

HOUSE OF ASSEMBLY

HANSARD
OF MEETING

HELD ON 16 DECEMBER 1971

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Eighteenth Meeting of the First Session of the First House of Assembly held in the House of Assembly Chamber on Thursday the 16th December 1971 at 6.00 p.m.

PRESENT:

Mr Speaker (In the Chair))
The Hon A J Vasquez MA

GOVERNMENT:

The Hon Major R J Peliza, Chief Minister
The Hon M Xiberras, Minister for Labour and Social Security and Housing
The Hon Major A J Gache, Minister for Commercial Economic Development
The Hon J Caruana, Minister for Public Works
The Hon W M Isola, Minister for Tourism and Municipal Services
The Hon Miss C Anes, Minister for Medical and Health Services
The Hon L Devincenzi, Minister for Education and Recreation
The Hon R H Hickling, CMG, QC, Attorney General
The Hon A Mackay, CMG, Financial and Development
The Hon P J Isola, OBE.

OPPOSITION:

The Hon Sir Joshua Hassan, CBE, MVO, QC, JP, Leader of the Opposition
The Hon A W Serfaty, OBE, JP
The Hon A P Montegriffo, OBE
The Hon M K Featherstone
The Hon I Abecasis
The Hon Lt Col J L Hoare

ABSENT:

The Hon E J Alvarez, OBE, JP (who had notified his inability to attend due to illness.)

IN ATTENDANCE:

P A Garbarino, Esq., ED, Clerk to the House of Assembly

PRAYER

Mr Speaker recited the prayer.

OATH OF ALLEGIANCE

The Hon the Financial and Development Secretary took the Oath of Allegiance.

HON CHIEF MINISTER:

Mr Speaker I would like to take this opportunity to welcome our friend the Hon Mr Alistair Mackay to this House. He has got a wonderful record of service in the capacity that he is now undertaking here in Gibraltar. He was a member of the UK Treasury and Supply Delegation to Washington in 1951-54. After having entered Her Majesty's Treasury in 1944 he was seconded to the Foreign Service Inspectorate and was there between 1957 and 1959. He was Financial Adviser to the British High Commissioner in India between 1963 and 1966 and he served as Under Secretary in Her Majesty's Treasury from 1966 to 1971. I am sure the he will put his experience and knowledge to the service of the Government and to the people of Gibraltar and I would very much like to welcome him to this House. (Tapping on the table)

HON SIR JOSHUA HASSAN:

Mr Speaker, I would like to associate myself on behalf of the Members of the Opposition to the welcome given to Mr Mackay and we look forward to his contribution with his vast experience, to the affairs of this House and to the interests of Gibraltar.

ION CHIEF MINISTER: Mr Speaker another person who must be welcomed is Mr Paul Garbarino who is now the new Clerk to the House. Mr Paul Garbarino also has a wonderful record of service. He served as Clerk of the City Council between 1946 and 1965 and Minutes Clerk between 1965 and 1968 with duties of a somewhat similar nature to the work he is now undertaking. He also was Administrative Assistant in the City Engineers Department in 1968/69 and Assistant Secretary from the 20th May 1969 and served with us as Clerk of the Council of Ministers ever since we took office. Right through he has been of tremendous assistance to the Government and he has now undertaken a very distinguished post where he owes loyalty to all the Members of this House and I have no doubt that he will be able to discharge his new duties with the same efficiency and success as he has done in the past and I would like to welcome him. (Tapping on the table)

ION SIR JOSHUA
LASSAN: Mr Speaker I would like to associate myself with these happy remarks. I have known Mr Garbarino for many years both from his service in the Council and later on when he was made Clerk of the Council of Ministers when there was an administrative change that made this necessary. We have also seen recently how much he was liked by the Press for the work he did as Press Officer and I am sure we are all very lucky to have Mr Garbarino with us and I am sure he will enjoy the work as much as we will enjoy making him work. (Tapping on the table)

ION CHIEF MINISTER: Mr Speaker, I am rising once again and this time it is to thank Mr Joseph Ballantine who was as you know the Clerk of this House until Mr Garbarino took over. During his time here I have no doubt we have all appreciated how hard he worked to enhance the position of the Members of the Legislature and how well he got on with the Commonwealth Parliamentary Association and his other duties and I think he served this House with great impartiality and he is really an example for those who are going to follow him and I would like to thank him. (Tapping on the table)

ION SIR JOSHUA
LASSAN: Mr Speaker, I do want to associate myself most sincerely with all the remarks made by the Chief Minister. When Mr Ballantine took office he very soon acquainted himself with the procedure of the House and has been most helpful to all members of the House. He was as the Chief Minister said, particularly helpful and able in dealing with delegates and members of the Commonwealth Parliamentary Association visiting Gibraltar in organising visits and in doing excellent work. It is one of those happy occasions where he is saying goodbye to us in this House but we know he will be continuing to render very good service to the Administration of Gibraltar.

MR SPEAKER:

I want to join in the words of welcome expressed both by the Chief Minister and the Leader of the Opposition, both to the Hon Mr Alistair Mackay and to our new Clerk Mr Paul Garbarino. I also wish to express my very sincere thanks to Mr Joe Ballantine for the excellent and efficient manner he has carried out his duties and has also personally looked after me during his term of office. (Tapping on the table)

MINUTES

The Minutes of the Meeting held on the 18th November 1971 which had previously been circulated were taken as read and confirmed.

COMMUNICATIONS FROM THE CHAIR

MR SPEAKER:

I would like to inform the House that I have received two letters which I would like to read. The first one is from Lt Col J J Porral, the Commanding Officer of the Gibraltar Regiment and it reads as follows:

"Dear Mr Speaker

On behalf of all ranks the Gibraltar Regiment, I request you kindly to convey to all the Members of the House our sincere thanks for their unanimous resolution granting the Freedom of the City to our Regiment. May I also thank you in your capacity as Mayor for having carried out the Conferment Ceremony, as indeed for the presentation of the symbolic scroll and its magnificent casket which we shall always treasure. Believe me Sir, this great honour that has been bestowed upon us by the People of Gibraltar through their Representatives, is most deeply appreciated by us who form Gibraltar's own Regiment.

Yours sincerely

John Porral

Lt Col Commanding, The Gibraltar Regiment."

I have also received a letter from Major M J E Adams, Officer Commanding, 1st Fortress Squadron, Royal Engineers. It reads:

"Dear Mr Speaker

On behalf of all the Royal Engineers in Gibraltar, I would like to ask you to convey to the Chief Minister, the Leader of the Opposition and the Hon P J Isola, OBE, and all the Members of the House of Assembly, our deep appreciation for the obvious goodwill reflected in the speeches, and the attitude of the Members on Thursday evening on the occasion of the motion to give the Corps the Freedom of the City next year when we hold our Bicentenary Celebrations. The great honour for the Corps of receiving the Freedom of the City of Gibraltar was only equalled by the goodwill of the People of Gibraltar reflected in the speeches in the House of Assembly when voting on the motion.

Yours sincerely

Mike Adams "

I have specifically read these two letters because I feel sure that the Members wish them to become part of the record of the House.

DOCUMENTS LAID:

The Hon the Chief Minister laid on the table the following document:

The Elections (1972) Supplement to 1968 Register of Electors Notice 1971.

Ordered to lie.

The Hon the Financial and Development Secretary laid on the table the following documents:

(1) Supplementary Estimates No.4 of 1971/72.

(2) The Decimal Currency Act 1969: Order under Section 16(1).

Ordered to lie.

QUESTIONS AND ANSWERS

STATEMENT BY MINISTER FOR COMMERCIAL ECONOMIC DEVELOPMENT

Careful thought has been given since I took office to the feasibility of developing the Port of Gibraltar as a container transshipment terminal and to the possibility of containerising our import cargo.

2. In order to form an assessment of transshipment traffic 27 principal shipping companies of various nationalities trading to and from the Far East and Australia were approached late in 1969. They were asked whether they would expect to have any use for the Port of Gibraltar. No positive response was received except from a shipping company in Liverpool but only with regard to facilitating the discharge of their cargo for Gibraltar.

3. At the same time the Captain of the Port visited senior shipping directors in London including one connected with the Far East Freight Conference and the big container Consortia. Available information was also studied regarding requirements for containerisation including a detailed paper presented to an Economic Commission for Asia and the Far East (ECAFE) Port Seminar prepared by the President of the Maritime Services Board of New South Wales. It was established that for a container berth of 600-700 feet in length, which would be the minimum length we would need for transshipment purposes, we would require approximately five acres of cleared land exclusive of roadway and offices, and a Wharf Apron, approximately 125 feet in width would also be required for the operation of a transporter crane, an area which we do not have at the Western Arm. It is also generally accepted that a container terminal would need to handle the better part of a million tons per year in order to be a viable economic proposition. Furthermore the money required just to simply service the capital tied up in the provision of a container transport crane would amount to some thousands of pounds per year. This, of course, is only one element, albeit an important one, of a container transshipment facility.

4. In addition with no hinterland and no manufacturing industries of our own a prospect for the development of direct trade manifestly did not exist.

5. From these brief facts it became clear that the creation of a container transshipment terminal would need reclamation of vast areas (which may not even have been feasible) and the investment of huge sums of money with little if any potential positive economic return.

6. Although the development of the port as a container transshipment terminal was discarded, study continued as to the viability of providing facilities to enable our own supplies to be imported in containers. Containerisation has obvious advantages to carriers who wish to containerise their fleets and thus reduce the time spent by their ships

at Gibraltar from days to hours, but it does not necessarily hold out any advantages to the consignee who is interested in the minimum landed costs, or to the ultimate consumer: the housewife who is interested in obtaining her purchases at the lowest price. In 1970 two of the leading container ports in England, Felixstowe and Preston, were visited in order to obtain first hand knowledge of the necessary equipment and handling methods and the many problems involved in the sequence of operations. As a result of these visits I convened two meetings in August 1970 which were attended by representatives of shipping and local port users. At the second meeting it was decided to obtain the consensus views of local consignees, including the Services, and to attempt an assessment of the approximate tonnage of container traffic which could be expected. A look at our import tonnage figure is sufficient to show that the provision of container handling facilities would possibly be economic only if all general cargo were to be imported in this manner and the facilities provided in the form of the most basic equipment and on a common user basis. Our published statistics include bulk cargoes which would never be containerised and these amount to a considerable percentage of our imported tonnage. A major handicap is the fact that in no case would the full advantage of containerisation - door-to-door from exporter to consignee - be available. Owing to the small parcels of many commodities a large proportion of the total container traffic would have to be packed at the port of export, or at an associated depot, which increases handling costs enormously and may well offset any claimed freight savings. In all cases the containers would have to be stripped within the port area on arrival in Gibraltar and much of the goods placed in storage sheds owing to the lack of storage space available to consignees in the town. This is similar to what happens in Gibraltar at present, except that now we do not have to unpack containers. By this time it had been ascertained that only two shipping companies were generally interested in attempting to get all their cargo containerised in standard 20 ft. containers i.e. Ellerman, Papayanni Lines of Liverpool and the Medtrade Lines from Felixstowe and the Continent. It became fairly obvious at this stage that the total cargo to be transported in these containers, assuming that all of the cargo which was promised to be containerised would in fact be so packed, would only amount to approximately 11,000 tons per annum. The only practical and reliable method of handling these standard containers was found to be by using a derrick crane. Investigations then showed that the most suitable crane in the light of experience of port authorities consulted in the UK would be a Henderson Derrick crane. The cost of purchasing and erecting such a piece of equipment in Gibraltar would amount to approximately £60,000. I am advised that an across-the-spectrum average weight of goods carried in standard 20' containers amounts to 10 tons. Assuming a discharge rate of 8 lifts per

hour this would amount to 80 tons of cargo discharged per hour and the total utilisation of the crane would therefore amount to approximately 140 hours per year. At a reasonable crane hire rate of £20 per hour this would yield a revenue of only £2,800. This would be insufficient to cover the servicing of the capital cost of the equipment without allowing for operating and maintenance charges.

7. Some of the information I have given the House so far is contained in the Annual Report of the Port Department for 1970. In fact reference to the lack of viability in containerisation given in the Report has been reproduced in Lloyd's list for 15 September, 1971, and in the Financial Times Special Report on Gibraltar dated 6th October 1971, in an article by Mr Joseph Garcia - "Need to revive tourism receives high priority."

8. The last views to be received were those of the consignees which were expressed in a letter from the Chamber of Commerce dated 12 January this year. In their letter the Chamber of Commerce confirmed the views expressed above and contained in the Annual Report of the Port Department for 1970.

9. Accordingly I cannot recommend to this House that Government expenditure with regard to the provision of facilities for handling standard 20 ft. containers can be justified on the grounds of viability at the present time. However this is not to say that there is not a limited use for non-standard containers of a size which can be handled by existing equipment. For example, a proportion of Services' cargo is regularly landed in this manner in 7½' Chacons. Other lines send certain commodities, especially frozen goods, in containers but in these cases the containers are stripped or partially stripped on board ship.

10. There is general agreement that the best prospect for an increase in efficiency of cargo handling at Gibraltar lies in maximum palletisation, in the packaging of cargo when practicable in the largest crates that are able to be discharged by ships' derricks, in the greater use of mobile handling equipment on shore and in increasing as far as possible the proportion of cargo that is landed directly on shore and removed immediately by consignees.

11. With regard to this matter the Government has already made the Transit Shed at the Western Arm available for stripping containers and we are in the process of making available a decongestion area at Waterport to ease sorting and handling. This facility should be available in the very near future.

12. A problem we have had to face in connection with the transport of containers within the port area was the 12 ton restriction on the Viaduct. This has now been resolved and it has been possible to raise the weight limit to 30 tons.

