



OFFICIAL REPORT
OF THE
STATES OF THE
ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 16th April 2014

*All published Official Reports can be found on the
official States of Alderney website www.alderney.gov.gg*

Volume 2, No. 3

Present:

Mr Stuart Trought, President

Members

Mr Raymond Berry

Mr Matthew Birmingham

Mr Neil Harvey

Mr Louis Jean

Mr Robert McDowall

Mr Steve Roberts

Mr Chris Rowley

Mr Francis Simonet

Mr Ian Tugby

The Lieutenant-Governor:

His Excellency Air Marshal Peter Walker, C.B., C.B.E.

The Greffier of the Court

Mrs Sarah Kelly

Business transacted

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States of Alderney

*The States met at 5.30 p.m. in the presence of
His Excellency Air Marshal Peter Walker, C.B., C.B.E.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE PRESIDENT *in the Chair*]

PRAYERS

The Greffier

Welcome to His Excellency the Lieutenant-Governor

The President: Before we proceed to Item I, I would just like to officially welcome His Excellency the Lieutenant-Governor to this States Meeting.

5 Madam Greffier, if you would proceed to Item I, please.

The Greffier: Thank you, sir. I will just take the roll.

ROLL CALL

The Greffier

Billet d'État for Wednesday, 16th April 2014

I. Hangar 2 Limited – Extension of lease to cover 50 years – Item approved

Item I.

The States is asked:

To approve the extension of the lease to cover 50 years to Hangar 2 Limited on the same terms as previously agreed.

10 **The Greffier:** Sir, Item I is Hangar 2 Limited. The States is asked to approve the extension of the lease to cover 50 years to Hangar 2 Limited on the same terms as previously agreed.

The President: Thank you very much.
Mr McDowall as Convener.

15 **Mr McDowall:** Yes, thank you, Your Excellency, Mr President.

There were 18 members of the public at the People's Meeting on the 9th April, and four States Members plus myself as Convener and three people from the media.

On Item 1, Hangar 2 Limited, one person commented that it was encouraging to see that someone has faith in the future of the airport. That was the only comment.

20 Thank you.

The President: Thank you.

Also for the sake of the record, I would like to add that the President was present at the People's Meeting as well.

25 **Mr McDowall:** Indeed, sir. *(Laughter)*

The President: Thank you very much.
Right, Mr Simonet, I believe you wish to propose this Item.

30 **Mr Simonet:** Thank you, Mr President, Your Excellency.
Mr President, I would like to propose this Item simply to extend the existing agreed lease from 25 years to 50 years.

The President: Thank you very much.
35 Just one minute, just one minute.
Mr Rowley I believe you wish to second.

Mr Rowley: Yes, that is right, sir. It is a much-needed facility at the airport.

40 **The President:** Thank you very much, Mr Rowley.

Mrs Paris: Mr President, I must declare an interest in this matter, so I shall neither speak nor vote.

The President: Thank you very much indeed.
45 Does any other Member wish to speak on this Item? Mr Jean.

Mr Jean: I am concerned about this Item, because last year it states we agreed,

‘in November 2013 to extend the terms of the lease for an area of land at [the] airport to Hangar 2 Limited to construct a new additional hangar on land adjacent to the existing hangar, for a period of 25 years commencing 1st January 2017.’

I think that suddenly to come again for another 25 years is too much, and I am really concerned about this.

50 I am in fact so concerned, I am actually going to vote against the Item. I just think it is too much, and I think that there is plenty of time, if the people who are constructing that hangar – and I do applaud having a new hangar at the Alderney Airfield, I think it is very important – cannot get their costs back within the 25-year period, I would be very much surprised and more than. And that is why I think I am going to vote against this. I am not at all happy about the 25-year increase.

55 **The President:** Thank you, Mr Jean. Mr Harvey.

Mr Harvey: Your Excellency, Mr President.

60 I think this is a reasonable request. I think as Mr Jean has alluded to, those proposing it, as I understand it, were not aware that at the end of the lease which originally was going to be 25 years, the building would revert to the States, and their calculations had been based on retaining possession of the building at the end of that period.

65 So I think the request to extend it to 50 years is not unreasonable. It is certainly a facility that is needed at the airport. There is a significant waiting list for space there for private aircraft, and I would certainly support the proposition.

The President: Thank you very much, Mr Harvey.

70 Does any other Member wish to speak on this Item? Okay, Madam Greffier if you would be kind enough to call the vote please.

The Greffier: Sir.

A vote was taken and the results were as follows:

FOR

Mr Tugby
Mr Birmingham
Mr Berry
Mr Harvey
Mr Simonet
Mr McDowall
Mr Rowley
Mr Roberts

AGAINST

Mr Jean

ABSTAINED

Mrs Paris

75 **The Greffier:** That matter is passed, sir.

The President: Thank you very much indeed.

**II. The Public Vehicle (Amendment) Regulations, 2014 –
Not to be annulled –
Item approved**

Item II.

The States of Alderney is asked:

To resolve that “The Public Vehicle (Amendment) Regulations, 2014” not be annulled.

The President: We move to Item II, please.

80

Mr McDowall: And yes, there were no comments on this Item.

The President: Thank you, Mr Convener.

85

The Greffier: And that Item, sir, is the Public Vehicle (Amendment) Regulations, 2014. The States are asked to state that those Regulations not be annulled.

The President: Thank you. Mr Rowley, I believe you wish to propose this.

90

Mr Rowley: That is right, sir, Your Excellency. It is just really a routine upward adjustment of taxi fares, in keeping with the RPI.

The President: And you are proposing?

95

Mr Rowley: I am.

The President: You are. Thank you. Mr Tugby, I believe you wish to second this.

100

Mr Tugby: Yes, sir, I will second it and I have nothing further to add on that

The President: Thank you very much indeed. Does any Member wish to speak on this Item? Mr Birmingham.

105

Mr Birmingham: Thank you, Your Excellency, Mr President, ladies and gentlemen.

I am happy to support the proposals for the ability for the taxi firms to charge higher rates, especially whilst fuel duty rates continue to rise up the States of Guernsey taxation proposals, increasing running costs in these businesses, there really is no other choice but for the taxi companies to pass on that cost to consumers.

110

However, I have recently had discussions with the Licenced Victuallers Association and they have raised concerns about late night taxi provision for the Island. Now, I note that the schedule allows for higher tariffs in the evening and at night, but I alert the GSC to consider additional options in the future for late night taxi service, which may include the ability to increase charges further to improve the viability of those evening and late night services for the Island.

115

The President: Thank you, Mr Birmingham. Does any other Member wish to speak on this? Mr Berry.

120

Mr Berry: Mr President, as the Member tasked with dealing with transport matters, I have spoken to a number of tax drivers and I know one firm in particular who carry notices on their vehicles that they will operate overnight and I think, sir, that unless we have a further problem and it is highlighted, the GSC will take note of any considerations that are brought before it regarding the availability of night-time transport, sir.

The President: Thank you, Mr Berry.

125 Does any other Member wish to speak on this Item?
Madam Greffier if you would put that to the vote please. Sorry, Mr Rowley, do you wish to sum up?

Mr Rowley: No, that won't be necessary.

130 **The President:** Thank you. Madam Greffier, would you put that to the vote, please.

The Greffier: Sir.

A vote was taken and the results were as follows:

135

FOR	AGAINST	ABSTAINED
Mr Tugby	None	None
Mr Birmingham		
Mr Berry		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		

III. Amendment to the States of Alderney Code of Conduct for States Members – Item approved and adopted from 17th April 2014

Item III.

The States of Alderney is asked:

To resolve that the Code of Conduct for Members of the States of Alderney be approved and adopted with effect from 17th April 2014.

The President: We will move to Item III please, Madam Greffier.

The Greffier: Item III is an amendment to the States of Alderney Code of Conduct for States Members. The States is asked to resolve that the Code of Conduct for Members of the States of Alderney be approved and adopted with effect from 17th April 2014.

140

The President: Thank you.
Mr McDowall, as Convener.

145 **Mr McDowall:** Yes, thank you, Your Excellency, Mr President.

There were a number of comments . One person commented that every States Member had stated in their manifestos that they believed in open Government and yet this amendment created a standing panel so that the public would not know that a complaint has been made, which did not look like open Government.

150 A second comment: one contributor stated that it appeared that the code changed every time something did not go the way of the States.

Third comment: another person said that the code was welcome protection for existing and prospective States Members alike.

155 And the final comment: one person queried whether the code was similar to the Guernsey code. It was confirmed that it was. It was also queried whether the Guernsey code had the force of law, and it was confirmed that it did.

The President: Thank you very much, Mr McDowall.
Mr Simonet, I believe you wish to propose this.

160 **Mr Simonet:** Yes, sir, Your Excellency, Mr President.

We have often been asked why do we need a code of conduct supported by law? The answer to that question, Mr President, will be clear and unequivocal to anyone who has served this Island as a States Member.

165 During the past few years in particular, we have witnessed some disgruntled States Members making personal attacks on their fellow Members. We have been aware that some Members, on leaving a committee meeting have immediately contacted the media and disseminated confidential information, putting a spin on the discussions that have taken place, so that half truths and innuendo are then published with the sole intent of discrediting their fellow Members, with whom they have disagreed.

170 This practice has often produced the by-product of encouraging some members of the public to repeat these false allegations, accusations, in the letter pages of local publications and at the People's Meeting.

The motivation behind this behaviour simply appears to be no more than that some States Members are unwilling or unable to fully embrace the democratic process. They cannot accept that on occasion their views will not find support at either committee or States meetings for no other reason than that they have not persuaded their fellow Members of the merits of their proposals.

175 The damage done to the credibility of our Island Government and the community by this disreputable behaviour is not easily measured, but we can be sure it is considerable.

Unfortunately, with the help of the internet, these lopsided and damaging exchanges travel throughout the world. They are picked up by those whom we would wish to encourage to live, invest or establish their businesses here. They promote a distorted and inaccurate picture of the true spirit of this Island community that is currently exemplified by the many members of the public that are engaged with the working groups that are assisting our States Members to solve our economic difficulties.

If this Code of Conduct helps to bring stability, courtesy, and dignity to all aspects of our States Members' interaction with each other, then it will serve its purpose.

I commend this proposal to the States.

185

The President: Thank you, Mr Simonet.

Mr Birmingham, I believe you wish to second this.

Mr Birmingham: Yes, thank you, Your Excellency, Mr President, ladies and gentlemen.

190 The Code of Conduct has been the source of endless discussion over the past few months. Sir, it is not my intention to re-hash those arguments pertaining to the legal adoption of the Code, which I support. Instead I want to concentrate on the minor amendments that have been made to the current Code.

195 One of the reasons that legal adoption has stalled in the past is due to concerns of States Members relating to, when a complaint is made against another Member, who would sit upon the Complaints Panel and what protection that Member had relating to the choice of the panel members, if they felt that the chosen panel may be biased against them.

The proposed formation of a standing panel at the start of each States solves this problem, as it creates a selection of panellists, reducing the chance of potential for confliction. Plus the States Members can be satisfied of the panel's independence from day one, as can the public.

200 Now, one member of the public at the People's Meeting thought that it was odd from an open Government perspective – that one of the advantages of the standing panel was that it would prevent a signal being made public that a complaint had been made by the formation of the panel under the current Code.

205 Now perhaps that may be true, but unfortunately, there is a tendency for people to assume that there is no smoke without fire, and therefore States Member X, whoever that may be, may find that their reputation suffers when there has in fact been no infraction of the Code.

The idea of a standing panel helps to prevent an individual with a grudge making a spurious complaint against States Member X for political purposes, let us say the run-up to an election, for example, and therefore unfairly affecting that States Member's chances in an election.

210 These changes therefore mean that there is a workable code of conduct under which States Members can be held accountable for their actions, but one that gives a level of protection to States Members against spurious or unfounded allegations made for personal or political purposes.

I believe these changes improve the current code and I am happy to support their adoption.

215 **The President:** Thank you, Mr Birmingham.

Does any other Member wish to speak on the Code of Conduct? Mr Jean.

Mr Jean: I cannot say I agree with the speech of the Chairman of Policy.

220 I believe in open and honest Government, Your Excellency, sir, fellow Members, and what I am concerned about these current amendments is they seem to be aimed at increasing the power of the President and reducing the rights of the *Press*. The flow of information to the *Press* has deteriorated to such an extent it is almost impossible for them to report on States matters. The last issue of *The Alderney Press* was quite clear in its remarks about this lack of information.

225 If, as States Members, we truly believe in open and honest Government, we should not delay in publishing draft minutes, all showing the Government sending out good streams of information for the public. We should not be afraid of this.

Back to the Code of Conduct itself: I expressed my dissatisfaction at the sub-group who came together after 28th January, and I am really concerned about this becoming, as has been put, with the force of law.

230 Let me tell you of the situation regarding the States of Guernsey Code of Conduct. It is amended and passed by resolution and a part of the Reform Law but not attached. This is how our own Code should be.

My own opinion, if you were to place this Code of Conduct as part of the Government of Alderney Law, which some people seem to confuse it with, you then unduly restrict the States Members discretions as to the Law of Alderney, and unreasonably delay or restrict the States powers over its own procedure. In other words, what I am saying here is that by strengthening this Code of Conduct by giving it power of law, 235 you make it – if you are to do that, which I do not believe you are; you are saying you are doing it but you are not – what I mean by that is it then becomes difficult to amend the Code of Conduct.

If this goes through, and if this restricts the civil rights of Members and people, the sub-group state that this should have the full force of the law. Yet this is misleading, as I find out we are doing this by resolution the same as Guernsey, only since 2013 to the best of my knowledge the Law Officers' opinion have not 240 been sought since 28th January. That is to the best of my opinion.

That to me... Sorry, have I read that page? Yes.

Since the formation of the sub-group on 28th January, so no legal opinion has been sought from St James Chambers as far as I am able to find out.

245 So many States Members have had nothing to do with this Code of Conduct being amended, and I am urging you to vote against this proposal. I think it is very important. We cannot be so restricted because sometimes we are not pleased with the opinions of the *Press*. We *should* be able to hold our heads up and vote for open and honest Government. I believe in open and honest Government. This is wrong. It is too restrictive and it is the wrong way for the States to go.

250 I thank you, Your Excellency; I thank you, sir; and I urge you again, all of you, to vote against this. I think it is very important.

The President: Thank you, Mr Jean.

Does any other Member wish to speak on this Item, the Code of Conduct?

255 **Mr Rowley:** Yes, sir.

The President: Mr Rowley.

Mr Rowley: Your Excellency, Mr President.

260 As far as I understand it this resolution is really about stopping people leaking incorrect reports to the *Press*, above all else – and this has happened. We have had a year or so of this happening and we have been forced into this really by the unreasonable behaviour of one or two colleagues over the last couple of years...

265 Thank you.

The President: Thank you, Mr Rowley.

Does any other Member wish to speak on this? No other Member wishes to speak?

270 In that case, Madam Greffier, would you please call the vote. Sorry, I apologise. Do you wish to sum up?

Mr Simonet: Yes, just to raise a couple of points that Mr Jean mentioned. He mentioned restriction on the *Press* and to be quite... We should be clear about this. As far as local government information is concerned, probably Alderney is the most transparent Government (**A Member:** Absolutely.) that you will find anywhere in the Western World! The *Press* are kept informed after every Committee meeting – 275 virtually every Committee meeting, I think press reports are compiled and issued to the *Press*.

And as for the Code of Conduct not being fully discussed, it came to the Policy Committee and the current Policy Committee have of course – all Members are on the Policy Committee – had ample time to make their views known.

280 Apart from that, I have nothing else to add, except I commend this and I hope that fellow States Members will vote it through.

The President: Thank you Mr Simonet.

Madam Greffier, will you please put that to the vote.

285 **The Greffier:** Yes, sir.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr Jean	None
Mr Birmingham	Mr Roberts	
Mr Berry		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mrs Paris		

290 **The Greffier:** That is passed, sir.

The President: Thank you very much indeed.

**IV. Audited Accounts 2013 –
States of Alderney 2013 Accounts; and
States of Alderney Water Board 2013 Financial Statements –
Item approved**

Item IV.

The States of Alderney is asked to approve:

(a) the States of Alderney 2013 Accounts; and

(b) the States of Alderney Water Board 2013 Financial Statements.

The President: We move on to Item IV, please.

295 **The Greffier:** Sir, that is the Audited Accounts for 2013.

The States is asked to approve the States of Alderney 2013 Accounts and the States of Alderney Water Board 2013 Financial Statements.

The President: Thank you very much.

300 Mr McDowall as Convener, please.

Mr McDowall: Yes, Your Excellency, Mr President.

I had a number of comments. One person asked how much the Move to Alderney Campaign has cost. I did not have the figures immediately to hand, but I can report that in 2013 £56,133 was expended on it, and in 2014 to date £33,789 was spent on it, making £89,922.

305

The Treasurer said that the costs for individual programmes were difficult to ascertain from the figures and that the additional Economic Development Programme, which includes the Move to Alderney, had cost £130,000 in total. It was pointed out that the campaign has started in the second half of 2013 and the Convener stated that he was unaware of any measured success for the programme so far.

310

The contributor went on to discuss the reliability of air routes and the cost of travel to Alderney and suggested that more work was needed with the airline and the airport to deal with this urgent issue.

Another party said that there was greater awareness of Alderney in the UK and that the advertising campaign was working.

315

One person questioned why water rates had been increased when the Water Board was showing a surplus. It was pointed out that there are a number of hidden costs for the Water Board which were not charged to the Water Board's account and that it should be borne in mind that the States of Alderney subsidised the Water Board quite heavily.

320

One contributor said that the covering note was well written and complimented the Treasurer on the fullness of the note. He suggested that storm damage should have been discussed. However it was noted that the majority of these costs related to 2014, after the bad weather at the end of the year. He also suggested that the States assets should be accounted for. The Convener said that in 2015 international financial reporting standards would require the States to show its assets on its balance sheet and disclose any hidden subsidies, such as those for schools, hospitals and airports.

325

It was pointed out that the pension deficit was being dealt with at long last, and the Convener stated that he expected the deficit to be eradicated within three to five years.

And finally, one person asked why the ACRE report did not mention solar or wind generation. It was stated that the Commission was a regulator and had no role in promoting different types of power generation.

Thank you, that was it, Mr President.

330

The President: Thank you very much, Mr McDowall.

When you have had a glass of water, I believe you wish to propose this.

Mr McDowall: I do indeed. Thank you very much, and I know how people like to go through accounts in detail. I would just like to go through three or four points.

335

On the Revenue Account, the contribution from Guernsey has remained the same: £1,960,000 for the last two to three years – there has not been an increase. We made some significant savings in the States Works Department following the audit there, and that enabled us to expend those savings on the Economic Development Plan. Otherwise they would have gone back to Guernsey. I say I do find the Accounting Rules somewhat quaint and ancient, but that is a discussion for another time.

340

I would also like to point out that the Capital Account remains in good state. The revenues from the gaming came in at £2,300,000-odd, same as the year before, and we have a reasonably substantial capital base in those accounts.

345

The Water Board, as I say, we came in with a slight operating profit. Just to amplify, there are functions that are done by the Treasurer's Office, billing and collection which are not fully allocated to the Water Board so it really does not show the full allocated costs. So the £1,200 profit was an operating profit.

350

I would also like to compliment myself, if I may, for once. (*Laughter*) On the Pension Scheme we attacked the deficit last year, closed the scheme, stopped the payment of annuities and started a re-allocation of assets and that is already showing a decline in the deficit. A very big deficit for this Island and we have now reallocated the investments and I am reasonably confident that we will be able to eradicate that deficit within the next three to five years. I have already offered my services to Guernsey to help them if they need it – at no cost. (*Laughter*)

355

What I would like to focus on, though, is the future. To paraphrase Harold McMillan, the winds of austerity are starting to drive towards Guernsey, and Alderney is going to have to start to be financially more self-dependent, looking at other sources of revenue – we are doing that already – and also looking much harder at our costs. I see, and look for, a change in the financial relationship over the next three to five years. And I think that would benefit both parties in the longer term.

360

I would also like to again draw attention to the change in the accounts presentation from 2015 and that the assets of the States both in Guernsey and Alderney will have to be shown on their balance sheets and that subsidies will have to be disclosed. I am sure we are all going to step up to the plate cheerfully on that one.

365

What we propose to do in Alderney is to produce the accounts in the current format for 2014 year end, but also on a *pro forma* basis produce them in the new format, because we will in any case have to restate the 2014 figures at the end of 2015.

370

Finally, I would like to thank the Treasurer and her team, who I find very easy to work with. They always produce the figures when I want them and they are accurate, so I would like to commend the audited accounts to the States.

Thank you.

370

The President: Thank you, Mr McDowall.

Mr Roberts, I believe you wish to second this.

Mr Roberts: Yes, I do. I have got nothing further to add.

375

The President: Thank you very much, Mr Roberts.

Does any Member wish to speak on the accounts?

380

Mr Harvey: Thank you, Your Excellency, Mr President.

Just a point of clarification. Unfortunately I could not be at the People's Meeting as I was on States business off Island. But just to clarify the Business Development Project started very late in the year last year in October. It did produce some measurable results. There were two new businesses as a result of it. Unfortunately, we cannot track how many people moved here because of it, but certainly anecdotal evidence is that the house sales picked up towards the end of the year.

385

In the UK, job creation schemes are variously reported as costing between £30,000 and £200,000 per job, so I think on that basis the States is getting pretty good value. But we hope to have much better measures going forward in 2014. Thank you.

The President: Thank you, Mr Harvey.

Does any other Member wish to speak? Mr Jean.

390 **Mr Jean:** I would like to thank the Treasurer. She has always been most obliging to me, a most obliging lady. But I am not happy with the budget itself, because of its own political input. I *am* very happy, and I am very happy to praise Mr McDowall for his work on the Pension Scheme and I give him due credit there.

395 What I am not happy about is the Economic Development Plans, the Building and Development Control expenditure, and the internal review of the States Works Department is giving me concern. I think that that part of it we have rushed along far too quickly on and we are going to end up with a situation with no staff left there with knowledge, and I cannot understand why it has not been phased in slowly so that we can cope with it better as we go along.

400 Actually, this budget is peppered with political input with which I am not happy. Here again we have the coin sales, they have declined slightly this year. But we have taken £21,000 to pay for the money last year – the £205,000 – which Guernsey decided they would not pay for the Business Development Plans. This is what makes me unhappy with this budget as we go through it. We see these things here.

405 The Water Board is good, but I am not happy about the mention of the £22,000 that it costs to run. I mean those costs are within the States system. They should be left and I do agree, I had a letter of complaint recently and as Mr McDowall pointed out there was a complaint at the People's Meeting about the raising of the water rates. I think it is a tough time for people now, I do not think water rates should be raised, at the moment. Especially now as the Water Board has been the subject last year and this year of economies and also, I believe now that a new voltage regulator has been installed, along with the new efficient pumps to increase efficiency, and we are not yet sure as to what that will yield or bring during this year.

410 I am pleased, though, to see that we may be looking at more measures to help the public in the fullness of time, and also looking at the possibility of reducing our conge rate. These things I believe will help the depressed property market and possibly as well, I believe, will be an incentive to raise property sale. So that I am pleased about, and once again, I thank the Treasurer for all the time that she helped me last year during my chairmanship of Estates and Services, in those days – now called the General Services Committee, again which I am no longer part of.

415 Thank you, Your Excellency. Thank you, sir.

The President: Mr Jean. Does anybody else wish to make any comment with regard to the budget, and I would remind the Members that we are here to talk about voting about the veracity of these audited accounts to be accepted. I do not mind giving a certain amount of leeway to express your political views, but what we are here to vote on is are these the correct audited accounts.

Mr Tugby, please go ahead.

Mr Tugby: You took the wind out of my sales a bit there, sir! *(Laughter)*

425 All it is, sir, each year with precisely invited public on a number of issues, yet we come in on budget more or less every year, and we have got to praise our Treasurer, and the States Members to a certain extent, for that.

430 It is very difficult being a States Member because you can never satisfy everybody. We get used to taking the criticism, because when we try to do things and we spend some money, we get criticised for trying to get business into Alderney and, lo and behold, if we do not do nothing, we get criticised for doing nothing.

435 This States are trying to do things. Alright, we do not get everything right, but we are trying and we are making progress. That is the important thing about it. Basically these accounts, the Water Board has gone brilliantly in the last few years, in savings, but that is purely because the States itself has put capital into it. The infrastructure has been deteriorating over a number of years, by not putting up rates and it was decided a few years ago to increase the rates on a yearly basis and that is what we have been doing. In the process our water quality has improved tremendously, and that is why we must not criticise anything in this budget.

The President: Thank you very much, Mr Tugby.

Does any other Member wish to speak on the audited accounts?

440

Mr Simonet: If I may, Mr President, just I would like to extend my congratulations to Mr McDowall for his congratulations to Mr McDowall. *(Laughter)* I fully support –

The President: This is starting to sound very much like repetition. *(Laughter)*

445

Mr Simonet: Indeed, sir! But it has to be said, we have gone through a very difficult period when we are trying to spend money wisely. The books have been balanced we have a formidable team now with Mr McDowall and the States Treasurer, and they really are to be congratulated for their good work.

Thank you, Mr President.

450

The President: Thank you, Mr Simonet.

Does any other Member wish to speak on the audited accounts? Mr Birmingham.

Mr Birmingham: Thank you, Your Excellency, Mr President, ladies and gentlemen.

455

Just quickly, as a Member of the Finance Committee, I would just like to thank the Treasury Department for the great work that they have done in what has been a difficult year with many financial challenges. Having to readjust your budget when you have situations like the pull out of Huelin-Renouf which then immediately pulls in excess of £40,000 out of your budget, and being able to re-adjust shows how good our Treasury Department are in being able to rework financial challenges when they come along.

460

I would also like to take the chance to thank the Chief Executive as well for his steady hand on the tiller, and my thanks go to him for his steadfast work over the last few years, and I wish him well when he moves on to pastures new next month.

So as a Member of Finance Committee, I am delighted to support the audited accounts.

465

The President: Thank you, Mr Birmingham.

Does any other Member wish to speak on the audited accounts? Mr Rowley.

Mr Rowley: Your Excellency, yes I would like basically to agree with Mr Simonet and Mr Birmingham. Speaking as somebody who is absolutely hopeless with money, even I can tell that they are doing a very good job, sir.

470

The President: Thank you, Mr Rowley.

Does any other Member wish to speak? Mr Berry.

475

Mr Berry: As a Member of the Business and Development and Marketing Committee, sir, I would like to congratulate Mr McDowall and the Finance team for what they have done. One of the main things in attracting people to Alderney is to make sure that people are aware that we are a financially sound Government. We do not spend beyond our means, we do not borrow to get out of situations that would cause worse situations in the future.

480

I think as well as the advertising that we are doing, the situation that we find ourselves in is a good advert for this Island, sir. Congratulations.

The President: Thank you very much, Mr Berry.

Does any other Member wish to speak? Mr McDowall, would you care to sum up?

485

Mr McDowall: Yes, if I may, Your Excellency, Mr President.

I would like to take up Mr Jean on a couple of the points. You have to invest to get returns. And you do that when there is a downturn. And I have no regrets, no apologies whatsoever in terms of the spending that has gone, first of all on the States Works Department – it was long overdue, there were costs reduced there – and secondly on Arup and Living Islands and a number of other things.

490

I would also point out that if that money had not been spent, it would have gone back to Guernsey.

So, finally I would like also tell people to look at the future. We are going to have to look much more to our own laurels to generate revenues, manage our costs prudently, because the Channel Islands are... The glory days are over, I think is the best way I can put it.

495

Thank you.

The President: Thank you, Mr McDowall.

Madam Greffier, would you put that to the vote, please.

500

The Greffier: Sir.

A vote was taken and the results were as follows:

FOR

Mr Tugby
Mr Birmingham
Mr Berry

AGAINST

None

ABSTAINED

None

Mr Jean
Mr Harvey
Mr Simonet
Mr McDowall
Mr Rowley
Mr Roberts
Mrs Paris

505 **The Greffier:** Thank you.

**V. The Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014; and
The Territorial Integrity etc. of Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014 –
Item approved**

Item V.

The States of Alderney is asked to approve:

“The Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014”; and

“The Territorial Integrity etc. of Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014”.

The President: Madam Greffier, if you could move to Item V, please.

510 **The Greffier:** Item V, The Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014 and The Territorial Integrity etc. of Ukraine (Restrictive Measures) (Alderney) Ordinance, 2014. The States is asked to approve those Ordinances.

The President: Thank you very much.
Mr McDowall as Convener.

515 **Mr McDowall:** Yes, sir, Your Excellency, Mr President.

One person stated that he objected to this Item and that he was of the opinion that Alderney was kowtowing to the wishes of the UK and the EU. He said this was typical of the type of legislation that Alderney was required to accept. That was the only comment.

520 **The President:** Thank you, Mr McDowall.
Mr Simonet, I believe you wish to propose this.

Mr Simonet: Yes, thank you, Mr President.

525 I wish to propose the Item. You can see, it is what it is, it is one of these standard Items that we are required to give our approval to. There is nothing really further to add to it, or at least I have not.

The President: Thank you very much, Mr Simonet.
Mr Birmingham, I believe you wish to second this?

530 **Mr Birmingham:** Yes, thank you, Your Excellency, Mr President, ladies and gentlemen.

I think I can honestly say that I never expected my longest speech of the evening to be about the Ukraine.

535 The forces of a foreign power enter a country at the behest of the majority ethnic group, and seize control of that region in a bloodless coup. A referendum is then held where the majority ethnic group claim over 95% support for its actions and control of that country is transferred to a foreign power whose forces occupy it. Subsequently, other areas in neighbouring regions where there are substantial ethnic majorities are also occupied and absorbed back into the sphere of influence of that foreign power.

540 Now, what I describe here could be a description of the developing situation in the Ukraine, but it is not. It is a description of the *Anschluss*: the absorption of Austria and parts of Czechoslovakia by the Nazi Regime in 1938 – events which led directly to the Second World War and shows how if such events go unchallenged, they can spiral out of control very quickly.

545 The current situation in the Ukraine is incredibly dangerous and the fundamental problems of ethnic majorities within the borders of other sovereign states must be considered carefully. The terrible bloodshed that occurred after the breakup of the former Yugoslavia is a very recent reminder of the awful consequences of the mismanagement of such situations. The *de facto* annexation of Crimea on the back of

an illegal and dubious referendum result was boycotted by both native Ukrainians and ethnic tartars who represent almost 40% of Crimea's population cannot be ignored.

Russian support for this action has not bolstered the more extreme separatist factions in Eastern Ukraine in areas such as Donetsk and Slaviansk which have seen an increase in violence over the last few days. Ukrainian officials have reported the interception of armed individuals crossing from Russia into the Ukraine, and there is evidence that there is a build-up of Russian forces on the Ukraine Border which only fuel concerns that the Russian Government is involved in the political destabilisation of the Eastern Ukraine and is intent on securing the land corridor to Crimea, and possibly further on to the disputed territory of Transnistria, where ethnic Russians are attempting to secede from the Moldova Republic.

It is vitally important therefore that the Russian Authorities are given good reason to pause for thought before taking what may be drastic action that could have dire consequences.

Imposing sanctions on the individuals involved in the illegal secession of Crimea is a simple warning shot, whilst further economic sanctions on a country which is teetering on the edge of recession might just be enough to ensure that all parties use the negotiation table and not the gun.

In a situation as this, inaction is simply not an option – otherwise there is the potential for this situation to expand into other countries with large ethnic Russian groups, such as Latvia, Estonia and Kazakhstan all of which have a higher percentage of ethnic Russians than the Ukraine do.

Negotiation must happen between all parties and the possible federalisation of the Ukraine has to be a consideration, but the illegal annexation of territory has to be confronted. Appeasement of such action is a dangerous path to tread. A picture of a Prime Minister standing on the steps of an aircraft waving a piece of paper and claiming 'Peace in our time' should remind us of that, and I urge all States Members to support the proposed sanctions.

The President: Thank you very much, Mr Birmingham.

Does any other Member wish to speak on Item V? Mr McDowall.

Mr McDowall: Yes, I would like to speak on this.

Our Billets are peppered with these gesture politics mainly from the EU and the US. I would like to remind everybody that the Crimea was part of Russia until Nikita Khrushchev gave it away in 1954. I think he was a little conscious of what he had done under Stalin.

I think the other point is that the majority of the people did vote in favour of joining Russia, and do you know, they prospered from it because Russia is now supplying cheap energy, and more importantly it has revalued the currency, so the people in the Crimea are financially better off than they were.

I think the other point is that if you give the people what they want, they have got prosperity. This is a world way beyond the US and EU, who frankly have made a mess of most foreign policy actions over the last 30 or 40 years. I can recite them – Iraq, Iran, Afghanistan and so on. So I think the US and EU should confine themselves more to their backyards.

So I will be voting against this. Thank you.

The President: Thank you very much, Mr McDowall.

Does anybody else wish to speak on this? Mr Harvey.

Mr Harvey: Thank you, Your Excellency, Mr President.

I am sometimes in awe of my colleague on the right Mr McDowall, when it comes to financial matters. I do not want to heap any more praise upon him – he has quite enough of that tonight.

But when it comes to matters east of Calais, he makes Vlad the Impaler look like a social reformer. This is really though a serious matter. This is not about Big Brother, the EU telling us what to do. Our decisions here will not have them shaking in their shoes in Kiev, or should I say Moscow. But Mr Berry on the previous matter referred to people outside this Island looking for financial soundness and that is absolutely spot on. We are part of an international community and our soundness needs not only to be financial, but we need to show we are playing our part in terms of moral authority and integrity. It is very tempting to see this as Big Brother.

If I may just refer to the second paragraph of the Ordinance, it actually refers to targeting 18 persons identified as responsible for the misappropriation of funds. If we condone this, and we reject this Proposition, do we also condone the theft of £2.6 million from the States of Guernsey last year, or the year before?

No, I think this Assembly has a part to play. It is an extremely small part in world matters, but nevertheless it has a part to play, and I believe we do need to retain our integrity, and our responsibility, and we should vote for this measure because it is the right thing to do.

Thank you.

The President: Thank you, Mr Harvey.

Does any other Member wish to speak on this matter? Mr Rowley.

610 **Mr Rowley:** Yes, thank you, Your Excellency, Mr President.

Well, I have been listening to Mr McPutin! (*Laughter*) I would like to remind him that the illegal referendum that took place in Crimea was actually in the presence of armed soldiers and in an atmosphere of extreme intimidation and tempting as it may be to align ourselves with a couple of dozen alleged embezzlers and murderers, I do not think it would be very good for us in the long run and might actually encourage a lot of attention that we could well do without, to agree with Mr Harvey, and that is really all I have got to say.

The President: Thank you, Mr Rowley

620 **Mr Rowley:** I think people of the Ukraine have a right to self-determination and if the people of East Crimea and Eastern Ukraine then want to secede they can ask for a referendum according to the constitution of the Ukraine – a legal referendum and without soldiers...

Thank you.

625 **The President:** Thank you, Mr Rowley.

Does any other Member wish to speak on this matter? In that case, we will rapidly put this to the vote, please, Madam Greffier.

The Greffier: Does the Convener want to sum up or...?

630

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr McDowall	None
Mr Birmingham		
Mr Berry		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr Rowley		
Mr Roberts		
Mrs Paris		

The Greffier: For, sir.

635

The President: Thank you very much.

**VI. The Syria (Restrictive Measures) (Alderney) (Amendment) Ordinance, 2014; and
The North Korea (Restrictive Measures) (Alderney) (Amendment) Ordinance, 2014 –
Item approved**

Item VI.

The States of Alderney is asked to approve:

“The Syria (Restrictive Measures) (Alderney) Ordinance, 2014”; and

“The North Korea (Restrictive Measures) (Alderney) (Amendment) Ordinance, 2014”.

The President: We move on to Item VI.

640 **The Greffier:** Sir, Item VI is The Syria (Restrictive Measures) (Alderney) (Amendment) Ordinance, 2014, and the North Korea (Restrictive Measures) (Alderney) (Amendment) Ordinance, 2014. The States is asked to approve both of those Ordinances.

The President: Thank you very much indeed.

Mr McDowall as Convener, please.

645

Mr McDowall: Yes, Your Excellency, Mr President.

One person said we should be supporting the people of Syria at this time, and that was the only comment. Thank you.

650 **The President:** Thank you very much.
Mr Simonet, I believe you wish to propose this.

Mr Simonet: I do indeed, Mr President, and I will wait and see if we are going to have similar entertaining and interesting speeches on this Item.

655 **The President:** Thank you, Mr Simonet.
Mr McDowall, I believe you wish to second this Item.

Mr McDowall: I do indeed, Your Excellency, Mr President.
660 The North Korean regime is antiquated and needs to be put out of its misery as soon as possible.
With regard to Syria, I do support that but I had the interesting task... I went to Beirut at the end of November to speak on a cultural matter and I spent half a day with the Christian Phalangists. I met some of the Christian Syrians who had come into the Lebanon, and they were particularly concerned that the West does not automatically support the opposition to Assad, which is principally militant Islamics. I would just like to draw attention to that now, because I think some Western Governments get a little confused over the politics in Syria.
665 But nevertheless I will second this motion.

The President: Thank you very much, Mr McDowall.
670 Does any other Member wish to speak on this matter? No? In that case, Madam Greffier, you can take that as carried.

The Greffier: Sir.

675 **The President:** Thank you very much indeed.

**VII. The Central African Republic (Restrictive Measures) (Alderney) Ordinance, 2014 –
Item approved**

Item VII.

The States of Alderney is asked to approve:

“The Central African Republic (Restrictive Measures) (Alderney) Ordinance, 2014”.

The President: We move to Item VII, please.

The Greffier: Sir, that is The Central African Republic (Restrictive Measures) (Alderney) Ordinance,
680 2014. The States is asked to approve that Ordinance.

The President: Mr McDowall as Convener, please.

Mr McDowall: Yes, Your Excellency, Mr President, there were no comments on this Item.
685

The President: Thank you very much.
Mr Simonet, I believe you wish to propose this.

Mr Simonet: I do indeed, Mr President and I have no comments either.
690

The President: Except to propose it?

Mr Simonet: Except to propose it.

The President: Thank you.
695 Mr Birmingham, I believe you wish to second this?

Mr Birmingham: Thank you, Your Excellency, Mr President, ladies and gentlemen.

700 According to reports the crisis in the Central African Republic has left approximately 1.6 million people, a third of the population, in urgent need of food, according to the United Nations.

It is believed that thousands of people have been killed in a wave of sectarian violence across the CAR that has lasted for more than a year, despite the presence of African Union and French peace keeping troops, and this is on the back of an attempted coup by the minority Muslim Seleka rebels in March 2013 in what is predominantly a Christian country.

705 The UN's Food and Agriculture Organisation and the World Food Programme have said that the conflict has caused:

'the destruction of livelihoods, loss of food, and cash crops, livestock and crucial productive assets across the country'.

710 Now the sanction regime that has been put into action allows specifically for the seizure of funds that may be used to further destabilise the country, and also imposes an arms embargo, in order to try to de-escalate the crisis. While there are no specific sanctions against specific individuals or groups at present, by putting this Ordinance in place we will ensure that Alderney is in line with the world-wide sanction regime in order that this developing crisis might be altered.

The President: Thank you very much, Mr Birmingham.

Does any other Member wish to speak on Item VII?

715

Mr McDowall: Yes, I do, briefly, Mr President.

This reminds me of a dodgy dossier, frankly. As certain persons from the Russian Federation elsewhere are believed to threaten or undermine peace and stability, I can only assume that some of the intelligence was in the Central African Republic and saw a number of Russians in fur coats with snow on their boots.

720 I find this frankly rather bizarre. This is a domestic issue and we should not get engaged in it. I shall vote against it.

The President: Thank you, Mr McDowall.

Does any other Member wish to speak on this Item? Mr Rowley.

725

Mr Rowley: Yes, Your Excellency, Mr President.

I have been searching in vain for any reference to Russians in the Central African Republic – I have looked on the internet, I have looked in the paper – but if there are any there, I am sure they deserve restrictive measures anyway, sir.

730

The President: Thank you very much, Mr Rowley.

Does any other Member wish to speak on this Item? Mr Simonet, do you wish to sum up?

Mr Simonet: I have nothing further to add, Mr President.

735

The President: Thank you very much, Mr Simonet.

Madam Greffier, for the sake of regularity, if you would just run the vote on that, please.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr McDowall	None
Mr Birmingham		
Mr Berry		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr Rowley		
Mr Roberts		
Mrs Paris		

740 **The Greffier:** That is passed, sir.

The President: Thank you very much indeed.

XIII. Questions and Reports

The President: We move to Item XIII.

745

The Greffier: That is Questions and Reports. I have received neither.

The President: And I have received no Questions or Reports.

750

In which case, I believe we have concluded the business of today's States Meeting and I would ask you to bring the meeting to a close.

The Greffier: Thank you, sir.

PRAYERS

The Greffier

The Assembly adjourned at 6.27 p.m.