on its mind, might be anxious really to ditch some of the

responsibilities it might have had in the past. I am going to make the point, but I am a realist and will just watch from the side lines.

230 The other point I wanted to make was that even for those of us who have been interested in this subject for some time, it came as a bit of a pleasant surprise to me to be aware of the potential for a placement within the World Trade Organisation. This is a factor that I had not actually thought of before. Of course, we do not trade in terms of goods very much because of the European Union, but to the extent that we do, it was interesting to note from the Report that
235 there is a possibility, either in our own right or by extension of the United Kingdom's membership of the WTO, that that may be one potential way ahead if all other means of establishing tariff free trade with the new Europe, if I can put it that way, fall by the wayside.

In that context I would be very interested to hear either from Deputy St Pier or Deputy Le Tocq to what extent any informal discussions of that have been made in the past with H.M. Government and, if so, where we stand.

240 Thank you, sir.

The Deputy Bailiff: Members of the States, it has just gone 12.30 p.m. so we will now adjourn to 2.30 p.m.

245 Can I remind you, therefore, that the Annual General Meeting of the Guernsey Branch of the Commonwealth Parliamentary Association will follow the conclusion of the debate today, or it will be just after 5.30 p.m. if the debate is still continuing at that time.

I would encourage as many Members as possible to attend that Annual General Meeting and to have the opportunity to hear from and to pose questions to the Secretary General of the CPA.

*The Assembly adjourned at 12.33 p.m.
and resumed its sitting at 2.30 p.m.*

POLICY & RESOURCES COMMITTEE

Managing the implications for Guernsey because of the UK's changing relationship with the EU – Debate continued – Proposition carried

250 **The Deputy Bailiff:** Members of the States, we will continue debate on the Policy & Resources Committee's – Managing the implications for Guernsey because of the UK's changing relationship with the EU.

Who wishes to speak next?

Deputy Tindall, to make her maiden speech.

255 **Deputy Tindall:** Sir.

I am a glass half full person and, as such, I decided to take up the challenge laid down by my neighbour, Deputy Kuttelwascher, yesterday, when he asked us to come up with the opportunities which Brexit posed. I also respond to Deputy Roffey's pessimism.

260 Having read the policy letter before us, read blogs and articles, and spoken to many people since Friday morning, I thought I would list these opportunities in this debate, as I believe a positive attitude in negotiations will benefit the Bailiwick.

265 The policy letter, quite rightly, repeats the IMF's recommendation to support stability, limit uncertainty and maintain confidence. But should this Assembly take such a restrained approach, can't we be more optimistic? Whilst trawling the internet, I saw that a commentator had said he thought this was much more of a political crisis than an economic one. I agree, especially when

looking at the reaction of the markets overall. So I say let's take advantage of this political crisis by being at the table talking about our Islands and what we have to offer.

270 So what are the opportunities? The policy letter talks about how we can push to joining the World Trade Organisation. I had hoped to respond to Deputy Richard Graham's observations of where we are with the World Trade Organisation, but I do not have the complete history of that as I am not Deputy Yerby, unfortunately.

275 This membership is something which the commercial group representing the finance and business services industry has been campaigning for for years. It would bring many benefits in relation to intellectual property products, and any opportunity we get to promote our intellectual property office, our image rights register, our aircraft registry and e-gambling in Alderney, we should take with open arms.

280 I also hear captive insurers are doing well in China. We have also gone through the process to confirm our equivalent under the EU's Alternative Investment Fund Managers Directive (AIFMD). That was a very well run exercise, taken on by the investment division of our regulator, GFSC, and set the bar for how to negotiate for our businesses to trade in the EU.

285 The GDPR – sorry, more acronyms – or the EU General Data Protection Regulation, is coming soon and, whilst it is more regulation, it offers a great opportunity if businesses here are up for it; and, as Deputy St Pier said earlier, we can promote ourselves as a safe haven for data. Brexit can focus the attention on what we can offer, because we will be there at the table talking about our relations with the EU as well as that with the UK.

290 Earlier this year the Single European Payments Area Ordinance came into force, which implements those provisions of EU, EEA legislation necessary to enable Guernsey to meet the requirements for third country participation, in the Single Euro Payments Area. These are examples of how, as a third country, we can work with the EU, and they with us. Our Channel Islands Brussels Office have been invaluable in enhancing that relationship and puts us in a great place to continue the work already begun.

You will have also heard that a leading venture capitalist believes that Guernsey could benefit from Brexit, provided we have a flexible regulatory approach, which allows our businesses to benefit from the opening up of markets elsewhere.

295 The Director General of Guernsey's regulator also confirmed it has been hard for us to sell retail financial services in the UK, but there was a good possibility for trade barriers between the UK and Guernsey to come down, which would be positive for Guernsey.

300 I am also receiving upbeat messages about the UK outlook, especially because of the strong shape of its domestic economy, and comparing to what occurred in 1992 when the UK made its exit from the EU's Exchange Rate Mechanism (ERM).

305 Despite the comments in the policy letter about the potential worry for fishermen, I am reliably informed they are generally optimistic. Deputy Paint advises me that one possible benefit is for them not to have to conform with European fishing policy, one example of which is the catching of undulate rays.

310 Personally, I think one opportunity shouts out, louder than others from the melee. It is quite clear we will be working with other nations affected by this seismic change. Working together over Brexit will enhance those relationships. Having spent an enjoyable day last Friday playing cricket and getting to know the Members of Jersey's Parliament, it became abundantly clear to me that we could benefit greatly from working together more often, and not just in these negotiations. I was pleased to hear Deputy Soulsby's speech mentioning this joined up approach this morning. Working together with others more often, dare I say it, sir, may even turn out to be the lasting legacy from Brexit.

315 Having provided some examples of the opportunities out there to our doubting Deputies, I would also like to suggest an addition, by including a positive element to the Propositions set out in paragraph 11.1 of the policy letter. As well as setting out the aims which P&R should have in leading the negotiations, I would like to add a further aim, and that is during the negotiations, please, be alive to the opportunities for these Islands.

Thank you, sir. (*Applause*)

320 **The Deputy Bailiff:** Alderney Representative Jean.

Alderney Representative Jean: Thank you, sir.

I am very grateful for this paper as well and I would like to add my congratulations. To some extent, you can see that although it is a surprise to us all, we are in a state of preparedness, or
325 some preparedness.

But one of the things I would like to see done, and I think that we should do it, in the continued spirit of preparedness, is to assess how many EU Laws we have on our books and what they cost us to implement. The reason I say this is because then we are prepared and we do know, we have an idea of what the cost of all that is, should our continued negotiations regarding the
330 EU not have a favourable outcome.

I expect it probably will be favourable, and the reason I say that is we contribute nothing and we gain nothing, none of the grants, it is quite probably we will be just left where we are. That is what I am hoping. But I think in a state of preparedness to look at what we pay for and what it costs us to keep all of this legislation from the EU ... and let's face it those of us with a long
335 political history, like mine, have seen many items come before our States; and there must be a cost to that and I would like that examined so that we know where we are at as we go to the table.

Thank you, sir.

340 **The Deputy Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Sir, I would like to commend my colleague from St Peter Port South, Deputy Tindall, on what was a truly excellent and authoritative speech. One would have thought she has given 100 speeches here rather than her first.

345 But I would also like to commend the quality of this document. I know the policy, the political Members, it is their responsibility; they have done an excellent job in bringing it forward, but I have no doubt at all that they were ably assisted by some quality civil servants who prepared it, and that gives us great comfort. We have got civil servants who can appreciate the task that is before us as a Bailiwick, and produce something like this of such quality in such a short period of
350 time, and it is also meaningful because it is too easy to write pages and pages and pages of stuff; I have done it many times in my professional life, but not much of it has made much sense. But this does make a great deal of sense! (*Interjection and laughter*) There speaks a man who makes his living as a non-executive ... (*Laughter and interjection*)

355 But in relation to the issues, Deputy Roffey is right, but only to this extent: that there is uncertainty. The world does not like uncertainty, so this is probably the most difficult part of the cycle, because there is uncertainty. It has not been doom and gloom as was predicted last Friday. It has been a bit doom-ish and a bit gloom-ish, but the sun will shine – certainly not in Guernsey today, but the sun will shine going forward.

360 There will be more opportunities than detriments. There will be. We have always been as a group of Islands fleet of foot; we will be able to take advantage of the opportunities. Where I do again ... perhaps twice in one speech, my goodness I am agreeing with Deputy Roffey ... is that the UK and Europe will come to some kind of accommodation. We do not know exactly what that will be, but it is in their mutual interests. Once we have had all the pontificating and the remonstrating and the, 'Oh, you are terrible for leaving, and we are not, but you are terrible for making us leave' ... they will because it is in their mutual interests to come to some conclusion. I
365 have got no idea what that is. Nobody in here has, nobody out there has. Mr Cameron has not, Mr whatever-his-name-is from the European Union has not at the moment, but they will come to some accommodation.

370 So the cup is more than half full, the cup is going to be as full as it can be; because, with my
four Members – and I could name them all, but I am not going to – from the Committee for
Economic Development, we are four able Members, we will get out and we will seek every
opportunity that we can to take advantage of this on behalf of Guernsey.

The Deputy Bailiff: Deputy Le Tocq.

375

Deputy Le Tocq: Thank you, sir.

Sir, I was privileged, along with the staff of our External Affairs secretariat who put this policy
letter together, to be in Westminster yesterday – sorry, it was not yesterday and the day before in
fact ... seems like these days last a lot longer than perhaps they did before – to represent
380 Guernsey's interests; and I do believe, picking up on many of the threads that have been alluded
to so far by speakers, that these are days of opportunity for us.

However, we do need to be, as Deputy Ferbrache just said, fleet of foot, and I think it
demonstrates, by the preparation that has gone into the positioning of ourselves in the format
that you see in the policy letter, that we have the agility and alacrity to be able to move forward
385 effectively; and really that is what we want as Policy & Resources to be able to do, over the next
weeks and months, because things could change quite rapidly and we want to be there with our
feet in the door when they do.

I think it is good that over the last few years we have developed stronger ties with other
European member states, both through our office in Brussels but also with our close neighbours
390 in Normandy and Brittany particularly, and through the establishment of the joint office, the
Bureau des Îles Anglo-Normandes, in Caen with Jersey. That means that we now have an identity
and a profile in France nationally, which I believe will put us in good stead for the future. We can
always play the *ni anglais ni français* card when necessary, and it is important that we are able to
do that.

It is ironic perhaps, as many Members will know, sir, that France's Economy Minister, Monsieur
Emmanuel Macron, a couple of weeks ago suggested that if the UK voted to leave the EU, it would
be the 'Guernsification' of the UK. On Monday night at our reception event at Westminster, I said
to the assembled MPs, 'Welcome to the "Guernsification" of the UK perhaps. We have existed as a
trading outpost of Europe for at least two millennia and we have done quite well out of it, and we
400 anticipate doing so.'

I was glad to see that MPs on both sides of the House actually agreed with that; there is
something about today's world where people like us and jurisdictions such as ours are able to
demonstrate our ability to govern ourselves and to find niche positions that are suitable for us in
the future.

405 So, as Deputy St Pier said earlier today, we are open for business and this is a good time to do
business in the safe haven that is Guernsey.

Sir, I would like to just turn briefly to the questions that Deputy Graham asked earlier, with
regard to the World Trade Organisation. This has been something that, in fact, has been on the
agenda and has been noted a number of years ago, and was being discussed by us and our
410 officers, through the officers of the Channel Islands Brussels Office. There is obviously, indeed, an
opportunity, particularly if the UK look in that direction, for us to develop relationships further
afield via connectivity to the World Trade Organisation; and that would benefit Guernsey and it
may well be that we can do that in any case, bearing in mind this brave new world that is being
entered into. So I look forward to the opportunities that that provides for us and that have been
415 alluded to by others as well.

Sir, I think what is most important is this whole Assembly trusts and understands that over this
summer period, as events develop, it is very important that we have the mandate, the assurance
and the trust, both in terms of the politicians represented around the P&R table, but also our
officers to get in soon with the negotiations and demonstrating not only what the Prime Minister
420 alluded to, that the Crown Dependencies – Guernsey and Jersey's – interests must be included in

negotiations in the future, but where new opportunities arise that we are quick to respond where necessary and we intend to do so.

Thank you, sir.

425 **The Deputy Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you, sir.

Thanking you Sir Mr Deputy President, like Deputy Le Tocq, I was amused by the *Radio 4* and other publicity that the 'Guernsification' effect had, but I remember thinking – although a friend
430 pointed it out to me in a spirit of derision – I actually think that it certainly could be seen as complimentary, because Guernsey in many ways has a robust consensus form of Government, generally well behaving economy and many other good elements to our way of life and, as Members have said, a safe haven and an extremely well-regulated business environment too.

So, if the UK is heading for 'Guernsification' so much the better, but Deputy Le Tocq has
435 pointed out there is no finer Member than himself, in this respect, about the links with France and the French connection and I know, on many levels the Island has worked on, that linguistic base to the work with Normandy and the wider country.

I remember a few decades ago the then President François Mitterrand visited Guernsey and had, I think, an interesting trip around the Victor Hugo Maison and a leading hotel. I think it will
440 be good if we could invite maybe leading French politicians and officials here more frequently, because that might benefit our independent identity and build bridges, which sometimes were not as strong as they might have been.

I agree with a lot of what Deputy Roffey said. It has certainly made me think when he pointed
445 out Members who vote one way in a populous chagrin wish they had supported a more rigorous line of intent, and I thought, 'Well, I am never liked that, or at least not most of the time,' but I think, like himself, I would argue we do not yet know the outcome.

I am not entirely convinced at this stage that Britain will leave the European Union; even if the United Kingdom does leave, Scotland might remain, for example, and whether we would wish to build up links with Scotland – although admittedly that is not our constitutional link because our
450 Queen is historically the Duke of Normandy – would be another interesting scenario, and we of course have the channel with British-Irish Council and many others.

I think, like Deputy Ferbrache, this is an excellent piece of work and it clarifies the various options open to the UK, perhaps more clearly than some pundits in the UK national press and their rather confusing viewpoints. It does not mean to say it is a perfect document. It does spend
455 an amount of time discussing why we did not vote in the Euro referendum, and I think that is probably best left alone at the current time, as it was a political hot potato.

As Deputy Tindall has pointed out, there perhaps should be other aims covered within it. She has mentioned how there is already a lot of convergence with Europe on a regulatory and official level, at different levels, but if one looks at the Resolutions:

'... engage with the UK ...'

460 – yes –

'... seek to protect and secure the best interests of Guernsey ...'

– goes without saying –

'to take all other necessary measures that may be considered appropriate, and to note that the Policy & Resources Committee will undertake to keep States' Members advised of progress.'

Well, we hope that goes with the territory.

But I am interested actually in (i) and (ii) more specifically, because Resolution (ii) says:

'Seek to protect and secure the best interests of Guernsey in its trading relationship and for those resident in the Bailiwick;'

465 Now, as my earlier question to Deputy St Pier, which he pointed out, the Protocol 3 was really all about an age when the Island's perceived interests were about agriculture and tomatoes and, clearly, in an age of cyber technology and financial markets, of digital products, we have a different nature of trade and that has to be more clarified.

470 But when one looks at the four areas of concern, what is not particularly considered is the role of people. We mentioned in the opening paragraph, 'for those resident in the Bailiwick'. Now, residence is an interesting concept. I mean we have created a new Housing Law which enshrines permanent residence and so on. I do not think that is quite what it means, but does 'resident in the Bailiwick' include guest workers, people from other European countries, who are on one-, three-, five-year Licences or perhaps permanently? And the four areas of concern that are detailed in the Report do not really cover that in too much detail.

'Seek opportunities for Guernsey in any new UK trading relationship ...'

475 That is clear enough.

'Ensure there is no detriment to the existing, and historic, constitutional relationship ...'

Well, that is right, but by its very nature, the UK's relationship with other places might change, including of course the role of the British-Irish Council, because Ireland and possibly Scotland would remain in the EU.

Again, the first area of concern is:

'Ensure the interest of Guernsey residents are taken into account by the UK/EU exit agreement. This includes ensuring that Guernsey residents/persons with [European human] rights do not suffer any detriment compared to those resident in the UK;'

480 Well, I think we would wish to see that, but does that include Guernsey residents who, for the sake of argument, are living in Cyprus or Greece or Spain; that is not entirely clear, and does that go the other way as well – European residents who are here?

485 We also need to ensure that common travel area is maintained and enhanced, and that any rights that the United Kingdom might seek to negotiate for persons, residents, mutuality also, where appropriate, apply to us. So I think on the people front there are quite a lot of issues.

There is also a pragmatic issue about our passports because currently, although we have had an independent issuing authority, I have got a passport that says European Community on it in burgundy. That is another area that we will need to address at some level.

490 **The Deputy Bailiff:** Deputy Trott.

Deputy Trott: Sir, there are two reasons for rising. The first is to endorse a point that others have said in a roundabout sort of way, and it is this: where Guernsey has negotiated bilateral arrangements for access to market in the EU, then these will remain in place if and when the UK eventually leaves the EU, and that signals stability and it is that stability that presents us with probably our single best opportunity.

500 But I rose for another reason, sir, and it was really in relation to something that Deputy Graham said earlier, about how nice it would have been for our friend, Deputy Jones, to have been with us today. I had the pleasure of an hour in his company last evening, where unsurprisingly Brexit featured extensively in our discussions. I am sure he would like you to know he was delighted with the result. But he also cautioned, in his view, it was extremely unlikely that the UK would leave in its entirety. He thought that there would be a great deal of watering down of the agreement and it would look somewhat less harsh when those negotiations were complete. Only time will tell whether that prediction is accurate.

505 He also asked me, sir, and I am sure you will not mind, to extend his warmest regards to you all.

Thank you, sir.

The Deputy Bailiff: I invite the President of the Committee, Deputy St Pier, to reply to the
510 debate.

Deputy St Pier: Sir, thank you, and thank you to those that have contributed to the debate.

Deputy Roffey, I think, began by counselling against this being billed as a good news story, and I think that is entirely correct and appropriate, to lay that into this particular debate. I am sure
515 he was not suggesting that that is how, indeed, I was presenting it in my Statement earlier.

I think we have to acknowledge that this is a hand that we have been dealt by the UK electorate, in which we have played no part, whichever way it went we would have to deal with the consequences, and that is of course exactly where we are, and we have to play the best hand we can and seek to exploit the opportunities, as Deputy Graham and others have suggested.

520 But I think it is too early at this point to say what the impact will be, and particularly the political uncertainty, how that will play out in terms of impacts on levels of economic confidence, and economic activity, not only in the UK but of course further afield. If the ripple effect of this is to trigger some kind of global recession, which of course is not beyond the possibility, then that would have impact on us, undoubtedly. So I think, absolutely, it is the right note to strike.

525 But I think Deputy Ferbrache also, quite rightly, pointed out that we must be positive, given the environment we are in, and seek to identify and exploit every opportunity with confidence about our own position, and our own position in the world; and I think Deputy Ferbrache made that point very well.

Deputy Graham also acknowledged with some disappointment, I would suggest, the potential
530 impact on the Constitution Investigation Committee work. I think really the purpose of expressly drawing attention to that in the Report was just to be realistic; and I think, as he rightly identified, even with the best will in the world our end, I suspect the delays may well come from the other end, with the workloads on the Ministry of Justice. Having said that, as he himself said, it may well be a good opportunity to do a deal on these other things at the same time, and we should not
535 again pass up that opportunity if it presents itself.

There were also questions about the World Trade Organisation. We were asked about joining the WTO in 1990, and at that time, because of our intellectual property environment and also something called the Trade Related Aspects of Intellectual Property Rights (TRIPS) – which is something I knew nothing about until a moment ago – we were unable to comply at that point.
540 We are now up to date with our intellectual property law and we are now TRIPS compliant, so we are in a better position to participate. It has never been a priority for us, because of our existing network of relationships and the fact that we are part of the EU common tariff area, it has never been necessary. So it is certainly something that it is appropriate that we perhaps consider.

Deputy Tindall encouraged greater and closer working with Jersey, and I absolutely agree with
545 that, not of course only in this area but in other areas as well, and she identified and referred to Deputy Soulsby's comments earlier. That is something which I will be pursuing with my opposite number, in conjunction with Deputy Soulsby and her opposite number. So we are very keen to push that agenda forward.

Again, to reassure her – as I think I have already suggested – we are very alive to seeking to
550 identify the opportunities. An interesting one, for example, is in relation to the Vickers Commission on Banking and the way that the UK chose to implement the ring-fence. H.M. Treasury had previously taken the view that we could not be inside the ring-fence, because we were not part of the EU or EEA, so they told us. Well, that environment may well change. How does that change ring-fencing? How does that change our banking environment? These are the
555 opportunities which I know Deputy Ferbrache and the Committee for Economic Development will be investigating and pursuing.

560 Alderney Representative Jean referred to EU legislation. Yes, we clearly do, and have implemented some EU legislation, not nearly of course to the extent to which the UK has done. Clearly, part of the exercise, as I referred to in my opening speech, will be the requirement around resources to identify, through St James Chambers, what the impact of that legislation is. What needs to be retained? Some of it of course we would wish to retain, albeit perhaps in a local form. So that work will be done and I think I can give Alderney Representative Jean that reassurance.

565 I think Deputy Ferbrache and a number of others have referred to the quality of the policy letter and I will ensure that those comments are relayed on to the appropriate officers, because I think that should be acknowledged.

570 Deputy Gollop raised a number of interesting points, in particular, in relation to Scotland. Of course, it is again one of the scenarios which would perhaps appear to have been legally and constitutionally impossible, but perhaps not so. There is actually the query whether Scotland could retain the UK's Treaty of Accession rather than an independent Scotland leaving the EU when the UK does and then re-joining it – a query whether it could actually retain the UK's Treaty of Accession. If that were to happen how would that play out in relation to Protocol 3, for example? These are all the unknowns and the scenarios which we will have to pursue and investigate.

575 In relation to the question of residents in Guernsey, I think the reference there is to residents of the EU for whatever period, and seeking to ensure that their rights are protected and, again referring back to my Statement, seeking to give those individuals reassurance that their position is not going to change, certainly in the short-term. I do believe, as others have said, there will be a strong mutual interest in ensuring the right outcome in relation to that issue.

580 In relation to Guernsey residents in the EU, we have a slightly different role there, because of course we are not responsible for nationality, that is a matter that is dealt with by the UK, and therefore they are responsible for protecting the interests of Guernsey men and women who are resident in EU States; and, again, that is something that we will want to ensure is protected.

585 In relation to common travel area, that is an issue which has already been identified by the British-Irish Council, not least of course because of the issues around Northern Ireland potentially ceasing to be in the EU and what happens to that border. Of course, the British-Irish Council was established as part of the peace process, so I do not see that necessarily changing, certainly in the short-term. There is no particular reason for that to change as a forum, but the issue itself of the common travel area has been identified as being one which will require further work, and the Isle of Man, of course, again is particularly concerned, given its location in relation to Ireland, Northern Ireland and Scotland.

590 Sir, I hope I have addressed the key points which Members have raised. I do hope that this policy letter will have the strong, if not unanimous, endorsement of this Assembly. I think that is important as a route to further symbolising our determination and our confidence, which is so important at this time – particularly, when so many others around us are, quite clearly, losing their heads.

595 Thank you, sir.

The Deputy Bailiff: Members of the States, there is a single Proposition on which you are now about to vote, associated with the policy letter you have just been debating. Those in favour, those against.

Members voted Pour.

600 **The Deputy Bailiff:** I declare that carried without any dissent at all.

Well, that concludes the business for the second meeting of the States of Deliberation today. You do not get paid double for two meetings.

**Commonwealth Parliamentary Association –
Guernsey Branch AGM**

605 Can I simply remind you, at the risk of repeating myself, that after a short break of 10 or
15 minutes or so, the Annual General Meeting of the Guernsey Branch of the Commonwealth
Parliamentary Association will take place in this room, and it is the opportunity to hear from and
put questions about the Association to the comparatively newly-appointed Secretary General,
who is visiting us today. So I would encourage as many of you as possible to stay on. It is not as if
you are going to the beach this afternoon! *(Laughter)*

610 We will close the meeting.

The Assembly adjourned at 3.06 p.m.