



**REPORT**  
of the Proceedings  
of the  
**FIRST**  
**House of Assembly**  
of  
**GIBRALTAR**

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**First Session**

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Vol. 1 — No. 6.

SIXTH MEETING, THURSDAY, 26th FEBRUARY, 1970.

REPORT OF THE PROCEEDINGS OF THE HOUSE OF  
ASSEMBLY  
THE SIXTH MEETING OF THE FIRST SESSION OF THE FIRST  
HOUSE OF ASSEMBLY HELD IN THE ASSEMBLY CHAMBER ON  
THURSDAY, THE 26th DAY OF FEBRUARY, 1970, AT 6.00 p.m.

*Present:*

Mr. Speaker ..... (In the Chair)  
The Hon. A. J. VASQUEZ, M.A.

GOVERNMENT:

The Hon. Major R. J. PELIZA, Chief Minister.  
The Hon. M. XIBERRAS, Minister for Labour and Social Security.  
The Hon. Major A. J. GACHE, Minister for Information, Port,  
Trade and Industries.  
The Hon. J. CARUANA, Minister for Medical and Health Services.  
The Hon. W. M. ISOLA, Minister for Tourism and Municipal  
Services.  
The Hon. Miss C. ANES, Minister for Public Works and Housing.  
The Hon. L. DEVINCENZI, Minister for Education and Recreation.  
The Hon. C. B. O'BEIRNE, C.B.E., Q.C., Attorney-General.  
The Hon. E. H. DAVIS, C.M.G., O.B.E., Financial and Development  
Secretary.

The Hon. P. J. ISOLA, O.B.E.

OPPOSITION:

The Hon. SIR JOSHUA HASSAN, C.B.E., M.V.O., Q.C., J.P., Leader  
of the Opposition.  
The Hon. A. W. SERFATY, O.B.E., J.P.  
The Hon. A. P. MONTEGRIFFO, O.B.E.  
The Hon. E. J. ALVAREZ, O.B.E., J.P.  
The Hon. M. K. FEATHERSTONE.  
The Hon. I. ABECASIS.  
The Hon. Lt.-Col. J. L. HOARE.

*In attendance:*

J. T. SUMMERFIELD, Esq., Clerk to the House of Assembly.

*Prayer:*

Mr. Speaker recited the prayer.

*Minutes:*

The minutes of the meeting of the House of Assembly held on the 29th January, 1970, having been previously circulated, were taken as read and confirmed.

*Documents laid:*

The Honourable the Minister for Information, Port, Trade and Industries laid on the table the following documents:

(1) The British Commonwealth and Foreign Parcel Post

(Amendment) Regulations, 1970.

(2) The British Commonwealth and Foreign Post (Amendment) Regulations, 1970.

(3) The Local Post (Amendment) Regulations, 1970.

Ordered to lie.

The Honourable the Financial and Development Secretary laid on the table the following document:

Supplementary Estimates No. 2 of 1970.

Ordered to lie.

*Answers to Questions:*

**Question No. 46 of 1970.**

HON. A. W. SERFATY:

Have plans been finalised for the extension of the Airport Terminal Building? *Oral*

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES  
(THE HON. W. M. ISOLA):

No, Sir. Plans for the extension of the air terminal building have not yet been finalised.

The Hon. Member will be aware that tentative drawings have already been considered by a number of interested parties, among them BEA's Airport Handling Advisors.

During the recent London talks it was agreed that a scheme to meet the specific requirements in respect of the Air Terminal Building should be prepared and submitted for approval. This is now in hand.

*Supplementary:*

HON. A. W. SERFATY:

Sir, will the Minister make sure that I have an opportunity of looking at these plans before they are finalised, as promised by the Chief Minister here sometime ago?

HON. W. M. ISOLA:

Mr. Speaker, Sir, I assure the Hon. Member that if the Chief Minister promised this, it will be done.

Question No. 47 of 1970

Oral

HON. A. P. MONTEGRIFFO:

Will the Minister say whether the tender for the conversion of the KGV Hospital into a psychiatric unit has been awarded?

*Answer:*

THE MINISTER FOR MEDICAL AND HEALTH SERVICES:

(THE HON. J. CARUANA):

Yes, Sir. The tender for the conversion of the KGV Hospital into a psychiatric unit has been formally awarded to Messrs. Linares and McQuarrie, who have undertaken to carry out the work in 30 weeks, and the contract provides for the labour force to live on site.

Sir, their quotation for the conversion is £69,194; as the Honourable Member opposite will no doubt recall, this sum represents a saving of £12,000 approximately on the offer made to him in July, 1969, during his tenure of office.

*Supplementary:*

HON. A. P. MONTEGRIFFO:

Will the Minister say whether this included for the oil-power heating for the hospital, or electrical heating? And whether or not it includes all the padded cells that were originally anticipated? Because that would have knocked the price down by nearly £9,000.

HON. J. CARUANA:

Mr. Speaker, I can assure the Hon. Member opposite that the contract is precisely the same as the one he had available in 1969; whether it contained electrical heating or gas heating, it is precisely the same. There has been no alteration, and neither has there been any alteration or reduction in the padded cells.

HON. A. P. MONTEGRIFFO:

Is the Hon. Minister aware that the oil-power heating should be more expensive at the beginning, in regard to capital, but would be much cheaper eventually?

HON. J. CARUANA:

Mr. Speaker, this conclusion has already been arrived at, and has already been explained to the Member opposite, that there has been no alteration whatsoever in the specifications available to him in July, 1969.

HON. A. P. MONTEGRIFFO:

Is the Hon. Minister aware that there were alternative specifications, and two different prices?

HON. J. CARUANA:

Mr. Speaker, I am quite aware that there was one figure available, one offer, conclusive offer, and subsequent modifications to justify various contingencies. However, the figure which I have just mentioned of a saving of £12,000, is based on the complete offer made to him previously.

HON. A. P. MONTEGRIFFO:

Is the conclusive offer related to the tentative offer made to me or to the tender submitted by the original tenderer? Because I am not aware what was the money or the amount for the tender submitted by the tenderer.

HON. J. CARUANA:

Well, Mr. Speaker, it is precisely the same, once again. Exactly the same specification with a saving of £12,000. If the Honourable Member opposite will care to add up £12,000 to £69,194 he will arrive at the figure of £81,370. Therefore if we have saved £12,000 the quotation for the conversion of KGV comes out to £69,194.

HON. A. P. MONTEGRIFFO:

Mr. Speaker, it is very difficult to put it across as a question. But is the Minister aware that in the offer, as distinct from whatever the amount the tender might have included, which I am not aware of, had different alternative proposals which would have brought the price down to possibly £70,000 or £69,000?

HON. J. CARUANA:

Mr. Speaker, it is still the same. However, I regret quite obviously that the Hon. Member opposite has been out of office for a short while now, and obviously he cannot recall all the correspondence which came to him. I have it available here. I am quite prepared to show it to him, it was addressed to him. I cannot really divulge any further information on this because it would be indiscreet. However, if the Hon. Member will care to accept my figures, as given now, I will show it to him later. He did have this figure available before, and the offer for the conversion now is based on the full specification which he had available with no alterations. I am quite aware that there are figures here suggested which would in fact reduce the figure, but at the same time it would reduce the specification — the commitment. But the figure that we have now, on the contract issued now, is for the sole conversion without any modification, without any single reduction whatsoever, at this stage. If, however, after obtaining a figure of £69,145 from the contractor, we care to go now into negotiations with the contractor to make alterations to the contract, variations to the contract, to reduce commitments, it is quite obvious that the figure would be reduced. So I think that if that does not satisfy the Hon. Member.....

HON. A. P. MONTEGRIFFO:

I am satisfied with the reply given by the Hon. Minister and I accept his offer, his kind offer, to allow me to see the figures afterwards or later on. Thank you very much.

HON. P. J. ISOLA:

I am sure, Sir, that the Hon. Members of the House would wish to congratulate the Minister for this achievement. But can he confirm to us that the saving of £12,000 also includes, takes into account, the recent increases of wages awarded by Marsh? In other words the £12,000 includes the present wage structure of Gibraltar, or takes it into account.

HON. J. CARUANA:

I thank the Hon. and Learned Member. It does not take into account the 10 per cent increase, but if it did, if it were to do so, it would be higher by 10 per cent. Because the saving of £12,000 is based on the figure available to the Hon. Member opposite in July, and this does not in any way relate to any subsequent tenders where the 10 per cent increase of Marsh has been included.

HON. A. P. MONTEGRIFFO:

Sir, may I say, I think one very important factor seems to have been forgotten. Is the Minister aware that whether it was £12,000 more or £13,000 less, the offer was based on a fixed price contract and this appears not to be so?

HON. J. CARUANA:

I am sorry, Mr. Speaker, what I did answer to the Hon. Member on my right, is that the 12 per cent saving includes the 10 per cent, includes the 10 per cent but it is not included in the saving. If the 10 per cent had been added on to the previous offer in July, then the saving would be even more, 10 per cent more, another £8,000 — £20,000.

HON. A. P. MONTEGRIFFO:

Am I to understand that this is a fixed price contract, once and for all?

HON. J. CARUANA:

Well, not necessarily, Mr. Speaker. I mean the thing is quite open to variations, but what we have established here is that the specification, the contract given out, is for the same specifications. Variations could be to reduce or to increase, to improve the scheme or to increase the saving. Either way it is a variation. What counts here is that this money and this saving of £12,000 is for exactly the same specification.

## Question No. 48 of 1970

Oral

HON. LT.-COL. J. L. HOARE:

Why are unlicensed and derelict cars, which appear to have been abandoned by their owners, permitted to remain on the public highway monopolizing valuable space?

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:

(THE HON. W. M. ISOLA):

Unlicensed and derelict cars are not permitted to remain on the public highway. During the past 3 months 105 derelict cars have been disposed of.

*Supplementary:*

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, I have been keeping tabs, if I may use that inelegant expression, on a number of cars. I took the trouble of going round this morning for an hour, and to very few places, and I still counted 13 there, in the very few places that I could visit on foot in one hour this morning.

HON. W. M. ISOLA:

Mr. Speaker, Sir, I am very glad that the Hon. Member is taking such a great interest in derelict cars on the public highway. I would like to say that in the last two years 257 cars have been removed from the public highway of which, as I have said before, 105 cars have been removed in the last 3 months. If the Honourable Member is anxious to let me have, or is willing to let me have, the 13 cars which are lying on the highway and which are derelict, I will appreciate it and I will pass it to the relevant authorities for disposal.

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, first of all let me congratulate either the past Government or the present Government in clearing so many cars. But the fact remains that there are still cars on the highway today which are derelict. And if the Hon. Minister over there thinks that I am going to turn informer and give him the numbers of these cars, when he has all the employees of the Council available to sort them out, then I think he is very much mistaken.

HON. SIR JOSHUA HASSAN:

Is the implication from the Hon. Minister's answer that cars get derelict much quicker now that there is a new Government?

HON. W. M. ISOLA:

With respect, Mr. Speaker, I do not think that is the point. The thing is that at present this Government is very anxious in clearing up Gibraltar.

HON. LT. COL. J. L. HOARE:

Mr. Speaker, I think these sentiments apply to both sides of the House. We all want to see a very tidy and clean Gibraltar, this is why we raised the question in the first place; but I still have not had an answer to my question. Why are there still cars on the highway, why are they not cleared? A chute was produced quite recently, I do not know at whose expense, probably John Bull's, with our help, but the fact remains that these derelict cars are still on the public highway taking up room which could be used by other cars which are licensed and serviceable.

HON. W. M. ISOLA:

Mr. Speaker, as I said before, unlicensed and derelict cars are not permitted on the highway. Now, if my Hon. Friend is prepared to give me the places where the 13 derelict cars are, I shall make arrangements to have them removed. As I said before in the last House of Assembly, on the question of clearing and taking derelict cars, we depend on the co-operation of the public.

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, this is repetition. I agree that everybody wants to keep Gibraltar tidy. I think so. And I am perfectly aware that the law does not permit cars to be left on the highway; but the fact remains that they are on the highway. And what I want to know is when are they going to be cleared. Because they are still being permitted, whether the law permits it or not, they are still being permitted by the local authorities to remain there.

HON. W. M. ISOLA:

Mr. Speaker, Sir, I am sorry but cars are not permitted to remain on the public highway.

HON. P. J. ISOLA:

Sir, Would it not be helpful to the Minister if public-spirited gentlemen like the Hon. Questioner were to cooperate with the authorities in informing the Minister where derelict cars lie, so that action can be taken? Would he not appreciate that rather more than being told by an Hon. Questioner that it is not his duty as a citizen to give such information? Can I have an answer to my question, please.

HON. A. W. SERFATY:

Sir, does the Hon. Minister want us to present an album of photographs like we did with the rubbish, of 44 photographs?

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, I am not prepared to give this information. I will not act as an informer. Because to give the places, is a question of principle. The Council or Municipal Services, or would also have to give the numbers. Oh, not shame, it is a



whatever they like to call themselves, have sufficient employees who travel through the highways and by-ways of this city of ours, and they can see this. They can surely be instructed to make a note of these and pass them to the relevant section. I am not prepared to do that dirty work for them.

HON. M. XIBERRAS:

Mr. Speaker, I think that was a very long speech, Sir, and I think there is a relevant rule to say that at question time one asks questions.

HON. MAJOR R. J. PELIZA:

Mr. Speaker, could I say that the Members on the opposite side can always raise this on the adjournment; and I wish they did, rather than conduct, and carry on conducting, time and again, debates at question time.

HON. L. DEVINCENZI:

Mr. Speaker, I think this is relevant. I would like the Minister of Municipal Services to assure me that when a car appears to have been abandoned, that I hope it is not disposed of. I hope they make sure that it is abandoned. The Questioner said when they 'appear' to be abandoned, I hope they made sure that they are abandoned.

HON. W. M. ISOLA:

That is correct, Sir.

#### Question No. 49 of 1970

*Oral*

HON. LT.-COL. J. L. HOARE:

Why are cars which are not registered locally and, either displaying expired foreign licensing discs or none at all, permitted to be driven on the public highway?

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:

(THE HON. W. M. ISOLA):

In accordance with the Traffic (International Circulation) Regulations Cap. 154 the owner of a foreign registered vehicle can use his vehicle in Gibraltar without being locally licensed or paying import duty for a period of six months provided the owner is not a resident of Gibraltar; the vehicle has been registered abroad in any of the Contracting Countries of the 1949 or 1956 Conventions; the registration plate and the sign of the country of registration are exhibited; and the vehicle is covered by third party insurance policy.

In accordance with existing legislation foreign registered motor vehicles do not require to display their foreign discs.

*Supplementary:*

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, this may be true of some foreign countries, but other foreign countries require the discs to be shown. I am questioning those cases where not only are they expired, but those which should be exhibited in any case. I am also aware of this international convention. I have done a certain amount of travelling on the continent. But is the Minister, the Hon. and Learned Minister, aware that cars have been here for a very long time, much beyond the two months or six months, still with foreign registration plates and still without licensing in their country of origin or wherever they were registered?

HON. W. M. ISOLA:

Mr. Speaker, I am not aware of such information. However, again I may go back on this question of cooperation. If my Hon. Friend, is prepared to give this information, I will certainly pass it to the Police for appropriate action. But unfortunately if the Hon. Member is not prepared to cooperate, of course, I am unable to help him.

HON. LT.-COL. J. L. HOARE:

I think the Hon. and Learned Minister is not on the ball over this. All he has to do, or should I put it in a question: Is he not able to stand on any corner, on this corner of the Piazza, for one hour in the evening and notice cars going by? May I have an answer to my question please, Mr. Speaker?

HON. W. M. ISOLA:

Mr. Speaker, Sir, I am not prepared to stand one hour in a corner waiting for cars to go by.

HON. LT.-COL. J. L. HOARE:

I was not talking about certain bars in town, Mr. Speaker, I was talking about the corner of this Piazza, which is in the centre of town.

HON. W. M. ISOLA:

Mr. Speaker, Sir, I heard the Questioner say not 'bars', I heard the Question. I said I am not prepared to wait outside in the street for one hour waiting for cars to go by.

HON. LT.-COL. J. L. HOARE:

Surely, Mr. Speaker, is not the Minister able to detail one of his minions to do this. One of the people who are paid to do this. One of the inspectors?

HON. W. M. ISOLA:

Mr. Speaker, Sir, is my Hon. Friend on the other side saying that in that particular place in one hour certain cars unlicensed or without proper foreign plates will be passing by?

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, I did say so. There are so many cars that he could not miss it. Unless he is blind.

HON. MAJOR A. J. GACHE:

Mr. Speaker, may I refer to Clause 17(1) (iii) where it says that if a question contains a statement, the Member asking it shall make himself responsible for the accuracy of the statement. I do not know how he can make himself responsible for the accuracy that cars will pass by if he waits there an hour.

HON. LT.-COL. J. L. HOARE:

I could drive one of those cars on the road and make sure it was there within the hour.

#### Question No. 50 of 1970

*Oral*

HON. E. J. ALVAREZ:

What steps is Government taking to ensure that buses adhere to time-tables?

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:  
(THE HON. W. M. ISOLA):

Sir, with permission I will answer Questions No. 50 and 51 together.

#### Question No. 51 of 1970

*Oral*

HON. E. J. ALVAREZ:

Is the Government taking any action in the re-routing of buses from Main Street?

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:  
(THE HON. W. M. ISOLA):

The whole question of re-routing of buses is under consideration by the Transport Commission. Counter-proposals submitted by the Operators are being studied by a sub-committee appointed for this purpose which met earlier this month and which will be submitting their recommendations at the next Transport Commission meeting early in March. The question of time-tables is closely linked with the re-routing of buses and is also under examination by the sub-committee.

*Supplementary:*

HON. E. J. ALVAREZ:

Is the Hon. Minister aware that bus services are unreliable and irregular? That passengers have to wait for long periods, particularly during the transportation of school children, and

that the public are concerned about it? Under the circumstances, will the Hon. Minister take urgent and specific action to ensure that time-tables are rigidly maintained?

HON. W. M. ISOLA:

Mr. Speaker, Sir, I am aware of all the difficulties. And no doubt my Hon. Friend, Mr. Alvarez, is also aware of the difficulties of the timing and routing of buses as, if I remember rightly, he was the Chairman of the Transport Commission in 1968 up to, I believe, October 1969. I am fully aware of the difficulties which exist with re-routing of buses and time-tables and I assure the Hon. Member that I am most anxious to regulate this matter as soon as possible.

HON. SIR JOSHUA HASSAN:

Is it not a fact that the bus services have seriously deteriorated in the last few months as a result of other difficulties? But in fact isn't it a fact that the bus services are getting worse and worse?

HON. W. M. ISOLA:

Mr. Speaker, Sir, I believe that the bus service has gone down since the withdrawal of Spanish labour in June 1969. I am fully aware, of it — I am fully conscious of it — and every effort is being made by the Transport Commission to give the public the service they deserve. I am much obliged.

### Question No. 52 of 1970

*Oral*

HON. LT.-COL. J. L. HOARE:

When is the landscaping at Cathedral Square expected to be completed?

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:  
(THE HON. W. M. ISOLA):

It is expected to complete the construction works, road surfacing and planting in April. However the special lanterns are still on order and the delivery is uncertain. The footpath paving cannot be completed until they are installed.

*Supplementary:*

HON. LT.-COL. J. L. HOARE:

Would the job have been completed earlier if there had been no interruption of the work there? What was the cause of the interruption?

HON. W. M. ISOLA:

The work, Mr. Speaker, started last November, had to be intermittent because labour on several occasions had to be re-deployed to more urgent or more important works. Work act-

ually stopped on the 23rd January pending agreement with the Cathedral Council because we were taking over part of the foot-path which belonged to the Cathedral Council. This was settled last Saturday and has been agreed. Work, in actual fact, commenced today on the return of the Moroccan labour force after their festivities in Morocco.

HON. LT.-COL. J. L. HOARE:

I thank the Hon. and Learned Minister for that. But wouldn't it have been prudent to check, before you started work, whether the land you intended to work on is your own or belonged to some other authority?

HON. W. M. ISOLA:

Mr. Speaker, Sir, of course it would have been prudent to have checked that the land which we are working on was ours. It so happens that when I first saw this scheme in November I thought it would be a far better scheme if we got a little more land from the Cathedral Council. And as a result there was a certain amount of delay. The original plan did not include that part of the Cathedral Council area. We have now taken that over at our expense and at no expense to the Cathedral Council.

HON. LT.-COL. J. L. HOARE:

Was the work on that particular land commenced before you obtained their agreement, or after?

HON. W. M. ISOLA:

Work on the land belonging to the Cathedral Council started either today or yesterday.

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, I thought that the cannon, which was on Holy Trinity land was removed months ago.

HON. W. M. ISOLA:

Mr. Speaker, Sir, I cannot accept that the cannon was on land belonging to the Cathedral Council. The cannon was on land belonging to the Government of Gibraltar.

HON. LT.-COL. J. L. HOARE:

Not according to the information I have got from very good sources concerned with the Cathedral. I will accept the Honourable and Learned Minister's assurance on that.

HON. MAJOR A. J. GACHE:

Mr. Speaker, may I again refer to the same clause, that the questioner should have checked the accuracy of his statement before he made it. It would appear that he did not.

MR. SPEAKER:

The Hon. Member has accepted the assurance from the Honourable Learned Minister.

HON. P. J. ISOLA:

Can the Minister assure us that the cannon will be replaced somewhere in this development?

HON. W. M. ISOLA:

Mr. Speaker, certainly not around that area. It is terribly high not in keeping with the development of the square.

HON. LT.-COL. J. L. HOARE:

Without being offensive, would the Hon. and Learned Minister like suggestions on what to do with this cannon?

HON. M. K. FEATHERSTONE:

Sir, we are grateful for this time-table of April given to us, but would it be a definite time-table, or will it be elastic like the promised time-table for commencement of work at the Victoria Stadium promised by the Minister in February?

HON. L. DEVINCENZI:

On a point of order. This is another question altogether,

### Question No. 53 of 1970

*Oral*

HON. A. W. SERFATY:

Is Government aware that some of the lighting in St. Michael's Cave has been out of order for some time, and will it take the necessary steps to have it repaired?

*Answer:*

THE MINISTER FOR TOURISM AND MUNICIPAL SERVICES:  
(THE HON. W. M. ISOLA):

There are three lighting circuits in St. Michael's Cave:—

1. Lights for decoration and son et lumiere
2. Lights for illumination of the paths and steps
3. Lights for the emergency circuit.

As at the last inspection, carried out very recently all the lights for decoration were functioning properly, including the son et lumiere equipment. Eight of the lights on the steps were out of action due largely to the fact that these are not water-tight bulk-head fittings and therefore in the winter months, after periods of rain and humidity, we are unable to keep them functioning properly. The last group of lights, some 22 in number, form part of an emergency circuit lighted from a

stand-by generator which cuts in within 30 seconds of any power failure in the Cave. I hope that my Hon. Friend is not referring to these when speaking about lights which do not appear to be functioning. May I add the emergency circuit is tested every morning before the opening of the Cave and is operating perfectly.

*Supplementary:*

HON. A. W. SERFATY:

On a point of clarification. I was not referring, of course, to emergency lighting. But I think, with all due respect, that the Hon. Minister is wrong when he says that the lights are all working correctly. For weeks now, a part of the cave has been completely in the dark. As you go out on the new part of the cave at the lower level, the whole of that part of the cave has been completely in the dark. And I am surprised that the Minister is not aware of the fact.

HON. W. M. ISOLA:

I understand, Mr. Speaker, that my Honourable Friend was there recently. Is he referring to that particular lighting — when he went on that visit?

HON. A. W. SERFATY:

In the last 6 weeks I have been twice to St. Michael's Cave and on the two occasions that part of the cave was completely in the dark. The last time about 10 or 15 days ago. The Hon. Minister can take it from me that this is a fact.

HON. W. M. ISOLA:

Mr. Speaker, Sir, I am quite sure that if my Honourable Friend says he has been there twice and on these two particular occasions it has been in darkness, of course, I take my Honourable Friend's word. And I shall ensure that that does not happen again.

HON. A. W. SERFATY:

Thank you very much.

**Question No. 54 of 1970**

*Oral*

HON. I. ABECASIS:

What steps is the Government taking to repair one of the two lifts of No. 2 Tower Block which has been out of order for over three months?

*Answer:*

THE MINISTER FOR PUBLIC WORKS AND HOUSING:

(THE HON. MISS C. ANES):

The lift went out of action on 12th December, 1969. This was due to the heavy rains which damaged the top control switch. This switch was replaced immediately but the lift continued to develop intermittent faults. Eventually its cause was

traced to the new switch which needed modifications. These were completed on February 10th when the lift became fully operational again.

I should like to express publicly my concern, which I am sure the Opposition will share, at the constant acts of vandalism committed by certain persons who through their lack of consideration cause great inconvenience to people living in the Tower Blocks. There is no rhyme or reason for these acts of which I give the following instances:

Overloading of car (as many as 14 persons were found on one occasion instead of the permitted six).

Breaking off call pushes.

Wrenching off call push panels, and

Fouling of the light ray unit etc.

Not only do they cause great inconvenience but the wanton damage could one day endanger the lives of people using the lifts and is also a burden on the tax payer. I would also like to add that we intend to employ lift attendants to be on duty during peak periods.

*Supplementary:*

HON. I. ABECASIS:

Thank you very much. The Opposition does share your concern. Perhaps we can only suggest that more supervision should be exercised in that particular area.

HON. MISS C. ANES:

That is why we intend to employ lift attendants. To see that people do not damage the lifts and so on.

HON. I. ABECASIS:

Thank you.

**Question No. 55 of 1970**

*Oral*

HON. I. ABECASIS:

Will Government remove their "Caravan Office" permanently parked opposite No. 2 Tower Block which is occupying the parking area of at least four cars to a less obstructive site?



*Answer:*

THE MINISTER FOR PUBLIC WORKS AND HOUSING:  
(THE HON. MISS C. ANES):

The Caravan Office will be removed by the Contractors as soon as the remedial works to the Tower Blocks are completed.

No complaints have been received from tenants and I am advised that parking presents no problem in that particular area. In fact the only complaint voiced in the press has been in respect of flats which cannot yet be allocated through no fault of the present administration.

*Supplementary:*

HON. I. ABECASIS:

I am concerned because I have been approached by people in that area. Perhaps people have decided not to approach the Lands and Works Department, because they do not get their jobs done. I have been approached and it is my duty to bring it to the notice of the Ministers.

HON. MISS C. ANES:

Sir, I am aware that he has been approached. I was approached before him. I know the person particularly well. I suspect that the question has arisen as a result of a tenant not having been allowed to paint his car in the covered way of Tower Block No. 2.

HON. I. ABECASIS:

I am concerned about the parking area, not the painting area.

HON. MISS C. ANES:

The thing is that if this tenant had not had his attention called by the caretaker, he would not have complained of the caravan at all.

HON. I. ABECASIS:

The caravan is taking the place of four cars, whether the complaint has been lodged or not.

HON. MISS C. ANES:

The reason why the caravan is parked in that particular position and has been there since the Tower Blocks were constructed a few years ago, I think three or four years ago, is because if the caravan because of its volume were parked in the white lines as an ordinary car, it would obstruct the right of way of other traffic.

HON. I. ABECASIS:

I could show the Honourable Minister any amount of places where this caravan could easily be parked.

HON. MISS C. ANES:

If he is suggesting putting this caravan in the wasteland at Laguna, I suggest that the reason it has not been done is to avoid vandalism and hooligans breaking into it thinking there may be money in the place.

THE HON. I. ABECASIS:

Thank you very much. I would appreciate it very much if it is moved as soon as possible.

HON. MISS C. ANES:

I can assure him that as soon as the remedial work is finished by the Contractors, it will be done.

HON. I. ABECASIS:

Thank you.

**Question No. 56 of 1970**

*Oral*

HON. I. ABECASIS:

Will Government state how many masons are employed by the Lands and Works Department for the maintenance of Government properties?

*Answer:*

THE MINISTER FOR LABOUR AND SOCIAL SECURITY:  
(THE HON. M. XIBERRAS):

There are eight masons at present employed by the Lands and Works Department, all engaged on repairs to and maintenance of Government properties.

*Supplementary:*

HON. I. ABECASIS:

Sir, do you think that this is a reasonable number of masons, considering the amount of leaking roofs in the Government properties?

HON. M. XIBERRAS:

Sir, I think that the answer to that question should be obvious to the Questioner. The Minister is most certainly not satisfied. However, the Minister is also aware that the Opposition have been making, in asking certain questions, certain allusions to the labour situation. I would much prefer the Opposition to come out and debate the labour situation in detail and perhaps I could give an overall answer which might be more satisfying to the Questioner and his colleagues on the other bench.

HON. I. ABECASIS:

Thank you very much.

HON. SIR JOSHUA HASSAN:

If the reference of the Minister who replied, is to the fact that this was mentioned at the last meeting of the Council, I would like to inform the House that I heard a Minister and a member of the Gibraltar Council confirm publicly on television a view that I had held but had not heard expounded by the Government. And that is that the importation of foreign labour was a matter of foreign affairs and not therefore a matter for this Government. Because of that . . . .

HON. P. J. ISOLA:

Order, order

HON. SIR JOSHUA HASSAN:

I have asked leave to make a statement, I hope that I will be allowed to go on without being interrupted. Thank you, Mr. Isola.

The fact that is exactly what we have felt, but did not appear to be the view of the Government, but as it was publicly stated by the Hon. Minister for Medical Services in the course of a television appearance. I agree entirely with that view, this is the view that I took always of the constitutional position. And the matter of the importation of foreign labour has been taken by us directly with those responsible.

HON. M. XIBERRAS:

Sir, I am grateful for this. I shall, as Mr. Speaker knows, be making what I hope will be a fairly comprehensive statement. I am sorry that the debate has not come actually, because I would welcome a detailed statement of the Opposition's view. I have already made one statement which was called comprehensive by the Hon. Leader of the Opposition, and I hope that he will use the same epithet of the statement that I am going to make. But I think that there is a need for a certain amount, not only of understanding of our predicament, but also of the desire on the Opposition's part to come clean with their own policy. (Cries of 'Here, here').

HON. SIR JOSHUA HASSAN:

If I may say so. This is very important. It will save plenty of time later on. We are entirely in agreement with that, and we will expound our views on that, but first things come first; and we will first of all want to establish certain aspects of these matters of foreign affairs from the right quarter, and then we shall come here and have a full debate.

HON. M. XIBERRAS:

Sir, I am sure that the constitutional question is a complicated one and we all have our views about this. Whether a matter is constitutionally in the hands of His Excellency or Her Majesty's Government, or in the hands of Ministers, is again, as the Hon. and Learned Member opposite knows, rather a diffi-

cult one. However, there are certain responsibilities which Ministers here must face, and which Members of the Opposition here must face. And I hope that in the course of my statement, my own and the Government's reply to his question will be obvious to the Hon. and Learned Member opposite.

HON. SIR JOSHUA HASSAN:

We will study the statement and if necessary debate it at a subsequent time. We are quite happy to do that. But we want first things settled first.

HON. P. J. ISOLA:

Mr. Speaker, Sir, I am sure the Minister is very grateful to the Leader of the Opposition for answering his questions. But can the Minister answer one: Is there any reason at all why there should not be a debate in this House under the Constitution on the labour situation in Gibraltar?

MR. SPEAKER:

I think that that is within my province and not within the province of the Minister.

HON. P. J. ISOLA:

Mr. Speaker, with respect, I am asking the Minister whether in his view there is any reason at all why this House should not discuss the labour situation in Gibraltar. This is, I am sure, Hon. Members will agree, the forum for discussion of issues that affect the people of Gibraltar. And surely one must expect the elected members to air their views. Can the Minister say whether there is any objection at all, or whether he would object at all to the Opposition putting down a motion on labour? That is his Department?

HON. M. XIBERRAS:

Sir, my feelings about this were expressed in answer to another question, I think it was at the last meeting, when I said that I personally would welcome this debate. However, I stand to be corrected by Mr. Speaker whether this is a matter on which we should debate or not.

HON. SIR JOSHUA HASSAN:

Mr. Speaker, may I clear one point which is very important. Our object now is to clear the areas of responsibilities. And if we feel, having regard to that, what aspect of it we should discuss, we shall bring a motion. The Government, if they want this discussed by us, can also bring a motion asking the confidence of the House on their aspects of it, and say that their policy is the right policy. This is the way to do it. We are not shirking the responsibility of debating it, but we shall move and take the initiative of our own side by ourselves, not by the Hon. Leader or Backbencher on my extreme left. (Laughter).

HON. P. J. ISOLA:

Sir, we are in a very difficult position, by which the Hon. and Learned Leader of the Opposition, otherwise known as "shut-up", is able to make as many speeches as he likes during Question time, and other Hon. Members of this House may not do so. Is he in a privileged position?

MR. SPEAKER:

On this question, surely he is not in a privileged position, and it is for me to decide whether Hon. Members are making speeches or not. I think that we have debated this matter long enough on question time, and that it should be raised in another form. We will proceed with the Order of the Day.

#### STATEMENT BY THE MINISTER FOR LABOUR AND SOCIAL SECURITY

HON. M. XIBERRAS:

The withdrawal of Spanish labour last year created an entirely new employment situation in which all who worked in Gibraltar would have to live in Gibraltar, and, if only for purely practical considerations, our supply of labour was considerably restricted. Though Gibraltar as a whole was placed in a very difficult position by this action, many people in Gibraltar regard this as a time of opportunity and challenge, out of which, given the right and wise policies for the future, Gibraltar could emerge as a more efficient community and one in which the rewards of labour would be equitable.

There can be no doubt that the Government has taken up this opportunity and challenge. The policies which have been worked out during the last 7 months, when the labour situation has been the subject of close and continuous study, are based on the following considerations:

- (1) generally, the philosophy set out in the Beeching Report;
- (2) the effective protection of the rights of the Gibraltarian worker;
- (3) an intensive training programme, particularly in the building industry, to raise standards of efficiency and fully develop the skills of which Gibraltarian workers are capable if properly trained;
- (4) the requirement of contracts of employment for both Gibraltarian and imported workers;
- (5) the provision of experts, some of whom will be in Gibraltar for periods of up to 3 years, to streamline organisation and extract the highest possible productivity to the common benefit of employers, workers and the community at large;

- (6) control over the employment of workers from abroad and the provision of accommodation for them;
- (7) increasing the labour force employed directly by the Government, with the particular intention of improving the maintenance of Government properties, while at the same time letting out specific maintenance jobs to contractors.

Government action has already been taken on a number of these points. Other points which I have listed will require legislation in three respects: industrial training, contracts of employment and control of employment. It is hoped to bring draft legislation on these three subjects before the House at the next meeting.

A first draft of the Industrial Training Bill has already been cleared with all concerned including representatives of the Gibraltar Trades Council and the Chamber of Commerce and the second draft, incorporating a number of amendments, has also already been cleared by the official departments and will be put to the G.T.C. and the C.C. very shortly. The main object of the Bill is to enable persons already in industry to be systematically trained. It can be applied, on the recommendations of the Industrial Training Board, to any industry from catering to motor mechanics. It will provide a proper apprenticeship scheme in the private sector. It is proposed that the Government should have powers to raise a levy from employers to meet in part the costs of any particular scheme. The Bill has the enthusiastic support of the Dockyard and Technical College where most of the training will be carried out.

The Contracts of Employment Bill will provide that all Gibraltar workers in regular employment will have a contract setting out the basic conditions of service. This is designed to provide workers with greater security, to establish the status of the employee and to regularise the relationship between employer and employees. While the contract will enable everyone to know where he stands and will be the basis on which both employers and Unions will work in negotiating further improvements in the future, it will not be directly related to wages.

The third piece of proposed legislation is for the amendment of the Control of Employment Ordinance. I should perhaps mention at this point that constitutionally "labour from outside Gibraltar" is not a defined domestic matter and accordingly is a matter for which responsibility is retained by the Governor. Amendments to the Control of Employment Ordinance have become necessary in order that stricter control can be imposed on the employment of workers from outside Gibraltar, all of whom must now — as I have already said — reside in Gibraltar. Such stricter control is in the interests not only of Gibraltar but also of workers and employers themselves.

In effect, the only control that is provided for in the Ordinance as it stands at present is the provision whereby an employment permit may not be given to an employer to employ a person from outside Gibraltar if a suitably qualified resident of Gibraltar is available and willing to take the job. The Government proposes to bring to the House of Assembly legislation to amend the Ordinance in such a way as to attach additional conditions to the granting of an employment permit. One such condition will require accommodation approved by the health authorities to be available for the worker. This is clearly in the interests equally of the worker himself and Gibraltar. I will return to the subject of accommodation later. Further similar conditions will require that funds should be deposited or a bond entered into to cover the repatriation of the worker at the end of his employment in Gibraltar, and that the worker should have valid travel documents to cover his repatriation journey. Gibraltar must not be saddled with immigrant workers whose employment has come to an end — nor should it be possible for the workers to be stranded here. Again in the interests of the worker, provision will be made for compulsory written contracts of employment covering the various essential conditions of service.

But these conditions which the Government proposes should now form part of an amended Control of Employment Ordinance are not sufficient in themselves, comprehensive as they are. While they may be sufficient to deal with the immediate short term problem as it affects the individual worker and the individual employer, they fall short of the comprehensive attack on our labour supply problems which the Government considers necessary. What are our objectives? A better trained, more productive and better paid labour force — and therefore a smaller labour force than that to which we have been accustomed in the past. This will not be achieved unless improved opportunities for training and employment are opened up to Gibraltarians — and unless we can encourage the importation of skilled labour which can make a contribution to the improvement of local skills and craftsmanship.

The combination of the improved training of our own labour force of Gibraltarian workers, and a more careful examination of the skills of immigrant workers will we hope achieve the purposes to which I have referred. The Beeching Report with which members of the House will be familiar had this to say about this aspect of our manpower problem "It is implicit in our Report that for a period of some years a careful job must be done to match manpower supplies to manpower requirements". This I must comment has never been done in the past. The Report went on to make this further important recommendation "whatever may be the machinery finally chosen, it is essential that there should be a tripartite body adequately supplied with information and able effectively to plan ahead for the redeployment of labour as this becomes necessary.

The Government accepts these proposals and in the legislation to which I have referred we are proposing to include provisions for a Manpower Planning Committee on which the Government, the trade unions and local employers shall be represented. The duties of this committee will be to maintain close oversight of the local employment situation industry by industry; to review the state of training and supply of local labour; and to recommend quotas for particular categories of workers by occupation or by industry to whom work permits should be granted. Subject to the overriding authority of the Governor in Council these quotas will constitute a directive to the Director of Labour who will thereafter issue work permits within the quotas allotted.

Our policy here therefore falls into two parts. First to ensure that the worker coming to Gibraltar to take up a job gets a square deal; and second to ensure that he can make worthwhile contribution to the economy of Gibraltar.

Reverting to my earlier reference to accommodation the House will wish to know that, apart from the use of privately-owned accommodation, the Government itself is making provision in this respect. Accommodation is already available for 500 at Casemates and 80 at North Pavilion and the construction of a new Hostel at Devil's Tower Road, agreed upon at the talks with Lord Shepherd, will begin in the second week in April. The hostel will be built by industrialised methods which will mean that it will be ready in September this year. It will accommodate 300 workers most of whom will be engaged in carrying out the construction work envisaged under the Development Programme, particularly housing. The hostel will have restaurant and recreational facilities and limited room service and the charges will be moderate. The Government is also encouraging the provision of privately-owned hostels for imported workers and, as the House knows, two hostels have already been built and there are good prospects of others becoming available. Expansion of these facilities must be planned under licence to avoid both inadequate accommodation and too great a supply and the Government will provide all the information and coordination required to ensure as far as possible the success and viability of such projects.

The proposed legislation will, of course, be of particular importance in the building industry, which, as the House is aware, has been the most seriously affected during the last eight months. Here, it is essential to build up a resident force to cope with repairs and maintenance and this can only be achieved by giving the industry an uplift, preceded by adequate training. I am glad that with the cooperation of M.P.B.W. we have made a start on this, and I hope that the building firms of Gibraltar will also help by providing opportunities for training. We, on the Government side, have also a part to play because of the extensive Government building programme of a



capital nature which lies ahead and which must involve the importation of additional labour. We need housing and other amenities quickly and, whilst cost must obviously always play an important part in any programme of construction, it cannot be the only consideration. The methods used; the speed at which a programme is completed; the facilities afforded to our own people to master modern techniques and become craftsmen in their own rights; all these are essential factors which are being taken into account in deciding how Government contracts should be placed, and the form of contract provides accordingly.

I trust that the measures I have outlined will be welcomed by all who have the welfare of Gibraltar at heart — employers and employees alike. They represent a move away from the *laissez-faire* attitude to labour and its problems which we have seen in the past, towards a well defined and conscious attempt on the part of the Government to create a policy which will give Gibraltar a more contented, more efficient, more productive and better trained labour force.

*Supplementary Estimate No. 2 of 1970.*

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this House resolves itself into Committee to consider Supplementary Estimates No. 2 of 1970.

This was agreed to and the House resolved itself into Committee to consider Supplementary Estimates No. 2 of 1970 in detail.

*House in Committee:*

Head IV. Education.

26. Staff Training and Teacher Development.

HON. M. K. FEATHERSTONE:

Sir, can we have some details on just what is this equipment acquired on loan, etc.?

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I am afraid I have been caught out, Sir.

I will gladly make the information available to the Honourable Member. I will write to him.

HON. M. K. FEATHERSTONE:

I will accept that assurance, Sir. It is rather difficult now, but I wonder why this has come up now. Why it was not included in the estimates only a month ago? But if he does not even know what they are now probably he did not know then.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

The Honourable Member is probably right.

HON. M. K. FEATHERSTONE:

Thank you.

Supplementary Estimates No. 2 of 1970 were agreed to.

*Resumption:*

House resumed.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that Supplementary Estimates No. 2 of 1970 have been considered in Committee and agreed to with one question unanswered which will duly be answered. I now move that they be passed by the House.

Before putting the question Mr. Speaker invited discussion on the motion.

There being no response Mr. Speaker then put the question which was resolved in the affirmative.

The motion was accordingly carried.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move that this House should resolve itself into Committee to consider the Income Tax (Amendment) (No. 4) Ordinance, 1969, clause by clause.

This was agreed to and the House went into Committee.

*House in Committee:*

The Income Tax (Amendment) (No. 4) Ordinance, 1969.

Clauses 1-4 were agreed to and stood part of the Bill.

Clause 5. The Honourable the Financial and Development Secretary moved that the symbol and figures "£36" replace the symbol and figures "£52" wherever they occur.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

As I explained at the time of introducing the Bill, Sir, the object of the proviso is to recover from the taxpayer the amount of the family allowance, either in full or in part, according to the rates of tax to which he may be liable. However, family allowances are already taxable as earned income under paragraph G of Section 6(1) of the Ordinance, and the amendment ensures that the taxpayer is not taxed on so much of the family allowance as is recovered from him. It should also, Sir, perhaps be explained that there is no intention of compelling the taxpayer to draw the family allowance in order that he may not be prejudiced by the clause. Therefore, where he satisfies the Commissioner that the family allowance has neither been drawn, nor is to be drawn, his assessment to tax will be amended accordingly.

HON. A. P. MONTEGRIFFO:

Sir, this side of the House is prepared to support and welcomes the amendment. I had some discussion about this clause with the Financial and Development Secretary, not on the political aspect of it, but on the mechanism and on how to avoid what

I considered was rather an unreasonable and, if I may say so, monstrous punitive clause in making people pay for what they were not drawing. I am glad that he has taken the cue. This side of the House will, of course, support the amendment.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I did state that this was going to happen at the last meeting of the House in reply to the Honourable and Learned Leader of the Opposition. And in fact I did send him the amendment. I understand that it arrived slightly late — but I already had discussions with the Honourable Member about the amendment, and it seems that two minds had the same thought, Sir. I would not like to say which had it first.

HON. M. XIBERRAS:

Mr. Speaker, if it is going to help the effectiveness of the family allowances I shall thank both Members of the House.

This was agreed to and the Clause as amended stood part of the Bill.

Clause 6. The Hon. Financial and Development Secretary moved the insertion of the following new Clauses 6 and 7 immediately after renumbering the existing Clauses 6 to 9 accordingly:—

Amendment of  
Section 21.  
“Deduction  
for wife’s  
earned income.

6. Section 21 of the principal Ordinance is amended by the addition of the following subsection immediately after subsection (1) thereof:—

(1a) If the total income of the claimant includes any earned income of his wife, the deduction to be allowed under subsection (1) shall be increased by an amount equal to four-fifths of the amount of that earned income or £300, whichever is the less.

For the purpose of this subsection:—

(a) any earned income of the claimant’s wife arising in respect of any pension, superannuation or other allowance, deferred pay or compensation for loss of office, given in respect of his past service in any office, or employment of profit, shall be deemed not to be earned income of his wife; and

(b) no payment on account of a family allowance shall be treated as earned income.”

Amendment  
of Sections  
23 and 24.

7. Section 23 and 24 of the principal Ordinance are amended by substituting the words and hyphen “three-fourths” for the words and hyphen “two-thirds” wherever they appear in those two sections.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, again I should perhaps explain that under Section 10(1) of the Income Tax Ordinance, the income of a married woman living with her husband is deemed to be the income of the husband and is taxed accordingly. The effect of this provision is that where the husband and wife are both earning income in his own right, the incomes are pooled together and the earned income allowance granted to them is the maximum of £300 for one person permitted under Section 19(1).

In the United Kingdom, Sir, Section 210 of the Income Tax Act of 1952 provides that in such cases an additional allowance is granted in respect of the earned income of the wife to bring it to the same level as if she had been taxed separately on her own income. The new Clause 6 adapted the provisions of the section in the United Kingdom Act to the circumstances of Gibraltar, by replacing the United Kingdom rate of allowance and its scaling by the corresponding figures in the local legislation. This is a measure, Sir, which should encourage married women to take up employment and I commend it to the House.

The loss in revenue, Sir, is not expected to exceed £6,000 a year.

As regards the new Clause 7, the proposed amendments to Sections 23 and 24 are consequential on the new rates of tax. The effect of the amendments is to reduce the rates payable by non-resident individuals from the standard rate of eight shillings in the pound applicable to Companies to the maximum rate of six shillings applicable to individuals.

Sir, I commend both amendments to the House.

MR. SPEAKER:

I now propose the question which is that Clauses 6 to 9 be renumbered 8 to 11.

HON. LT.-COL. J. L. HOARE:

Mr. Speaker, we on this side of the House endorse the objective of this Clause 6 because it removes the repugnant discrimination against the married woman who goes out to work. At least one of the Honourable Members of the other side of the House was made aware that we were prepared and ready to table an amendment at the last meeting of this House substantially, of this same motion and of this same amount. Perhaps it also has not escaped the attention of Members that at our recent Party Conference a resolution to this effect was moved by a married woman from the floor of the House. I seconded this and it was passed unanimously.

However, our proposal would have been to amend Section 19 of the Principal Ordinance which deals with earned income allowance, rather than Section 21 which deals with the personal allowance.

However, we on this side are not going to press this to an amendment because the same objective and the same result is achieved by this. But perhaps when the other side has occasion

to look at this particular Ordinance again, they will bear this in mind because in our opinion it fits much more neatly into Section 19 than Section 21.

There is one item though in the second half of this amendment which leaves us in some doubt. This is the use of the masculine — the word 'his'. If we go down to (1A) (a) — I am not repeating myself, this is the way this particular paper is laid out — the word 'his' . . . .

MR. SPEAKER:

May I interrupt at this point. I would like to invite the attention of the Honourable Member to the fact that we are now discussing the renumbering of the Sections. We will be going through the sections eventually.

The renumbering of Clause 6 to 9 was agreed to.

The New Clause 6 was read a first time.

Mr. Speaker invited discussion on the New Clause 6.

HON. LT.-COL. J. L. HOARE:

Can I have some explanation of the use of the masculine there instead of the feminine. Is there any particular significance?

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I was going to deal, Sir, with the first point made by the Honourable and Gallant Member when he suggested that this might more conveniently be under Section 19 of the Ordinance instead of 21. The only reason I can give for this is that this follows the United Kingdom practice. At least, I am advised that it does. And I also understood that the Honourable and Gallant Member had been satisfied with that explanation.

As to the use of 'his' I must confess that I must plead the advice of my learned college on my right. I always understood 'his' and 'hers' in law were interchangeable.

HON. SIR JOSHUA HASSAN:

It has been decided in the High Court that it is not so.

HON. LT.-COL. J. L. HOARE:

In this particular instance, Mr. Speaker, we are dealing specifically with the wife's earned income which is not earned income insofar as the husband is concerned. This is an exceptional exclusion.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I could not agree more with the Honourable and Gallant Member. We can leave it out altogether — it does not make any difference.

HON. LT.-COL. J. L. HOARE:

With due respect, it does. Because in its present form it does exclude any woman who has a pension in her own right. And there are a number of these people in Gibraltar at this present time, of women, particularly the ex-Services who have got a pension in their own right.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Surely, Sir, "any earned income of the claimants' wife, arising in respect of any pension, superannuation or other allowance, deferred pay or compensation for loss of office, given in respect of past service . . ."

HON. LT.-COL. J. L. HOARE:

"of 'his' past service."

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I was suggesting omitting the word: 'his' and saying: "of past service". The Honourable and Gallant Member's hearing is not quite what it should be.

HON. LT.-COL. J. L. HOARE:

If you intend to leave out the word: 'his', this I accept.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

This is what I have suggested. Thank you very much.

HON. P. J. ISOLA:

I am now a bit confused, Mr. Speaker. Isn't the purpose of this sub-section not to make earned income of the wife, any income that she gets arising from her husband's pension, superannuation or other allowance given in respect of 'his' past service — not 'her' past service. I think we are a little confused on this. As far as I can see the idea of this sub-section is not to make it earned income of his wife any superannuation, pension or other allowance, deferred pay or compensation for loss of office, given in respect of 'his' past service. In other words, the claimant's past service. I think that is why it is just not a question of drafting, it is a question of substance. I think what that section intends to exclude is any income accruing to the wife as a result of a loss of office or any pension or superannuation resulting from loss of office of the husband, in any office or employment which would accrue to her. That is as I understand the Section. That is as I understand the English Section is drafted. If we want to exempt—if we want to deeme not earned income—the actual pensions receivable by the wife herself in her own right, then we would have to say so. But what this excludes is any income received by the wife as the result of the husband's right to a pension or superannuation. I think it is a matter of some substance. If the House feels that both pensions that would otherwise be regarded as earned income should be excluded we can do so. But I would have thought that the intention of this is not to allow the husband's pension or superannuation to be part of the earned income of the wife once the husband has gone.

HON. LT.-COL. J. L. HOARE:

This is so. This is what it reads at the present time. Then, by inference, any pension that a woman is getting in her own right, still counts for a four-fifths reduction of this £300.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

'Still counts' isn't 'exempted'.

HON. LT.-COL. J. L. HOARE:

Precisely. I do not think this is the intention.

HON. SIR JOSHUA HASSAN:

Mr. Speaker, if we look at Section 19(2) we will see that there is there specific reference to the rights of a husband in respect of his right of pension, so that is covered there. I think that here it should be 'her'.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I am not legally qualified but I am inclined to agree. In fact I am assured that my Honourable and Learned Friend is correct. And this is borne out by the fact that the guidance that is afforded in United Kingdom on this is that pensions to a wife for her former services are subject to this allowance but not such pensions given to a wife in respect of the husband's past service.

HON. LT.-COL. J. L. HOARE:

Sir, this is the practice as regards the one-fifth total combined joint incomes — call it what you like. But the further deduction to the wife as an encouragement to go out to work, does not apply to any pension because it is not working-pay — if I may use that term.

At the present time on this inference it is. If this is the intention of the Government will they please say so specifically and clearly.

HON. SIR JOSHUA HASSAN:

I think it is covered in Section 19.

HON. A. P. MONTEGRIFFO:

Mr Speaker, what we are driving at is whether or not by the sheer implication of this clause the pension of a woman in her own right is subjected to the four-fifths being granted to women in general now.

HON. P. J. ISOLA:

As I see it, Section 9 (2) makes the husband's pension for that husband, for the purposes of the section, earned income. What is being sought by this section is not to give the double allowance. In other words, the income to the wife arising from the husband's pension is not . . . . so that in my mind it is correctly drafted, because the woman's position in regard to her

own pension is covered by Section 19 (2). If we were to deprive the woman of a right to treat her earned income — her own pension as earned income — we would be discriminating between the husband and the wife. That husband can treat it as part of his earned income under 19 (2). And therefore what we are doing here is we are prohibiting the wife from treating the husband's income as part of her income.

I suppose I don't make myself clear. (Laughter).

HON. LT.-COL. J. L. HOARE:

Not a bit.

Mr. Speaker, if I can put this into a little clear mathematics. An individual—a man—getting a pension of £900 and the wife getting a pension of £900, there is a combined income of £1,800. This is subject to the one-fifth earned income relief within certain limits. The man who goes out to work in addition gets an income which is also subject to the one-fifth. If a woman goes out to work she not only gets one-fifth of that earned income but also a four-fifths of her working wages, if you like, to encourage her to go out to work. It is working wages. It is not strictly earned income. This is the very point—the very reason—for distinguishing this I say is not the earned income of the wife.

If it is the Government's intention to let her have the four-fifths on pension, then there is nothing more to be said and this remains as it is. But they should say so categorically.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

The answer, Sir, is yes. The section, I can assure the Honourable and Gallant Member, is taken word from the English equivalent. The intention is to give four-fifths. She will get four-fifths.

HON. P. J. ISOLA:

I doubt if the Honourable and Gallant Member is quite clear on this still. Under Section 19 (2) under 'earned income' is included a pension receivable by that person. What this section seeks to do is not to allow the wife to treat for the purposes of her own income, the earned income from the husband in relation to pension—so I think it has got to be 'his'. I am sorry.

HON. SIR JOSHUA HASSAN:

But it does not say specifically, as it says in respect of the husband, that her pension will be part of earned income.

HON. P. J. ISOLA:

That is the point of 19(2). As for anybody who is making a claim for earned income. Four-fifths of £300—not four-fifths of her income. £300 is one-fifth.

HON. SIR JOSHUA HASSAN:

No, no.

HON. P. J. ISOLA:

I am sorry but that is how I understand it.

HON. LT.-COL. J. L. HOARE:

If I read this correctly, the four-fifths also has a limit of £300. This very Clause 6 gives her this.



HON. P. J. ISOLA:

Yes, Mr. Speaker, but I do not know if the Honourable and Gallant Member is quite sure of this.

If you work you get one-fifth of your earned income tax-free — or £300, whichever is the less. What this does is it gives the woman four-fifths of the amount of that earned income, or £300, whichever is the less. So we are still working on the £300. And what the sub-section seeks to do is not to allow her to put in any pension, superannuation, etc. which she gets as a result of her husband's work. The husband may be dead, there may be compensation.

HON. LT.-COL. J. L. HOARE:

But by inference if she has a pension then this is not subject to the four-fifths deduction.

If I can go back. I find it a little difficult to think of a case where a woman would get a pension in respect of her husband's past services. Normally the pension is issued to the husband. It is only when a woman becomes a widow that she acquires some of it. But certainly very rarely during his lifetime. It is the husband's income and therefore . . .

HON. P. J. ISOLA:

There are a great number of agreements between employees — I have seen a number myself — and companies whereby the widow is fully protected to the same extent as the husband on termination of service with the company. There is a number.

HON. LT.-COL. J. L. HOARE:

There are the exception, not the rule.

HON. P. J. ISOLA:

That may be so.

HON. SIR JOSHUA HASSAN:

I think the answer is that if this is the intention we will accept it.

This was agreed to and the new Clause 6 stood part of the Bill.

The new Clause 7 was read a first and second time.

The new Clause 7 was agreed to and stood part of the Bill.

Clauses 8 and 9. Clauses 6 and 7 as renumbered were agreed to and stood part of the Bill.

Clause 10. The Honourable M. K. Featherstone moved that the Bill be amended by substituting the word "six" in the first line of Section 60 (a) (i) of the Principal Ordinance for the word "three" and deleting the whole of Clause 10 of the Bill.

HON. M. K. FEATHERSTONE:

Sir, the Honourable the Financial and Development Secre-

tary has stated two or three times that he has followed the United Kingdom practice in certain things. I do not wish us in Gibraltar to blindly follow everything they do in the United Kingdom, although we can at times take some of their legislation as a reasonably good guide.

The proposals under the renumbered Clause 8 are extremely penal, Sir, and go far beyond anything existing today or have ever existed in the United Kingdom. So much so, Sir, that there could be the instance that a person who was five months and two days behind in payment of an amount of tax would be paying something like 10 per cent for the five months and two days which would be something like perhaps 23 or 24 per cent per annum.

This, Sir, is not taxation practice, it is almost usury and I am sure the Honourable Financial and Development Secretary does not wish the Government to incur in this. Therefore, Sir, I propose the amendment as I have passed round that the word "six" in the first line of Section 60 (a)(i) of the Principal Ordinance should be substituted for the word "three" and the whole of Clause 10 of the Bill should be deleted.

I now propose the question which is that this amendment be made.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, of the many things that I have been called during my 33 or 34 years service, the one thing I have not been called is 'Shylock'.

HON. LT.-COL. J. L. HOARE:

May I correct that now? (Laughter).

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

The Honourable and Gallant Member, Sir, is welcome to call me whatever he likes.

Sir, the Honourable mover said that this was based on United Kingdom legislation, and he commended the amendment to the House on the basis that it was based on U.K. legislation. But I am afraid, Sir, that before one rushes madly into altering legislation by grabbing bits and pieces from other legislation, one has to look at the legislation a wee bit more carefully than that.

The figure of 6 per cent, Sir, is based on what is done in Britain, but the circumstances, Sir, I beg to suggest to the House, are somewhat different. The relevant factors are, Sir, that 6 per cent interest is chargeable from the date tax becomes due, and is payable until the tax is settled. Secondly, if the tax is paid not later than two months from the due date, interest is waived. And thirdly, Sir, no interest at all is payable when the tax is under £1,000, or when the interest is not more than £5. I only wish, Sir, that I had enough people to tax in Gibraltar who paid at least £1,000.

In considering these three factors, Sir, first of all the tax structure in Britain is very different to that of Gibraltar since an individual, as the Honourable Member knows, is required to pay six shillings in the pound on the first £260 of taxable income and three pence in the pound thereafter. Most individuals too, Sir, do not get a chance to fall into arrears because of the existence of P.A.Y.E. In Gibraltar we do not have P.A.Y.E. although if we could afford it we might. Tax does not become due until three months after assessment for one half; and a further three months for a second instalment.

And, of course, Sir, above everything else we very much depend on collections to balance the budget. It therefore becomes a question of how generous one can afford to be. The Honourable and Gallant Member has already called me a name, I must live up to it.

HON. M. K. FEATHERSTONE:

On a point of order, Sir. I would put the whole Government in that position, not just the Honourable Financial Secretary.

HON. MAJOR A. J. GACHE:

One more name to all my other names, Sir. (Laughter).

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the existing 3 per cent, whether one likes it or not, is completely unrealistic; even 6 per cent is unrealistic. I am glad at least that the Honourable Member has conceded that it should go up to at least double of what it is today. But I am sure he will appreciate that unless one adapts the figure which is above the bank rate at least, an individual can find it profitable to owe money to the Government rather than to a bank. In other words, Sir, the Government would provide overdraft facilities. This is in fact what will happen if the House were to agree to the suggested amendment of 6 per cent. It is only, Sir, by having a deterrent that one can ensure prompt settlement. I assure the House that this is not intended to be a revenue raising measure. It is a deterrent.

I would like, Sir, finally to add that before this clause was actually drafted, we did go and seek advice from the Income Tax Office in London which deals with overseas territories. And I can assure the House that with this sort of measure we are by no means pioneering the field. I am sorry, Sir, but with the the greatest regret, I will have to oppose the Honourable Member's amendment.

HON. M. K. FEATHERSTONE:

Sir, it has been very interesting to see that there were consultations with the Income Tax Office in Britain. Once more we have an example that they export different suggestions to what they put into effect in Britain themselves. I think, Sir, the

Honourable Financial Secretary has not made any counter proposal, but I am wondering if what was in his mind was one per cent per month as his deterrent. And if he were willing to accept instead of the word "six" "twelve", which would give one per cent per month, I think he would then be well covered even for the fluctuations and vagaries of the bank rate. He might then not only have a reasonable deterrent, but would remove this stigma which apparently he is not too happy with of usury, and would also bring into effect what I think was the original spirit of this 5 per cent per five months. Although in actual practice it means 5 per cent even if you are only one day.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, five months and two days was quoted by the Honourable Member as being eligible for 5 per cent. In point of fact, Sir, after three months as I said earlier — for three months you have a franchise — you are allowed three months in which to settle the dues of the Government, the first instalment of the dues of the Government in income tax. If after three months one cannot do that, Sir, then the application of the Honourable Member's suggestion of one per cent per month is really going to prolong the agony. Sir. Whereas, if one knew that if one does not pay up after three months, you have a period of five months in which you can continue to pay 5 per cent, at the end of the five months you get your one per cent per month virtually. I have looked at this suggestion, Sir. I thought that it might be possible that we might get a suggestion of the one per cent per month, but I still cannot recommend to the House that we should accept it, Sir.

HON. M. K. FEATHERSTONE:

What the Honourable Financial Secretary is saying then, Sir, is that he insists on his 10 per cent. If it should be five months and two days the obvious practical result is going to be that if anybody — perhaps the Honourable Minister for Port and Trade if he pays any income tax in Gibraltar — might just be away and not get the 'plane back in time and he would go over the five months . . . .

HON. MAJOR A. J. GACHE:

Has he not himself just come back, Sir. We never heard about that.

HON. M. K. FEATHERSTONE:

He would then, Sir, probably wait till the end of the ten months before he paid as he has got to pay 10 per cent. So it is not going to gain anything. Perhaps it would be better for Government if they got 6 per cent in the six months rather than waiting for their 10 per cent in the ten months since they are not raising this as a revenue measure. Therefore, Sir, the one per cent per month would seem to be much more practical and more reasonable, Sir. I again suggest it to the Honourable Financial Secretary.

HON. SIR JOSHUA HASSAN:

There is one point I would like to make on this. I know we had this concession originally, of three months and three months, but once the assessment is made, the interest is so crippling, doesn't it tend to delay the presentation of the original form for assessment to the very last moment until they are pressed by the Income Tax Department?

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

That point, Sir, was taken into account. It is, of course, true to say that quite a lot of people might hold back; but again, Sir, the Income Tax Department know very well the people we have got to fear, so to speak, and they get an assessment willy-nilly, Sir, and the thing counts from that date.

The motion was defeated.

Clause 10. Clause 8 as renumbered was agreed to and stood part of the Bill.

Clause 11. Clause 9 as renumbered was agreed to and stood part of the Bill.

New Clause. The Honourable M. K. Featherstone moved the insertion of the following clause:

"Amendment of Section 15. (i) By adding the following new subsection to Section 15 of the Principal Ordinance:

(c) In respect of capital expenditure incurred on new plant and machinery (other than ordinary motor-cars but including commercial vehicles) an investment allowance of three tenths will be given."

(ii) By renumbering the existing subsection (c) as (d).

(iii) By substituting for the colon in the existing subsection (c) after the word "profession" in line seven a comma and adding:

"the writing down allowance referred to in this sub-section shall be revised with effect from the year of assessment beginning April 1st 1970 as follows:

Fifteen per cent where the present scale is less than seven per cent.

Twenty per cent where the present scale is between seven per cent and twelve per cent, both amounts inclusive.

Twentyfive per cent where the present scale is over twelve per cent."

HON. M. K. FEATHERSTONE:

This is a question of a new sub-section to Section 15 of the Principal Ordinance which basically deals with allowances granted.

At the moment, Sir, there is no allowance for what is known as: Initial Allowance or Investment Allowance. I am suggesting in the amendment that there should be an investment allowance and also that the writing down allowances should be increased.

Now, Sir, Government has stated that they desire increased productivity and the greatest use of our manpower. And mechanization or improvements by capital expenditure for the purchase of machinery, etc. would, I think, be enhanced if there were an investment allowance which to some extent is a small type of hidden subsidy. It does not mean giving any money as such but it does mean that greater tax relief is granted and therefore people would be more inclined to put in capital expenditure as the inducement of the tax relief would assist them.

The 'writing down' allowances, Sir, (I also feel our present allowances are considerably out of date. I think they were worked out nearly ten years ago) are based, Sir, again on United Kingdom legislation which is mainly based on the estimated life of a plant being 18 years, 14 to 18 years, or less than 14 years. With the very great improvements in all types of plant and machinery, it is normal practice that machinery in most instances is not made to last 18 years or so because by the time even 7 or 8 years have gone by, that plant is becoming very obsolete. Yet, if you cannot write it down at a reasonable rate, again people would be reluctant to get rid of that plant and put in new plant. At 12½ per cent writing-down, Sir, it takes 14 years. There are so many items today, Sir, that are even at a lower rate than 12½ per cent, that they are running in many instances the 18 years, and yet they are if not worn out, and therefore available for obsolete allowance, they are not giving the results that they should give.

Thus I feel, Sir, that if we can provide this inducement to give some investment allowance for capital expenditure, and a larger writing-down allowance, we will improve the mechanization of Gibraltar which, I must admit, in many cases is sadly behind the times. Therefore, Sir, I do commend this relief which is not going to be any drain on the Exchequer, but is going to be, as I have said, a considerable inducement to capital expenditure. I think it will be agreed by the Honourable Financial Secretary that one cannot neglect capital expenditure if one wishes to advance one's standard of living and to progress in the modern world, Sir.

The New Clause was read a first time.

Mr. Speaker invited discussion on the New Clause.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

I must confess, Sir, that I am a bit bewildered because I don't know whether the Honourable Member has in mind Investment Allowance or Initial Allowance.

Sir, taking it on the basis of the amendment proposed as Investment Allowance, again, Sir, this is something which is not new. In fact, Sir, in the little space of time that I have had today to do some research, since notice of the amendment was given, I find that investment allowances were introduced in England in 1954. They were withdrawn in 1956. They were re-introduced in 1959, and as far as I can make out, they were replaced in 1966 by a system of Government grants. To that extent, Sir, the Honourable Member is right in saying that this form of allowance (which I think I am right in saying is no longer in the statute book in England, I may be wrong) was a general subsidy on investment expenditures. The only thing, Sir, that I can see against this amendment is that in England they did not want to have, and they do not have, the equivalent of the Development Aid Ordinance. At least that is my advice.

The Development Aid Ordinance has as its main purpose—one of its main purposes — to encourage mechanization, if that mechanization is for the economic benefit and the economic development of the whole of Gibraltar.

Under the Development Aid Ordinance the amount of aid given is equivalent to the full written-down value of the asset, discounting the cost of land. It does not give more than the asset. It gives the full value. Not over and above as the investment allowance gives.

I must confess, Sir, that I would require considerable more time to study the implications of such an amendment because, if I am not mistaken, there are other sections in the United Kingdom legislation which militate against this sort of initial allowance or investment allowance. And in any case, I am not sure of what sort of an allowance is really intended; because I see three-tenths quoted I believe, and I believe the initial allowance in certain cases was only one-tenth. I have got to do a bit more research on that.

Sir, in respect of the fair wear and tear allowances to which the Honourable mover has also referred and to which he has also tabled an amendment, this, Sir, was brought into being in 1952 — 18 years ago. It was then, Sir, agreed, again following the practice in the United Kingdom, that the Commissioner of Income Tax should be given discretionary powers to determine what were the appropriate scales and allowances. In Britain, of course, these allowances are determined in consultation between the industry and the Board of Inland Revenue. What we did here in 1952 was to publish a leaflet which made available the scale of charges, very much on the lines of the British practice, which was not law but which gave the general public an indication of how the Commissioner for Income Tax reacts in certain cases.

The Honourable mover is of course right in saying that those rates were reviewed in the United Kingdom in 1962. But we have had, Sir, something like ten amendments to the Income Tax Ordinance and this is the first time that this is being brought to notice — to my notice — or even in my predecessor's time. We have not tried to follow the United Kingdom practice. We have had no representations made that we had to follow the United Kingdom practice. Again, of course, it is very relevant to bear in mind that the provisions of the Development Aid Ordinance could be held to apply, because you cannot get one sort of an allowance under this thing for fair wear and tear, and claim development aid at the same time. You either get the one or the other.

I am afraid, Sir, that again I would like some considerable time to look at this. We just cannot digest this in the time available, because on checking back I find, for example, that the rates which the Honourable Member has produced go far and above, if the information I have is right, the United Kingdom. It is suggested here that we should have 15 per cent where the present scale is less than 7 per cent. The information I have is that anything under 15 per cent, not 7 per cent — that became 15 per cent, that anything over 15 per cent and not less than 20 per cent, not between 7 and 12 as stated here — that became 20 per cent — and anything over 20 per cent, not 12 per cent — that became 25 per cent. So you see, Sir, before I could possibly advise the House to accept the amendment I would be in duty bound to carry out considerable more research than I have been able to do in something like six hours. And that included the lunch period, Sir.

That being the case, Sir, I am afraid that I cannot support the amendments; but I would go as far as saying that I will look at them and then advise the Government whether I feel they can be adopted. There are other matters that I would have liked to have brought to the House today — connected matters with this legislation. It is a very intricate piece of legislation, you can improve it as you go along. You can add benefits, for example, for old age relief, which I am quite prepared to recommend to the House when I have had a look at it. But I cannot off the cuff advise the House to accept these amendments just like that, Sir.

HON. M. K. FEATHERSTONE:

Sir, I am extremely pleased to hear the Honourable Financial Secretary say he is willing to look at these. It is rather interesting to note that he complains that he must be given more time. That he was only given 6 hours including his lunch time — perhaps after dinner siesta. Of course, the Opposition are given a pretty thick volume of estimates which they must digest the moment they come into the Chamber.



HON. FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of order, Sir, the estimates were circulated at least a week before.

HON. M. K. FEATHERSTONE:

I apologise, taxation following the estimates. They are given this and they are supposed to digest it even while the Honourable Financial Secretary is speaking to us.

He was quite right, Sir, that investment allowances in Britain are no longer the day, but they have something even better in that they give cash grants. He is also right in stating that there is the system in Gibraltar of development aid. But this is very intricate and complicated and, I am sure, not going to give the Government very much love of the general public if each time one buys a small piece of new capital equipment they are going to write in and give the committee a mass of work to do. This, of course, is basically for large capital expenditure; not if somebody buys a small computer — and today small calculating computers run in the £150 mark.

However, if I have the assurance from the Financial Secretary that on the writing-down allowances at least he will give very early consideration, and perhaps bring something definite at the next meeting but one; and on the investment allowance he gives also consideration for it being fairly quickly dealt with and not left until next year or the year after that, then I will be ready to ask your leave to withdraw my amendments. On that assurance, Sir, if I can have it from the Honourable Financial Secretary, I will be quite willing to beg permission to withdraw.

HON. P. J. ISOLA:

Before the Honourable Financial Secretary gives the Honourable Member the assurance that he wants . . . .

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Could I please interrupt, Sir?

I hope the Honourable and Learned Member does not think I am going to give any assurances off the cuff. He must not assume that I am going to give any assurances, Sir.

HON. P. J. ISOLA:

Mr. Speaker, Sir, before he gives it, what I meant was that once he gave it, if he was intending to give it, the amendment would have been withdrawn and I would not have been able to speak on it.

The points raised by the Honourable Member are points that do deserve consideration — I have no doubt about it. The only thing I wonder is whether they should not be considered really in the context of the Development Aid Ordinance, and whether what is not required is really a new look at the Development Aid Ordinance. That has been in our statute book now for some years as well, and the principle there is the principal of the benefit or development of Gibraltar. It may be that if the Government's policy is a bit broader than that, or should be-

come a bit broader than that and they might well think it advisable that it should; and the policy is to encourage investment, I think it should be under the umbrella of the Development Aid Ordinance where you are really saying: if you are prepared to do this, that or the other, we are prepared to help you because we consider it to be to the advantage of Gibraltar as a whole. The installation of a computer, for instance, in an office, I do not think that anybody would doubt that is not to the advantage generally of Gibraltar, and minor things to which the Honourable Member was referring. I think that perhaps relief could be given without necessitating an application to the Government. There could in fact be relief within a certain area provided by the Development Aid Ordinance. I would have thought that rather than just pass an amendment of this nature, which gives this three-tenths relief willy-nilly, whatever may be the investment, I think it would be much better to do it in the context of advancing thought on the Development Aid Ordinance. I would ask the Honourable Financial Secretary to consider it on that basis.

With regard to the writing-down allowances, I think this is a matter which obviously has to be considered very carefully by the Financial Secretary. The legislation has never in fact contained the percentages which you can write-down; it is done administratively, and I think that as it is done administratively I am sure that the Financial Secretary would have taken the point of revision; and I would have thought it would be better for him to consider this carefully with his financial wizard financial advisers and perhaps give some measure of improvement to meet the Honourable Member's points some way.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the Honourable and Learned Gentleman on my right has of course anticipated me in his final point.

The law says: "provided that such sum as the Commissioner may consider just and reasonable as representing the amount". I would not, Sir, for one moment suggest to the House that revised rates of fair wear and tear, and depreciation, and what have you, should be written in the law because that would mean that every time that we wanted to amend those you would have to amend the law and I think it would be time-wasting and time-consuming. In 18 years I do not think that anybody has complained violently about the exercise of the Commissioner's functions in this respect; and I would hope that for the next few years, whatever time I may be, and my successors in office, they will not have any reason to complain either. I am quite willing, Sir, to give the Honourable Member the assurance insofar as the fair wear and tear allowances are concerned on the understanding that he does not expect me to produce an amendment which will be written into the law. It would follow the practice of the previous amendment. So far for that one, Sir.

On the investment allowances, Sir, he gave me the next meeting but one for the fair wear and tear. I do not know how many he has given for the investment allowances. He said be-

fore next year. I will certainly look at it, Sir. And I will certainly take the Honourable and Learned Member's point about considering it possibly in the context of the Development Aid Ordinance. But I would hope, Sir, that the House would not try to pin me down at this stage to commit myself. I will certainly look at it, Sir, but I hope he will give me more than two meetings to look at it. ✓

HON. M. K. FEATHERSTONE:

Sir, I was extremely happy to see that for once the Honourable Mr. Isola and myself were more or less working along the same lines. I think this should be doubly noted in the minutes of the House.

I was also very pleased to have the assurances from the Honourable Financial Secretary and I will not set a time limit to him as he requests but, of course, I will probe him and push him a little if I think he is getting a little asleep on the matter.

May I have leave therefore to withdraw the amendment?

Leave was granted and the amendment was accordingly withdrawn.

The long title was agreed to and stood part of the Bill.

*Resumption.*

House resumed.

HON. FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that an Ordinance further to amend the Income Tax Ordinance, Cap. 76, has been considered in Committee and agreed to with amendments, and I now move that it be read a third time and passed.

This was agreed to and the Bill was read a third time and passed as amended.

*Adjournment.*

The House then adjourned sine die.

The adjournment was taken at 7.50 p.m.