

HOUSE OF ASSEMBLY

HANSARD  
OF MEETING

HELD ON 27 MARCH 1972

VOL. II

HON W M ISOLA:

Quite frankly I am not here to defend myself because I believe, and you all know me, and you know I am the type who tries to cooperate with everybody and anybody, and when the interests of Gibraltar are at heart far more. Need I say more.

Head XIX. was agreed to and passed without amendment.

Head XX. Post Office and Savings Bank was agreed to and passed without amendment.

Head XXI. Prison - Personal Emoluments

HON M XIBERRAS:

Sir, the services of a trained teacher are available now for young offenders in the prison. This is something which we hope to develop and is in line with item 11, Rehabilitation of Young Persons and Females. However, this comes under another vote, the Education vote.

HON M K FEATHERSTONE:

Sir, on item 2, may I now record my pleasure that we do now have improved diets. After a long time questions filter through and they do reflect in the Estimates. I am very grateful Sir.

HON M XIBERRAS:

Sir, I am glad that the Hon Member opposite is grateful, but he means to imply that the improved diets came about as a result of his intervention, and although I am perfectly willing to give credit where credit is due, I can assure him that there is no such thing and that if he looks at the Hansard he will remember that I stated at the time he asked the question that the whole matter had been gone into, that the Government Dietician had produced sheets and proposals, and that in fact the money had been agreed by Council of Ministers. I am sorry to disappoint the Hon Mr Featherstone that this one, this particular one was not of his doing.

Head XXI. was agreed to and passed without amendment.

Head XXII. Public Debt Charges

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, by way of explanation, repeating as I said this morning, that the large decrease in this head, £157,000 adds to practically £100,000 accounted for by the fact that it is now not longer necessary and therefore we exclude from the side the loan servicing and we exclude from the revenue side the receipt of the loan servicing for a number of loans raised by the Government and made over to



the City Council. The balance of the decrease, somewhat over £50,000 is explained because in this year's 1971/72 Estimates we had completion of servicing of loans which were not in fact raised, and we also had provision for the servicing of loans which matured. So , neither of them recurred.

I only want to make one further comment , which is to refer on page 65, the beginning to items 1 and 2 and to mention that they relate to loans amounting to £745,200 which are due to mature on the 30 September 1972. That is what I referred to when I said I would be proposing to come later to invite public subscription to a new issue . Thank you Sir.

HON SIR JOSHUA HASSAN:

That question, in the first place this big loan that matures in 1972 and the Government has chosen naturally to pay at the last time according to the statutory duties. There will be no question of introducing legislation to carry on that loan and deficit by voluntary subscriptions to perhaps a more attractive loan to get the investors to keep the money in the Government ? The Hon the Financial and Development Secretary made some reference earlier this morning in his speech and just mentioned it now, that the public will be invited to reinvest the money that has to be paid in 1972. Is that the case? Yes, but there is no question of bringing in any legislation to prolong that loan statutorily.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Excuse me, Sir there is no such intention.

HON SIR JOSHUA HASSAN:

And therefore there is no doubt the loan will have to bear an interest a little more attractive than that one if it is going to attract people to reinvest in the Government.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, that is a matter for the time. I did say this morning, it is true, that these were intentions but they are very preliminary intentions.

HON LT COL J L HOARE:

I think that what is being suggested is that present holders of this 1967/1972 loan should be invited to transfer to a new loan which would save a lot of ins and outs. This I think is a likely way of dealing with it. May I make an enquiry about Items 16 and 17. Exchequer loan. I think last year this was shown as 1968/1991, is this the final date of redemption?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Here again I must apologise. This is one of the slips to which I referred this morning. This ought to read 1968 - 1992. I thank the Hon and Gallant Member for drawing my attention to this Sir.

HON LT COL J L HOARE:

Presumably he will let us know a bit later of his intentions to raise another fund to help Improvement and Development Fund.

THE FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, absolutely. I say again that I thought it right, in the course of my statement this morning, to make this preliminary indication of intention. It is no more.

Head XXII. Public Debt Charges was agreed to and passed without amendment.

MR SPEAKER:

We might recess now until tomorrow morning at 10.30 when we will continue with these Estimates of Expenditure at Head XX III.

The House recessed at 8.55 p.m.

TUESDAY 28TH DAY OF MARCH 1972

The House resumed at 10.30 a.m.

MR SPEAKER:

I would like to remind the Honourable House that we are still in Committee on Head XXIII. of the Estimates of Expenditure, and perhaps I would also like to say that I believe that certain members will not be able to sit after approximately 6.0'clock tomorrow evening. We have a schedule to keep to, at least in so far as the Revenue Raising measures are concerned. I'm doing this exclusively by way of observation and to remind members that we do have to keep to a schedule of time insofar as that part of the proceedings of the House is concerned.

Head XXIII. Revenue was agreed to and passed without amendment.

Head XXIV. Secretariat

HON M XIBERRAS:

If I could draw the attention of the House briefly to page 73, Productivity and Training Unit, and if I could say a few words about this Unit. The House will recall that I made a full statement on the work of the Productivity and Training Unit a little while ago, but I feel it is right at this stage to say something further.

The House will recall that there are three sections to this Unit, the Work Study Section together with Organisation and Method, the Civil Service Training Section, and the Industrial Training Section. If I may deal with the last of these first, the House will have no doubt noticed that Industrial Training has in fact got off the ground in a very definite way with the on-job Trainer Course an Instructor Trainer Course held recently, and even though the number of employees who attended these courses was small the total effect will be that in the Hotel and Catering Industry no less than between 120 and 140 operatives will benefit. I have in my possession a course critique by the people who attended the course and the last paragraph of this reads: "the thanks of the participants was extended to the Hotel Association for the acceptance of the appropriate section of the Nott Report, to Mr Danny Barton, Mr Claudio Morillo for implementing the acceptance so quickly, and to Mr Peter Galimore and Mrs Anne Lurvoris for coming to Gibraltar at short notice and instructing so well." Under another section the members who attended the course say: "what now?" Each trainee had to complete a project before being considered as fully trained. It was urged upon the Productivity and Training Unit that suitable certificates should be issued to those successfully completing both on the on-job Trainer Course and the Instructors Course; it was suggested that the Industrial Training Officer should collate the evidence produced in the on-job Trainers Course project to identify any off-job training needs.

And so it goes on, Sir, all evidence that the members who attended the course were completely sold on the idea of industrial training. The response has been truly encouraging and the follow up which is planned by the Unit will be thorough.

Apart from this, Sir, if I may quote from a letter which I sent to the Chairman of the Industrial Training Board, I say; inter alia: "other areas which the Board may wish to consider to carry out future surveys of training needs are, servicing and maintenance of electrical and mechanical equipment, especially domestic equipment, printing and type setting; shipbuilding and repair; transport, including port personnel, stevedores, cranedrivers etc., road haulage, petrol service station; bus drivers and so on and the wholesale and importing trade." I have already received a preliminary survey of the wholesale and importing trade, and I am hopeful that this scheme will get off the ground in the near future, subject of course to the recommendations of the Board. I have no doubt Sir, that industrial Training for the private sector will in fact raise standard in that sector to a level comparable with that which exists in the official employers, and this will undoubtedly be of benefit not only to management but also to the operatives whose improved status will, I am sure, in the long run bring them a financial return for their efforts.

If I may stay with the private sector for a while, I am hopeful that shortly we shall be able to provide token facilities to the private sector in the field of organisation and method. I would hope that the hard pressed Organisation and Method Officer will be able to make sample recommendations in the private sector so that savings can be effected in certain industries, in certain enterprises, and so that the private sector generally can see the advantage of giving a little bit of thought to the structure of that particular enterprise. I'm thinking particularly of hotels at this stage because we have started with hotels as regarding industrial training, and I am sure that in one or two-day visits, the Organisation and Method Officer will be able to get across in a very concrete and beneficial way, what the advantages of O & M are.



The same applies to the Works Study Officer and I am sure that the private sector, which has shown an inclination to support Industrial Training, will also be in a position to support Organisation and Method. The possibilities of course are great. After that there can be a link between the Productivity and Training Unit and a series of consultants in the United Kingdom and I would hope that, acting as a bridge, the Productivity and Training Unit can bring to the private sector some knowledge of modern techniques in Organisation and Methods, and Work Study which are being applied currently in the United Kingdom, and have been for quite some time.

This is a major step, a major departure, and this Government will see that the idea is contained in the terms of reference of the Productivity and Training Manager, because the private sector's performance is essential to the economy of Gibraltar, and the private sector's performance must be good if the private sector is on occasion going to demand good performance from the Government. It is a question of tu quoque.

Sir, as regards the Organisation and Methods Officer and the Work Study Officer, I would like to run briefly through a list of things in which these officers have been concerned. It is important that I do this Sir, because a number of items before the House have in fact, as my colleagues will only too readily admit, concerned the Productivity and Training Unit.

The work of the Unit is spread over all departments and therefore it is difficult to quantify what the advantages of the Unit are. The advantage to management of course is obvious and my Hon Friend the Financial and Development Secretary in fact said that he had discussed with the Productivity and Training Manager a means whereby the Treasury could take into account, in a very concrete way, the savings brought about by the Productivity and Training Unit. In fact at the moment this has not been done because the Productivity and Training Unit has gone through a period of gestation, but I can say that, to the best of my ability, the savings have been as follows - and I will not identify the heads too closely; Estimated Savings £14,396; additional expenditure not recommended £846. This does not take into account such items as the Productivity Bonus worked out for the Public Works Department in respect of the distillery, which I would imagine, and I think the Minister would agree, has saved something in the region of £20,000, because if the work had not been completed quickly then another tanker - worth perhaps that much, would have had to be ordered. I appreciate Sir that it is not beyond the resources of other officers in the Government Service to bring about such agreement, and it would be unfair to highlight the work of the Unit at the expense of other Government Departments. But, I think the House will realise that once you have people whose business it is to look for these savings, more savings are, in fact, going to accrue. I think that this in fact was the case with the distiller. I should emphasise however that the £41,396 which I mentioned earlier are concrete savings and not theoretical savings of the nature of the £20,000 connected with the distiller.

Sir, apart from these figures

the Organisation and Methods Officer, the Work Study Officer, and the Productivity and Training Manager have been concerned in the following: Formulation of a Payment By Result Scheme for the Family Expenditure Survey, which is now well under way; a new system for the renewal of work permits for labour from abroad in the Department of Labour and Social Security; a Report on Timekeeping and Time Clocks in the Public Works Department, a Job Evaluation of Assistant Storekeepers and the Cemetery Keeper; replacement of a Stores Assistant at the Garage; (on that item Sir, one storekeeper, whose duties can be changed can bring in as much as a £1,000 - £1,200); Wages Records Clerk for the Treasury; Job Description of Assistant Foreman; Clerk Typist and various other officers. (A job description is a description of the duties which the officer would have to undertake, and there are numerous examples where such duties have not been defined closely enough in the past and therefore we have had disputes, we have had a certain amount of overlapping and of what duties which are not covered by anybody.) Report on Overtime; investigation of various handymen in various areas; important ones, the method and procedure in the collection of Social Insurance Contributions; (At the moment the amount of work that goes into licking stamps and stamping them, stamping cards, is tremendous when we're dealing with Government employees in fact) a Report on Tower Block Lifts which I think has produced a satisfactory solution; Ragged Staff Layouts; (again the department of Public Works ) the Drafting of Interim Productivity Agreement covering all but, at the moment, 34% of industrials in Government Service; drafting of general conditions for productivity agreements in Government Investigation of a Port Department productivity agreement; the Hydraulic Platform, which was mentioned earlier by my colleague the Minister for Municipal Services; Feasibility documents on short term productivity schemes 5 x 5 and 10 x 10; Job Price Contract feasibility survey; Productivity Agreement for a small group of workers in the Waterworks : job enlargement; Public Works Department Maintenance Section Emergencies; Productivity agreement for Refuse Collectors, to which my colleague the Minister for Public Works referred and which is now in existence; a very good drawing Office Technician Training Scheme; an interesting report which was raised on a matter raised by the members on the Opposite side - I thought it was the Hon Mr Montegriffo - on Supervisory Staff generally; Recommendations for the restructuring of the Sewer Section; recommendation for the restructuring of the Road Section; investigation of additional posts between Tech. II. and Tech. III; Bonus Scheme for the maintenance of the distiller; Overtime procedures in Public Works Department; Telephone Department and City Electrical Engineer; A Transport Report which I'm very glad to say came from the initiative and drive of the Minister for Public Works, is seeing the light of day in the present Budget; Report, and this one also was based by the other side, on the Park Superintendent; (someone mentioned that how was it that we had so many parks and so many gardens and the number both of posts had been reduced in fact); Mechanisation of a Gulley Emptier; Complete survey of furniture in all Government departments; Recommendation and restructuring of the Painting Section; (Again a matter which was raised by the Opposition earlier on the question of costs); a multi-skilled training programme for Construction Maintenance Workers;

In this respect may I say Sir, that as regards industrial training in the private sector, I had what I think was a successful meeting with private contractors at the Centre itself, with the idea of extending industrial training to the private sector, and we have agreed to work out proposals similar to those which we already have for the Hotel and Catering Industry.



A report in the coordination and centralisation of Government offices; a training programme for Cable Jointers, which was left out completely by Government apprenticeship scheme; a report on Grave Diggers which I mentioned earlier to the House; Restructuring recommendation for the Maintenance Section of Public Works Department; survey and departmental structure of industrial departments.

Sir, I will not bore the House; I have here an indication of what stage these reports have reached. A substantial number of them have in fact been completed already are under consideration or have been implemented. It is the job of the Unit to produce recommendations for the affected department. It does not go in without the knowledge and consent of the affected department and my only job is to inform the House of the work which is done by the Productivity and Training Unit. It will be seen that many of these measures are of benefit to management; but equally these measures will be of benefit to the workers in Public Works Department, City Electrical Engineer, and Telephones, because in bringing about savings in various areas, in bringing about improvement, such as improvements in transport, the possibility of drawing up productivity agreement arises, and from productivity agreements undoubtedly will come increased earnings for Government workers.

Sir, the Porters in the Hospitals, the Sweepers and the Flushers; the Refuse Collectors, the Prison Officers, the workers of the Distiller, the workers at the Destructor, the Messengers at Secretariat, the Operatives at the Water Catchments, the Postmen, all these people in fact have already received the benefit of this policy. The sums involved can be substantial, between £2 in one case, the case of the Messengers at Secretariat, rather more. At least the figure is in excess of £3.50 to be exact.

There can be no doubt Sir, that this, an example how management initiative can benefit not only the community at large but also the workers involved. So, Sir, when I hear the Hon Montegriffo encouraging the House to join collectively in asking the people of Gibraltar to work, I am not in general disagreement but we must realise that the people of Gibraltar, in fact, means in this case, very particularly management, because without management initiative productivity is difficult. Unless management is prepared to organise or suggest the organisation which can yield the sort of result, then we can hardly expect the workers to take a vote and to change the running of a Government department, of a private firm or any other enterprise.

From the working population what I would like to see is general cooperation, subject to agreement. In other words that we should be all, management and workers alike, convinced of the need for increased productivity, not only because this involves a sharing in profits but more so because of the peculiar circumstances which Gibraltar finds itself in. There are no hitches in Gibraltar, either on the management side or on the workers side, to advancement through policy agreements. We have everything to gain and little to lose. This does not mean that management should put impossible conditions in the way of productivity agreement. Nor does it mean that workers should try to get more than what a system can yield at a particular time, but I am sure that with agreements, with careful and conscientious negotiation, we can move into an area where earnings are of the order of both the productivity agreements that I have just quoted. And these are substantial earnings.



In fact Sir, I told the information media at one stage that 1971 would be productivity year for me and it has been. We now have a fully fledged productivity agreement for Government workers, all but 34% of them, at the drafting stage. I would hope that it will be possible to bring about concurrently a number of improvements which will enable the Government to make full use of the productivity it is buying, it is purchasing from workers. Especially, I am encouraged by the fact that the transport fleet of the Government is going to improve out of all recognition overnight, and this will enable people to move from one place to another more quickly than up to now. It is something which requires money and something which requires effort on the management side, in this case the Government. Some £27,000 are being voted for better transport, or for more transport and better transport, and what was once taken in jest by this House - a Mechanical sweeper - today we have two, and tomorrow we will have a hydraulic platform and after that we will have a number of things - a beach cleaner - a number of mechanical aids which cumulatively will bring about a difference, not only a substantial difference in working practice and in our capacity to earn our keep, but also a difference in attitude.

Having stressed this side of things, may I come back to the theme which I enunciated when dealing with the Labour and Social Security Department. This kind of improvement is not a fanatical desire to raise the standard of living of people out of all recognition and overtime. It is a conscientious way of doing it. It involves a number of small measures and a lot of patience to tackle these jobs. And all along the type of society which is being created must be buttressed by the kind of social institutions like the Family Care Unit and the type of Government Institution such as the Statistics Office which also the House was asked to approve some time ago. I think the picture and the pattern should be plain now. We do need to get as scientific as a small community can get, and we need to do this in order to have the money available to be able to enjoy as much of a good life, materially, as other people in the rest of Europe. I think that this argument is not without international implications. If we fall behind the rest of Europe in the material sense then we are going to find ourselves in the situation of other dependent territories who can no longer import the food stuffs and the wherewithal to live from European countries, and the trade patterns and the political patterns will be changed, they will look elsewhere for things to buy, to eat, to wear and so on.

In all this, Sir, I am encouraged by the support that we are getting from Her Majesty's Government. In all this we are getting support to raise our standards of living from Her Majesty's Government, but all along this Government believes that it must contribute not pound for pound, because we cannot afford to do that, but effort for effort. We must contribute because if we do not contribute then, whoever we are connected with, will drop us. It is important that the people of Gibraltar should not be nursed into an attitude of idleness, should not be encouraged to look the other way when productivity is talked about, because if those who would do that are successful in their aim then it is not the average earnings only that are going to drop. We shall also have fewer books in our school, we shall have fewer books to read, we shall have fewer shows in the cinemas and theatre, we shall have in fact a drop in culture, in social needs, along with everything else. Therefore Sir I would

hope that the House generally would support the expenditure which Government is putting forward in respect of the Productivity and Training Unit, and more than this, that the House will generally support a reasonable drive towards increased efficiency and reasonable efforts to improve the lot of all Gibraltarians and an acknowledgement that Government, as an employer, has given an example. It has spent close on £12,000 in order to give that example, to bring about changes, and I hope that this effort does not end there. The subject of productivity is a very broad one, Sir, and I spent much time last year and the year before talking about it. We are now at the stage where things are happening and the improvements are being passed on to the labour force. I welcome any support which is in fact forthcoming on this particular issue.

HON A P MONTEGRIFFO:

Mr Speaker, at the risk of repeating what the Opposition has been saying all along in this House, we entirely endorse and subscribe to the general principles that have been outlined by the Minister of Labour and Social Security, so let there be no doubt in this particular respect there is practically no difference at all.

The only thing that I would wish the Minister, and the Government as such as an employer, is that as a result of this productivity agreement which I believe the Minister stated would eventually apply to 66% of the labour force in the Government, we shall achieve a much greater productive and efficient service than at the moment we are getting. I think the Government will be the first to agree that one has only got to go round about and find quite a lot of unproductive work going on. I appreciate perhaps that we are at the beginning of this exercise, and I do hope as we go along such unbecoming spectacles, to say the least, will come to an end.

HON E J ALVAREZ:

Will the Hon Minister comment on Item 31: Productivity Bonus to Messengers, £1,095 please.

HON M XIBERRAS:

Sir, I will try to do this from memory, I do not have in fact the full facts before me. I think that possibly the object of the question is (1) what the messengers at the Secretariat have to do to earn this money; and (2) is there a saving to Government. I think that what has been done is to agree with the Messengers to do internal rounds, collection of files from one office to another office, as well as going outside and delivering and attending to the public. In doing this at least two officers who were involved in transferring files from one dip to another dip have been dispensed with. I would not like to say exactly what the saving is, and also may I say that the duties, the hours of work are also somewhat longer. In doing this, I think the Government has saved - and this is generally kept as confidential information but I think there is no harm in releasing it now because I think the agreement appears to be running satisfactorily - something in the region of £800 to £1,000 a year in doing that. The men of course have as I said before increased their weekly earnings by £3.50.



HON E J ALVAREZ:

Thank you Sir.

HON M XIBERRAS:

May I take this opportunity Sir for something rather broader and that is that it is important that if we are going to work harder, if we are going to work more efficiently, through management initiative in the first place, it is important equally that if we are all of one mind in doing this, so too we should make provision for relaxation and for an orderly life in respect of balancing our working days and our leisure days. That too is important. At the moment we are in the situation where productivity is undoubtedly taking place following the withdrawal and the control of Labour from abroad, but in a manner which was not planned and not foreseen. There is no doubt that earnings have increased there is no doubt equally that to get these earnings people have at least nominally to work longer hours. There has been much dispute about the two jobs and I think that clearly the number of people doing two jobs has in fact decreased whilst earnings, generally, has been maintained. I myself have always said that it is in respect of family earnings that great improvements have been brought about. More women are working, young people today fetch a tremendous amount of more money than they used to make. There are youngsters who get £20 a week now, whereas the average some years ago, three or four years ago, was something in the region of £2.50 in modern currency. That is no exaggeration. The average earnings of workers, of young males was £7.29 according to the last employment survey, whereas before that the minimum wage of a shop assistant, if you remember, was pretty low. I think that this is indisputable and it is there for everyone to see. Now, bearing this in mind there are many serious strains imposed in this changing time, the changing social pattern of Gibraltar and I would say that one of the major decisions that will face all employers including Government in the near future, and one which I would say is, generally speaking, justified if the difficulties can be got over, and if it is possible to offset any kind of regressive effect as regards our general productivity, is a five day week. I would say that a free weekend is important, but I think that this Government could not responsibly tackle this - and I'm expressing a personal view here - unless there was some sort of guarantee that there would be no drop in general output. I think the private sector is notoriously entrenched against change. I think Sir, that there are many clerks working tremendously long hours in the private sector and have been working so for a very long time indeed, but if in the same way as we have had plans in respect of building, we have had Study Groups, we have had all sorts of people advising us generally, I think it would not be outside the scope of the Productivity and Training Unit to look at the question of the five-day week in rather a broader context than Government officers. I think something general could be produced which could involve such things as the staggering of office hours so that our traffic problem is somewhat bettered; looking at television times as well to see how we can suit the new circumstances of Gibraltar, and something broader so that any change brought about eventually by the Official Employers could dovetail into something rather different which suits everybody. This is not a question of trying to get people to do more work this is a question of allowing a relaxation which is merited if production is there and in weekdays. In all countries in Europe, Sir this tendency is to be noticed more and more. The concentration of work in weekdays and a free weekend; if this could be done I think it would be a major change. However if it is to be done it must be done in a responsible manner not just as something which is agreed and is later not appreciated. It must be something which is a joint effort in organising Gibraltar life generally. And I am sure that we will all be somewhat happier at the end of the day.



Head XXIV. Secretariat was agreed to and passed without amendment.

Head XXV. Telephone Service was agreed to and passed without amendment.

HON W M ISOLA:

Mr Speaker Sir, I would just like to say a few words on the question of the telephone Service. We see here a new telephone directory: I'm hoping to have the new telephone directory available by the end of this year. At this particular moment of time there are 671 people on the waiting list for telephones and by the end of this year I hope to have no waiting list at all. As members will have observed the 1,000 new lines will be ready by the end of this year. I might also add in this particular moment of time that with the other 1,000 lines which we have on order there will be no waiting list for subscribers for the next two years.

Now, I believe that that is an extremely good effort on the part of the Telephone Department, because I believe that in most parts of the world, at this moment of time, there is always a waiting list. In fact this will be the first time that Gibraltar will have no waiting list for such a long period. Normally speaking when we've had telephone extensions they've lasted perhaps two or three months, but we hope that in future, for the next two years at least, there will be no waiting for telephones.

The other new item in this particular Head of Expenditure is the Speaking Clock. Again, the speaking clock should be in operation by the end of this year. All going well, Mr Speaker, we should have no one on the waiting list of subscribers; we will have a new speaking clock and we will have a new telephone directory.

On one other small point which was raised yesterday, the question of the purchase of loudspeaking telephones: this is a purchase by three subscribers of equipment which instead of dialling you speak into and of course this expenditure is offset by Revenue. This may answer the question of Mr Serfaty.

HON SIR JOSHUA HASSAN:

Mr Speaker, the one point I would like to make clear, I think it was made last year. First of all the 1,000 lines are on order now and that was envisaged in the scheme that was prepared before the Council came to an end, even the second 1,000 lines, but the 1,000 lines are on order, are being installed and will be ready by the end of the year. That will about cover the number of people on the waiting list and a few more. But the second 1,000 lines have not been ordered. Has it been ordered? No, it has not been ordered, fair enough. So it would mean then that the second 1,000 lines will be ordered when there is indication, after the first 1,000 lines have been connected that there is a demand for it. So there's no question of having an open end and 1,000 lines in order to say that we have 1,000 lines waiting for people to come because that would not be economically viable and would be a great burden on those who are connected.

HON W M ISOLA:

That is perfectly correct.

HON LT COL J L HOARE:

Mr Speaker, I have two little points; first of all I would like to ask the Minister whether there has been any further reconsideration of the question of the interdialling between the four telephone exchanges. I know that it was said last year that these are separate exchanges in the Services, but this is so in the UK and it is still possible - this was the point made, that in U.K. they had separate exchanges, I grant that. But it is still possible to interdial both inwardly and outwardly from those Service exchanges so that point wasn't valid. It seems quite mad that here we are extending our telephone exchange and no provision is being made for this progress forward which must inevitably come.

Secondly, I'm glad that the constant references to that monstrosity across the road has now come to an end because without that monstrosity this extension of the telephone service wouldn't have been possible. Neither would it be possible to accommodate such other departments of the Government.

HON W M ISOLA:

I said before Mr Speaker, there's only <sup>one</sup> Telephone Exchange. What the three Services have is a private branch exchange and as I informed the House at the meeting before last, it is not feasible in the foreseeable future of having an interconnected dialling system between the Public Branch Exchange, which is the one we have at the City Hall, and the Private Branch Exchange of the services. I also said if I remember rightly, that the Services would not be agreeable to this procedure. On the question of the monstrosity I assume that you are making reference to the Speaking Clock.

HON LT COL J L HOARE:

I am making reference to the Haven which was called on so many occasions a monstrosity. Coming back on that, Mr Speaker, I am rather surprised that he describes the three Service exchanges as a Branch Exchange. They are not they are exchanges in themselves - they are not branch anything - they are exchanges in themselves, each Service having its own. And my direct communication with the Head of each of those three Services does not disclose that they are not in disfavour of the scheme. They are in fact all in favour of the scheme, but I agree at the present time financial consideration may not permit it. What I am pressing for is planning now for the future.

HON M K FEATHERSTONE:

Sir, item 11 which is Replacement of Obsolete Equipment it is replacing 50 telephone instruments. Will the Minister consider offering the public, obviously at extra expenses, the new telephones which are available in Britain which do not have a bell in them but have a peeping tone. They are of ultra modern design and very lightweight. I have seen that in Britain they are very well accepted and this could produce extra Revenue.

HON W M ISOLA:

In fact there are about two of those telephones installed at present in Gibraltar. I'm seriously looking into this possibility and I would very much like to offer the public in Gibraltar all possible new facilities which they have in Great Britain. That is certainly being looked into and I'm very much in favour of it.

Head XXV. Telephone Service was agreed to and passed without amendment.

Head XXVI. Tourist Office

HON W M ISOLA:

We seem now to come to the favourite Department for certain gentlemen across the floor.

Mr Speaker, might I say a few words by way of introduction on this particular vote. I would like to go back actually to August 1969 when I took over tourism. Previously Tourism in Gibraltar in 1967/1968, the frontier was open, people came to Gibraltar, we had another outlet. If I may remind Mr Serfaty the ferryboat was withdrawn in June 1969.

MR SPEAKER:

Order.

HON W M ISOLA:

Now, in August 1969 if I may go back, we were completely isolated from the mainland. At that particular period in 1968 and 1969 they had what was known in Great Britain as the Travel Allowance of £50, in other words if you went abroad you were only entitled to take £50 out of the country. Gibraltar being in the sterling area it meant that any visitor to Gibraltar could spend as much money as they wanted. I might remind the House that on the 3rd January 1970 the £50 allowance was withdrawn which meant that any visitor, any person from the United Kingdom, could travel anywhere in the world. Gibraltar, as such, ceased to be, shall we say, in the sterling area because they didn't have to come to Gibraltar. They could then go anywhere else and spend their money. So by January 1970, let us be basic, we had lost two very important forms of revenue. One was the withdrawal of the ferry boat, and unfortunately for us the £50 allowance was dropped. Against this background we have been pressing as much as we possibly and humanly can to bring people to Gibraltar.

What happened in 1971, I feel, is very relevant because there we were in 1971; £50 allowance withdrawn and completely isolated in two half square miles. The best thing that has happened to Gibraltar, as far as the tourist industry is concerned, is the construction of two hotels. Now, that in itself speaks for itself. No one is going to invest in a place unless they know that there is a future in tourism. One hotel is being built at present without any grant from the Government and the other one with a grant. That I consider to be of great



importance and a great stride for us. Members of the House may be interested to learn that these two new hotels should certainly be fully operational by the summer of 1973, and possibly earlier, and they will increase the bed capacity of Gibraltar by something like 40%. Against this background the Tourist Department has spared no effort in making Gibraltar known in the United Kingdom. Over the past year I have personally met something like 620 people connected with the travel trade; and I have broadcast on about four or five occasions. In the tourist trade what we have to do is to get Gibraltar in the map against very fierce competition from the other resorts. Let us be basic, we are no longer a soft sell we are a hard sell. With our budget, obviously, we cannot spread Gibraltar as much as other national tourist offices. We spend perhaps a million, £200,000, £500,000, we cannot compete. But it is interesting to note that over the past year about 217 articles have appeared in the national press and in magazines, about Gibraltar. None derogatory, I must add. These articles do not appear just like that, they appear because somebody likes us, they have visited Gibraltar and we have shown them around Gibraltar. I must say that all those who have come, and incidentally the first group of Travel Agents are coming next week, have all spoken very highly of Gibraltar. We have a lot to offer but I believe we can do still better.

When talking about my vote generally, let us not think for one moment that we are just talking in terms of tourism, I have also certain responsibilities under this vote which deal primarily with the local population. I feel it is equally important that I should give the public, in what I can give them, a good show. By this I refer of course to the Miss Gibraltar Contest - which, for the first time since this Government took office, was televised - the fair and the cavalcade. Those are items which come under this vote. It is also extremely important for us that when we spend quite a substantial sum of money in the United Kingdom advertising Gibraltar it is to my mind important that the whole product should be continuously improved.

If I might just refer to an item here under 10. Flood lighting and other illuminations: members will see that there is an increase of £3,451. It may be of interest for Members to learn what this sum is for. Since Gibraltar is so small, I believe that we should try and make it more beautiful. Members will have noticed that the Referendum Gates, the Court House and the City Hall are now permanently illuminated. They may not have been a couple of days ago because something went wrong but still, the idea is to have these three sites permanently illuminated. Previously you may remember Mr Speaker, these sites were only floodlit during the summer season, I believe that if we are going to become a resort, which we can be, an all year round resort, these lights should be on all the time. But apart from that I think it is equally important that our own people should be able to enjoy the illuminations too. (Hear, hear)

On that I am hoping to go one stage further on this question of floodlighting and I am hoping to floodlight, if this vote is approved, the House of Assembly on the east side but as a permanent structure. The other one which I feel is worthy of illuminating is the Waterport area which I am sure that my Friend the Minister for Commercial Economic Development will be only too delighted for his cruise liners and which you will see has been greatly improved in recent months, and very shortly that area should be ready. The floodlighting would enhance that particular area. The other one I have in mind is the floodlighting of the Cathedral of St Mary the Crowned. I also want to get up to scratch the general floodlighting of the North Face of the Rock. That would explain the quite substantial increase on item 10.

The other increase is the one under Sundry Festivals for which I am asking for the sum of £10,076 to be voted. Perhaps it might be of interest to Members of the House if I were to give a very brief break up. For the Gibraltar Festival I am asking for £6,600; for the Miss Gibraltar the sum of £1,800; 10 concerts at the Piazza, which I think are very popular both with the public and with our visitors, classical music, three pop concerts and our contribution to the Song Festival, which I am sure all Members Mr Speaker, will agree, is something which we must encourage. Those are mainly the two large increases in my vote and Members will appreciate Mr Speaker, that both these sums not only help the Tourist Trade but are also helping our own people, which to my way of thinking are equally or more important, especially in the circumstances in which we find ourselves now.

If I might now go down to item 18 and item 22. I am afraid that this item 18 should bead in the estimates 1972/73, £57,950, an increase therefore of £1,600. Item 22 should be deleted therefore. It might be also of interest to Members.....

MR SPEAKER:

You are asking for the estimates to be amended? Perhaps you should put a motion to that effect.

HON W M ISOLA:

What actually happened was that this promotion of literature comes actually under the Adveritising and Publication and Field Sales and that is £57,950 and Promotion Literature is not £5,250.

MR SPEAKER:

The way I understand it, being in Committee I think I would say that you want to add item 22 to 18 and delete item 22. Perhaps that should be the subject matter of an amendment.

HON W M ISOLA:

Yes.

MR SPEAKER:

Well, could we have the amendment.

HON A W SERFATY:

Before the amendment is proposed I would like to say something. I do not see any objection to leaving it as it is. Why not commit yourself, Mr Minister, to providing £5,250 for promotion and literature, if that is the way you feel inclined now. Are you afraid that in the future you may want to reduce that sum and pass it on to something else? This is, I mean, the only reason I can see for putting them all together, surely.

HON W M ISOLA:

It is not quite like that, Sir, not quite like that. I do not propose to spend £5,250 in promotion and literature.

HON A W SERFATY:

Now I understand.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I just want to say this: that there is absolutely nothing behind this, this was a pure slip for which I am responsible Sir.

MR SPEAKER:

to the

I will read the amendment proposed / Tourism Vote: this reads that the proposal before the House is that Item 22 should be deleted and that the sum of £5,250 should be added to Item 18 making Item 18 a total of £57,950. Does the Hon Minister wish to say anything on the amendment.

HON W M ISOLA:

Not really Sir.

HON A W SERFATY:

Mr Speaker may I suggest that to the heading of item 18, we should add "and promotion and literature".

MR SPEAKER:

Any Hon Member in committee is entitled to propose any amendment which he feels he wants to propose. There is nothing more I can say than that.

HON W M ISOLA:

Mr Speaker, it might save time if I add that to my amendment. That would save two amendments.

MR SPEAKER:

I will now read the amendment as it is before the Committee of the House which is that the Hon Minister for Tourism proposes that item 22 should be deleted and that the sum of £5,250 should be added to Item 18 making Item 18 a grand total of £57,950 to include promotion and literature.



HON A W SERFATY:

Sir, may I say that the Opposition will vote for this motion on the understanding that it is not construed that they are going to vote necessarily for the vote on item 18.

Mr Speaker then put the question in the terms of the amendment proposed by the Hon W M Isola.

On a vote being taken the motion was carried unanimously.

HON A W SERFATY:

Sir, on item 8: may I ask the Minister if there is any truth in the rumours that the London Office in Trafalgar Buildings is going to move from the ground floor where....

MR SPEAKER:

It is not right to ask Ministers to confirm rumours, in any manner or form.

HON A W SERFATY:

I will put it another way; I am sorry Mr Speaker. Is it a fact that the office of the Gibraltar Tourist Office in London is moving from the ground floor of Trafalgar Buildings in Northumberland Avenue to the fifth floor?

HON W M ISOLA:

Correct.

HON A W SERFATY:

Can I have the reasons Mr Speaker?

HON W M ISOLA:

Certainly, Sir, the London Tourist Office as at present is a very small place with a shop window. The staff cannot work there properly, the majority of people who go there are just asking for directions about other parts of London but not about Gibraltar. The shop window as such is not necessary. It is too small and we are hoping to take an office which will have an area of about 700 ft. - (I wouldn't take that figure as absolutely correct, which is nearly twice or three times as large. It will be a place where the Manager will be able to ask Travel Agents to come. There are other National Agencies there and a couple of other people. A lot of travel agents are situated in this big building. I have seen the place myself, I have had the Crown Agents look at it, our Public Relations connections, our London Manager who has to work there, and they are all very keen and very interested in acquiring these new premises. I would like to add that I would personally like to have an office in Piccadilly or Regents Street with a shop window and with an office at the back, at about £10,000 or £12,000 but of course that is not viable.

HON A W SERFATY:

The Minister has quoted an extreme example, nobody is suggesting we should rent an office in Piccadilly, but it is a fact, isn't it, that most National Tourist Offices in London are situated on the ground floor. Doesn't the Minister really attach importance to this shop window idea?

HON W M ISOLA:

Mr Speaker, I did accept as a fact that all National Tourist Offices have show windows. When one considers that a National Office like Spain's has a budget of hundreds of thousands a year, of course they can afford such things, but let us not compare a National Tourist Office with Gibraltar. Our bed capacity, let us be basic is 1,740; now Jersey has a bed capacity of 100,000, and they are in the Grand Buildings, where we are going to go over.

HON A W SERFATY:

I agree, I agree that we only have a small bed capacity and a small infrastructure and that is why I have been pressing for the last two and a half or three years for the Government to do something really constructive about hotel building. It is all very well for the Minister to say that two hotels are going up. Two hotels are going up which were arranged and which had been agreed upon during the life of the last Government. This is a fact and it is no use for the Minister to say "rubbish" because this is a fact. The Governor's Parade Hotel and Parcar Hotel have been on the books for years and we have seen nothing new from this Government on the question of hotel beds. That is why I am not surprised that the poor Minister for Tourism is inhibited in this question.

May I suggest, may I make a constructive suggestion and that is that the present office on the ground floor, which costs less than a £1,000 a year should be retained and that additional capacity be obtained on the fifth floor if need be. But it would be a pity, it would be a pity to lose this window display in Northumberland Avenue.

Well if the Chief Minister says "No" I must give him warning that the Opposition will vote against this item.

HON W M ISOLA:

On this question of the hotels. I think sometimes people forget very important things. Of course this has been on the books for years, but how? When did they start being built? In 1971 after the closure of the frontier, after the £50 allowance. In 1963, 1964, 1965 they were going to build, they could have started then, but they didn't. It is extraordinary and very important that in one of the most difficult periods for us they have started to build. It shows that they realised what were the potentialities of tourism in Gibraltar and of this present Government too.

But going back to the Tourist Office, quite frankly I do not feel justified Mr Speaker - retaining this very small shop window Tourist Office. There is just no room at all. It had absolutely no facilities, none at all, and I will invite my Hon Friend to come over with me to London on one of my next trips and see the type of office which we are going to have, see the advantages. At present we have three people working in the Tourist Office, and there is just no room to move. The Manager of the London Tourist Office, whose duty it is to invite press people to come along to the tourist office, whose duties it is to call on Travel Agents and to call them back, he cannot move, he cannot talk privately at all, there is just no room.

HON A W SERFATY:

I fear that the Minister is not conversant with the importance of window display. Maybe the Chief Minister knows a little more about it, than the Minister for Tourism, but anyhow, this is the position, if you insist on this position we shall have no alternative but to vote against.

HON CHIEF MINISTER:

I fully agree, Mr Speaker with the Hon Member Mr Serfaty. I have some idea of window display, but it is rather interesting that I was convinced that this was not the right thing to do in our circumstances in London. I think one very good argument is that we do not sell Gibraltar directly from our Tourist Office and therefore what we do get now and again are enquirers who all they do is waste the time of the very small staff we have in the office. This is really not productive. In fact our officials in London are interested in contacting and discussing matters seriously with the agents, who are really the people who bring tourists to Gibraltar. We just haven't got the facilities in our present office where they can come and sit down and discuss matters quietly and comfortably. Therefore I think it is sensible, in the present circumstances, not to stay in the little office but to move to a better place, which will give better facilities to our representatives in London as well as to Ministers when they work from there particularly now when we shall have two Ministers working from the office and shall need much more room. It shows the amount of interest that this Government is taking in Tourism. In fact, it is what we pay that shows how interested we are, and I think Mr Serfaty shall be delighted to see that in 1969, when we took over from them, they were spending £77,127 the Bill has gone up now, including of course what is being paid for attracting cruising liners and conferences to £147,090. This is an increase of over £50,000. That is a very handsome figure for us to put into Tourism and these are the facts. This is where you show whether you are giving lip service or whether you are really in earnest in developing Tourism in Gibraltar. You can therefore see that it is not because we are stingy about not having an office with a front, but simply because in our logical thinking it is not a suitable thing to have in the circumstances of Gibraltar. Spain and other big nations much bigger than Spain can have it, but it is no use our trying to imitate them, we have got to realise who we are and work on that premise. If we don't then we are very much mistaken and the fact that we are realists in the approach is the fact that two hotels have come up. I know that you have been thinking about this but we all know that the Opposition are dreamers. You go on dreaming, we will make your dreams come true and this is what we are doing. You laugh, but these are the facts of life. And the facts of life also is that we have done in the



most difficult period in Gibraltar's history when literally all the labour was removed, when people thought this would come to a standstill. Certainly I never did, and the result is that through the inspiration and leadership of this Government, not only prosperity is now apparent everywhere in Gibraltar, but people from outside are beginning to have confidence in Gibraltar to the extent that they are putting their own money in the hotel without a penny coming from Government. Even in the good old days this was not done. That in my view is a clear indication of how Gibraltar is moving forward, notwithstanding all the difficulties, thanks to the imaginative thinking and resourcefulness of this Government.

I don't think I need take more time of this House on this. I know the Opposition does not like hearing this. They believe that in the old days, when they were planning all this, by a stroke of luck all this was going to happen. Well, it seems to be that the Government has got all the luck and they never seem to share that luck. Going even more into the questions of the hotels, just to show how keen the Government is, I must say that I personally took a very direct interest in seeing that Parcar got off the ground. It is rather interesting that at the time when the last administration were trying to negotiate a loan for this hotel, they failed....

HON M K FEATHERSTONE:

On a point of order. Are we discussing hotels all the evening?

HON CHIEF MINISTER:

I think Mr Speaker...

MR SPEAKER:

Which is your point of order?

HON M K FEATHERSTONE:

Are we discussing hotels or the London Office Sir?

MR SPEAKER:

We have been discussing the Tourism Vote in which I think one must be liberal. I therefore think it is in order.

HON CHIEF MINISTER:

I am surprised to see that the Hon Mr Featherstone is trying to shut me up. Because I was saying a few truths and facts that are very unpleasant to him. They are ~~only~~ interested in bringing the Government down, as the Hon the Leader of the Opposition said. They are not constructive, they are not looking ahead for the benefit of Gibraltar, they do not care two hoots; all they are interested

is in bringing the Government down and of course when we start speaking facts and figures that are absolutely convincing it is very natural they should try and step us from doing so. They ~~a~~certainly seem to even attempt to do this in the press and other information services.

But coming now to this fact of the hotel themselves, since the Hon Member actually has spoken on this matter this is the only reason why I brought the matter out. I do not want to take any more time of the House; the facts and figures are there for everybody to see and I hope that the press will give them the opportunity, and the information services will give them the opportunity to see the figures. The facts and figures are the important thing, not the comments.

HON W M ISOLA:

Sir, on the question of the shop window. It would be a different matter if the shop window were to be in Piccadilly or Regent's Street, but let us be basic, the shop window which you are referring to is in Northumberland Avenue.

HON A W SERFATY:

Trafalgar Square.

HON W M ISOLA:

I beg your pardon, Northumberland Avenue, which is, I think, a side street off Trafalgar Square and it is not a street where you have pedestrians going up and down like you do in Piccadilly and Regent Street, Shaftsbury Avenue or any of the main thoroughfares of London. Let us be basic, let us not kid ourselves. If you go there, and I have done several times and I have spent hours, very few people go up and down and the shop window is so small and the ceiling above it, I mean the first time I went there quite frankly I could not find the place....

HON M K FEATHERSTONE:

I fully support the Minister for Tourism that this place is extremely small to have three people, plus the Minister of Tourism, plus the other Minister who is going to - in bulk himself - is going to fill it up quite a lot, but Sir, let us be realistic. The Hon Mr Serfaty has put forward an idea which is worthy of very great attention. Of course we should take this place on the 5th floor but we must not give up the floor window. I cannot accept Sir, that the only people who go in there are people asking the way to other parts of London because rather than go in there they would stop at the little shop on the other side which is much more convenient, you do not have to even open the door. It is essential Sir that the sign "Gibraltar" is visible to the public at each and every opportunity. You are not going to look up to a 5th floor in Trafalgar Square to try and find it, but if you go past, and I will not agree with the Honourable the Minister for Tourism that very few people go past the window in Northumberland Avenue. Within four paces you are in Trafalgar Square. We must keep this shop window, Sir. It is the most important thing we have, I think, today in getting the name of Gibraltar across to the general public. I have gone to many tourist offices in London and I have not seen

a single pamphlet on Gibraltar. I see everywhere else we are now going to take away the only place where the sign of Gibraltar is visible to the general public. Of course it is impossible to retain that place as the sole place but if it is only costing an extra £1,000 a year and we are already spending in tourism £117,000 it is going to make very little difference to the vote to be able to maintain both places. Therefore, Sir, I would urge the Minister of Tourism, and even the Hon Chief Minister - and I know it is very difficult to get anything in his head once he has made up his mind - to have a rethink, to reconsider not to take away the one shop window which Gibraltar has got for itself exclusively. We are completely at the mercy of the Tourist Agencies if they want to push the Gibraltar Logo the Gibraltar pamphlets or whether they have them and push them at the back and you find that you have got Spain all over the place and if you happen to ask for Gibraltar they have to dig under the counter to produce something. This is one place which is ours, which we can control. We must not give it up Sir.

HON P J ISOLA:

Sir, may I say something. I always hesitate to follow emotional speeches because I think they tend to take us off the ground. It seems to me Sir, that we are talking at the moment of filling 1,740 beds with an inadequate air service but we will leave that for later on. We are talking about 1,740 beds, we are not talking of anything more, and I would have thought that the effort of the Tourist Office - mind you I do not feel strongly one way or the other in a way but I think one also has to look into the practical difficulties in this sort of exercise of having in effect virtually two offices in London instead of one. Although the rent may only be an additional £1,000 as I think has been mentioned, presumably the office down below would have to be staffed and the office up above would have to be staffed. Presumably one might find that you would have to set up your own interdepartmental organisation in Trafalgar Square so that people who come down below are sent upstairs and vice versa as the need may arise. Are we producing by having this idea of a shop window, are we producing a white elephant. Are we producing a rather bigger organisation for Tourism than is required. I think I would be more impressed with the Hon Mr Serfaty's arguments about having a shop window if a similar country of a similar size as Gibraltar did this but we are told that Jersey - which has I believe, I think I heard the Minister say, about 1,000,000 beds does not have a shop window, and if there is one thing I think we can learn from Jersey it is how to sell beds. Jersey has developed Tourism, as I understand it, to a fine art. At least I think that's what all Hon Members who visit Jersey in a recent CPA delegation found, I think the Hon Mr Featherstone was among us then and I think he would agree with me on this point. Jersey has not thought it necessary to have a shop window but has built up its tourist drive from offices. This would seem to indicate to me that to sell tourism, and with every respect to the Hon Mr Serfaty who we all know is a first class salesman, to sell tourism you do not necessarily need a shop window.

I would also like to put the other point of view as well; when you have a shop window and nobody goes in. Mr Speaker, Sir, I have shed the odd tear, for example, the Moroccan National Tourist Office in Regent's Street. I do not think I have ever seen a single person inside that office. When you go past a place and continuously see it empty, is that selling your place? I do not know, I think, and again I am sorry to say, we are not sorry, I do not think it matters to us one way or the other. Whenever you pass Spanish National Tourist Office, or any Iberia Airline Office for example, they are always full and buzzing with



people. They are obviously making ends meet. Similarly there are a number of Arab National Airlines with offices. Again one never sees anybody there. They are beautifully set up, within Regent's Street, it is perfect, but are they achieving the purpose for which they are paying rent and so forth? As I say, on tourism I do not pretend to know very much, but I do say this that it does seem to me, on the Jersey situation, that before we have two sets of offices, paying two sets of rents etc., I think we have to have some convincing evidence that it is necessary. After all we must not just spend money because we think this is going to happen, and this is going to bring this. The Minister of Tourism has told us as a fact - I do not know whether the ex-Minister for Tourism can confirm this or not - but he has told us as a fact that the people who visit the London Tourist Office are people mainly wanting to know the way. One thing seems absolutely clear to me, if it is not fulfilling its primary purpose because of size, situation, or whatever you want to call it, I do not think it is worth our while to set up two organisations in London. Two offices just for the sake of the shop window. I think one should make sure that the shop window idea is in fact effective. When this started, remember, when we first started the tourist office in Gibraltar, we were lucky to get the premises we got then and I think we did get the whole thing going. But just observing the vote of the Tourist Office, which is going up and up and up quite considerably, more and more promotion, it seems to me that we have grown out of the earlier stages of a small London Office and we need a bigger one, and obviously a bigger one as a shop window would probably be far outside our reach and I would say that on balance we have not really shown a case, when we are selling 1,740 beds with a potential of about 700 beds, I do not think a case has been shown for having two sets of premises in London with two sets of staff. In all frankness and in deference to the Hon Mr Serfaty and the Hon Mr Featherstone.

HON MAJOR A J GACHE:

Mr Speaker, the Hon and Learned Member has referred a number of times to this question of inadequate air services. I know we are not discussing air service now and I hope there will be an opportunity later, but he has referred to the inadequate air services as the reason for not having the shop window. I do not wish to enter into the question of shop window or to speak on this, because of the system of collective responsibility, but I would say that on the inadequacy of the air service, for which he says there should not be a shop window, in the summer of 1971 20,000 seats were not taken up, and in November, December and January this year 13,000 seats were not taken up. On the 9th March this year 1010 seats were empty. We shall no doubt be dealing with this matter later on.

HON SIR JOSHUA HASSAN:

I didn't intend to take part in this debate but the Chief Minister has made a number of remarks which I think I ought to reply to. We all know that such a time as this is the Festival of the "Self Congratulatory Club" which is composed of the Government, who throw at each other all the roses and all the sweets during budget time. They all tell each other how good they are, they all do think collectively and everytime one does something everybody taps on the table. So I am quite used to this. As a good salesman - the Chief Minister has claimed this for himself - he knows a lot about shop windows and sells himself quite well, or tries to sell himself quite well to the public from this or any other platform which he has the opportunity to use. The result will of course be known with time.

But on this question of how difficult things are now and how things have been obtained, let there be no mistake about it. Whatever else there may be in the future we know now, and I've always known, but perhaps the bulk of the people who didn't trust the British Government know that at least since the 1968 Constitution Gibraltar is not going to be handed back to anybody without the wishes of the people being consulted. And therefore that there has been now in the minds of the people and in the minds of the outside world who did not know what the British Government was going to do and were naturally, or unnaturally, suspicious because of what had happened in other places that Gibraltar might be sold down the river. This was the campaign of the gentlemen who are now in power, who spoke about no concessions, who spoke about Gibraltar and so on being sold down the river, we must be very careful and so on. Those of us who trusted the British Government and stood by that are not surprised. Therefore what has happened is that we have come to a settled state of affairs which is not I think satisfactory or perhaps if it is not unsatisfactory it is certainly better than what a lot of people thought it would have been like when all the restrictions that Spain could put were put on Gibraltar. It was at the time when these hotels were being planned and built and thought of, and there were other difficulties here, we all know, we don't want to stress too much, because these things happen and that is why it was delayed, and then it was when things became more settled.

I remember going on a promotion tour with my then Deputy Chief Minister to a press conference in Parcar when the whole project was presented and it was ~~said~~ that was going to be built in no time, he then said he thought he would be Chief Minister before the hotel was finished. Well, it seems that apart from all the natural delays that they have suffered, the hotel is going to be finished come what may and he is not going to be Chief Minister. So really the question of promotion.....

HON P J ISOLA:

Nor Leader of the Opposition.

HON SIR JOSHUA HASSAN:

What was that, I didn't hear?

HON P J ISOLA:

Nor the Leader of the Opposition, of course.

HON SIR JOSHUA HASSAN:

No, perhaps not, but with better chances.

MR SPEAKER:

Keep to the question please.

HON SIR JOSHUA HASSAN:

In full possession of my ability to take it up anytime. But anyhow the point is, Mr Speaker, that all these matters have taken time, we're not going to say of course if the Both Worlds Project was started when there was no problem, the problem arose within the crises, and it was finished before this Government came into office, so I mean, this question of saying: well, everything happened, the world started - as I said last year - for this Government the world started when they came into office. Nothing happened before; very fortunate for them to think that, but of course people know otherwise.

Insofar as this particular question of the hotel is concerned it is just one more cussed attitude of the Government in not wanting to listen to matters which are of common concern, and thinking that they have the answer to everything. I do not think that they have, the proposal which Mr Featherstone has made seems to be a sensible one. No, the proposal made by my friend on my right, about keeping this and having perhaps limited space in the building. Yesterday we were told there was no division in the Government, here we have the one and only backbencher being told by a Minister that what he says doesn't happen to be reasonably true, and he cannot except that about Air Services and so on, and give figures which contradict what he's going to propose tomorrow, and this is a very happy and united Government. Thank you very much.

MR SPEAKER:

We have discussed this item long enough. As I said at the beginning we have got a schedule to keep which we must bear in mind all along. It is an item we are discussing now and the House will have an opportunity to debate the estimates of expenditure in due course.

HON W M ISOLA:

Mr Speaker, there was some mention of £1,000 about the rent; someone from the other side mentioned it. For information Sir, if we kept the Tourist Office, the shop window, it would cost us £1,515; that includes rent, rates and electricity plus a counter clerk downstairs at £1,040, that to something like £2,500. May I assure the Members of this House that the amount of enquiries actually made about Gibraltar may be as little as 2 a day, or 1 a day, sometimes none.

HON A W SERFATY:

The counter clerk is there already, if I may say so.

HON W M ISOLA:

If we were to go upstairs Sir, which we're going to go, and also keep one downstairs we require more staff, we would have £2,500 just to have a very small little shop window with the Gibraltar Logo. With respect Sir, I don't consider that expense justifiable.



MR SPEAKER:

May I remind Members that this Head has been amended and I will now put it to the vote.

HON A W SERFATY:

Mr Speaker, before we take a vote could we have a short resume on the expenditure on Item 18?

HON W M ISOLA:

I was waiting for that question. Advertising, that includes servicing of the coupon response, production charges, trade advertising, £35,000; Field Sales Activities £10,300....

HON A W SERFATY:

How much and for what?

HON W M ISOLA:

£10,300 for Field Sales Activities, that includes the brochure production; the point of sale; replacements; and the posters. Our own field activity, £1,000; Public Relations £4,500; Off - season and special interest activities £3,000; Advertising and sales Morocco marketing £3,650.

HON A W SERFATY:

As regards the advertising programme, will it include a winter campaign as well as one for the summer? Mind you I would like to explain this question of a winter campaign. By winter campaign I mean the campaign done before the winter for the winter season. I would also like to know whether the Tour Organisers and Airlines are contributing to these campaigns?

HON W M ISOLA:

Do not forget Sir, that at present we're not budgetting for 1972/73. The Tour Operators and BEA, and for the first time British Calédonian Airways, have contributed to the campaign from January to March which we have just finished. We are now budgetting for 1972/73 and if this is approved I will immediately start next month advertising for the winter and the shoulder months, from April until November, with the exception of the month of August, and then again in December for the summer of 1973.

The question whether BEA, the Tour Operators will be contributing for the next year is yet to be discussed, but they have already contributed up to 31st March 1972. Does that explain the position?

HON A W SERFATY:

The advertising for the summer campaign of 1973 is of course included in these estimates, because it is going to be carried out towards the end of this year. Now, is the Minister trying to tell me that he doesn't yet know whether the Tour Organisers or the Airlines are contributing or not contributing to this campaign? I'm not quite clear about that point.

HON W M ISOLA:

Put it this way, when we came to this House in 1970 and I asked for Supplementary Estimates of £10,000, it was because BEA and the Tour Operators had come along and said to us: "look boys, let us have a big campaign together rather than spitting our resources" and we agreed. For the next year again they contributed and I have no reason to believe that they won't be contributing again like in the previous years.

HON A W SERFATY:

Is it not time that this should have been done by now. After all these things are very long term, are studied long term, and BEA have their own budget. Surely that should be done at a very early date; it should have been done already if I may say so.

HON W M ISOLA:

With respect to Mr Serfaty, Mr Speaker, on both other occasions the question of their contributions have only come in at about September.

HON A W SERFATY:

Sir, the point is that then there is no allowance in this vote for promotional literature, we are not going to have any this year, are we?

HON W M ISOLA:

Yes, I'm sorry Sir. We have here in the Advertising, I said £35,500. In the advertising we have the servicing of the coupon response, production charges; and in the Field Sales Activities we have a brochure production which is what I assume Mr Serfaty is referring to, that is a brochure of Gibraltar. Of course, yes, that comes under Field Sales Activities, brochure production.

HON A W SERFATY:

There's just one point I'd like to make and I don't want to be too clever about it, but I notice that - I haven't got the brochure with me, unfortunately - the last brochure gave, on the last page, as a place at which information could be received the London Tourist Office in Trafalgar Buildings. Does not the Minister think that we should also state London Information Office, Gibraltar Tourist Office, Trafalgar Building?

HON W M ISOLA:

I shall take that point up.

HON M K FEATHERSTONE:

On item 16: The Alameda Open Air Theatre. I notice that there is going to be a decrease on this, owing to declining use. Surely, Sir, this declining use is because the theatre is becoming quite a shambles. It is very badly in need of repair. Either it should be shut down completely or it should be considerably improved. The way we are at the moment, I think we're just throwing good money after bad.

HON W M ISOLA:

I take the point. Its rather interesting that this one about the Alameda Open Air Theatre should have been brought up because once upon a time they used to charge for the Alameda Open Air Theatre, shall we say at a rate of £40, and certain representations were made to me from Charitable Organisations and I slashed it from £40 to the bare minimum. Unfortunately, I don't know what happened, but there does not seem to be any demand for the Open Air Theatre, which is a great pity. It is a very great pity, because of its most beautiful surroundings, but I will certainly take your point up about its being in a shambles and look into that, certainly, I'm very grateful.

HON A W SERFATY:

On that one Mr Speaker, is it that the Tourist Office is demanding rents which are not justified?

HON W M ISOLA:

With respect, Mr Speaker, on the contrary we've gone right down. No, I beg your pardon, I went right down practically the first time this was brought to my attention, which I think was early 1970, by some Youth Clubs who said that they couldn't afford to pay the commercial rate. In spite of that, they do not seem to be very interested in taking it over, it is a great pity.

HON LT COL J L HOA RE:

Judicious propaganda might help.



HON SIR JOSHUA HASSAN:

Its the difficulty of parking, there are various difficulties.

HON LT COL J L HOARE:

Very few people use it because very few people know about it.

HON I ABECASIS:

We have been discussing the question of the shop window for at least an hour and I think this will take us no where. The Government is thinking on the lines of closing that place up and this is what they are going to do, so therefore, I would refer to another shop window which is not costing us a penny and perhaps the Government and the Opposition would be inclined to do something about it. I am referring to the shop window we have in the permanent exhibition at the Commonwealth Institute. The last time I went to Britain in May 1970 with the Hon Minister for Tourism, Mr Isola, we saw that there was a need to renew some of the features there and I'm glad to say that he did do a good job in renewing most of the pictures which were shown at the time. I've had the opportunity of going once again, only two weeks ago, with the Hon Minister, Mr Lloyd Devincenzi, and there we have agreed once again that it needs renewing. Perhaps this is a good opportunity to ask Government to send nice coloured photographs. This is a permanent exhibition, thousands of people go there, we don't pay a penny and there is a likelihood that we may get the odd tourist coming through that channel.

HON W M ISOLA:

I'm very grateful to the Hon Mr Abecasis and I can assure him that I will certainly take this up. Thank you.

HON L DEVINCENZI:

Perhaps I could confirm what the Hon Mr Abecasis has said. I was very, very surprised; I would not use the word disgusted, but I was somewhat ashamed to see how unfavourable our "shop window" compared with others. Even those of our size or somewhat larger. He has mentioned coloured photographs, I think there were practically none. I did take a number of notes in my diary and I will certainly pass them on to my colleague on my right for his information.

HON SIR JOSHUA HASSAN:

Mr Speaker, I propose that the London Office item be taken separately in order that we can show our disagreement with that. We are certainly not opposed to the rest of items and I think it would be quicker that way.

#### Hdud XXVI. Item 8. London Office.

On a vote being taken the following Hon Members voted in favour:

The Hon Major R J Peliza  
The Hon M Xiberras  
The Hon Major A J Gache  
The Hon J Caruana  
The Hon Miss C Anes  
The Hon W M Isola  
The Hon L Devincenzi

The Hon R H Hickling  
The Hon A Mackay  
The Hon P J Isola

The following Hon Members voted against:

The Hon Sir Joshua Hassan  
The Hon A W Serfaty  
The Hon A P Montegriffo  
The Hon E J Alvarez  
The Hon M K Featherstone  
The Hon I Abecasis  
The Hon Lt Col J L Hoare

Item 8 was accordingly passed.

Head XXVI - with the exception of Item 8 on which a separate vote had been taken, was agreed to and passed, with one amendment.

Other Charges was agreed to and passed without amendment.

MR SPEAKER:

We are now resuming the sitting of the House. The Financial and Development Secretary will report from Committee.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to report that the Estimates have been considered in Committee and agreed to.

MR SPEAKER:

Well, I now propose the question which is that this House approve the Estimates of Expenditure for the year 1st April 1972 to 31st March 1973 as amended. I will remind the House that we are in full sitting of the House, the rules of debate apply and each member has a right to speak once except the mover who will be the last speaker who will have the right to reply.

HON CHIEF MINISTER:

Mr Speaker, I wonder because of the lateness of the morning whether it would not be a good idea to adjourn now until later on, or recess now until later on this afternoon?

MR SPEAKER:

Yes it is twenty-to-one, so I will recess and we will resume our sitting at half past two.

The House recessed at 12.40 p.m.  
The House resumed at 2.30 p.m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this House resolves itself into Committee to consider Appendix G of the estimates of expenditure for the year 1972-73.

The House went into Committee.

The House in Committee.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, this House is resolved into Committee for the purpose of discussing Appendix G of the Estimate, but, Sir, with permission, I would like, if I may at this point, to make a few remarks on two other appendices, namely Appendix B and Appendix C.

Sir, regretfully and regretably I have to apologise to the House for certain erroneous figures which appear in Appendices B and C. I do so apologise Sir. In mitigation, if I might be permitted, I would say this: that these two appendices serve to bring together for convenience certain items of revenue and expenditure which are included in the body of the estimates. I am going to have to say Sir, that some of the figures in the Appendices should be amended but I would like to emphasise that the error had only been in carrying from the body of the Estimates to these appendices certain figures, which means Sir, that whatever I say of the figures in these Appendices this does not at all affect the figures in the body of the estimates either for revenue and for expenditure. These are correct, Sir, and there is no change whatever, therefore, in the deficit, in the outcome of the main Budget. Thank you Sir.

In Appendix B, the Gibraltar Government Insurance Fund, you will see on the first line on the income side: annual contribution General Revenue £6,000. Well, Sir, if we look at page 52 of the Estimates, under Expenditure Head XVI Miscellaneous Services, subhead 6 we find that in fact the Government's contribution this year to the Insurance Fund is not £6,000 but £7,000. This is to be explained, Sir, because there is now a greater amount of Government property to be covered by insurance and furthermore we are covering certain workshops and other buildings which were formerly part of the Municipal Department. It is appropriate, therefore, that the Government contribution to the Insurance Fund should be raised and in fact the figure should be £7,000 and not £6,000. This means Sir, that this account in Appendix B would be shown to balance not at £13,100 but at £14,000, and accordingly Sir, that the balance to be invested during 1972/73, shown at the bottom of the right hand of the expenditure side becomes £13,000 and not £12,000. I apologise for that Sir.

If I may go forward now to Appendix C: The Tourist Office, which shows the account of the Tourist Office. Under Estimated Revenue on the left hand column the first item, Admission Fees to Various Sites; the figure should not be £11,570 as printed but £14,070. With that change Sir, if one adds the seven



first items of revenue there shown, the total becomes £18,100 and that figure, Sir, will be found under Revenue Head IV Item 4 in the Estimates. If we look then at the right hand side of this account, the Estimates Expenditure, the third figure for Expenditure on Maintenance of Sites: this should read not £10,824 but £14,214. And the next item; Advertising and Publicity which is represented by subheads 18-22 we discussed this morning, in the tourist head estimate, that figure should not be £72,240 but a lower figure: £64,890.

Sir, the result of this is that the Tourist Office account in Appendix C balances not at the printed figure of £121,850 but at the figure of £117,890, which Sir, is in fact the total of Head XXVI Tourist Expenditure Vote.

Sir, I apologise once again to the House that these errors occurred. Thank you Sir.

HON LT COL J L HOARE

There are two little items, Mr Speaker, please. On page 88, under D item 2, (a)(i) Extension of Bathing Pier; there seems to be no expenditure to be incurred this year. Does this mean that that development has been abandoned or merely deferred? Secondly, on page 89 and F2 the Pilot Scheme for the Improvement of Main Street; this also shows no expenditure for this year. Has that scheme been abandoned? Thirdly, at page 90, Victoria Stadium, not a penny, despite all the promises we have had in the past about getting on with this job.

HON J CARUANA:

Mr Speaker, I would like to answer the Hon and Gallant Member opposite on his ~~three~~ queries. The extension pier at Camp Bay; there is no provision this year, there is a balance of £12,000 to complete the work but we do not intend, at this stage, to plan to do any work this year on that side of the work at Camp Bay because all works at Camp Bay have been substantially affected by other more serious, more urgent works which has been taking place during last year, and will continue to take place during the course of the next few weeks, until Camp Bay is put in good order for the bathing season. We do not intend at this stage to disrupt the bathing season any longer and deprive the public of the enjoyment this summer of Camp Bay as unfortunately happened last year.

Page 89 F Pilot Scheme for improvement Main Street: there is no allocation this year and there is no balance of money to complete that Pilot Scheme. Whatever had to be done has been done, so there is no money there to be spent at all, there is no balance to complete.

Page 90: he referred to the Victoria Stadium, Mr Speaker, in spite of the promises of this Government. The promises of this Government are being kept fully to the letter in spite of all attempts by the Opposition to discredit the work that has been done by this Government in every sphere. However, Mr Speaker, the work that this Government intends to do at Victoria Stadium is money which comes from UK funds and it is not the first time at Budget time that an item of money that comes from ODA funds does not appear in a previous years estimates because this money cannot be included until the project is finally approved by the projects committee of ODA and this has still to take place.

HON LT COL J L HOARE:

Coming back on these three points. First of all the extension of the bathing pier at Camp Bay: is he satisfied that the delay in the works will not result in any deterioration of the work done so far? In other words that because nothing is done it will cost us more next year. Secondly, I am quite sure that there is still a lot of room for the improvement of Main Street. The pilot scheme which was started some years ago could have been extended; and thirdly I still say that the promises regarding the Victoria Stadium have not been kept.

Phase II was ready in 1969, tenders were going out in 1970, top priority, and in 1972 still nothing.

HON J CARUANA:

Mr Speaker, I will not deny that there is always room for improvement along Main Street, in particular by efforts being made by the public sector who are quite able to afford to improve Main Street. As far as this Government is concerned this year saw a very significant improvement in the face lifting of Casemates, which I might say had been pending for many years, and I think that the entrance to Gibraltar today warrants some attention and I should not for a moment agree with the Gallant Member opposite that efforts had not been made in that direction. As to the Victoria Stadium, Mr Speaker, of course, in the context of sports it would have priority, but we gave it priority in the first instance, we have a Victoria Stadium today which is usable and very much so by our youngsters. The second phase is still to be planned; I think no one is being deprived of any recreational and sporting facilities at the moment at the Victoria Stadium, so therefore Mr Speaker, we are proceeding with our intentions despite what the Opposition might say.

HON LT COL J L HOARE:

I beg to differ, Mr Speaker, there are a lot of sports planned in phase II which cannot take place at the Victoria Stadium because the facilities do not exist. Squash, a gymnasium and so forth.

Appendix G was agreed to and passed.

The House resumed.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to report that the estimates of expenditure for the year 1st April 1972 to 31st March 1973, together with Appendix G, have been considered in Committee and agreed.

Mr Speaker proposed the question that the House approves the estimates for expenditure for the year 1st April 1972 to 31st March 1973, as amended and Appendix G.

HON CHIEF MINISTER:

Mr Speaker, it is not the best time of day to stand up and speak, but we have reached the stage when it is necessary to really take stock of what has happened in this last year, and I would say perhaps it is also opportune since so much has been said about this Government not keeping promises on what in fact has been done since we came into office. I know that what I have to say is something that Gibraltar can feel happy about, and I also feel that perhaps my friends, on this side of the House will be inclined to tap more than once as I go along and quote figures. This, I think will be appreciated by the Opposition who always laugh when we tap on this side, and therefore I would not discourage this. In fact I would like to see them tapping on the other side as well. We shall all be, I think, very lively entertained with laughter. But it is more than just laughter I think at estimates time because there in printed figures we can see what progress, what has been done, what has not been done, and how we can look to the future. Happily, I think the future is bright, even if the past was dark. There is more than a silver lining in the clouds; I think the sun is shining, notwithstanding our integrated weather of these last few days.

I feel we are moving into a new era, in fact we are here, and the real proof of this is that now we have in our reserve £1,400,000 plus. This is a record figure for Gibraltar which has never been reached before, and whatever my Learned Friend of the Opposition may say, in the most difficult times for Gibraltar. When we are completely encircled and surrounded by a most unfriendly neighbour. It wasn't so long ago when there were some people in Gibraltar, including members of the last Government, who had never thought that Gibraltar could survive if the frontier were to close. Some of them said it publicly, others perhaps thought it and did not say it, but I think that we in this House know who they are and I think the public in general know who they are too.

We had the courage to face the situation, we had the economic policy long before we came into power, and coming into office has given us the opportunity to prove that we were right. I know again that the Leader of the Opposition stands up and says: but why didn't you come into politics before? I came into politics when I thought that Gibraltar needed me, and I am very satisfied with what I have done, regardless of what the Learned Leader of the Opposition may say, and even if we were to be defeated someday, the satisfaction of having served Gibraltar well can never be taken away from me or my colleagues in Government. We have tried to do a good job and I think we are now delivering the goods. But furthermore he also always comes to this House trying to give the impression that those who went into the streets sporting signs: "No concessions to Sapin", had done a disservice to Gibraltar, in fact he said so in a letter he wrote to my party at the time. He also said that we had no faith in the British Government. Little did he know that the people had no faith, not on the British Government, but on some of the members of our own Government. Now perhaps, when he talks about this again he will realise why we went to town with "No Concessions to Sapin", and why we insisted on the unbreakable link. Whether again the Hon the Learned Leader of the Opposition may agree or not it was my party who did it, with the help of a Member of Parliament, Sir Frederick Bennett, who was in fact our legal advisor, and who I remember distinctly one morning coming for him to sign that letter and his refusing to sign that letter on the unbreakable link. This is the story about my coming into politics, and about my party standing firm on the Spanish issue and on our economic policy. I'm very pleased to say today that our plans are working. But it's no use saying this in words, I think it is more important that we should look at the figure, because the figures do not lie, they have been audited.



If we look back, and I think it's fair to make a comparison with the date that we came into office, the first problem that we inherited was the deficit of the City Council. This brought down the reserves to approximately £700,000. We had to meet the deficit and we did so bravely. It is also I think a sign of what was going wrong with the previous administration, the fear of facing the public with reality, the policy of "tighten your belt" instead of "roll up your sleeves". May I say that there lies the difference between the previous administration and the present administration. The previous one was "tighten your belt" although allowing some people to wear braces. This we came along and changed. We have changed the pattern of society in Gibraltar, and I'm very glad to see that this is even being enjoyed by the Opposition as they smile as I go on with my discussion on the point that I am trying to bring out publicly. If we then move, we find that we found ourselves with a deficit of over £300,000. This was mal-administration. Again I'm not saying this, this is a report that we have from quite an authority, the Teesdale Report, from which I'm afraid I'm forced to quote again because yesterday, on the question of the Mayor having an allowance, the Leader of the Opposition referred to "statutory provision". It is rather interesting that he did not keep those statutory provisions with regard to the expenses generally of the Council itself, and acted, according to Teesdale, contrary to law. I think it is important to bear that in mind, because once we do not speak to the letter of the law on matters of finances we can find ourselves in great difficulties and indeed this is what happened. I find it necessary again, so that it is clearly seen that I'm not inventing this, that I should read from the Teesdale Report. I wish, of course, that I was able to quote from the Hansard when we discussed it at length, but unfortunately we still haven't got the Hansard and I understand that some long stretches of that most important debate are not available because the tape recorder went out of action on a number of occasions during that very important debate. But even if we have lost that, the Teesdale Report is still with us and he says this: "This use of capital monies was contrary to law". It was referring to the following: "A detailed reconciliation of actual overdraft at the bank, and the cash entries in the Appendix III Balance Sheet appears in Appendix IV Item 1 and 2 (c), it will be noted that although the cash revenue deficit amounted to £368,723 the actual bank balance overdraft was only £109,721, partly because of the fortuitous lagging of the expenditure compared with the income on striking a balance on the 14 August 1969: see para 14 before that, but mainly because the use of Revenue purposes of £131,384 borrowed for specific capital purpose. The use of capital monies was contrary to law and an examination of earlier accounts showed that such misuse of monies borrowed in excess of or in advance of capital requirement to shield a growing revenue cash deficit had occurred since 1965." That was the position that we inherited from the previous administration. So you can imagine how jubilant I find myself today to realise that from a deficit of such magnitude, and finding our balances down to £700,000, I now come to this House to say that as it looks today the Revenue Balance of Reserves will be £1,400,000. This is after putting £300,000 into the Improvement and Development Funds, so in fact if we hadn't done that and we had wanted to show this as reserves, we would have £1,700,000 in reserves today. An astronomical figure for Gibraltar never having ever been reached before. What surprises me is that this, which in my view is the highlight of these estimates has not really been made public yet, and the best I have seen so far is in the Gibraltar Chronicle. But nothing else has come out, I haven't even heard the figure on television or on the radio news, and I just cannot understand this because it was printed in the speech that was given by the Financial and Development Secretary. There are no excuses whatsoever for not bringing to the notice of the people of Gibraltar this great achievement which is bound to heighten the morale of the people who have been suffering for so many years. "

Well, I'm going to carry on comparing because I think it is most important, and particularly when it makes the Leader of the Opposition smile and laugh so much. On expenditure, just to show you because after all its no use dreaming in this House, I'm afraid the other side, is full of dreamers. Do this, do that, why haven't you done this? But unless you have the money you can't do it, these are the facts of life. It is necessary to find the money first, and then the things can be done. Having found the money we have started doing things. Looking back it is rather interesting to see that again in 1969 the estimates of expenditure for Gibraltar were £3,695,958. In 1972/73 we have £5,183,393; approximately £1½ million more in no more than 2½ years in office. That is achievement, and this is not self-praise, this is arithmetic, which even school children will understand - perhaps the Opposition doesn't, but perhaps they should go back to school. We have a very excellent teacher on this side who can lecture you for hours if you would like him to do so. Perhaps if you paid a little attention to him you would come out of this room a little more learned.

But looking back now through the years, again now we're looking at actual revenue, in 1969 the Revenue income was £3,661,138 and it is now £5,104,530. The difference in Revenue is £1,433,392, very nearly £1½ million. Bearing in mind therefore that we are not borrowing just without knowing that we are getting out money for it, and that everything that we planned to do, unless something goes very wrong, we should be able to pay out of our own resources. The fact that we have the resources in itself is a tremendous achievement so if we look back on past achievements between 1963 and 1969 there has been an increase. This is from 1963 to 1969 when the previous administration was in power. The rate of spending in Government rose by £715,240. Now, between 1969 and 1973, I will quote again the figure, it is £1,488,435. There is no comparison, notwithstanding the length of time, and bearing in mind that those were the great days, the days when the frontier was still open, and when people thought that if the frontier were to close Gibraltar would sink. Well, those prophecies of doom have been proved completely wrong and I am so glad that they had nothing to do with this Government during the present administration, because perhaps Gibraltar would have been doomed too. Equally, again making comparison with the previous years from 1963 to 1969, the difference in the rate of Income, Revenue was £552,171. During our time in office the figure is £1,443,392. Very nearly three times as much in the short period of 2½ years in comparison with the six previous years; there is achievement. That is not self praise.

I think that if the people voted the Government, then they must know what the Government is doing. This is perhaps why there are people so keen in keeping truth away from the public and we in this Government are seeing that this information reaches the people of Gibraltar because it is in their interest that they should know.

This is in respect of recurrent expenditure. If we now look at non-recurrent expenditure, the picture is even more baffling and more impressive. Since we took office in 1970-71 we spent £1,285,064; in 1971/72 we spent £1,736,763; and now, listen carefully, in 1972/73 £3,231,088. This in a short period of two years, plus what is ahead of us. If we add all this up, up to the end of this coming financial year, since 1970, not 1969, since 1970 we will have spent nearly £7,000,000; £6,953,002, as compared with the years 1963/69 of £3,437,480. Again we have doubled the amount in the short period of two years plus.



That again is achievement. So to the Hon and Gallant Gentleman, Col. Hoare, who insists that this Government is not keeping its promises, I would suggest that he picks up the estimate of the past years and the present years, and there in the language that he is supposed to understand, he will see what has been achieved. I think it is really superfluous for me to carry on talking, except perhaps to say one or two words as to how this Government sees the future. If happily the people of Gibraltar continue to face the situation with the same courage and determination with which they have done up to now - and I have no reason to believe that this will change; if they follow the lead of this Government on the question of good management and productivity on which my Friend on my left Maurice Xiberras has done and will continue to do so much for the future; if the unions in their own role and in their own way understand that the economy of Gibraltar is based on the service that we give to those who come to Gibraltar and who are in Gibraltar one way or another and that this service must be first class; if this Government continues to lead in the same sincere and honest way that we have done up to now; and if the British Government continues to support and sustain us in the way that they have done, and I am sure will continue to do, I think we shall prosper and we shall have security. My satisfaction is that this Government have definitely established now this prosperity and this security.

HON LT COL J L HOARE:

Mr Speaker, I had prepared quite a lot of items on individual parts of the budget, but before starting on those I would like to just deal with some of the points made by the Hon Chief Minister. He started off by saying that they had economic plans before they came into power. Unless he's a superman - and this I don't accept, he may be a good man, not a super man - they must have been pretty nebulous because they could only have been based on little or no knowledge of the factors on which that economy had to be built. They may have had a notion but they had no facts. So how you can build an economy on the quick sands of conjecture I just do not know. He also made a most surprising statement which I think was probably a slip of the tongue. He said that these figures that we were dealing with in this estimate had been audited. And perhaps if we had a Public Accounts Committee we might have a bit more to say on it.

On the City Council Deficit, which he has made so much about. To start off with I accept no responsibility; I was not in the City Council or in the previous administration, and there are a number of us here, but if there is any guilt it must be shared by people on the other side who were involved at that particular time on the Council. But let me say, let me remove this myth of a deficit. The figure which was incorporated into the accounts is one which was necessary to conform to the Government way of accounting. It altered a system of accounting which was in use by the City Council, which as a trading establishment uses commercial book keeping and accounting, whereas the Government bases it on actual cash receipt and expenditure. It is all very well saying that there was this deficit but no provision, no allowance, was made of the fact that there was a £ $\frac{1}{4}$  million outstanding from rate payers and householders which has since come into the Government coffers. It has been taken into account because it has been received, if it has not been taken into account then something requires very serious investigation. Neither was any allowance made for stocks of materials on conversion to the Government system of accounting. There was a great deal of material. Neither was any allowance made for plant, including the North Front Distiller.



HON J CARUANA:

And the Haven.

HON LT COL J L HOARE:

And the Haven, I hadn't come to buildings. But the Electricity Department, the Telephone Department, they have all been taken over without a penny being reflected of its value in the Government accounts. So let us explode this myth: a lot of political capital made at the time but, seriously, it just doesn't bear examination, because you are comparing like with the unlike. You are comparing two separate systems of accounting and if in fact the Government taking over the Municipality was not in their interest they wouldn't have jolly well done it.

Mention was made, too, about the breakdown of the tape recorder during that debate. It is a pity that this happened because there was quite a lot of meat there which we on this side would have liked to have refreshed ourselves on but I hope he is not blaming that on this side of the House as if we did it deliberately.

MR SPEAKER:

That is out of order. I must say that any responsibility for the recording of debates of the House lies in the Speakers Office and any blame for any thing that goes wrong with the recording of debates must be brought to the notice of the Speaker who is completely and utterly responsible for that part of the proceedings of this House. I will not have any references made by either side as to responsibility for anything that goes wrong on that particular issue.

HON LT COL J L HOARE:

Thank you, I agree completely, Mr Speaker and I accept that but the innuendo was made on the other side. It was made very indirectly, but it was there.

HON CHIEF MINISTER:

Mr Speaker, with all due respect, I would ask him to withdraw that.....

MR SPEAKER:

Order order. If any innuendo had been made I was not conscious of it. I was paying great attention when the Chief Minister mentioned the fact I did not ascribe any innuendo in what he said, otherwise I would have called him to order.

HON LT COL J L HOARE:

Thank you. He also mentioned that morale was never higher. I wonder where?

One of the things I missed more in Gibraltar than anything else is the smiling faces, everybody looks so grim these days. Why is this? Is this a sign of morale being high? People walking about with long faces because they haven't got time for their leisure? Because they haven't got time to live? Is this morale?

And of course neither was there a little peep about the increased cost of living which I think are relevant factors to expenditure. All these references and comparisons between 1963-1969 to the present day were just so much wasted exercise. Only a very blind person or a very naive person would attempt that exercise because conditions are so vastly different. Cost of living, wages, a thousand and one things, the standard of living, everything.

And what really shook me from the Leader of the party which is dedicated, as its prime aim with Integration with Britain that not one word of praise was given to the real benefactor of Gibraltar, the British Government who.....

MR SPEAKER:

Order.

HON LT COL J L HOARE:

No comments were made that you hoped that they would continue.

MR SPEAKER:

The Hon Member is to address the Chair when he's speaking.

HON LT COL J L HOARE:

Mr Speaker, the comment made was that there were hopes that the aid would continue. There was in fact no mention of thanks or gratitude for what they had done.

And finally, Mr Speaker, before I get down to the budget itself, I insist that that Government, not this Government, that that Government has not kept its promise about Victoria Stadium, whatever other promises they may have kept, they have not kept their promise about the Victoria Stadium. It may be absurd but I have not seen a completed Victoria Stadium. The plans were ready in 1969 and 1970 and the phase II still hasn't been started.

MR SPEAKER:

Order.

HON LT COL J L HOARE:

Now, to go on to the individual items of the budget on which I wasn't particularly satisfied, Mr Speaker. I will deal with them in turn. But first of all I can't help but give my congratulations to the Hon Financial and Development Secretary for his first budget. He has learnt very fast about what

goes on in this place. He has still got to learn, one thing is that there are two sides to this House, but I'm sure he's done a jolly good job of work. Coupled with that, the people behind the scenes, his excellent staff. He has really got a first class staff whose only object is the good of Gibraltar, and this is not only his immediate staff but those way down the line.

Having said that - and this one of the reasons why I have been somewhat calm - let us analyse some of the items which were brought forward. He's spoken about two years of good budgets, "after two good years of surplus" were his exact words, on the recurrent budget. This of course reflects the efforts of the people of Gibraltar as a whole and of course the tremendous efforts, practical effort, and help given by the Government of the United Kingdom in applying their promise of sustaining and supporting us. We support his plea wholeheartedly for the wiping-off of the arrears of the Municipal Department of £196,000, but it mustn't rest there. There are something like £12,250 outstanding on rents as well. We also support his plea to watch that bogey of modern times "inflation". And this of course can only be done by reducing increased costs, and these are inevitable, to the minimum. I am sure he will apply this to himself as well as expect it from others and he will keep whatever increases in taxation he has to propose later on to the very minimum.

Now to the actual figures on the estimates, the estimates the Assets and Liabilities. The statement at page 2 I think shows an overinvestment on the Non-Contributable Social Insurance Fund. Whereas the balance of the fund is £169,960 the amount invested on its behalf is £178,956. This will not increase our total assets by 1p but of course it will alter the allocation. Moving on to page 3, I was surprised that he made no comment on the fact that there are £330,000 deposited with the Crown Agents. I know from questioning that this attracts interest at bank rate plus 1% and I hope that he has since found it possible to do something to invest this in something more profitable, unless of course he wanted it to meet some imminent big liability which had to be met, but we would like to know. He is budgetting, on page 4, for a deficit of £78,800. Here I would like to digress, Mr Speaker, because on one item, dealing with a particular subhead this morning, I heard the astounding news that the revised estimate not only covered the expenditure to the 31st December 1972. If this principle is applied throughout then it makes a whole nonsense of the estimates and of the budget itself. I was dealing with a particular item where £900 was shown as the revised estimated expenditure but in fact it was disclosing that they were £3000 until the end of March. As I say, I take it that this is an isolated and unique case because otherwise the whole concept of the budget goes for a burton.

In 1971/72 going back on his opening figure, he budgeted for a surplus of £65,250 but its likely to be much higher, and that is after making a contribution of £100,000 to the Improvement and Development Fund. This is very good it shows the resilience of the people of Gibraltar to produce this. And this of course after we have taken great chunks out of the Revenue to meet Mr Marsh, COLA and so forth which brings me to the conclusion that he was if anything, a little - his predecessor not he - was perhaps just a little overcautious because it could not be that expenditure was reduced to that extent, because he had no less than seven supplementary estimates totalling over a £1,000,000. So, with respect, I might say that perhaps he was a little bit overcautious, and I think he has been, possibly, a little bit overcautious again this year. In



passing I would like to comment on the words he gave us yesterday: that he was very thankful for what he had inherited. I endorse that and I think enough praise is perhaps not given to his predecessor on this. He was a great servant of Gibraltar in another capacity. He was a great servant to Gibraltar in financial fields. And why I say he is overcautious when I make my plea of moderation in increases of taxation is because this year we have the extraordinary amount of £75,000 for water, which in fact would very nearly clear that deficit. It would if in fact we took cognisance of the £12,000 windfall which we heard about on the Port Department this morning. And of course I think one can probably expect a pretty liberal windfall resulting from the present state of the market. There will be without doubt, unless there's a great slump later on this year, a tremendous upsurge in the value of our investments, and I hope that this happens. I say over cautious, Mr Speaker, and I will give two headings just as an example. He has mentioned that this year motor car licences will bring £86,000. This is what he estimated for last year and I'm sure what was brought in without reference. Now it is plain to see by merely walking around the streets that there are more cars in Gibraltar, and bigger cars in Gibraltar, and therefore one would have expected the Revenue to have gone up in this direction. Secondly, Income Tax: £60,000, the same as the revised estimate for last year. We keep on hearing time and time again that there is more and more money in the pockets of individuals. Surely, this must result in more taxation, in more revenue coming in from this Income Tax.

We had quite a storm over Head XVI on entertainment. My enquiry was a very simple one with no motive except that of getting information. I found a little bit fractious, not to use a stronger word, that an attempt should have been made to say that the £750 we allotted last year was intended for the Minister for Municipal Services. Much more surprising of course, when one remembers that according to the revised estimate the whole amount was used. Thirdly, it is even more surprising because there has been no supplementary estimate brought forward for the expenses incurred by the Mayor in his civic duties. So, I think, this was a red herring which was quite unnecessary and was brought in without reason at all.

My other criticisms, Mr Speaker - comments rather, not criticisms - arise out of some remarks passed this morning that the London Tourist Office, over which we all got het up, comparisons were made between Gibraltar and Jersey firstly and then Morocco. But the comparisons are quite unrealistic in this aspect, one has Jersey with two very friendly great states on either side - United Kingdom and France; with regular scheduled sea services, particularly during the summer months, but that doesn't mean to say that Jersey is not kept in the public eye, which in this day of sophisticated salesmanship is a must. And of course the other difference between Jersey and Gibraltar is that Jersey Tourism is covered not by a Minister but by a Committee. Jersey keeps itself in the public eye by constant advertisements in all the National papers of Great Britain, which must cost them a heck of a lot more than our efforts. So a comparison with Jersey was quite inappropriate. As to the comparison with Morocco: is it really seriously thought that tourism in Morocco is not going up by leaps and bounds? Even our old friends, or enemies, of BEA have now had to increase their services to just one place through us. How many increases they have put on direct I would not know.

The other comment on Tourism which I would like to make is that apparently there is full cooperation in the London Office by the staff being able to devote some of their time, their energy, and obviously their loyalty to both Ministers. Why it should be considered to be so outrageous in Gibraltar I just can't understand. I have already drawn attention to the items which I thought needed a little bit more limelight in the Improvement and Development Fund, I still feel strongly about the Victoria Stadium, as I am sure do all sportsmen in Gibraltar. Perhaps if things get better, and they can get better despite the growing state of affairs given to us by the Hon Chief Minister, then perhaps they can have another rethink and do something towards that.

Finally, we didn't deal with the Housing Account in much detail, but arising out of some comments made by the Hon Financial and Development Secretary yesterday the depreciation account: that we shouldn't fool ourselves with the figure at Appendix J where it shows a depreciation account .

a credit, or a charge to the Housing Account, of £200,524. This is a notional account, and in fact do not mean that a single penny has gone. It is just so much paper. Thank you.

HON J CARUANA:

I would like to deal very briefly, and very much to the point trying to gain time for that lost by the Hon and Gallant Member opposite with his diatribe and his attempt at giving a sensible reasoning, as he sees the estimates, in which I'm sure he failed totally.

To deal first of all with the Victoria Stadium, Mr Speaker, this Government does not require any further urging from the Opposition, or anyone else, to continue with its set programme. Neither do we need a funeral march by youngsters, a protest against the construction of the Piazza, which was constructed before and with much more priority than the Victoria Stadium, when in fact we needed a Victoria Stadium which was delapidated. There are other things that this Government has to do first and this we shall do. All things will take their places.

Mr Speaker, to show how inaccurate and how off-the-target the Gallant Member opposite has been with his reckoning, only yesterday we voted in this House a Supplementary Estimate of £3,000 to take account of the expenditure of the Bicentenary and Freedom of the City which takes into account expenditures incurred by the Government as a whole. It also includes expenditure by the Lord Mayor. So it goes to show exactly how shallow, how insincere and how inaccurate the assessment from the other side has been so far. Lamentable as it is, it still remains the question of the water, as the Gallant Member opposite has pointed out, and the opposition has already pointed out on several occasions, and I will not allow the matter to be forgotten. £75,000 need to be spent this year over and above £66,000 spent last year. This is the crying shame, this is an inheritance from the last administration, and I shall hope one day, God willing to pin it there four-squarely.



Mr Speaker, it was also mentioned that we might have had, we must have been clairvoyant, to see what the economy was because we were not in Government and we could not have had the facts. The facts were there for everybody to see, there was no productivity in Gibraltar, there was no chance of earnings anywhere in Gibraltar, people were living below the breadline level only three or four years ago, people very close to us were earning £7.00 a week for a 45, 47 and 50 hour week and this has changed. Our economy was put in a nutshell by Beeching and this we are following.

The myth of the deficit of the City Council! How ridiculous can you get! The Gallant Member opposite is attempting to say that this matter cannot be taken seriously by anybody, that it does not bear serious examinations. Does he mean to say that Mr Teesdale is not serious and that his report does not bear any weight. Mr Speaker, this side of the House is the first one to thank the British Government, when there is an occasion to thank the British Government, for the help which they have given for the people of Gibraltar as a whole. And when we repeat this and we reiterate it in this House it is for the benefit not of the British Government, so that they can hear our thanks, because we give it to them in kind, we reciprocate our thanks and our gratitude but it is for the benefit of the Opposition who seems to forget at times to whom they owe allegiance. It has even been suggested on the other side in this very House that the British should pay a rent for the base. When we give thanks to the British Government we give it as British people and with a full measure of sincerity. This Government never distrusted the British Government at any point in the negotiations with Spain in 1966, 1967 and 1968, we distrusted certain individuals in Gibraltar who were quite prepared to make a deal, given a change. In fact this was manifested very clearly by a certain group of individuals from Gibraltar which gave rise to a very undesirable situation.

The Government is delivering the goods, Mr Speaker, and there is no good denying this. The mammoth budget we find ourselves with today includes money for the provision of a complete new Distiller - over £600,000 - it includes provision for a new Refuse Destructor, it includes provision for the resurfacing of our roads in a way hitherto unknown, it includes provision for new roads, it includes provision for over £27,000 in new vehicles to motorise the department of Public Works alone, it also includes provision for the mechanisation of various departments as has been explained in detail before, it includes for improvement and beautification and general tidying up of Gibraltar. This is a fact, there is no getting away from this reality.

I would like to say, Mr Speaker, that it was a real disappointment, a real disappointment, for me not to hear in last night's television programme any mention of the figure of the surplus for the year 1970/71 of £535,000, after transferring to the Improvement and Development Fund £200,000. There was no mention in that programme of another surplus in 1971/72 of over £200,000 after transferring £100,000 to the Improvement and Development Fund. Over and above that there was no mention that, in spite of putting this money into the I & D F, and this surplus, that over £200,000 of work had been carried out during last year. This to me was a great sin of omission on the part of an information service which I hope they will in time correct, because those figures, a surplus and then the General Revenue Balance, the improvement from



£700,000 to £1,400,000, are the two crucial things on which any account rests. The rest are padding the meat and the substance of the account. But the ~~neal~~ crucial thing of any account is either its deficits, like in the City Council, or its surpluses what you put into the reserves for a rainy day and what you put into the Improvement and Development Fund to be able as the Financial and Development Secretary said, to be able to programme and plan for the future. This was a sad omission on the part of the television services. I shall rest the matter of the television services there although there have been one or two other occasions when they have fallen down. I will not try to pin any motives as to why this vital information and other vital pieces of information, are withheld. It is all part in my personal

opinion of a conspiracy of certain groups of people in Gibraltar to demoralise the people of Gibraltar. This they are trying to do but they will not achieve this aim, because we have stronger characters than they have on their side of the House and people cannot so easily be misled. Newspapers get to become abhorrent when they continue a certain distasteful line of attack,

Mr Speaker, the question of the shop window in London. The importance they attach to this is too ridiculous for words. Northumberland Avenue is a side street and there's no getting away from it. Mr Speaker, who better than the London Manager himself, and the Public Relation Consultants themselves, who deal with the people who have to go to that office, what better than their assessment to judge what is best for the operation in London. The operation in London must be functional, it is a working unit, and the selling is done direct through Travel Agents. Mr Speaker, the trend is obvious, it is a conscious policy of the Government which we first stated in this House in the first budget session in 1970, and which we are today fulfilling. The goods are being delivered to the great distaste of the Opposition, and delivered in spite of the very serious circumstances which surround Gibraltar.

HON A W SERFATY:

Sir, I thought that this question of the display window in Northumberland Avenue was not going to be broached again, but I'm afraid it has and I will have to dedicate a few words to that. And that is that I believe the Government lose sight of the fact - I am glad the Minister for Tourism has just come in - that it is important to keep in touch with the consumer. It's all very well to speak about Travel Agents and Tour Organisers, these are very important people in sending people to Gibraltar, sending tourists to Gibraltar, but one of the virtues of the ground floor office is that we are in touch with the actual potential client. And this, even the Hon Minister for Public Works who has just spoken, will agree is not a bad thing.

Now the Hon Mr Caruana has just mentioned four words in his speech, which I have written here in block letters because they are indeed very important: PLAN FOR THE FUTURE. This is one of the faults I find with the present Government and I have done so for the last two and a half years. They may have increased and in fact they have though no mention has been made that inflation has an effect on the amount of the budget. This has gone up to £5,000,000, including the ex City Council, I agree but we do not see in that budget any signs, in spite of the Viaduct Scheme and other schemes, of real planning for the future.

I know what I'm going to be called, I'm going to be called a dreamer, but it is dreamers, or perhaps planners is a better word, who have the creative thought that will enable a community like Gibraltar to plan for the future against any contingency. I'm sure that the Government will accept the fact, because everybody has, that our economy is dependent to at least 60% on what the Hon Mr Xiberras calls, I think, "his baby". The Dockyard Economy. For two years now I've been asking the Hon Chief Minister what assurances can Gibraltar have that this spending is going to continue, because it is no secret that the P A Report has said that that 60% of the economy is not going to grow within the next few years. If the Government have done their homework they must have read this in the P A Report. So it is obvious to any thinking person that the other 40% has to grow. What has the Government done, I would like to hear? I know all about the statistics and all the good work that Mr Xiberras is doing in the Labour and Social Security Department, though it makes life very difficult for us as some of us do not think they are as good as he thinks they are. What has the Government really done? What does this Budget really represent in this plan for the future that the Hon Mr Caruana so brags about? What is going to happen if this 60% not only does not increase but decreases? I don't care if the Hon Backbencher shakes his head and says no. He may be a very optimistic person, but politicians have no right to be so optimistic. They must plan for the future as Mr Caruana says. What is going to happen to the economy of Gibraltar if that 60% is reduced, if in the meantime we do not take steps to increase the other 40%. What has the Hon Chief Minister, who is the Minister, I believe, for Economic Development other than Commercial done - although I don't know what the difference really is - on the scheme for reclamation of the eastern side of the Rock? What has he done with the Rosia area, which is the best site in Gibraltar, much better than the Viaduct side, where a small town could come up in the best site of Gibraltar. What has he done? Nothing. What has he done with the project for the development of Engineer Road? As far as we know, because we don't get much information from the Government I must say in passing, I don't even get the slightest information from my shadow, from the man I shadow, about Tourist figures, which I don't think is very nice of him let me say. I do not know very much about Parliamentary procedures, but I would have thought that it is helpful to a Government to keep the Opposition informed of what is going on. As far as I'm aware very little is going on in Engineer Road. As to Prince Caroline Battery, I really don't know either. Perhaps the Hon Chief Minister does not know himself. Swimming pools; not a thing. Multi-storey car parks: nothing from the Hon Minister for Public Works.

I agree sometimes with the things Mr Xiberras says. He says that the people of Gibraltar must keep pace with Europe. Of course we must keep pace, because if ~~we do not~~ we have really had it; financially, economically, socially and even politically. Yes, you may say hear, hear, but what are you doing about it on a long term basis? So much bragging about hotels. Which are the two hotels that are going up: Holiday Inns and Parcar. The Hon Backbencher knows only too well, and so does everybody in the Government, that these two schemes were not born during the time of the present Government. So if we must improve our infrastructure on tourism, which represents in great part the 40% of our economy which must grow, in spite of the Government efforts to leave it where it is, why does not the Government put out to tender the Parsons Lodge Site for another hotel? Or the Napier Battery Site for another hotel? Not a thing. It is all very well Mr Speaker, to call himself the Minister for Development but we don't see a thing. Let us hope the other Minister for Economic Development does a little better. He will not have to do very much to do a little better, I must say.



Before, I finish with the Minister for Public Works and on the subject of painting, may I refer him to recommendation 8 of the P A Report. This is only a helpful hint, I'm not being critical. The P A Report recommends that as many buildings as possible should be given a coat of white paint. Why doesn't he pass on this recommendation to the Military Authorities who are painting some of their buildings pink? I'm not suggesting that every building should be painted white, but I will agree with the P A Report that white should be the predominant colour and I think that if the Government has not sent the Ministry of Defence in Gibraltar a copy of the P A Report they ~~ar~~ are failing in their duty.

HON J CARUANA:

They know already.

HON A W SERFATY:

Then they are not paying much heed to you.

MR SPEAKER:

Order, order.

HON A W SERFATY:

I have just seen a building in Bomb House Lane. I do not know whether it is the final coat but its painted pink now.

HON J CARUANA:

That is the Museum Mr Speaker.

MR SPEAKER:

Order.

HON A W SERFATY:

Yes Well, is it the Museum or is it Bomb House?

MR SPEAKER:

I must ask the speaker to address the Chair.



HON A W SERFATY:

Well, if it is the Museum then it is the Government that is not following the recommendations of the P A Report and I must therefore apologise to the Military Authorities, but certainly not to the Government. Honestly, and this is the second time I have to say so, Mr Speaker, why the British Government spend £15,000 in P A Report I don't know, when they go and paint the Museum in pink instead of following the recommendations, which are very good in this respect and which I fully share. Somebody has gone wrong in the department, either the Minister or somebody else below. I was very concerned, and I am sorry that the Hon Mr Caruana has already spoken but I was really very concerned - I am indeed and I'm sure the Opposition is all concerned - about the few words he said about housing in the future not being financed by the British Government from C D & W Funds, I would like somebody to clarify that for our benefit.

HON J CARUANA:

Mr Speaker, I did not say that. I would clarify that if I may Mr Speaker. What I did say was that in my own personal view the Viaduct Housing Scheme would possibly be the last of the Comprehensive Housing Schemes, I did not exclude the possibility of building, for some years to come, 50 units here, 100 units there. I meant possibly in my personal view, the last of the big comprehensive housing developments. This is a sensible assessment because there is no large expanse of land in Gibraltar where one can do this every other day.

HON A W SERFATY:

Well, I agree on the large expanse of land, but if the Hon Minister for Public Works wants some tips <sup>where</sup> large blocks of housing can go up I can give him a hint.

HON J CARUANA:

Six hundred and ninety-eight houses?

HON A W SERFATY:

I would advise him to look at the City Council projects for housing in Flat Bastion Road to begin with.

HON J CARUANA:

Out of the question, Mr Speaker.

MR SPEAKER:

Order.

HON A W SERFATY:

I know what I'm talking about, but.....

MR SPEAKER:

I must ask the speaker to address the Chair and not to ask questions .

HON A W SERFATY:

Yes Sir, very sorry Sir, but when a Minister for Public Works gives as his personal opinion that that kind of money is not going to be forthcoming from the British Government for housing in Gibraltar this is cause for concern.

HON J CARUANA:

I did not say that, Mr Speaker.

MR SPEAKER:

Order, order.

HON A W SERFATY:

I'm not suggesting that we should do a "Do. M Mintoff" and demand from the British Government. Of course not, but I'm suggesting that we must fight for what we think is reasonable and we are as pro-British as those gentlemen opposite. All these innuendos about the Opposition not being as British as the Government is all ruddy nonsense if I may say so. So I would like to ask someone, if possible what kind of money the Government expects to get from the British Government - I'm not saying next year I know already about the schemes they have to cope with - in the future, and whether there is any hope of this Government ever tackling - I know they only have a year or so to go - the big projects, or even beginning to tackle any one of the big projects that I have mentioned. I would like the Hon Financial and Development Secretary to let me know, and I really want to know, under Revenue Head IV : Miscellaneous Receipts, why no provision has been made on this question of surplus-note security fund. Last year I believe we had about £89,000 or something like that in Revenue, and I understand, I don't know, that no provision has been made this year; at least not under that Head. If possible I would also like to know as these estimates were prepared at least three months ago as the Hon Financial and Development Secretary has said, whether the situation has improved as the situation was envisaged 3 months ago, because things do change. And I would like to mention one thing about this £368,000 that the Hon Chief Minister calls the deficit of the City Council. I have to make no apologies for anybody, I was not a City Councillor myself, but is interesting to ponder over the fact, and I think that this is a fact what I'm going to say, that this £368,000 because of the different system of accounting between Council and Government, has helped to increase the Revenue Balance to the figure it is now. So its no use when the Chief Minister brags so much about the increase in the General Revenue Balance because what has happened to the extent of over £300,000 is that people have been paying the debts they owed to the Council and this money has gone to the General Revenue Balance because it was not allowed for in the estimate.

In fact this also shows that in the last year or two the people of Gibraltar have been over-taxed, because this £368,000 were not taken into account as revenue, though they came in afterwards, of course. The last point I want to make is last night's discussion on this question of the Minister for Commercial and Economic Development and the Minister of Tourism. I have to make no apologies for whatever I said and I only hope that the assurances I have received that the Director of Tourism and the Department of Tourism in Gibraltar will help this Minister in his work for the promotion of cruises and conferences will actually be a fact.

HON W M ISOLA:

Mr Speaker, Sir, I understand - my hearing is sometimes not very good - but if I remember rightly Mr Serfaty said he was a dreamer at some stage of his speech today or he likes to consider himself to be a dreamer. Well, might I remind the Hon Member to come down to earth for a couple of minutes. The way my Hon Friend was talking about these development plans about gardens, swimming pools, multi-storey car parks etc. gives me the impression that we have been in Government for the last 25 or 30 years, I don't know. But let us be basic Sir. We have been in Government for 2½ years, during a period which to my mind has been extremely difficult, very difficult years, both from my angle, the tourist angle, and from the labour angle. Mr Serfaty keeps on saying: "You have done nothing". I haven't got a very good brain, and I cannot think back very much, but am I right in remembering that sometime in June 1969 we all knew that the frontier was at one time or other going to be closed. Were any plans made by the Government in power at that time to think about bakers, a simple thing like bakers? Were any plans made for the essential things of life? If I remember rightly we had to ask the army to help us because we had no bakers. Now, at that particular time, Sir, in the previous administration, surely you had as many workers as you wanted, you had cheap labour. Were any plans made for building the swimming pool? Were any plans made for the multi-storey car parks? Really, let us be basic, Mr Speaker. It is very well to come here and say "We need this, we need this, more plans for this, more plans for that". But let us stop dreaming, come down to earth. Mr Speaker, I have very high regard for my Hon Friend but at times I feel I must say to him "Come down to earth". And then when he comes to me and says I hope I give an assurance that I will give all my assistance to the Minister for Economic Development, but of course, of course I shall. I shall give every assistance with my department for recreation and education, for that department, for this department, for any department, which is for the good of Gibraltar. But I mean to say that Sir, would in a way cast aspersions on my department that I was not prepared to cooperate with a fellow minister. That is so far from the truth. I think it is shameful. I really do, especially as my shadow minister only knows me too well. I think that is rather naughty of him. Mr Speaker, we have heard again about this shop window time and time again, but come on, let us be basic. Mr Serfaty talks about this shop window - I'm referring to the Northumberland Avenue Tourist Shop window - which has to be in touch with the potential clients. Mr Serfaty knows perfectly well when he was Minister for Tourism that the only enquiries you get in that office at the most is perhaps two a day, one a day from potential customers. In fact we do not require those premises because (a) they are too small for three people, the object of a tourist office in London is to be able to speak to the travel agents, to be in touch with travel agents, and people like that. A lot has been said



about the fifth floor as if that was miles away. May I remind the Minister there are other buildings in this world, like the Empire State Building which has 104 floors. Our office is on the fifth floor. There are two lifts to go to that office and about five other floors on top of that, so let us not kid ourselves. And when Mr Speaker, certain members of the Opposition said we should also keep the present shop and also larger premises in the fifth floor, does it warrant spending £2000 minimum, £2,500 more just to keep a shop window in Northumberland Avenue, £2,500. Well, I say, no. I believe that we need larger premises, the premises which we are getting as I said before are not what I personally would like, I would like a big shop window in Piccadilly, Regent Street, Mayfair, with a big room at the back for the Manager, but that is not possible. I am not going to come to this House and ask for money which I do not consider would be well worth spent, bearing in mind our bed capacity at this time. It could be that in years to come when we have 30, or 50 or 60 hotels, we have 400,000 beds to sell like Jersey, then of course the possibility of acquiring even better premises should be carefully considered, but not at this particular stage of time. Now, Mr Serfaty has asked me that he is never told about figures, about the tourist trend, but Mr Speaker, I would be delighted to give him the figures if he were to ask me, but he hasn't asked me ever. Whenever you like to ask me I will give them to you. But let me tell him for his satisfaction that there has been a guest night increase from 1970/71 of 13.6%. Now that might....

HON A W SERFATY:

Mr Speaker.....

MR SPEAKER:

Order.

HON A W SERFATY:

But, Mr Speaker.....

MR SPEAKER:

Order.

MR SPEAKER:

I must inform the House of the rule that the person holding the floor is entitled to be heard without interruptions. I will read again for the benefit of the House our Standing Orders which is very specific on the point. It is order 46 (11) which reads - and I'm going to take the trouble of reading it and I hope that Hon Members will remember it - it reads: "No member shall interrupt another member except by rising to a point of order when the member speaking shall resume his seat and the member interrupting shall simply direct attention to the point which he decides to bring to notice and submit to the President or Chairman for decision or to elucidate some matter raised by another member in the course of his speech, provided that the member speaking is willing to give way and resumes his seat and that the member wishing to interrupt is called by the President or Chairman." We must keep to the rules, gentlemen, otherwise it is going to be endless.

HON W M ISOLA:

Mr Speaker, Mr Serfaty gets annoyed but does he realise that as far as the hotels are concerned the important thing for them is to have people stay there and is Mr Serfaty now he has brought this question up, is he aware that for instance an ordinary tourist who comes shall we say, to give an example, to the Caleta Palace on a package tour does he, is he aware that the sailors who come from England and are staying there for two weeks on some maintenance of the ship actually spend more and pay more for their rooms than an ordinary package tour? Therefore they should be more than pleased. It so happens and I don't really know why he should get annoyed Sir, when I said that the increase of 1971/72 is 13.6% he gets up and says "It must be workers it must be this." But, Sir, guest nights sold are equally important to the Hotel. If a hotel is full up all the year round whether it is with Service people or not, that is the important fact. And there is no getting away from it. Now, I have just given simple figures which I think are good news, that there has been an increase in 1971 over 1970 and you must remember Sir, and this is very important that in 1970 people had already booked their holidays for 1970 when the £50 travel allowance was taken away, like I said earlier on, which meant that any visitor from the United Kingdom - and don't forget Sir that 95% of our visitors come from the United Kingdom - had the chance and opportunity of going anywhere in the world they wished. And in 1971 when they started booking their holidays, in 1970 for 1971 there's been an increase of 13.6% over the previous year on the three main hotels. And may I give some further news to Mr Serfaty which I have not yet disclosed. May I say that the two main tour operators at this particular time had increased their bookings considerably over the same period last year. I hope that at least I get a little smile, Mr Speaker, from Mr Serfaty but there are facts of life, these are realities and these are figures. We cannot run away from them. On the question of the actual pure tourist which a lot of fuss has been made previously, I don't know why but still may I remind the Hon Mr Serfaty that we passed something which is known as the Statistics Ordinance in June 1971, and by this time later on this year I will be able to compare the figures of pure tourists as opposed to pure tourists this year. May I therefore conclude Sir that I am very glad that my vote got voted in full. I am very careful how I spend the money, very careful indeed, as if I was spending my own money and I hope and I mean this, that the figures for this year will be better than last year, and you must remember this which is also very important that when the people are coming to Gibraltar on package tours they are paying about £42 - £43 and across the road in Malaga they are paying about perhaps £44 - £45 and they are flying in jet planes whilst unfortunately we still have in Gibraltar these wonderful planes called Vanguard. That's it, I've got a good memory.

HON E J ALVAREZ:

Sir, I shall be brief and productive I hope, since my theme will be productivity. But first and foremost I wish, Mr Speaker to congratulate the Hon Financial and Development Secretary for the lucid and comprehensive report on the work of his department for the next financial year. The provision of £14,808 under Productivity and Training Unit is, I believe, a step in the right direction and in this connection I cannot do better than fully support what he said in presenting the estimates of Revenue and Expenditure for the ensuing year and I quote Sir "What we must avoid is a vain and in every sense destructive chain

reaction of increased wages, costs, prices, taxes, and the same all over again in the familiar inflationary spiral". He also said: "We must get improved productivity in return for rising wages and salaries and furthermore difficult as this is we must make a real effort to quantify the improvement. The productivity and training unit is already doing valuable work in this field. Again I repeat we must be very wary of the dangers of inflation". This is what he said, Sir. Now productivity Sir, will obviously play a very important part in our economy which I have no doubt will redound in the interest of our community, but to achieve this it is vital that everybody affected cooperates to make it a success by achieving efficiency and a high standard of service. A failure will prove disastrous to our economy for in this era no country or indeed any town can afford unproductive labour. Sir, apart from the importance of improving the productivity and the efficiency it will have the double objective of securing a higher level of wages for industrials and non-industrials and naturally a consequent decrease in the present labour force. Because of the reasons which I have stated, Sir, I confidently hope that the Government will agree with me on the desirability of establishing a productivity organisation which will ensure full participation by management, trade unions, associations and other representative bodies at the earliest possible date.

HON SIR JOSHUA HASSAN:

Mr Speaker, we have followed the practice in view of the fact that there are a bigger number of members on that side than on this side, I think it tends to make the debate as balanced as possible if a member of each side could speak in turn, there's nothing in the rules I agree, but we followed this practice. Apparently there is a reluctance now from one of the members opposite who has probably got plenty to say to come forward. If that is going to be the attitude then we say nothing more.

MR SPEAKER:

I will just for the purpose of assisting the House say that so far it has been taken in turn. The Chief Minister spoke first, followed by Col Hoare, Mr Caruana, Mr Serfaty and Mr Isola and Mr Alvarez. If there are no other speakers I will put the question. Mr Xiberras, I understand you want to say something?

HON M XIBERRAS:

Mr Speaker, I think that following what the Hon and Learned Leader of the Opposition has said I would imagine that there are three speakers on that side of the House who have indeed not spoken and that there might be other members on this side of the House who have no wish to speak so I would say that the computation is not as easy as the Hon and Learned Leader of the Opposition would lead the House to believe. I said that the Hon and Learned Leader of the Opposition is in fact right if all four members who have not spoken on this side of the House in fact intend to speak. But there are in fact some members who might not speak at all.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I do not wish this opportunity to pass without making a few rather personal remarks. I feel that I must express my gratitude for the indulgence and indeed the kindness of this House on the occasion and I would like to say that which



I have not said before in this House that I have come here and I feel proud and I feel privileged to serve this House and to serve the people of Gibraltar. I shall do this with enthusiasm to the best of my ability but, Sir, my training as a civil servant and I am unpracticed in the Parliamentary procedure, I am conscience of that Sir. I therefore express appreciation also of the forbearance of the House and their tolerance in the inadequacies of this budget presentation. I welcome particularly the tribute paid to my predecessor and to my colleagues in the Treasury and I endorse that if it is not presumptuous of me to endorse the tribute to my predecessor I gladly do so and as to my staff in the Treasury for them I am quite full of admiration. I think they have done quite a remarkable job in the presentation of this budget. I noted and I took note of a point which was made by the Hon Member Mr Featherstone on the other side and I agree Sir, if in future years we can make the explanatory notes more informative we shall do so but I just beg and I am sure it will be understood in the House that we would not have put too much time or effort into mere hair splittings. Sir, the Hon and Gallant Member Col Hoare said that tribute for what I called the good surpluses, the good economic performance in the past few years, tribute was due to the resilience of the people of Gibraltar. I, Sir, of course entirely endorse that. At the same time I think the Hon Mr Xiberras rightly did also refer to the need for a Government lead to the people. I take up myself a point which was made by the Hon Member Mr Montegriffo. I think, if I got the sense, he said early on in these proceedings that what he would like to see would be the going out from both sides of this House to the people a message in the sense that if we want the good things, if we are to get the good things we all want for Gibraltar then we have got to work for them. I say, Sir, with just a little diffidence that my own diligence in the preparation of the estimates is perhaps not all that it might have been but I do take up this point and I would say this Sir, that in this small community if there could be a resolve that we are all going to get the job done and the service rendered in Gibraltar second to none, then in such a small community as we are Sir, I believe that this resolve would bring evidence before our eyes in no time of improvement. The Hon and Gallant Col Hoare, Sir, agreed with me that we must watch inflation and so did others and the Hon and Gallant Col Hoare very fairly hoped that I would take that to heart when I come to the point of making proposals in regard to revenue. I entirely accept that, Sir, and I shall be watching the effect of anything I propose on the cost of living and the retail price index but I would like to say just this, that the balance of any budget and the extent to which it may be inflationary depends on the level of the expenditure and the level of the revenue. Now Sir I ought to be glad of perhaps the forbearance but there has been no suggestion, I have noted, of any sign of extravagance in the estimates of expenditure that I have put forward. I hope and believe that is right Sir. High tributes were paid to the Treasury and I endorsed them and I would say this that I admire the work of the Treasury Sir, enormously and I trust the work of the Treasury and with their help I have had the facts and the information about the revenue and I trust that more than the feeling that we may have that revenue has been growing very sharply ahead of estimates in the past two years and therefore it is a fair assumption that it will do so again. Sir, it may very well do so again but circumstances could arise when it did not and it would not be prudent to bank too much on that, I want to make one other remark Sir, and I do it with some diffidence as someone who has come recently from London where I worked for the British Government. There have been references to British aid, if I may say so our friend Mr Xiberras spoke quite eloquently about that, and I know that the British Government does not look for any expression of

of gratitude; that is not the way it is looked at at all. I equally however, can say that I know how open heartedly and with what full understanding the British aid is given but I do take leave Sir to say just this. That in fact, we are as the estimates show looking forward to the expenditure in 1972/73 of a full £2½m of British aid matched by something like over £700,000 of our own funds put to development. I think that is splendid, but I suggest we just ought to bear in mind that if we have £2½ m of aid funds coming into an economy where the budget level is £5m then this has a very great effect and I would merely suggest that to the extent that it is within our reasonable capacity I am sure we would all wish to see our financial independence grow. Sir, thank you very much.

Mr Speaker then put the question which was resolved in the affirmative and the Estimates of Expenditure for the 1st April 1972 to the 31st March 1973, as amended together with Appendix G were passed.

#### Improvement and Development Fund 1972/73.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, as the House already knows, approval of expenditure related to the Annual Estimates is given in two ways. In the case of the recurrent budget, it is necessary for the House, after considering the estimates, to pass an Appropriation Ordinance and a Bill for this purpose is down in the Order Paper to go through all stages later in the proceedings. In the case of the Improvement and Development Fund no expenditure can be incurred unless the House has passed a resolution giving their approval. I accordingly, Sir, move that this House approve expenditure of £3,231,088 from the Improvement and Development Fund for the year ending on the 31st March 1973 for the purposes set out in Appendix G to the Estimates of Expenditure for the year 1972/73. Sir, I commend the motion to the House.

MR SPEAKER:

I now propose the question which is that this House approves the expenditure in 1972/73 of £3,231,088 from the Improvement and Development Fund for the purposes set out in Appendix G to the Estimates of Expenditure for the year 1972/73.

Mr Speaker then put the question which was resolved in the affirmative.

#### Brackish Water and General Rates to be charged and various New Revenue Raising Measure.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing Order No.19 in respect of this motion.

MR Speaker put the question which was resolved in the affirmative.

## HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, as again I am making a statement pertaining to figures, I ask the indulgence that I may read.

As I informed Hon Members earlier in the proceedings, the extent of the deficit in the Estimates for 1972/73, which have now been approved by the House, is £79,000. I also have to take account of possible further expenditure on cost-of-living allowances to Government employees under the current formula related to movements in the Index of Retail Prices. And I have to take account of the impending biennial review of wages and salaries. Also I have emphasised to the House the importance of an adequate General Revenue Balance, particularly now that we are running a larger budget. In the Estimates I presented, however, there was as I explained no provision either to bolster this reserve itself or to make a contribution to the Improvement and Development Fund.

My task has therefore been to raise additional revenue sufficient to offset the present deficit and provide a prudent amount towards these uncovered expenditure requirements, and unforeseen contingencies.

I propose to start with the Municipal Services, and I invite attention to page 98 of the Estimates.

The Telephone Service Account is failing to pay its way and shows an estimated deficit of £26,194. I propose to raise telephone charges generally by one-third, 33 $\frac{1}{3}$ % to produce approximately £25,000 of additional income.

I referred Sir, earlier to the subject of Water, and to the deficits of £70,308 in the Potable Water Account and £15,890 in the Brackish Water Account. I propose to make no change in respect of Brackish Water, nor to alter the basic Potable Water Rate of 16.25p per 100 gallons for the first 1,000 gallons. But the 21.25p rate which is charged to private users for consumption in excess of 1,000 gallons, that rate I propose to raise to 26.25p. Hotels are at present charged the 16.25p rate for all their water consumption. I accept the reason for special terms for hotels, which have to compete in the tourist trade. I propose an increase in their case from 16.25 to 18.25 p. These measures should increase the revenue from Potable Water by about £23,000. I might mention that the cost of producing our potable water, from all sources except imports, averages 25p per 100 gallons. The cost of imported water is twice this figure.

In deciding where else to seek extra revenue to balance the combined General Rate and Water Accounts, as is mandatory upon me under the Public Health Ordinance I have lighted on the motor-car. Last year the fees for motor vehicle licences were increased by 33 $\frac{1}{3}$ %. I propose to make a similar 33 $\frac{1}{3}$ % increase again this year, to yield approximately £25,000. Public Service and commercial vehicles will again be excluded. These measures Sir, will put the total of the Municipal Accounts in surplus. With regard to motor-car licences I wish to give notice that from this year the licence year will begin on 1 July. Accordingly on 1 April licences will be renewed for three months to the end of June, at a proportion of the new annual fee. The purpose of this is to stagger the dates on which various licences fall due. I understand that there has been a public demand for a move in this direction.



In considering further revenue sources for my substantial remaining requirements, I have chosen a selective list of increased import duties, as follows: Manufactured tobacco, two new pence per ounce; and cigarettes, two new pence per packet of 20. Motor Vehicles and spare parts and accessories, an increase in import duty from 10% to 15% ad valorem. On petrol, an increase of 4 pence per gallon. These increases will take effect immediately. They are estimated to yield additional revenue of £185,000 as follows: tobacco and cigarettes £102,000; motor vehicles and spares £48,000; petrol £35,000.

It is proposed to make a concession in respect of new motor buses licensed to serve a public route, and lorries and commercial vans, which may be imported during the year. As an experiment for one year, in order to encourage the replacement of old vehicles, the import of these vehicles will be free not only of additional duty but of import duty altogether.

Sir, there is another matter. Various fees under the Licensing and Fees Ordinance have remained substantially unchanged for over 30 years. This is an opportune moment to raise all these fees to a more realistic figure. I am therefore including in my motion on revenue-raising measures a revised scale of fees for intoxicating liquor, tobacco and other licences. These increases should account for some £10,000 additional revenue. As regards intoxicating liquor and other licences the fees are in some cases payable annually in advance. In these cases the increased charges will apply from the next occasion that licences are renewed. In some cases the fees are paid quarterly in advance. Such fees on renewal for the quarter beginning 1st April, 1972, will be payable at the new increased rate. For ease of reference I have circulated a paper showing the existing rates alongside those proposed.

In addition, but rather for the purposes of animal control and well-being than for the sake of revenue, it is proposed to increase the fee for a dog's licence from £1 to £3 per annum. The additional yield should be something above £1,000.

Sir, the total additional revenue estimated to be derived from the measures I have proposed is £269,000. This will convert the deficit of approximately £79,000 in the Estimates into a surplus of £190,000. So I am making provision for £190,000 to meet all the commitments which I have explained are not provided for in the Estimates. But for one consideration I could not have rested content with that. But as I indicated earlier I can take account of the Government's intentions in regard to rents.

Sir, there is one other measure which affects Revenue but which does not affect the Estimates position because it is completely offset in Expenditure. This concerns radio & television licences. Under the terms of the agreement with Gibraltar Broadcasting Ltd the fees for Television and Radio licences are payable to the Gibraltar Broadcasting Corporation as part of the contribution towards the operation of a sound and television broadcasting service in Gibraltar. The Managing Agents have been making representations that they are running the service at a loss because of the rise in operating costs.

The annual fee for a wireless licence is 50p for the first two receiving sets and 25p for each additional set endorsed on the licence, whilst that for a television licence is £4 for the first two receiving sets and £2 for each additional set endorsed on the licence. The television licence fee was last increased in 1968, the lower fee has remained unchanged since 1932.

It is intended to introduce a combined television and wireless licence with a uniform fee of £6 per annum to cover any number of wireless and television sets (the present basic combined fees amount to £4.50). Arrangements will be made to maintain a separate licence fee for persons who only have radio sets. It will remain at 50p as at present.

The estimated increase in revenue, which as I have said will be passed to the Corporation, is £9,000.

On the matter of revenue, the House will no doubt be aware that an Income Tax Adviser from the United Kingdom has been with us for twelve months, looking into the work of our Income Tax Office. He has now given the Government his views on certain aspects of income Tax, and these are being examined. One matter on which he has made recommendations relates to the improvement in assessment and collection of tax. I need hardly say that such advice is most welcome to the Government and we intend to take the fullest advantage of it. Already, as may be seen from the estimates, provision has been made to increase the staff of the Income Tax Office by one Titular Grade and two clerical officers. The need for additional staff was emphasised by the adviser. But that should by no means be regarded as the extent of the measures which will have to be taken to ensure, in the plain public interest, that all tax properly due is assessed and collected.

At this point I might announce two income tax concessions which the Government wish to make and on which the necessary amending legislation will be brought to the House as soon as the details have been worked out. The first is in respect of handicapped children attending St Bernadette's School. It is proposed to allow parents of such children relief from Tax on a sum of £300 per annum. The second concession is a special inducement to encourage repairs and painting of the exterior of properties elsewhere than in Main Street. The intention is to offer, for a period of two years, that the cost of such repairs and painting should be allowed as an expense deductible from the income from the property, in addition to any amount which would otherwise have been allowed in this respect.

Sir, in respect of my revenue-raising measures I shall now be making a Motion to the House. This Motion, however, will not include my proposals regarding motor-car licences, dog licences and radio and television licences, the authority for which falls to be given by order or regulation by the Governor under the relevant legislation. These will be tabled in the House in due course. The details are of course included in the comparative statement of existing and proposed charges which I have circulated.

Sir, now using in some cases technical terms with which I hope the House will be familiar I now move this Resolution:

A. In exercise of the powers conferred by Sections 106, 116, 132, 289 and 295 of the Public Health Ordinance this House resolves as follows:

1. The price at which potable water is to be supplied shall be as follows:

- (i) to shipping from Waterport Wharf and North Mole at the rate of  $12\frac{1}{2}$  pence per 100 gallons;
- (ii) to hotels and hospitals at the rate of 18.25 pence per 100 gallons;
- (iii) by meter or otherwise to all other consumers at the rate of 16.25 pence per 100 gallons for the first 1,000 gallons registered by any one meter in any one month and at the rate of 26.25 pence per 100 gallons so registered in excess of 1,000 gallons. (The term "month" shall be deemed to be the period comprised between the date any meter is read for the purpose of the account and the date it was likewise read during the immediately preceding month, and the above new rates shall be applicable in respect of and after the whole accounting period including the 1st April 1972 in the next account rendered.);
- (iv) undelivered supplies from fountains by small barrels, buckets or similar small containers at the rate of  $\frac{1}{2}$ p per 10 gallons;
- (v) delivery by lorry an additional charge of 50 pence per 1,000 gallons and by temporary pipes an additional charge of £1 per 1,000 gallons;
- (vi) a meter rental at the rate of 12 pence per month per meter.

2. A brackish water rate for the year ending 31st March 1973, is made and levied as follows :

- (i) in respect of offices, stores, cafes, bars and other like premises at the rate of 1.67 pence in the pound;
- (ii) in respect of tenement buildings, flats and other dwelling houses, at the rate of 10.42 pence in the pound,

such brackish water rate to be collected by equal quarterly instalments payable in advance.

3. Subject to the provisions of the Public Health Ordinance, a general rate for the year ending on 31st March 1973, is made and levied at the rate of 50 pence per pound on the full net annual value of each hereditament in Gibraltar, and such rate shall (subject to the provisions of Section 295 of such Ordinance) be collected by equal quarterly instalments payable in advance.



- B. In exercise of the powers conferred by Section 48 of the Imports and Exports Ordinance this House resolves that the First and Second Parts of the First Schedule thereto be amended as follows:-

1. The First Part of the First Schedule to the said Ordinance -

Delete the amounts shown against item Nos. 2, 8, 9 in the columns headed Preferential Duty and General Duty and substitute the following amounts:

	<u>Preferential Duty</u>	<u>General Duty</u>
2. Motor Spirit	14	14
8. Manufactured tobacco not otherwise enumerated including chopped, pressed or packed, shredded, long cut and rolled, plug snuff, siftings and cigars	174	177.33
9. Manufactured cigarettes per lb.	70	72½
Additional duty per thousand cigarettes	284	284

2. The Second Part of the First Schedule to the said Ordinance -

Delete the figures and symbols against Item No.1 in the columns headed Preferential Duty and General Duty and substitute the following figures and symbols:

	<u>Preferential Duty</u>	<u>General Duty</u>
1 (a) (i) Motor Vehicles	15%	15%
(ii) Component and fashioned parts of motor vehicles etc.	15%	15%
(iii) Accessories etc.	15%	15%
(b) Electric Accumulators etc.	15%	15%
(c) Internal combustion engines etc.	15%	15%
(d) Accessories etc.	15%	15%

- C. In exercise of the powers conferred by Section 39 and 40 of the Public Utility Undertakings Ordinance this House resolves that the charges for the Telephone Service be as follows with effect from 1st April 1972:

## SCHEDULE I. - RENTALS

## PART 1. - EXCHANGE LINES

	Rate per Quarter £
1. Business	8.67
2. Residential	6.17

## PART 2. - EXTENSIONS

## Internal:

1. Plan 1A (Parallel) and switched non-intercom	2.33
2. Plan 4 (Plug and 2 sockets and bell) each additional socket	1.00 0.49
3. Plan 4 combined with Plan 1A	2.84
4. Plan 5 or 5A (Main and two extensions intercom)	5.00
5. Plan 7 or 7A (Main and one extension intercom)	2.67
6. Plan 105 and 105A (Main and two extensions intercom)	5.00
7. Plan 107 and 107A (Main and one extension intercom)	2.67
8. Secretarial telephone (Main and one extension intercom)	2.67
9. Private Manual Branch Exchange (P.M.B.X.)	1.00
10. Private Automatic Branch Exchange (P.A.B.X.)	1.00
11. Additional charges for extension lines over 50 yards:-	
(a) P.B.X. Extensions per additional 50 yds.	0.33
(b) Other extensions per additional 50 yds.	1.00

## External:

12. Business	8.67
13. Residential	6.17

PART 3. - PRIVATE BRANCH EXCHANGE (PBX)  
AND ASSOCIATED EQUIPMENT.

1. Manual switchboards (existing)	8.67
2. Automatic exchanges: Size 5 + 20	20.00

Note 1: Private owned PBX's by specific agreement.

2. New Government owned PBX's according to types and sizes.

Rate per  
quarter  
£

PART 4. - HOUSE EXCHANGE SYSTEM (HES)  
AND ASSOCIATED EQUIPMENT.

- |                     |      |
|---------------------|------|
| 1. Keymaster (2+ 5) | 8.67 |
| 2. Internal station | 2.33 |

PART 5. - MISCELLANEOUS EQUIPMENT AND  
APPARATUS.

- |  |      |
|--|------|
| 1. Extension bells:                                  |      |
| (a) Magneto 2 $\frac{1}{2}$ "                        | 0.49 |
| (b) Magneto 6" (Loud Ringing)                        | 0.77 |
| 2. Coin Box telephone instead of standard instrument | 3.33 |
| 3. Additional headset for PBX operators              | 1.00 |
| 4. Trimphone   | 0.53 |
| 5. Privately owned instrument                        | 0.53 |
| 6. Lock switch for telephone instrument              | 0.49 |
| 7. Bell cut-off switch                               | 0.49 |
| 8. Visual Indicator                                  | 0.49 |

(Note: Other requirements by agreement)

PART 6. - PRIVATE CIRCUITS

Internal

- |  |      |
|--|------|
| 1. Private circuit consisting of two telephones with a connecting pair of wires. | 2.33 |
| 2. Additional charges over 50 yards; Per additional 50 yds or part thereof       | 1.00 |

External

- |  |       |
|--|-------|
| 3. Private circuit consisting of two telephones with a connecting pair of wires  | 8.67  |
| 4. Private circuit consisting of telegraph equipment with a connecting pair of wires<br>(Telex equipment supplied by subscriber) | 17.33 |



PART 7. - APPARATUS USED IN CONNECTION WITH  
THE PROVISION OF TELEPHONE SERVICE  
TO SHIPS IN DOCK.

1. 10 yds of cable or part thereof	0.27
2. Each additional 10 yds or part thereof	0.27
3. Weatherproof plug and socket	0.53
4. Additional weatherproof socket	0.40

SCHEDULE II. CONNECTION AND REMOVAL CHARGES

	Standard Charge £
1. Exchange Line	7.33
2. External Extension	7.33
3. Private Circuit	7.33
4. Internal Extensions:	
(a) Plan 1A (Parallel) and switched non-intercom	2.67
(b) Plan 4 - Two sockets	2.67
each additional socket	2.67
(c) Plan 5 or 5A (see item 4 of Part 2 of Schedule I)	6.67
(d) Plan 7 or 7A (see item 5 of Part 2 of Schedule I)	4.00
(e) Plan 105 or 105A (see item 6 of Part 2 of Schedule I)	6.67
(f) Plan 107 or 107A (see item 7 of Part 2 of Schedule I)	4.00
(g) Secretarial telephone	6.67
(h) House exchange system (HES) for each station	10.67
(i) Any other internal extension	2.67
5. Private Branch Exchange :	
(a) Manual (PMBX) other than multiple types:	
(i) 2 + 4	10.67
(ii) 3 + 9	21.33
(iii) 4 + 16	40.00
(iv) 5 + 20	53.33
(v) 10 + 30/60	93.33
(b) Multiple type: each section	226.67
(c) Automatic (PABX):	160.00
(i) 5 + 20	

6. Coin Box	5.33
7. Extension Bells:	
(a) Internal	2.67
(b) External	6.67
8. Temporary connections: as applicable in 1 - 7 plus a minimum 1 month's appropriate rental.	

Sir, in relation to the whole of Schedule II with which I have been dealing in any case where it is estimated that the actual cost will exceed these standard charges the subscriber may be required to meet the actual cost.

Standard  
charge  
£

#### SCHEDULE III. - SUNDRY CHARGES

1. Dial for telephone on Private Manual Branch Exchange	2.00
2. Instrument cord over 54" (standard) :	
(i) 6 feet	0.80
(ii) 10 feet	1.33
3. Change of serviceable instrument at subscriber's request	2.67
4. Telephone reference No. 700 series other than standard model.	2.67
5. Change of name or telephone number	0.80
6. Tracing of annoyance or malicious call chargeable to caller	0.67
7. Checking of Trunk call charges confirmed as correct after overseas enquiry	0.13
8. Re-connection charge	1.33

#### SCHEDULE IV. - COIN BOX TELEPHONE

Local call from Coin Box Telephone	0.02
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#### SCHEDULE V. - INTERNATIONAL TRUNK CALLS

- (a) a minimum charge covering a conversation of three minutes duration and thereafter for each additional minute or part of a minute (with the exception of Spain where any excess over the first three minutes is charged in units of three minutes) at the rates chargeable by the Compania Telefonica Nacional Espanola plus a local charge of:

- |   |                 |
|---|-----------------|
| for the first three minutes or part thereof                       | 0.01            |
| for every additional 1 minute or part thereof,<br>except as above | one third of 1p |
| for information only  | 0.01            |
- (b) for calls to Morocco the charges shall be as follows:
- (i) to Tangier -
- |   |      |
|---|------|
| for the first three minutes or part thereof | 0.27 |
| for every additional minute or part thereof | 0.09 |
- (ii) to other parts of Morocco -
- |   |      |
|---|------|
| for the first three minutes or part thereof | 0.54 |
| for every additional minute or part thereof | 0.18 |
- D. This House approves under Section 52 of the Licensing and Fees Ordinance that the ~~Governor~~ may, by notice in the Gazette, make the following amendments to the First Schedule of such Ordinances.

PART I. Intoxicating Liquor Licences

Delete the fees shown against Items Nos. 1, 2, 6, 7, 8, 9, 10, 11, 12 and 13 and substitute the following fees:

1. Beer Merchant's Licence	£30.00
2. Beershop Licence	20.00
6. Grocer's Wine Licence	40.00
7. Hotel Licence:	
For any premises the tenement valuation of which shall be rated at not more than £1,000 per annum	100.00
Rated from £1,001 to £2,000	150.00
Rated from £2,001 to £3,000	200.00
Rated from £3,001 to £5,000	250.00
Rated above £5,000	300.00
8. Manufacturer's Licence	40.00
9. Occasional Licence to sell alcoholic liquor	1.00



10. Tavern Licence:

For any premises the tenement valuation of which shall be rated at not more than £250 per annum	100.00
Rated from £251 to £500	120.00
Rated from £501 to £1,000	160.00
Rated from £1,000 to £1,500	200.00
Rated above £1,500	240.00

## 11. Wholesale Wine Merchant's Licence

12. Full Wine Merchant's Licence:

(a) When issuable to any person who is the holder of a Tavern Licence	20.00
(b) Other	80.00

13. Traveller's Licence to sell intoxicating liquor

$$\begin{cases} 20.00 \\ 10.00 \end{cases}$$

## PART II. Other Licences

Delete the fees shown against Items Nos. 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12 and 13 and substitute the following fees:

1. Auctioneer's Licence	£20.00
2. Baker's Licence	12.00
3. Broker's Licence	12.00
4. Cigar and Cigarette Manufacturer's Licence	50.00
5. (a) Eating House Licence	12.00
(b) Eating House Occasional Licence	0.50
6. Guide's Licence	1.00
7. Guide's examination	1.00
8. Porter's Licence	1.00
9. Tobacco Manufactuer's Licence	80 . 00
10. (a) Tobacconist 's licence	24.00
(b) Tobacconist 's Occasional Licence	0.50
11. Traveller's Licence to sell tobacco	( 20.00
	( 10.00

12. Traveller's Licence to sell Perfumed Spirits	( 10.00
	( 5.00

## 13. Transfer Fees

(a) For the transfer of a Porter's or a Guide's Licence	0.25
(b) For the transfer of any other Licence	2.00

Sir, I am grateful for the patience and forbearance of the House and I have the honour to move the motion standing in my name.

Mr Speaker then proposed the question in the terms of the motion moved by the Hon Financial and Development Secretary.

HON CHIEF MINISTER:

Mr Speaker it is never a pleasant task to come and ask for money. Perhaps I should start by apologising to the Hon and Learned Leader of the Opposition for having raised the fees of dog licences. I know he has a little dog and it is not intended in any way personal.

HON SIR JOSHUA HASSAN:

You have not raised the duty on drinks.

HON CHIEF MINISTER:

But we have raised it on water and as you know I am a great consumer of water but could I add too that I had no notion of this when I gave mine up a few months ago. I think we start from the premise of that it is not a question of eating now and paying later. We believe in paying now and eating later. That in my view is a way of assuring ourselves that we shall never lack nourishment and so we felt that in this budget which is directed towards economic progress and social justice that we would first of all cover the deficit and then put money aside for the commitments which are now so visible in the near future. Thus, having squared our account, having preserved quite a substantial reserve, we have left £190,000 to cover up things like the cost of living formula which I am sure no one in Gibraltar would like to see the end of, because it is a very justified and modern way of keeping up as near as possible with the inevitable rise in the cost of living which is bound to continue as it has from the beginning of time. And to believe that we are likely to turn things round and make the world move backwards I think is not logical. Thus, facing reality we know that there are commitments ahead for which we have to provide and in this sensible way I hope that the Opposition will accept the proposal that we bring forward to the House today. Apart from that we are faced with the biennial review for which everybody would like to see an increase and for which we too will be delighted to give it but in a sensible way so that we do not decapitate the hen that lays the golden egg. I think it is most important in looking ahead towards the future prosperity of Gibraltar to take into account all the points that have been raised about inflation etc. Now, the money we have to find and we look for things that we felt would not unduly cause hardship to the average working man in Gibraltar. And so telephones have to go up - I do not say it is a luxury but it is something that at a pinch you could do without - although I am sure that the amount we are putting up is not that much. Also let us hear



in mind that most of the things that are going up will have an effect in the cost of living and therefore in turn this will be balanced by an increase in the cost of living formula at least. Now in Gibraltar we are in a very happy position that for as long as we can carry with us the official employment we can meet the extra cost very healthily. In fact, the only reason why Gibraltar is afloat economically today is precisely because the sequence of the prices going up, wages going up in Gibraltar have to a large degree been contained and regulated in agreement with the official employers of Gibraltar and for as long as we can maintain this happy relation and this sensible approach I can see no danger at all of any economic depression in Gibraltar. And so from telephones we went over to water. Now any one who is careful with his water will not have to pay all that much more. There again it is a question of good housekeeping, not just in the Government but also good housekeeping in the family. Water as you know is quite a drain on our resources. We have to find about £75,000 more this year and I would tell the people of Gibraltar generally that as well as keeping Gibraltar tidy they should keep their taps shut. Hotels, of course, will have to pay slightly more and this is inevitable. We cannot subsidise hotels to any large extent but they should bear in mind that we are spending about £15,000 more since we started on tourism as I explained before and therefore there should be some compensation. They are certainly getting more for what little extra they are paying in the water. Rents is something that will come. It is inevitable and we are not afraid to say so. There is a deficit in that account and hopefully when we do settle the question of rents we shall be able to balance that account. Happily, as we heard already, the Opposition is fully conscious of the need for this and will be supporting Government obviously depending on how we are going to do it. I am very glad to see that on that one we are unanimous. Now, the tavern licences as we know, has not been moved for thirty years. No one can deny that there must be considerable business in this line. The mere fact that more and more bars are opening, is a sure sign that this is a profitable business, and I think it would be antisocial not to have taken account that their licences have not gone up for thirty years, so I think no one can really object to that. As to the television licences, the fact is that in a small community like Gibraltar it is a wonder that we have a television station and I wonder whether, in fact, there is any other place in the world of our size which can afford to have a television station. And so it is a question whether we want the television going. I believe that television is not just providing entertainment but is in itself educative not only in the political sense in that people who can get to know the problems of Gibraltar in a way they have never been able to do before, even if sometimes we disagree not just with what is said but by people/directly run it, I am not saying the Board. But the fact remains that it is very important that we should keep this going. It is now an instrument of defence for Gibraltar in that the boredom that the Spaniards are trying to bring on to the people of Gibraltar through the restrictions can to a large extent be overcome through this. In any case it is a window to the outside world which we want to keep open because it keeps us abreast of time and I think that paying £6 a year to be able to keep that window to the outside world is not all that much money. Now, as to the income tax. Since we came we thought it was necessary to have a good look at income tax. This does not mean to say that we are going to put up income tax. I do not want to frighten anybody. We do not want to kill incentive there is nothing in this budget which can kill incentive. But what I think every man who pays income tax will want to make sure is that everybody else who is supposed to pay will also pay it. Now



this is what we want to do. We want to so reorganise our tax collection to the extent that these who are not declaring their income will be forced to do so. And this will not only be fair to those who are paying but will probably prevent in the future having to raise taxes because the money will be found, the money that should be coming in in any case. And so, we are going to do that. Equally we have one or two things that I think would be helpful to Gibraltar. Increasing licences which in any case are extremely low in Gibraltar in comparison to other places. Increasing the import duty on cars and increasing the petrol are of course directed to one thing, in making sure that Gibraltarians will be able to enjoy cars in Gibraltar because we are reaching the stage when unless we do something about our circulation, and I do not mean our body circulation - perhaps our body circulation as well, it might do a lot of good to some people to start walking. But I mean the traffic circulation and unless we do something drastic about our parking and we are not afraid of grasping the nettle. This Government is never afraid of grasping any nettle. Unless we do something drastic about this then people literally will not be able to bring a car and those who bring it will not be able to enjoy it. So therefore I think, to copy the words of my friend the Financial and Development Secretary, a stitch in time saves nine and I think the time has come now where the roads are clogging up and unless we do something traffic will just simply come to a standstill. And we have had to take the unpopular but necessary step. It is like giving medicine he does not like to a patient. Unfortunately the stage of the aspirin has gone past. If something had been done before perhaps we would not have got to this stage but having come to this stage the aspirin is not enough and this is what I am afraid that in this particular point we have been rather drastic and I am afraid very unpopular. Yet, we have borne in mind a number of things. Most of us do not want to see these decrepit lorries moving around, in fact they are a danger to life and limb and property and so we are granting this concession which will encourage people now to bring in new vans and new buses. We have given this period of grace which I hope those who are concerned in this matter will take advantage. I may add as well that we are going to become more strict in the road worthiness of public service vehicles and therefore one would go with the other. We do hope therefore that this will have the desired effect. Equally, we thought that if we gave an incentive not just paint or do away with rates because this is impossible, if we gave the incentive to landlords, not in Main Street because we feel that the landlords in Main Street are getting sufficient rent particularly from the shops but not in Main Street, in any other area we are going to grant them tax concessions for a period which will I hope induce them to paint their front and so beautify Gibraltar which I am sure is in the heart of all of us and very particularly I might say of the Hon Mr Serfaty. So, even if at times we cross swords I can assure him that we all have admiration for his dedication to things like improving the look of Gibraltar. But then in a more human aspect we thought of the handicapped children I know it is a pittance but it is the beginning, it is a sign of a social conscious on the part of the Government and I feel sure of the Opposition, to try and start looking after individuals who through no fault of theirs but by the will of God have come to this world and are not able to enjoy and contribute in the way that we are. And this is a duty that we all have and in a small way I think we are beginning to show that it is very important to look after them as well as it is after the infirm and after the old people but unless we have money it is no use saying we want better hospitals, it is no use saying we want better education,

it is no use saying we want to give more to the poor and aged. We must have the money first and anyone who says that and is not prepared to pay for it is just giving lip service but not really intending to do it. I know that there are many public spirited men and citizens of Gibraltar moving around calling for better education, better hospitals, more pensions, no taxes. That as you know is impossible. It is impossible in this world to get something for nothing. So, in the most fair way we can think - and perhaps some people may think that in some respect we are not being fair - it is inevitable we are in a democracy, there will be comments there will be different points of view. But I can assure this House Mr Speaker, that the purpose is a good one. That the idea is to continue to improve the social services of Gibraltar; to keep Gibraltar going; to provide the means to make this a happy, wealthy, prosperous, good, society.

HON A P MONTEGRIFFO:

Mr Speaker, the Government has been throughout the last two days praising themselves as to the wonderful things they have achieved and learned during the last two and a half years. And I would add that as far as the remarks of the Chief Minister goes, I can see that they have also learned quite a number of things in the last two years. Who could have thought that he should have talked as he has talked in reference with his latest remark two or three years ago when criticism was levelled at people who are practically saying the same things. After all the talk on surpluses which we have heard on quite a number of occasions during the rather prolonged discussions of the estimates, I would never have thought myself that one would have required such harsh measures of taxation which are going to bring in something in the tune of £190,000. And though one cannot clap from the Opposition side when Government raises taxation one could spare with some of the measures that we are being asked to support. And as far as the Opposition goes, most of the measures we could go along with, gradually, we cannot say happily, but there is one which from a social aspect we cannot agree with and that is the question of water. There we are being asked to vote for £23,000 extra in increased charges and I am not the Financial Secretary myself but having been quite a long time at the game, have got a sneaking suspicion that at the end of the year the suggested deficit will never be as great as it is being anticipated now. I think those who are older at it will probably agree with me and it has got a social implication for one reason I raised this morning and that was Family Allowances. Government has not thought fit to raise Family Allowances. They were raised a year ago, two years ago by 10p but even with those 10 pence people in the low bracket income group of £800/£900 do not get the full benefit of those 10 pence because the family allowance is taxed and on top of that the children allowances for the purpose of taxation is decreased and consequently they start paying taxes before. Let me say also that though the formula served to adjust and relate to the cost of living the average wage of a family it does not and I repeat not, take into account the bigger family than the average. And consequently to scale the water as they have done and leave the charges untouched for the first 1,000 gallons and raise it by 10 pence for the next thousand gallons is going to affect families with more than two or three children and here of course I must declare an interest but I make my apologies for it, and I do appeal to the Government to look again and see whether it is possible to waive it or to do it in such a way - we are not at this particular stage opposing increasing the price of water - but doing it in some other way that will hurt less and will take into account the point that I have raised. I really do not think that it is necessary to raise water at all at this particular stage.



And I think that perhaps the charges of water might also be left until such time as we have got the other distiller going and perhaps then we may have found our level and perhaps then we might be able to appraise the price of water with a more realistic approach. Now on the other measures of taxation I know that my friend on the left will have something to say about telephones because there are a number of points about telephones and some other votes but generally speaking, as far as the other measures are concerned we shall vote in favour, reluctantly as I said before, grudgingly, because we also feel that cars are suffering quite an increase of £3. And I am not trying to say this to belittle the Government's effort in the field of wages, but let us face it, those £3 represent almost the increases that workers have had as a result of the formula. I am not trying to make capital out of this but it is a fact and though cars may be considered a luxury, the facts of life are that a lot of people have got cars and it means then that they have got to pay £3 more, plus what they pay in petrol and this will take quite a sizeable chunk of what they are getting as the result of the last cost of living formula. We are prepared to bear that one and we are prepared to share the unpopularity of the Government in that respect and I would urge that the Government should look into the question of water charges and I would also urge them, by way of compensation to large families since we cannot propose taxation ourselves, to propose it themselves as a suggestion coming from this side that the allowances of £300 for the purpose of income tax should be raised on two accounts again to help large families, secondly because £300 today have not got the purchasing power that they had four or five years ago and perhaps in order not to help those who have got more could draw a line at £1,500 income or £1,200. I leave it entirely to the Government. But it is another suggestion that I could throw over to the other side and that I hope they will consider it with the same sincerity as I am putting it across because this is something perhaps because I am feeling it myself, and as I said before I declare an interest that large families should not be forgotten when we are remembering so many other people. Thank you very much.

HON J CARUANA:

Mr Speaker, as the person responsible, possibly for the biggest demand on the public purse, the Public Works Department, I think I ought to say a few things on the revenue raising measures since I have quite a lot to say on the expenditure measures. I am most grateful for some of the points mentioned by the Hon Mr Montegriffo just now and I hope to deal with them in the course of a very brief statement. I think it is not true to say that this budget is a hard measure, has a hard measure of taxation in it. In fact it is in very, very soft budget. It is imaginative and to a large extent it does not affect the cost of living which is something which we must bear in mind in view of the bogey as mentioned by the Hon the Financial and Development Secretary of the inflationary spiral. So, therefore, our attempt has been to steer away from things which will have a bearing on the cost of living, and this is blatantly seen from the measures proposed, the reasonable measures proposed in this budget. This budget has followed I think rather intelligently the measures of expenditure where we have increased our expenditure in the development in the furtherance of developments in Gibraltar, something to the tune of £5m and something in the region of £700,000 from the Gibraltar Government money in the Improvement and Development Fund. Therefore the surpluses which have been spoken about earlier on of the £ $\frac{1}{2}$  m in 1970/71 and the £200,000 1971/72 are going in a larger part towards the improvement for the future in Gibraltar and



keeping a little on one side for a rainy day because I think it is a truism to say that you tax a little on the better days just in case you might not be able to tax on the bad times, so I think this is very sensible planning, a very sensible thing to bear in mind. On the water situation, Mr Speaker, I have taken note of what the Hon Mr Montegriffo has said and the question of the Distiller is certainly no red herring, it is a fact that the distiller has had to close down for a considerable length of time. It is also a fact we had to spend £66,000 during 1971 for the importation of water and that in this current budget we are making provision for the £75,000 more for the importation of water so that therefore this is a reality that has to be faced, it is an expenditure which has to be met. Ironically, as I said earlier on, Mr Speaker, in the course of the earlier debate that the deficit shown in the expenditure account almost tallies with the amount of water that we have to import I did

record my disappointment that this should be the case. The question of hardship on families was raised and I do not think that it will bear very significantly on what is fact. The fact is that the basic rate per 100 gallons for the first 1,000 gallons of water has remained unchanged at 16.25 pence. In the UK it is estimated that a person uses 30 gallons of water per day which includes also sanitary water. Now in Gibraltar we use brackish water for sanitary purposes and potable water for drinking and washing. So therefore I would put the figure of consumption per head in Gibraltar at a much lower figure than 30 gallons per person. Now if a person uses 30 gallons in one day, in 7 days 210 gallons a week. In a family of five that is 1,050 gallons in a week so therefore it is very much within his present expenditure. So therefore that family if they do use up 30 gallons of water per head, which I am sure they do not in Gibraltar, will not spend any more. It is also a good thing because we want to impress on the public, even if they do not use it and most families find it very difficult to use 1,000 gallons of water unless you leave the taps running, this is precisely what we want to avoid, the taps running and unnecessary, wastage of water at the point of consumption. So it is a good exercise in economics that we are trying to do here which I am convinced will not place great hardship on the ordinary working man and woman. In any event, Mr Speaker, water today is subsidised to a large extent. The Hon Financial Secretary has mentioned it costs us 25p per 100 gallons to produce water and we sell it at 6.25 p and that remains unchanged. It is only after the first 1,000 gallons that the increase takes place. Even then it is subsidised so therefore this is something to bear in mind when we talk about water. On the question of traffic and cars I think that the majority of people from what one can gather in the street would not object too much about this because it is something which is blatantly clear. Traffic is a very serious problem and one has to take very drastic action to try to remedy this. This idea as far as I am concerned in imposing heavier import duty on a car is not to discourage people to import cars but to be able with that extra income that the Government accrues to be able to finance and assist and accelerate the programme which I have already outlined in the very extended improvement of roads, construction of new roads and the resurfacing programmes of which the House is very much aware of. And as the Chief Minister has said first aid now with traffic problems in Gibraltar will not do the trick. We need more than first aid, we need surgery and this is what it is intended to do. I have already outlined for the plans of the Government for this year of introducing new car parking, resurfacing and new roads. So the question of cars is a good thing. On the licences, Mr Speaker, one good point which bears to be mentioned - a very small item but it bears mentioning because it will be of great help - is the

extension of the payment of the licence to the 1st July. This will enable to stagger out the payment of licences which before now used to heap up at the end of March. Last year we extended other licences to fall in September. This year we are extending these licenses to fall in July. So we are staggering the period in which people have to dish out this money. I think, again this is a sensible way of helping people to meet their commitments. Also worth mentioning, Mr Speaker, beer and spirits has not been touched since I think it is the attempt of Gibraltar as a whole to remain competitive. This is one line where other people can talk with more knowledge than I have on this topic since I am at the moment not a drinker. Import duty on all goods except motor vehicles and spare parts remain unchanged and this is very significant because it will not affect the cost of living. Things as detergents, toilet paper, and what have you and washing-up liquid and things like this. So there is no change there which is in fact a plus, in this day and age to be able not to touch that is a plus. The Chief Minister has mentioned the point of abolishing duty of commercial vehicles, vans, lorries and buses. Again I must stress this just in case it was missed. This is a thing which is necessary because the trend in the past has been for companies to import second-hand reconditioned vehicles into Gibraltar which after a very short period of time remains mutilated and lays scattered in our town so we do not want to give this incentive to the trade, a very essential part a very significant contributor to our economy which is the transport and distributive trade to be able to, during the course of the coming year, to be able to modernise their fleet and their vans. Again I think, Mr Speaker, good to mention. I shall not dwell on the question of dogs. The only thing I would like to stress to dog owners and dog lovers not to let their dogs leave a mark on the rock. Television licences Mr Speaker, enough has been said. I think the television people have to be congratulated even though earlier on I was very annoyed at the way they presented the Financial Secretary's report of yesterday for not mentioning the surplus and the revenue balance. In this case I think I ought to congratulate them as I enjoy my Saturday and Sunday viewing and I am sure most children and old people in Gibraltar also do. So, I congratulate the television people for the very good programmes that they put over the winter period. The Chief Minister has said there is no change on taxation. I think that the UK budget recently has a great significance on how we can bear on taxation ourselves, there is no change there. But very strongly we are determined to improve the collection of taxation which I am sure at times even I am a defaulter, and have to be urged as other people are. So we are determined to improve here and assist people in being able to make their assessments and taxation submissions in good time. I think if I had a little more time, if I had a little more help and things were a little clearer for me a little more at hand I think I would not have any problem in paying taxation when it is due. Handicapped children, something which we all feel very strongly about. We are giving here a little assistance to parents because we believe that it is not the pity that is owing to the handicapped child itself that is significant here. We can be carried away with sentimentality. The fact of the situation is that families placed under those circumstances do have not only the spiritual and moral hardship but they have also tremendous financial hardship in keeping a handicapped child going through life without the child itself being able to contribute to the household in time. We are determined to give these parents the relief. The incentive on painting Mr Speaker. Earlier on I expounded on the painting programme of the Government. We are spending £38,000 in the painting of buildings coupled and assisted with work progressing hand in hand by the DOE as can be seen all over Gibraltar at the moment. We hope to be able to catch up ourselves. We want to encourage the private sector. The question was raised yesterday of



of giving free paint and materials to people. This is highly impractical. I knew what the measures were going to be and this is the one way in which we can encourage private landlords to help themselves if they so wish. We shall certainly bring this up to everybody's attention when the time comes, and I think the information media can help here by making it known to the landlords that these facilities are available to them and we on our part shall do the same. The whole thing is geared Mr Speaker, as I said before and as the Hon Mr Serfaty urged us earlier on, planning for the future. I think that we are investing in what we are doing today for a better Gibraltar.

HON A W SERFATY:

Mr Speaker, once again I follow the Minister for Public Works. I am only going to speak on one subject and that is this last one of inducement to encourage repairs and painting of the exterior of properties elsewhere than in Main Street and I am going to make what I think is a constructive suggestion. Everybody knows that under our present system and I hope that we shall always have it, of a democratic system, we cannot oblige anybody to paint his house. This happens in the United Kingdom and we have been told over and over again. I am going to suggest an idea regarding Main Street. I am sure the Hon Mr William Isola and the Hon and Gallant Major Gache will welcome it, because we are all particularly us three, interested in presenting a Main Street which is much better than it is now and my proposal is that the painting of Main Street properties, the painting only, of Main Street properties should be subjected to this same inducement. Repairs, this can be enforced by the Government under the legislation. But I think that painting which nobody can force anybody to do, should have this encouragement, and may I explain Mr Speaker, as a point of clarification that I only have one property in Main Street and as it is all tiled it does not need any painting. Thank you.

HON L DEVINCENZI:

Mr Speaker, after a number of speakers have risen to speak on the budget, and some others will follow me, I think it is perhaps a waste of time to go over and over the same subject. Nevertheless, I think that one should stand up and just say a few words in order to record my agreement with what I would like to call an excellent and intelligent budget. I trust that even members of the Opposition will agree that it is a sober budget but although it is sober and moderate it is also has a punch. But it only punches those people who can afford to receive the punch. I think that of all the measures of taxation that we have taken the only one that can be disputed and even then in a very moderate way, is the question of water, but here again as it has been explained it is necessary to do so in order to cover the expenses in that particular direction. If, at a later date, it is found that we are making more money than we should perhaps it is then the time to reduce the price rather than to wait to be in a deficit and then raise the price. Mr Speaker, I said at the beginning that I would not take long and I will keep to my word. The only thing I would end is by saying that perhaps this is the second budget which has been produced in such a way that it has produced the maximum amount of money by perhaps affecting the minimum amount of people. Thank you very much.



HON SIR JOSHUA HASSAN:

Mr Speaker, I think my friend on my right Mr Montegriffo first gave his immediate reactions to the proposals. There are quite a number of them and we needed a little time to really assess the situation. I was rather intrigued by the remarks made by the Hon Minister for Public Works when he said that the income tax measures in England have got a repercussion in Gibraltar and we must keep an eye on that. I think this is a very sensible remark but of course contrary to the policy of what his Party advocated before that preferably all measures of taxation should be direct taxation. Now, most of these measures are indirect taxation. I will deal with the question of the water because I think we have an answer to this, I hope, that will be acceptable. In my view, and I am sure this is the view of the Government, one of the main aims of the authority is whatever may happen whether there is a distiller or whether there is not, or whether there is sufficient water or not, that water should not be used wastefully this is to say that water should be put to its maximum use because otherwise other people who need it badly will not have it and it was we in the City Council who whilst in the Electricity Department we had to encourage the use of electricity and you had a secondary and a tertiary rate, which was progressively cheaper, in the Council in order to make people more conscious of the value of water we put this increase on the second thousand gallons so that people could keep down their consumption knowing that the rest of the water would be more expensive, particularly with new flats and large families requiring that bathrooms and so on which is the natural thing of progressive society. So I was going to suggest - we do not like this increase in the second thousand gallons - I was going to suggest if in fact the Hon Minister for Public Works is correct in what he said, then really there is no damage done in our proposals and that is that we should have a third one thousand gallon at the price suggested and leave the second thousand as it was before. In this way it will hit at the bigger consumers of water who can well afford it. If, in fact, there is an overlap, a marginal overlap of 500, 600 or 700 gallons after the first thousand. In this way we could have the first one thousand gallons at the suggested price, the second thousand gallons at the present price and the third thousand gallons at the 26.25 pence, or even a little more, because in this way it will not hit at the people who can least afford it, and it is all very well talking about the average amount of water consumed, but it must be remembered that in large families with children and so on they do go out into the streets and get dirty, however clean Gibraltar may be, and have to be washed and bathed and so on. I would commend rather than vote against it, this measure, commend to the Government consideration of a third rate of water at that or even a little higher if you want in order to deter people because in the end what the Minister requires is that there should not be that large consumption and that people should be much more water conscious than they are now. Now, on the question of the telephone rates, I am not saying that we are against it but I am a bit concerned because I am sure that when the Minister for Municipal Services spoke this morning about the new 1000 lines if past practice is any guide, when the new equipment is installed all telephones will have to suffer an increase in subscription and the subscription will have to go up because it is a very heavy expenditure and it has to be spread throughout the system. And I wonder whether either that has been taken into account now or whether we shall also have another steep rise in the subscription for telephones when the new installation is put down. These are the two points on which I feel I ought to say a few words. I thought at the beginning, this could be described as a drinkers charter but in fact it is only an alcoholic drinkers charter because not even water has been left without an increase but people who do have other kinds of drinks get off very

easily, not so the pipe smokers, cigar smokers, car owners and dog owners, those have all been heavily taxed. I suppose they can afford it. But I share with the Chief Minister his remarks that it is always unpleasant to impose taxation. We have voted the budget except for a few points of principle on which we have disagreed, and the Government have got a duty to levy the necessary requirements. However, there is one point that was mentioned by the Minister for Public Works again and which I would like to clarify because he said so in the earlier debate and I think it requires a certain amount of explanation and that is that the local resources are contributing £700,000 for the development programme. That is perfectly true, but what is happening is that in those £700,000 what is really required, what is really happening now is that all the Municipal and Public Utility services that were provided as a matter of course by the municipality on loans and so on but the electricity and the sewers and everything that is required with regard to the development for which we get generous aid from the United Kingdom is now added in the general budget and therefore that puts up that figure highly. Now, when we did not have any difficulties the United Kingdom aid on housing was based on £1<sup>for</sup> every pound out of revenue and for every pound out of reserves for housing. Fortunately now, so far, since the difficulties started all grants for housing have been outright without any contribution from local funds but of course it is no use putting the houses up alone but providing the electricity, the sewers the services everything which, of course adds a considerable amount to the cost and that is why very properly but not unusually a considerable amount of money is going out from the Government and properly so towards the rest of the development programme. There is one other point which has arisen before and on which I would like a little elucidation because of the difficulties that later arise. The increase in tobacco is 2p per ounce and in cigarettes it is 2p for 20. Does that mean that that is going to be the increase to the public or is it an increased tax because we have had it before that when the increased tax is 2p per packet they say that the outlay in capital, the outlay in the whole of the cost of producing or servicing that tobacco and those cigarettes require a further increase. I know there is a formula whereby if you add it on to the weight of the tobacco or the weight of the cigarettes or whatever it is, then it is 2p at source to the consumer and not 2p extra to the distributor or to the importer which eventually nowadays can never be less at 3p to the individual because the halfpenny unfortunately is not having a very happy life. This is a matter of elucidation. On the question of the scraping of the barrel that has been done with regard to various fees which have not been touched for a long time they are welcome but I would like to tell the House of a practical experience certainly professional experience that somethings which are cheap sometimes are taken great advantage of but when you put them up nobody worries and nobody takes advantage of them. The increase in the stamp duty on the registration of a business name before used to be 25p, I think it was raised now to £2 and in my practical experience people are more loath to register a name quickly now than they were when they could have it for 25 pence. So whereas we do not oppose that I do not think really that it will produce any great amount. I have a suggestion but it is rather difficult to implement and that is that the licence of dogs should be in accordance with their size.

HON MAJOR A J GACHE:

Perhaps Mr Speaker, this may be the opportune time for me to say something. I have been scratching my head to see what I could say that has not been said



five or six times before. I am grateful to the Hon and Learned Leader of the Opposition for bringing out the question of the cigarettes. The 2p increase is to the consumer. However, at the moment there is before the Price Control Committee an application for an increase of  $\frac{1}{2}$  penny. We had this application long before the increase came of 2p. At the moment you know the price is 14 $\frac{1}{2}$ p and we have been looking into this to increase them to 15p unless there appears to be some prima facie case with a possibility of doing so. However, we have not decided that yet, therefore the 2p is direct to the consumer. With regard to the taxation measures it is unlikely to affect very much the private sector since most of it is indirect taxation. I welcome that because I may get on my hobby horse again, the private sector does account for 40% of the economy, that is the one that we can expand. Now, the future prospects of Gibraltar cannot be divorced from the private sector. Increasing competition from other resorts implies that Gibraltar will have to fight hard to maintain the position of the industry. The future can only be secured if the right facilities are provided at the right price. For Gibraltar investment in the private sector is an investment in the future and it is a most important future indeed and rising prices could put Gibraltar at a disadvantage compared with other Mediterranean and Moroccan resorts. People will only come to Gibraltar because Gibraltar is cheaper than other venues. Tourists are attracted by value for money. Thank you.

HON MISS C ANES:

Mr Speaker I am only going to speak on the dog licence fees. I think enough has been said on the rest. I agree with the <sup>on</sup>Hon and Learned Leader of the Opposition, that licence fees should depend/the size of the dog. Now the question of the dog licences is really as has been explained I think, in the speech by the Financial Secretary, more for the purpose of control and well being of the animal than on the revenue side. Unfortunately it has become a sort of status symbol in Gibraltar to get dogs of pedigree and all types, the bigger the better, the larger the animal the more important the owner feels. The trouble is that once the dog has come out of the puppy stage, the interest in the animal is lost by the owners and I have seen dogs tied to poles and left there for the whole day in the sun without any water, any food and really practically abandoned by the owner and I think this is most unfair. If a person is really a dog lover he will not mind the expense of paying for the licence but because he will or she will look after the animal properly. To bring animals into Gibraltar where it is bad enough and small enough as it is for the community just for the sake of keeping a dog because the neighbour upstairs and downstairs and next door happen to have a dog of a certain pedigree so that you can yourself keep up with the Jones on the dog side, I think is most unfair on the dog more than anybody else. And then of course comes the question of looking after the premises where these people live. Now, if there are two or three dogs in a block of flats where there is one dog this particular person is responsible for keeping the place clean, because he knows or she knows that she is the only one who has a dog in the premises. But when there are two or three dogs nobody wants to be anybody's servant, so the place is filthy and this brings diseases and particularly to children. This creates a health hazard in schoolchildren and here again parents do not seem to realise how important it is that their children should be healthy because if they contract



a certain disease they spread it themselves to other children in schools even though they themselves may be clean, through contact, through hands, nails and through clothes, they spread the disease and then they wonder why little Johnny comes home scratching himself even though he went to school very clean and it is the consequence of not being careful and clean when one keeps animals in small places, small flats, like Gibraltar. Now, I think last year mention was made of old people who are pensioners and have dogs which they had in the family for a certain number of years, they are as practically as old as their owners, and they are more companions than anything else. I would like that any person who is a pensioner, who is elderly and who keeps a dog as a companion should not suffer the consequences of the increase in the licence because they cannot afford it. Probably it may be a lot of hard work for the Treasury and for the Public Health Department. I think Sir, I feel that the increase in dog licences is justified and I support this increase very much.

HON M K FEATHERSTONE:

Sir, I must congratulate the Hon Financial Secretary now on two accounts. I was going to congratulate him before on his excellent budget, now I must congratulate him that on his revenue raising measures he has managed to bring out the Hon Miss C A<sup>N</sup>es only if it is on the question of dog licences. I had hoped that she would have given us something on the budget, however, what she said about dog licences I am sure is going to carry a lot of weight with the Government. I do not think Sir, it is easy to be remitted. Perhaps an easier way would be for supplementary benefits - most of elderly people are in receipt of supplementary benefits - to give a discretionary increase if they can prove they own a dog. The only dog I would suggest might be free of licence, I do not think there are any in Gibraltar, but if we should have the dogs that are blind guide dogs, perhaps they should be free of a licence. Now to turn to more serious things. This is the third budget of this Government, this is the third lot of tax increase and Lord help us next year Sir. It does seem that in one way they are not very integrated because whereas the Government in Britain has put most items down, here they seem to be putting everything up. Now, Sir, it is not for me to criticise the intents and ideas of the Hon Financial and Development Secretary, but if we did look back to last year where there was a deficit of £85,000, this was converted into a surplus of some £65,000 and it was considered then to be sufficient to cushion off cost of living formulas etc., etc. This year Sir, where one has had the experience of not only what appears to have been very considerable under estimation in what one was going to get from revenue raising measures but also two lots of windfalls, it seems necessary Sir, to convert a slightly smaller deficit, only £79,000 against £85,000 last year, and really if one allows for inflation at £85,000 this year it would have been classed at about £90,000 odd. We have to convert a smaller deficit into a much larger surplus, £190,000. As we saw earlier, Sir, in the budget there was a windfall of about a £½m. There was the increased collections again about a £½m. I would have thought Sir, that it would not have been necessary to touch water at all and you would still have had a very adequate surplus of £150,000 and the new measures would have brought in about another £½m. But it does seem Sir, that Government wishes to get going on water. I must say that I am very surprised to find that

that water is costing - not allowing for importation - 25 pence per 100 gallons, including the rain. It does seem Sir, that one should look into the expenses on water very, very seriously. The Hon Mr Caruana Sir, gave us a lot of figures about water. I have had experience already that the Hon Mr Caruana does not know very much what he is talking about. We did have the case a little while ago that he was going to build a school, etc. We do not see anything about schools in this budget but where he said in the UK it is estimated 30 gallons of water per person per day. Well, Sir, let us be very, very conservative in Gibraltar and say only 10 gallons per day. That is 300 gallons per month excepting February. Now, Sir, there are many families of five children - I would declare an interest there, Sir, or more, and there are many instances where two families share the same flat. So that there would be 7 people living in the flat or perhaps more. This would mean that they would be using Sir, on a very conservative use of water at least 2,000 gallons a month so that the suggestion that the Hon Mr Caruana said that this increase would make no difference whatsoever for the average family is completely ludicrous like many other suggestions he has thrown out today. The suggestion on the other hand Sir, of the Hon Leader of the Opposition that the first 2,000 should remain at the old rate and anything after the 2,000 should be at the enhanced rate would at least be more realistic if it is absolutely essential to increase water at all. But I would suggest once again to Government that they would not be doing at all badly to budget for a surplus of around £150,000 and not touch water in the slightest. Now Sir, we had the agreement of course, by the Hon Mr Devincenzi with the measures of taxation. But of course, he agrees. He cannot do very much else can he? After all he has got to spend 10% on education. I work it out at 9.6% and just for his information he might like to know that Britain spends 12% on education so we are not better than all the other nations in Europe. We are not doing badly though. We have had from the Hon the Chief Minister, first of all a most pernicious argument that it does not matter if we put up water because this will increase the cost to a family who can then apply for a cost of living allowance and everything will be happy. Well, let's double water or triple it, and on and on and on. Where the money comes from I would not like to say, it might be from his gold mine. He did however, Sir, put his hand close to a certain nettle very dear to the hearts of the Hon Attorney General and myself and that is the motor car and the large number of motor cars that are seeing on our streets. It is a pity, Sir, the Hon Chief Minister didn't grasp this nettle fully, because something has to be done about the motor car. We are getting more and more and it is no good the Hon Mr Caruana saying we are going to give a little more parking space. They want them to drive round and round town on a Sunday afternoon. This is becoming almost impossible. If revenue raising has to be so essential then I would put perhaps another suggestion. Why not get rid of the tax on water completely, the increase on water completely and why not keep the present suggested tax on the first motor car on a household and double it on a second motor car and if they must have a third car perhaps we could go even further still. This is very thorny nettle, a very prickly one - perhaps the Hon Chief Minister might not like to touch it - but the day is going to come Sir, it has been foreseen by more than one person, when we are going to have so many motor cars here it is going to be a complete impossibility. The increase Sir, on the television, well, we are practically integrated now, we are going to be £6 here. In Britain I think it is £6.50 so we are moving towards integration whether anybody likes it or not. But I must take this opportunity Sir, first



to comment that the Hon the Chief Minister was rather unfair, and the Hon Mr Caruana was grossly unfair when he talks about sins of omission and I do hope Sir that this was no attempt to pressurise television which is supposed to be completely independant and I hope that the GBC will not submit to any pressurising as to what.....

MR SPEAKER:

I must point out that we are not debating the Gibraltar Broadcasting Corporation in any manner or form.

HON M K FEATHERSTONE:

No Sir, we are debating a tax which is affecting television. I do hope Sir, the fact that the Government is putting this tax will not be considered by the GBC after what was said this morning as any sop or pressurisation they should put in their news programmes what they think fit and not what the Hon Chief Minister or anybody else thinks fit. Of the other licences Sir it is hardly fully correct to say that some of them have not been increased for 30 years, the tavern licence for example. This may not intrinsically have been increased but over the last 30 years I am sure the value of different taverns have been increasing continually since rents are always going up and since the licence was based on the net annual value you have not had, I should imagine, many instances of a tavern 30 years ago paying licence X and today only paying the same figure. I am sure they have been having increases all the way through. But now they are getting just one more. The telephone Sir, well this is one of the facts of life. Perhaps Sir on the telephones the new changes will allow Government perhaps to shelve the idea they had been toying with, so I understand that they were going to charge for the number of calls or charge you by call. Of course this possibly will come as well, so they will have both of them, but in many instances, the telephone is to some extent a luxury and if one wishes luxuries one must pay for them. I think Sir, that covers most of the licences suggested. I would, once again, urge the Hon Financial and Development Secretary to consider very much with the Chief Minister, of course, the Hon Chief Minister the question of water. This is one thing which does affect even the humblest of our citizens and is one thing which is going to affect cost of living to an extent which I do not think is really warranted when we have already, forgetting these £23,000, quite an adequate surplus.

HON W M ISOLA:

Mr Speaker Sir, I am not going to be very long, but has it occurred to the Hon Mr Featherstone and to our fellow ex-councillors on the question of water. We have had to increase the water, yes, of course we have, but is it not a fact that it is mandatory by law to balance the general rates account? We are required by law to increase the water to balance our general rates account. This is what we have done. When Hon Mr Featherstone says that it is going to increase the cost of living surely the cost of living would have been increased far more had we increased electricity rather than water. So I mean,



it is all very nice to say "Oh, we have increased the water etc.", but we have to find the money and to my way of thinking it is far better to increase water than to increase electricity which goes right through everybody and in any case Mr Speaker Sir, we have not increased the water at the first one thousand gallons. We have increased it after the first 1,000 gallons is used. So I really do not consider that this is going to affect those people who economise in water and look after water. After all, water costs us a lot of money. I am not going to go into all the points of taxation but I would like to make a couple of observations which have as yet not been mentioned. We are very interested Mr Speaker in having a good bus service. We are now coming up with a challenge to bus operators for one year and telling them that if they bring a new bus service to Gibraltar they will pay not 10% as before, but no duty at all. I hope that the bus operators take advantage of this concession by the Government to bring buses and thus improve the service to the public. You will see, Mr Speaker, that we have increased the motorists' tax by 15% for those who bring new cars. Petrol has gone slightly up and car licences have gone up. But Mr Speaker, you will have noticed that the public transport which again affects the cost of delivery of goods have not been increased at all. The other two points which have not as yet been mentioned, and I think are worthy of mention is the question of some of these licences. In actual fact most of these licences have remained the same for the last thirty odd years. Now, to give an example why they have been brought up and why I consider them to be quite fair, let me go to hotel licences. Previously, any hotel whose net annual value was below £1,400 paid £65 above £1,400 they paid £100. It so happens to give a simple example as it was yesterday you would find one of our largest hotels paying £100 with four or five bars while a much smaller hotel with say 45 rooms, whose net annual value was £1400 paid exactly the same. What we have done now is to have a sliding scale so whilst for instance a small hotel now may be paying £120, the very biggest hotel with 5 bars will be paying £240. The same thing also happened to the tavern licences. Before if your net annual value was up to £70 per annum you paid a licence of £25. It so happens as a matter of fact in Gibraltar at this stage there is not a single tavern licence whose net annual value is less than £70. So in fact to go back to the same story practically all tavern licences in Gibraltar pay £80. I think it is unfair that a very large place should pay £80 whilst a very small one should pay the same. Obviously these licences have to go up. They have been the same for the last 30 years. What we have done is we have increased the tavern licences by double and sometimes trebled it. We have made rules that the bigger they are the more they pay. At present, at least when this comes into operation, tavern licences will not all be paying the same licences as hitherto and that I think is fair and very reasonable. To finish off Sir and on a point perhaps of triviality I understand that the Hon Mr Featherstone stated that this Government was spending 2% less in education than is spent in Great Britain. I wonder whether the Hon Mr Featherstone has thought that perhaps in Gibraltar we are 2% cleverer?

#### HON I ABECASIS:

I am the twelfth speaker and therefore it is somewhat difficult. The Hon and Gallant Major Gache was saying that he was scratching his head to see what he was going to say and I think he was number 6 or number 7, so the number 12 will find it harder still to talk on a subject no one has mentioned earlier on

in the proceedings and therefore I am inclined to agree with my Hon Friend the Minister for Education and Recreation Mr Lloyd Devinconzi, when he said there is no need to go over all the items. I agree with him not because I have spent the last three weeks with him in London, Sheffield and Oxford, and at times we even had to share the room in order to get our thoughts together for topics that we were to discuss, but because I think there is no need really to go into all the items. Perhaps I would just mention a few items on expenditure which I am very pleased to see and I didn't have the opportunity earlier on to mention and that is that we spent £130,000 in supplementary benefits and £47,000 in social insurance benefits and £44,000 in family allowances and £20,000 in rent relief. Sir, I am pleased to see all these items because this is a pattern that was created a few years ago perhaps 15 years ago and this pattern is being continued today and if we have to increase taxation whether direct or indirect to keep the social services going I think it is a good thing, and I say this in all sincerity because whilst we were at the Seminar in England two weeks ago there were no less than 14 countries represented which included Australia, Barbados, Bermuda, Botswana, British Honduras, Canada, Northern Ireland, Kenya, Malawi, Malaysia, New Zealand, Seychelles, Kenya and Trinidad and Tobago. I have mentioned the lot Mr Speaker, to see that some of them are of what is called today the third world but others are also countries of a very high standard of living and I was very impressed to see that Gibraltar standards in education and in other spheres is relatively high compared to countries like Australia, New Zealand and Canada. On the question of rent relief, this is unheard of in some of the bigger countries where social services should have progressed much earlier than ourselves. So it is a source of gratification to see that in Gibraltar despite our size and difficulties we have introduced these measures and the Government today can continue to keep them going. If I can say just a couple of words on future development on the Housing Section, and I am saying it especially for the Minister of Public Works, perhaps he could in his programme for housing accommodation in the future take account of smaller units for elderly people, people who have no hopes of getting points on the system because they have no children so there should be a room and a kitchen for elderly people who could live by themselves rather than have to go to Mount Alvernia. That would be great. And also in those big buildings which we are about to build in the Viaduct perhaps it would be a good idea if at some of the floors there could be one or two large rooms left empty for the people in that particular block to use for wedding receptions and birthday parties and so on. Today they have to hire either the Community Centre, the Jewish Club, the Parish Hall or the Eastern Club whatever their religion or their creed but they all have to hire a hall. If we could have in one of these buildings a room which could be used by the people in that particular area it would be a godsend and it would also be used occasionally for nurseries whilst mothers are out shopping or working. That is about all, Mr Speaker, that I have to contribute at this stage. Thank you.

HON P J ISOLA:

Mr Speaker, earlier on in the day it was very easy to catch your eye to speak. This evening I've been wanting to catch it, I have been trying for a long time, but I have had to shoot up at the risk of being the thirteenth speaker, after the Hon Mr Abecais but I would hate to have the Financial and Development Secretary being number 13 in this budget. Sir, I wanted to speak immediately after the Hon Mr Featherstone because I did want to take up his theme of the gold mine, and although we all smiled about it, the Opposition



smiled in one way and others smiled in another. I think events have shown that there is something of a gold mine in Gibraltar. Mr Speaker, these revenue measures that are being raised today as I look at them are not really, when we examine the budget closely, are not really measures to just keep Gibraltar going and keep the budget balanced, they are measures to seek social improvements to bring benefit to the people of Gibraltar as the Hon Mr Abecasis, I think, was saying that he hoped this taxation would be used in this way. And therefore I think one can approach these revenue measures rather differently than one used to in the old days when one was looking behind one's back in fear of a large deficit. Mr Speaker, in March 31 when the Financial and Development Secretary moved the budget he forecast a surplus of £103,000 after putting aside £200,000 for the Improvement and Development Fund. In actual fact we found yesterday that the surplus in fact was £535,000 at the closing of the account on the 31st March 1972. a very substantial surplus. Where did this extra £400,000 come from? The gold mine Mr Speaker. And now we come to today's or yesterday's proceedings when we were told by the Financial and Development Secretary that our surplus at 31st March 1972 would not be £103,000 as was forecast last year but would be something close on £200,000. There we hope Mr Speaker, that the surplus when the final account is taken of the financial year as at the 31st March 1972 will be found to be substantially higher but if we take trends in previous years on budget situations one could argue that with a forecast deficit in expenditure of only £78,000 prior to these measures there was in fact no need for taxation because whichever revenue balance the £1<sup>1</sup>/<sub>2</sub>m on the 31st March 1972, the highest ever, could easily take the cushion of a deficit of some £78,000. But we are being asked as I understand it to vote extra revenue to the Government of Gibraltar because it is anticipated that a number of things will occur during the year requiring extra expenditure and for the benefit and welfare of the people of Gibraltar. There are the wage negotiations, the biennial review that has been talked of; the possibility of an adjustment in the cost of living formula and many other matters of which different ministers have spoken about and therefore as I look at it, Sir, this budget that we have been asked to vote for, rather these revenue measures that we have been asked to vote for, are not just revenue measures as I see it, to balance the budget, they are revenue measures to improve the lot of the people of Gibraltar quite considerably during the year 1972 and 1973 and although I regard the fact that taxation should be kept down as much as possible, on the other hand one accepts that taxation is also a weapon for achieving social justice because it gives the Government the money to do things for the welfare of the population. On that basis I think that we must support these revenue measures. Mr Speaker, a lot has been said about the water but, of course, there is a duty, mandatory under the Public Health Ordinance, to balance these accounts. The Hon and Learned Leader of the Opposition spoke the other day about the duty<sup>h</sup> of the Mayor and the entertainment vote that there was a statutory duty there. Well, as I understand it is a statutory duty here and it is no use saying: "Please do not put the water up, it is going to affect people and so forth" if there is a duty to do it. If one wants to change the situation then I would have thought that the proper way to go about it was to make amendments to the Public Health Ordinance and not in the name of social justice to seek reductions where reductions are not possible. As far as the water situation is concerned as I have worked it out very quickly, I think accurately, anybody who spends £3.74 pence for water - and this might have been the average family, I would have thought I think we pay just a little more but we are six - is going to be asked to pay £4.24 which is another 50 pence a month and the family that was paying or is paying currently £5.86, that is using 3,000 gallons of water



which is quite a lot of water, is being asked to pay £6.68 that is £1 a month more. And if you get down to that sort of figure I do not think this water increase is such a frightening spectacle, and I think people do not need to worry unduly about it. But there is a positive side of it that by achieving balance in all the various accounts as you are bound to do by statute you are ensuring that no situation arises whether rightly or wrong or whether justified or not, I am not talking about that, as arose in the case of the City Council, where because perhaps for social reasons I think that was mentioned by the Hon and Learned Leader of the Opposition in the course of the Teesdale Report, one of his pleas for the situation the Council found themselves in, was the need for social reasons not to burden the people unduly and so forth. I think that if the people are taxed gradually over the years for the improved services that they get they are less likely to complain than if they suddenly find themselves as the Government did in 1969 with a situation which required urgent tax and urgent tax measures and heavy tax measures. We must never forget the enormous outcry there was about the very heavy tax measures that the Government introduced in 1969. By doing it gradually, I think we hope to provide reasonable progress and we have to provide reasonable amenities without causing undue hardship to the people of Gibraltar. As we have been told the hardest hit in this budget is undoubtedly the motorist and this is something I think that all members agree is inevitable and cannot be helped. I am sorry in a way for the Hon and Gallant Col Hoare who has been pleading for the motorist throughout the year for better car parking facilities and so forth and is now being told to pay for it before he gets it. I do hope that his efforts will not have been in vain and I do hope that as the Government has stated that the result of these extra taxes on motor vehicles and petrol will produce better facilities for the motorists, will produce parking facilities and so forth as we have been promised. I am sure that this will in fact be the case. The other heavy item of taxation is 2p in the packet of cigarettes as opposed to beer and spirits and I am very surprised, Sir, to hear the Opposition continue harping on this point of beer and spirits. I would have thought that we should avoid if possible taxing these items although there is no question that the time will come when probably they will have to be taxed again, but I think one should avoid it because Gibraltar has a very good name for cheap beer and spirits which is what the tourists like. It is good I think for the ordinary person in Gibraltar that he should have a pint of beer at a reasonable price and a drink at a reasonable price. This makes for the style of living, makes for a better and happier atmosphere in Gibraltar. With regard to tobacco I would also agree that there is this distinction in the case of tobacco and that reason we cannot ignore. Tobacco is considered a serious health hazard by many people and as you know as I said earlier on in this debate it has come for serious criticism, advertising is prohibited and I think, I may be wrong there is a law in the United States which makes it obligatory for packets of cigarettes to bear a warning that they are a health hazard. And therefore if it is a question of taxing tobacco, beer and spirits I think there should be no doubt in our minds which we should go for and I am very glad that the Government has gone for tobacco. I am not suggesting that we should price tobacco out of the market, this we should never do because it has been shown that despite everything people do go on smoking, but it is not wrong I think to pay an extra 2p for 20 cigarettes. Sir, the last point that I would like to raise on these revenue measures is the television licences. Lots of opinions have been expressed on GBC television and so forth. Here we are concerned with voting an increase in the licence to £6. As the Hon Mr

Featherstone rightly said this brings us very close to integration with Britain on this particular issue. But again Sir, I must say what I said before that the general public that is served by television and by radio, that is being asked to pay this, should in my view have a bigger say in the way the money is spent. The general public, I would have thought, would be entitled to know for example the cheering news of the surplus that the Government had on the 31st March 1972, they would also want to know the cheering news of the surplus the Government is going to have this year and also the very cheering and reassuring news that the general revenue balance as at the 31st March 1972 will stand at £1,400,000 which is far more than was ever done before in the history of Gibraltar. These are items of news which I think that the public which is being asked to pay £6 for licences should have. I am not talking about impartiality, Mr Speaker, I am only talking about giving the public a proper service where news reporting is concerned. It affects both sides of the House as equally and I think that on this matter this is a sufficiently serious matter to warrant it being pursued, I would have hoped, by the Chief Minister. The Hon and Learned Leader of the Opposition and members of the Opposition side have suggested having a Public Accounts Committee of some sort in the House. I do not know, I think an undertaking has been given or assurances have been given or will be given if a formal application is made, I do not know what the position will be, this is something the Chief Minister will look into but, of course, all Hon Members must be aware that a Public Accounts Committee looking at the whole structure of the Government in Gibraltar is quite a massive thing. Perhaps, it might not be a bad idea, Mr Speaker, to have a committee to look into the corporations or bodies that are subsidised by the Government, that are subsidised by the tax payers' money. That might not be a bad start to the situation and I throw this thought out to the Chief Minister without wishing in any way to pre-judge any situation at all. Mr Speaker, Sir, as I said before I think that this budget properly looked at in its entirety, the expenditure and the revenue raising measures, reveal a strong economy, reveal an economy that is undoubtedly completely on the mend, an economy that is improving, an economy that will be able to produce increasing benefits and for the people of Gibraltar, increasing stability in Gibraltar, whatever may happen, whatever may happen, in the international sphere. Thank you.

HON SIR JOSHUA HASSAN:

I would like your permission. to elucidate one point arising out of the previous speaker's speech. I did not want to interrupt him in any way. Whilst there is no doubt a statutory duty to balance the rates account and the brackish water account, I do not accept as a proposition of law that the potable water account is equal because my understanding of it is that there is no statutory obligation to provide potable water but a practice which has been followed for years but it is not really in the relevant sections of the Public Health Ordinance. I just want to make that point because if it had been in my mind or in my contemplation of the law that that had to be done then, of course, I would not have made the suggestions I made about the question of the potable water.



HON FINANCIAL AND DEVELOPMENT SECRETARY:

May I humbly try to offer one point of explanation to Hon Members who know a great deal more and have very much more experience than I have.

MR SPEAKER:

The Hon Member should do so when he has got the right of reply on the Motion.

HON LT COL J L HOARE:

Mr Speaker, I am not going to repeat anything that has been said. It has been gone over and over again. The last remark by the Hon and Learned Leader of the Opposition has removed one of my very small number of points. I want to deal first with the Income Tax. There are two aspects to that. The concession to the handicapped children who are attending St Bernadette's School. I would like to see this concession extended to all children. There are a lot of children who do not go to St Bernadette's School. Secondly, the question of Income Tax for the repairs and painting of the outside of premises. This is fine in respect of premises which are owned by landlords. It does not cover and gives no concessions at all to owner-occupiers. If you expect them to paint their premises on the outside they should be given exactly the same facilities. Point No.3 is the car licences. I think there are still too many cars circulating in Gibraltar with non Gibraltar plates. These to my mind are licence dodgers because they have been here more than the statutory concession of six months and it makes one wonder whether there is any link, or whether there should be a link between the Revenue Department dealing with importation of cars and the car licensing department. Here is a link which is not difficult to administer and it would avoid all these tax dodgers. I am particularly concerned because I think it is a law that any insurance which is paid for on that car is in fact invalidated if that car is not legally on the road with an up-to-date registration. Those are three points which I think haven't been touched on and that is my total contribution to this. Thank you.

HON M XIBERRAS:

Mr Speaker, I think I shall not be able to contribute much to the question which has been brought into the various debates that we have had in respect of GBC except to state that a number of vital figures were not announced in the Gibraltar Broadcasting Service and I think therefore one is encouraged thereby to make the point yet again. The figures are as the House is now no doubt sick and tired of hearing but as the public is no doubt not entirely aware of, that in the year 1970/71 over £1<sup>1</sup>/<sub>2</sub>m surplus was gained after £200,000 more had been put into the Improvement and Development Fund. 1970/71 therefore £700,000 surplus. Year 1971/72, surplus £200,000 after putting in £100,000 into the Improvement and Development Fund total year 1971/72 £300,000 surplus. Total surplus £1m in two years. Sir, there was an attempt earlier in these proceedings to obscure £1m with a £1 amendment, a £1 red herring which served to no purpose at all except perhaps, that certain members of the information services were possibly misled by this red herring. But there can be no excuse now, Sir, but to state that in the two years I have mentioned there has been a total surplus of £1m. Sir, the other figure is that in 1969 the reserves stood at £743,000 and today they stand at £1m, almost £1<sup>1</sup>/<sub>2</sub>m. Sir, the trend in the years



1963/69 was a decline, a steady but definite decline occasioned mostly by the conduct of the affairs of the Council. Whether Teesdale was right, whether the Hon and Learned Leader of the Opposition was right, or whether my Hon and Gallant Friend the Chief Minister was right, the fact is that in 1969 we had to raise £300,000 for the City Council so if we add this to the £1m I mentioned before this Government has gone to the people for £1,300,000 in two years. It is this which characterises the attitude of my Hon and Gallant Friend the Chief Minister and on occasions he joins me in preaching about his particular theme. He believes in getting the money and facing the people and no one in this House can point a finger at him and say that he is trying to bring about improvements without telling the people what it costs them. There has been no attempt by subterfuge to lull the people into a sense that goods are not going up, that the cost of living is not going up. Instead we have said we will face the increases in the cost of living to the best of our ability but we will be able to pass on to the next administration, be it us, or the other side, a very healthy economy. And if the people of Gibraltar have indeed to pay for the benefits which are apparent on the expenditure side of the budget, then this Government has performed duty and asked them to provide the money in the proper way. We will not wake up in seven years and realise that the tightening of belts keep price low policy has led Gibraltar into the situation where drastic measures are called for. It is with hindsight now that members of the House can look at Teesdale and I think and I hope that after considerable discussion on this matter because it is a very relevant matter everybody in Gibraltar should be aware that this was no paper deficit, that this was a deficit that had to be paid for and that the conduct of affairs in the years that I have mentioned was in Teesdale's opinion, contrary to law. Sir, considering the tremendous change that has been brought about in the economy of Gibraltar in the two and a half years or three budgets that this Government has presented, I think it is a rightful question to ask whether it is necessary to ask for yet more money. My Hon and Gallant Friend, Mr Peter Isola has put the point clearly. This is not a budget to balance next year's budget. This is a budget in anticipation of further benefits for the people of Gibraltar as a whole. One thing which my Hon and Gallant Friend did not mention is that by next year Britain will be in EEC, in the Common Market. We shall go in with Britain, but as I have said in this House before now, whether we go in we had gone in or we had not gone in, the effects on Gibraltar are going to be felt and there is absolutely no doubt at all about this. And it is a very comforting thought for the Government to go into EEC with the highest general revenue balance that the Government has ever had. I am sure that if things which are quite unpredictable - and members may be lulled into the full sense of security because this decision is just a year away - but if things were to turn in a manner in which the British itself cannot anticipate, we in Gibraltar would be at the receiving end of things. Our cost of living might very well shoot up, not that this Government would have anything to do with it, it would be something that happened far away from Gibraltar. But I am confident that the finances of Gibraltar are immeasurably better positioned to meet any such eventuality than when the last administration was in office in 1969. I am quite convinced that the people of Gibraltar will thank the Government for the demand that the Government is making upon the people of Gibraltar at this stage. Sir, I will not go into individual items at any great length. I would, however, like to pass one or two comments. The first is on handicapped children. The House will have noted that the Government had produced no less than three measures really which will benefit handicapped children. The first is relief for the parents of handicapped children attending St Bernadette's school. This

relief was granted to parents of handicapped children who sent their children to England. Now, a tax concession is extended to parents who leave their children in Gibraltar but nevertheless are under financial or other strain. The point raised by the Hon and Gallant Col Hoare has in fact been taken into account by the Government already. It has been difficult in discussing measures in connection with handicapped children to arrive at the precise definition of what a handicapped person is. The House will recall that similar difficulties are being encountered in the United Kingdom and there was a much publicised case recently. It is our intention certainly to extend these facilities to the parents of handicapped children of the sort who would normally attend St Bernadette's school. If it is possible to include other handicapped persons provided we know what liabilities we are entering into, this shall be done too. This definition came under Government consideration for the first time when we decided on the other measure that is, the extension of supplementary benefits to those handicapped persons of employable age who obviously could not be employed. And that is the second measure which will benefit immediately handicapped persons, the entitlement as of right to these persons. The third measure was raised by Hon Friend the Minister for Education and is referred to a direct commitment to improve teaching equipment, special teaching equipment, in St Bernadette's School. So with these three measures the handicapped children of Gibraltar should find their lot considerably improved. Sir, I think that the Opposition has raised arguments solely on the question of water. The House will recall that in dealing with estimates of expenditure for the Department of Labour and Social Security I said that family allowances had, in fact, been under consideration for the present budget. The House will also recall that when I have given an undertaking of this kind to the House I have usually met this undertaking. I say this particularly in respect of the supplementary benefit increase which came in October. I am now in a position to say with full authority of the Government side of this House that we do intend to increase family allowances to meet points raised by the Opposition and also because as I stated even before the Opposition raised this point that we had it under consideration. The effect the Opposition comment has had on this side of the House has been in fact to make us endeavour to anticipate the measures that we had in mind. I bring to the notice of the House that I said this in fact this morning. Sir, apart from this, there is somewhere else where families who are large families can be helped. The Government has in mind certain changes in respect of rent and this too, I would ask should be given equal publicity, that the increases in rent will be accompanied by protection for those families who cannot afford to pay the rent. Special consideration is being given in respect of rents to the larger families. And therefore the larger family will have a double relief in this respect. Conversely, if we were to adopt the system as suggested by the Opposition of allowing two thousand gallons at the present rate we would, in fact, be subsidising those smaller families who use more than a thousand but less than two thousand and therefore the Government feels that it is much more equitable to do things in the manner which I have outlined. Family allowances and rent relief. Sir, I hope that these assurances will convince the Opposition that the Government is concerned about the welfare of large families. There is not one measure but two measures in fact brought forward. So the other question which I would deal with very quickly is the question of water. Why increase this much? Well, I think that there is a certain sensitivity on this side of the House arising from the City Council deficit



to allowing any of the services to go into deficit. Apart from this, even though it might be as other members on this side of the House have explained, even though the distiller might be fixed and might continue to yield we must think immediately of providing another Distiller. The census figures show and have shown the Public Works Department, that we need to embark immediately upon the erection of the new distiller. In fact, I gather that ground is being prepared now on the Viaduct Road and tenders are actually out. So even if we took this in our stride given the good state of the General Revenue balance, it would be good to make provision against the payment of any loans which have to be entered into for the new distiller. Sir, Mr Abecasis mentioned the question of houses for small families, perhaps people living on their own and so on. In talking about rehabilitation funds I mentioned that the Government already had in mind the conversion of wash-houses as bedsitters. Also the Minister for Public Buildings and Works, Mr Caruana, when he was the Housing Minister, made this point in respect of Viaduct. In suggesting the mix for Viaduct he took full account of smaller places for the older person. However, I could not go all the way, in fact, none of the way, with Mr Abecasis on allocating these flats outside the pointage system as a rule. In fact, the single person does not suffer because he does not enter into the competition for the bigger flats, and the pointage generally for a single person for a bedsitter is generally lower than that for a four-roomed flat, a bigger family. Therefore I think that the point is met substantially. Sir, there is only one more point which needs, I think, making and I am glad, very glad, of the support which has been given by, in the first place, the Hon Mr Alvarez and in the second case though I say this with some qualification, by Mr Montegriffo, and that is that it is essential for Gibraltar that our service should be given as efficiently as possible. Now, these were taken by the other side of the House at one time with a pinch of salt. The Hon and Learned Leader of the Opposition particularly used to raise an eyebrow on many occasions when I mentioned the question of productivity. And he still says so, but what I am saying is that we must not adopt a sceptical attitude to this. I much prefer the attitude put forward by his colleague, the Hon Mr Alvarez, which is that we must do whatever it is reasonable to do and as much as it is reasonable to do bearing in mind that once management has brought about the change then the Community is entitled to the general cooperation of the workers. The Hon the Financial and Development Secretary also said that this point could perhaps be made in the form of an appeal. I do not want to detract from any force that a general appeal from this House may have. But I do sound a word of warning. It is not good enough just to say we will do it, we must do it and so on. This will keep things going for a little while. What we must do is to change the method of working. We must change the practices of working and this demands very deliberate, very painstaking attention and therefore I hope that the Opposition will support every single method which has to do with increasing the efficiency of Gibraltar for the benefit of Gibraltar as a whole and the workers in particular. Sir, having said this, may I also congratulate the Opposition on generally, if I may say so without intending at all, to be patronising on a balanced attitude to the proposals that Government has put forward in the budget. I did not take the opportunity of thanking the Financial and Development Secretary though many members including my Hon and Gallant Friend the Chief Minister have done this before. I do this now and having praised the Productivity and Training Unit very much indeed I should say that at the time I said that my praise encompassed all Government departments and on this occasion I think it is fitting that this praise should go particularly to the gentlemen of the Treasury. Thank you Sir.



HON E J ALVAREZ:

Mr Speaker, I do not think that I am in a position to make any contribution whatsoever in connection with the Budget. So much has been said that I couldn't say anything whatsoever without any risk of recapitulation, but I am going to take the point raised by the Hon Minister for Municipal Services in connection with concessions given to the bus operators. It is proposed to make a concession in respect of new motor buses licenced to serve the public and he expressed the desire that they would take advantage and that they would have new buses in Gibraltar. A bus service which is badly needed and needs considerable improvement and is not really what the people or the public is entitled to. I know that the Hon Minister takes interest in the Transport Commission which is where this matter is discussed. But what I wish to bring to the notice of the House that this matter was discussed last year and I said then that in 1969 when I was the Chairman of the Transport Commission I made an arrangement with the Bus operators at the time that provided that they made some alterations provided for in the law, they could obtain buses from the United Kingdom of a standard size which would save them about a £1,000 each. I entered into an agreement with them and with the Government at the time and we agreed that the law was to be altered but unfortunately nothing happened. The bus operators did not take any advantage whatsoever and I wish them better luck with this concession and I hope that they will take advantage because as I have said before an improvement of the bus service in Gibraltar is badly needed. One question which I would like to mention in addition to the bus service is that whilst we were discussing in the last Government this concession to the bus operators, at the same time they were asking for an increase in fares. We decided that they had to put their House in order because they did not have it at the time and the application was refused. Some time afterwards there was a steep increase in fares. No new buses but an increase in fares. Now, I hope that the Transport Commission will bring this matter up and as I said before will make these bus operators either to cooperate with this concession or take whatever action is within their power.

HON W M ISOLA:

On a point of clarification, the increases were on the 15th of February 1971 after audited accounts of repeated and big losses were incurred by the bus operators.

MR SPEAKER:

I can safely say that no other person can speak on the motion because every single member has made use of his right to do so. I will now invite the mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I wish only, if I may, to answer two points for clarification. If I may do this I think it will be easier if I may invite Hon Members to look for a moment at page 98 of the Estimates and if they look there at the two columns for the potable water service account and the brackish water account page 98.

And if they look down these columns near to the bottom they will see the minus sign appearing. Minus £70,308 in the case of the potable water account and just to the left of that minus £15,890 being the deficit on the brackish water account. Now if going along into the next column to the left they will see that the sum of these two deficits, namely £86,198 is added to the expenditure on the general rate account and that produces a deficit lower down there of £52,202. Sir, the mandatory obligation that is upon me is to ensure that there is not a deficit in the general rate account taken together with the potable water account and the brackish water account. For that purpose, Sir, I had to provide for additional revenue exceeding £52,000 odd. Sir, on another point the Hon and Gallant Col Hoare referred to the Income Tax concession related to repairs and painting of exteriors and in my statement I said that the proposals was that these costs ' be allowed as a deductible expense in addition to any amount which would otherwise have been allowed. Now, Sir, if a landlord at present qualifies for a deduction on account of these expenses the intention is that he will get that amount doubled. Lastly Sir, the Hon and Gallant Member also invited consideration to be given to liaison between import duty and licensing department in relation to motor car licences, Sir, and I welcome, I am grateful for that suggestion and we will certainly give consideration to it. Sir, thank you, I have no more to say in regard to the motion still standing in my name.

MR SPEAKER:

I will now put the question in the terms of the Motion proposed by the Financial and Development Secretary. Those in favour.....

HON SIR JOSHUA HASSAN:

Sir, we would like them separately. Which is the first motion, Mr Speaker?

MR SPEAKER:

There is only one motion before the House.

HON SIR JOSHUA HASSAN:

Mr Speaker, did you say paragraph one?

MR SPEAKER:

No, no, I said the motion.

HON SIR JOSHUA HASSAN:

Oh, I am sorry Mr Speaker, with the greatest respect we would like certainly on the question of water though we do not agree Sir with the explanation because if it were strictly as the Financial and Development Secretary said then he would have to cover a deficit of £52,000 and he has only provided for £23,000 so in order not to.....

HON CHIEF MINISTER:

I think there is a misunderstanding there. We have to cover the rates deficit of which water is one item. It is water, telephones, and all the others that go to make up the deficit. I am only trying to clarify the point.

HON SIR JOSHUA HASSAN:

He goes on to say that because of that he alighted on the motor car, that is what he said. Well anyhow Mr Speaker, we are not happy, we have said so. I think the best we can do in this matter not because we shirk it but because we do not think it fair and however much we wish to cooperate we cannot be made to decide what we want. We will abstain on the question of the increase in water and therefore I would like to have that part of the Resolution taken separately.

MR SPEAKER:

The Standing Orders of the House will not allow me to do that. There is a Resolution before the House which is subject to amendment if the Opposition wanted to amend it in any manner of form while the debate was taking place. It is a resolution in itself, a motion in itself which is being debated which is subject to amendment and liable to be amended if the necessary amendments had been proposed and carried.

HON SIR JOSHUA HASSAN:

If I remember rightly, Mr Speaker, we had the same trouble last year and if I remember rightly, I do not want to quote him because he is not here, we were given an assurance that the proposal would be put separately so that it could be separately voted. This was done last year and perhaps you yourself Mr Speaker may remember. We had some difficulty over that. It seems to me a tall order with the greatest respect and I wonder whether in fact the resolution in this cumbersome way is really acceptable. I mean, I certainly abide by your ruling and so long as it is made clear that we do not want to impede or vote against the resolution generally on the record I do not mind because I know what the result is going to be.

MR SPEAKER:

Perhaps it could well be the answer. If I recall well last year the revenue raising matters were presented in different Bills and Motions, in separate ones, and that is why it was possible to vote on separate measures. Objection could have been taken to the length and to the substance and to the form of the Motion before the House. It was not taken. I was not asked for a ruling on it and therefore I took it as acceptable to the House. As the Standing Orders stand I have not got any power to do anything but to take a vote now since there has been no amendment.



HON SIR JOSHUA HASSAN:

I cannot do anything at this stage but I think, with my greatest respect this is one of the things we could look at when we look at the revision of the Standing Orders but it does seem, I mean, as it happens there is only one small matter on which we are at variance and in fact on that we are going to abstain but there could be quite a lot of divisions in many matters on which the Opposition were not agreed and it would be very difficult to make them swallow up a whole resolution or say that they are going to vote against the whole of it. So I do not mind in this case Mr Speaker. I thought last year that we had cleared this but apparently we haven't, it has come too late, so I apologise for the intervention. I do not mind, we will vote but we will make it clear that had the resolution been separately put we would have abstained on the water increase simply because we made an alternative suggestion that has not been accepted.

HON CHIEF MINISTER:

Mr Speaker, I wonder if the Hon Member was present when we suggested here that this difficulty that was envisaged by them.....

MR SPEAKER:

We must not have a debate. I have made a ruling that the resolution must be taken as it stands. The views expressed by the Hon Leader of the Opposition are on the record and I think we will now proceed to the vote.

Mr Speaker then put the question in the terms of the Financial and Development Secretary's motion which was resolved in the affirmative.

FIRST READING

The 1970/71 Supplementary Appropriation Ordinance 1972.

The Financial and Development Secretary moved that a Bill for an Ordinance to apply further sums of money to the service of the 15 months ended the 31st day of March 1971 be read a first time.

Mr Speaker then put the question which was resolved in the affirmative.

The Bill was read a first time.

SECOND READING

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be read a second time. Sir, the Supplementary Expenditure approved by the House in respect of the 15 months ended on the 31st March 1971 has caused excesses on certain Heads as detailed in the schedule to the Bill. It is now necessary that these excesses should be covered by a Supplementary Appropriation Ordinance and the purpose of the Bill is to satisfy this requirement. Sir, I commend the Bill to the House.

Mr Speaker invited discussion on the general principles and merits of the Bill.

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

The Bill was read a second time.

The Hon Financial and Development Secretary gave notice that the Committee Stage and Third Reading of the Bill should be taken at the next meeting of the House.

#### SUSPENSION OF STANDING ORDERS.

The Hon Financial and Development Secretary moved the suspension of Standing Orders Nos. 29 and 30 in respect of the 1972/73 Appropriation Bill 1972 and on the question being put by Mr Speaker this was agreed to.

#### FIRST READING

##### The 1972/73 Appropriation Bill 1972

The Hon Financial and Development Secretary moved that a Bill for an Ordinance to appropriate an amount not exceeding £5,183,393 to the service for the year ending 31st March 1973 be read a first time.

Mr Speaker then put the question which was resolved in the affirmative.

The Bill was read a first time.

#### SECOND READING

##### HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be now read a second time. Mr Speaker, Sir, the purpose of this short Bill is to authorise the Accountant General on the Governor's Warrant to pay out of the Consolidated Fund of Gibraltar the various amounts set out in the schedule during the course of the year 1972/73. The amount corresponds to the estimates of expenditure as already approved by the House and the passing of the Bill completes the statutory process of budgetting for the next financial year. Sir, I commend the Bill to the House.

Mr Speaker invited discussion on the general principles and merits of the Bill.

HON SIR JOSHUA HASSAN:

Mr Speaker, the only thing I would like to say is that this side of the House voted against a sum in the Tourist Office vote and that will not be a reason why we should vote against the Bill, but I thought I would just make it quite clear that by voting on the Bill we maintain our position to that part of the tourist vote which we raised in the course of the proceedings.

Mr Speaker then put the question which was resolved in the affirmative.

The Bill was read a second time.

The Hon Financial and Development Secretary gave notice that the Committee Stage and Third Reading of the Bill should be taken at a later stage in the meeting, and on the question being put by Mr Speaker this was agreed to.

#### FIRST READING

##### The Pensions Increase (Amendment) Ordinance 1972.

The Hon Financial and Development Secretary moved that a Bill for an Ordinance further to amend the Pensions Increase Ordinance (Cap.122) be read a first time.

Mr Speaker then put the question which was resolved in the affirmative.

The Bill was read a first time.

#### SECOND READING

##### HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that this Bill be now read a second time. Sir, the Bill before the House takes account of the cost of living addition granted to serving Government industrial and non-industrial staff with effect from the 1st January 1972 as a result of the agreement with the Unions that an increase of over 3% of the Index of Retail Prices would be met automatically by the grant of an addition of a similar percentage of the wages of a skilled labourer to all officers below the grade of Assistant Secretary and not above the technical grade. This addition was to be regarded as pensionable and hence would be taken into account in calculating the pension of the officer on his retirement. Sir, the increase in pensions now proposed has been worked on the same principle as the increase approved by the House last November, that is to say, to place the pensioners who retired prior to the 1st January 1972 in the same position as those who may have retired after that date or may be retiring in the future and whose pension has been or will be assessed on wages and salaries which have been increased by the cost of living addition. Sir, I commend the Bill to the House.

Mr Speaker invited discussion on the general principles and merits of the Bill.



HON A P MONTEGRIFFO:

Mr Speaker, just one or two points for clarification. Last time when a similar Bill - this is a corollary to the one we voted some time ago - was discussed, I did say, and I think from the other side of the House the same thing was said, that it was a rather confused Bill up to a point. It was difficult to understand. I had thought at the time that I had understood what it was trying to put across. But it has given no satisfaction to anybody, to none of the pensioners. There are still quite a lot of complaints about it as to the manner it is being done and I would like to know whether they are getting the 3% on the pensions or whatever percentage it may be or just getting the 80 pence that the industrials are getting in accordance with the agreement reached with the Union as regards the formula.

HON M XIBERRAS:

Mr Speaker, this is not a defined domestic matter but I have asked my Hon Friend the Financial and Development Secretary to delay his reply to the motion so that I could get the chance of saying something.

MR SPEAKER:

Any member can have a say as in any Bill. But as the Rules of debate apply, it is right that the Financial Secretary should be the last to speak.

HON M XIBERRAS:

Thank you Mr Speaker. I believe and of course it is for the Financial and Development Secretary to confirm this, that the last time we incorporated an element of COLA into pensions we were dealing with an extra 3% which came following the negotiations with the Transport and General Workers Union and then an element of COLA. Now, I stress that this is not a defined domestic matter but I have had one or two meetings with representatives of pensioners on this Bill. I would not call it a confusing Bill but one which is nonetheless difficult to understand. I should say also that there has been some public controversy over the Bill and that various letters have been written particularly in the Gibraltar Chronicle. I think that as a result of these meetings and time given for deliberation, the pensioners sub-committee of the Transport and General Workers Union have come generally to accept the fact that in the present circumstances this Bill or this way of dealing with the pensions in connection with COLA, is fair, and in fact as far as it could possibly be. The problem is that as all members know, the Pensions Ordinance sets as its major aim that the retiring officer should have a given percentage of his retiring salary as pension. This is without going into too many technicalities. That is the major consideration, the proportion of the finishing salary which becomes the pension. Unless that major consideration, that proportion is changed then it is impossible to deal more favourably with COLA than the Government in fact has done. It should be remembered that the cost of living allowance is a flat rate. It is not a percentage as even though in the time of the last administration there was one cost of living award, a 7% and since it was a percentage it was possible to pass on this amount as a percentage to pensioners. In this case we are dealing with a flat rate based on the skilled labourer's wage. This means that such a flat rate of 85 pence or 70 pence as the two COLA

payments have been are a smaller or a bigger percentage of the pay of an officer depending on his grading. If he is a titular then it is a smaller percentage, the 85 pence or the 70 pence, if he is a labourer or he was a labourer then the percentage would obviously be larger. Now, unless we want to give the officer who is just on the very point of retiring a less beneficial entitlement in respect of pension than the man who has just retired, it is necessary to convert the COLA Payment of 85 pence into the kind of percentage which will not put any officer ahead of the general percentage quoted in the Pensions Ordinance, the general consideration. It is true that this has the disadvantage of granting less to the pensioners than, in fact, to the serving officer but, it has the advantage for the pensioner vis-a-vis the system which existed before that, such COLA payments are, in fact, automatic now and we are not dealing with a once and for all effort of 7% we are dealing with something which is recurrent or will be recurrent until June. This is obviously in the round beneficial to the pensioner because it has been Government practice to incorporate in some manner the COLA into the pension. I think the main argument of the pensioners is that if a man gets, let us say, £16 as a pension then he would deserve 85 pence at least if the labourer is getting 85 pence. I think that a simple COLA payment is not the occasion for introducing major modifications of the kind which a total incorporation of the COLA payment would entail. It would mean disturbing the relativities between pensions if one passed on the 85 pence and it could not be done, in fact, without amending what I call the main body of the pensions ordinance. Sir, I have in fact correspondence to show that even though the pensioners are not satisfied either with the ceiling of Government pensions, that is the proportion of the finishing salary which becomes a pension and even though they might like to see something done to the baseline of pensions or even to very lowest grades of pensions they accept that in certain circumstances and without touching the main body of the Ordinance, it is impossible to be more generous than the Government has in fact been. Having been asked to produce any particular example where a pensioner got less than his entitlement under the Ordinance I believe that they have not been able to find such an example. So this is a question of incorporating COLA payments. We cannot, I think and the House will agree, afford a major re-doing of the pensioners Ordinance on every occasion that the COLA payment is made.

HON SIR JOSHUA HASSAN:

Mr Speaker, whilst I will concede that the Bill is not itself confusing, it appears that there is a certain amount of confusion, certainly up to now, in the administration in respect of the payment of pension to workers who have been re-engaged after having been pensioned since they have been paid, I know this for a fact, they have been paid different sums at different times in respect of their pension since they were re-employed and I would, now that this may perhaps regularise the position I hope it does, it will probably do that, I would urge that there should be some definite directive that there should be no change. It is very difficult for a working man who gets 75 pence one week increase in pension, the next week he gets 82 and the next week he gets 70 and he says "I got 82 the week before". And he is told that he was overpaid and that they are taking it back from him. This is a fact, I can provide the Financial Secretary with details of one or two people in particular to whom this has happened. And this is, no doubt, a matter which is a complicated matter and which probably has to be worked out in conjunction with pay received and so on. But I would urge the administration now particularly when this Bill goes through that there should be standard directives. I am sure there are but there must be some confusion when the same worker has been paid three or four different rates in respect of his pension.



MR SPEAKER:

Does any other member wish to speak on the general principles and merits of the Bill? I will then call on the mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, thank you. I could not possibly improve on the exposition that has been made on this complex matter by my Hon Friend the Minister for Labour. I hope that clarifies the point Sir. It is difficult, I couldn't improve. As regards the pensions of retired public service officers re-employed this is a matter that I have not myself looked into, I can imagine how difficulties arise because I have no doubt that the same concept applies in fact in the UK that pension together with salary or wage paid after re-employment should not exceed retiring salary. I can imagine, therefore, how with cost of living allowances problems would arise. I would say no more than that I should be very glad to look into these matters and certainly Sir, in consultation with the Hon and Learned Leader of the Opposition or others.

Mr Speaker then put the question which was resolved in the affirmative.

The Bill was read a second time.

The Hon Financial and Development Secretary proposed that the Committee Stage and Third Reading of the Bill should be taken at a later stage in this meeting and on the question being put by Mr Speaker this was agreed to.

COMMITTEE STAGE AND THIRD READING.

HON ATTORNEY GENERAL:

Sir, emerging from the inspissated gloom of a post budgetary morning, moved by novatic utterance save that required by the elegant tropes of our procedure, prompted by a sense of the aristic, perhaps singled out for this dubious distinction as the only member who did not speak on the budget for which that overburdened group the compilers of harsards may bless me if nobody else does, I rise Sir, to move that this House should dissolve itself into Committee to consider the next two Bills on the Order Paper, the 1972/73 Appropriation Bill and the Pensions Increase(Amendment) Bill, clause by clause.

A Bill for an Ordinance to appropriate an amount not exceeding £5,183,393 to the service of the year ending 31st March 1973.

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

The Schedule was agreed to and stood part of the Bill.



The Long Title was agreed to and stood part of the Bill.

A Bill for an Ordinance further to amend the Pensions Increase Ordinance (Cap.122).

Clauses 1 to 3 were agreed to and stood part of the Bill.

The Long Title was agreed to and stood part of the Bill.

HON ATTORNEY GENERAL:

Sir, I have the honour to report that <sup>with</sup> its customary celerity if I may say so, this House has considered the 1972/73 Appropriation Bill, and the Pensions Increase (Amendment) Bill in Committee and these Bills have been agreed to without amendment. I ~~now~~ move that they be read a third time and passed.

Mr Speaker then put the question which was resolved in the affirmative and the two Bills were read a third time and passed.

## (1) PRIVATE MEMBERS' MOTIONS - The Hon P J Isola.

HON P J ISOLA:

Sir, I have the honour to move the first motion standing in my name which is with regard to the appointment of a Select Committee to look into the whole field of air communications. In speaking on this motion, Sir, I am very conscious of the time that the House has been sitting and also of the very great interest that has been taken on this subject by all sides of the House and by many Honourable Members. This is a subject that has engendered general interest in this House and I don't think it is necessary for me to go into any detail on what different Hon Members have said in the past on this subject of air communications. You will see, Sir, that in my preface to the rather lengthy motion that I am proposing to the House, I mention the very great importance of air communications of the welfare of the people of Gibraltar and to the expansion and strength of the economy. And I chose these particular words advisedly because I think that air transport between London and Gibraltar is now being used more and more by the public of Gibraltar than ever before. I think that nowadays, it will be readily admitted, it would be strange if one did not find many fellow Gibraltarians flying in an aircraft with you to London. In the old days, going back 5 or 6 years, it was strange to have two Gibraltarians travelling together in the same plane. The reasons for all this are quite obvious. There is as we all know increased prosperity in Gibraltar but also more and more people travel to London because of the frontier situation and accordingly I think that it is time a Select Committee of the House looked into this matter, so as to put the welfare of the people of Gibraltar, the individuals that travel in perspective, and in the right proportion to the other sector that uses the aircraft, which are the tourists. And in talking of the people of Gibraltar in this context, Sir, I think it is right and proper that we should put in all those who are residing in Gibraltar on a tour of duty or on a less than permanent stay can be regarded as part of the population residing even though it may be temporarily in Gibraltar. By this I mean the Services, the Ministry of Defence, the United Kingdom employees, in fact everybody that is more or less part of the population of Gibraltar other than tourists - this is the welfare side - and when one looks at the other part of the motion, the question of the expansion and strength of the economy, one is of course thinking in terms of encouraging tourists to come to Gibraltar. But I think that it is time

that a Select Committee looked at this to see that there is the proper balance between the two interests.

I think, Sir, too, it is a proper time to have a Select Committee on aviation because as the House may be aware, the new Civil Aviation Authority takes over Civil Aviation in the United Kingdom on the 1st April 1972 and I think it is very pertinent and interesting to see the guidelines that this new authority has been given by the British Government. And the guidelines, Sir, were laid down in a White Paper that was presented to Parliament by the Secretary of State for Trade and Industry in February 1972, last month. And there, Sir, the very first policy guidance given to the Aviation Authority said: "Civil Air Transport exists by serving the public. The authority should inform itself of the public's needs and take full account of them. Later on: "arrangements which restrain competition or innovation should be accepted only insofar as they contribute to the realization of the objectives and this guidance". So there is the British Government laying down to the authority the purpose for which it exists. Then later on it says, these guidelines say: "The authority should further the maintenance and development of a viable network of scheduled services so far as may be necessary and reasonable in the context of a section of the act to provide for individual passengers wishing to buy seats directly from the airlines or their agents, at the public fare". And then there is a clause about having competition, which I need not bother the house with, and there is another point I would like to quote "The authority also has the duty to inform itself of commercial and peeling agreements in order to judge how far they are consistent with the objectives as a basis both for its own decisions and for its advise to the Secretary of State so that the authority is concerned with the creation of monopolies and unnecessary monopolies. But there is a very interesting section, Sir, two other points I would like to mention to the House in relation to this policy guidance, and that is: "the authority should take account of the contribution which both international and domestic air services may make to regional economic and social development in the United Kingdom and should have regard to the particular interest of the Channel Islands and the Isle of Man when regulating air services to or among them". Then lastly; "the authority should have



regard to the need to restrain increases in charges for domestic air services that would adversely affect the prosperity of the United Kingdom economy. So, Sir, insofar as the United Kingdom is concerned and insofar as the Channel Islands is concerned and the Isle of Man is concerned, commercial judgement of the airline is not the only yardstick. But in the case of Gibraltar we must bear in mind that as Gibraltar does not have its own air authority, it hasn't got its own civil aviation authority, our aim should be to bring ourselves within the context of the Channel Islands and the Isle of Man, because we have no authority of our own that tells the Civil Aviation authority what Gibraltar's needs are and I think it is necessary and important that the particular interest of Gibraltar should be set out clearly by a Select Committee of the House and brought to the Aviation Authority's attention by, of course, the Minister, the responsible minister in the Government, or through the Governor in Council. Things that one has seen are happening anyway but I think it is necessary that a Select Committee of this House, being a non defined domestic matter, being a matter that is outside Gibraltar or is dealt with outside Gibraltar but very very important both to the economy and the welfare of the people of Gibraltar, I think that a by-partisan approach would strengthen the hand of those whose obligation or whose duty it is in Gibraltar Council to advice His Excellency the Governor. And in this connection, let it not be thought that bringing this motion is in any way intended to be a criticism of the Government or the advice that the Government has given to the Governor in Gibraltar Council, nor indeed of the Minister who has identified himself on the Government side on the question of air communications. But this motion is brought mere to try and decide for ourselves in a Select Committee, sifting evidence, interviewing people, seeking people, what is best for the welfare of the people of Gibraltar and the strength of the economy.

Sir, to go to the motion in particular, the (a) and (b) of the motion speaks of the different kinds of air fares available to the public and the need, if any, in the public interest to restrict any other operator from operating on the Gibraltar/London Route and the viability of the Gibraltar/London air route. These are the first two points which I would like to deal with quickly.

Sir, why are these particular points raised? Well, the reason for it is that over the years or the last or the last few months or over the months, one has heard complaints in this House, one has heard reasons given by the airlines for particular matters, one has heard complaints about the aircraft being used, one has heard of the fares, the different types of fares, the discrepancies of fares that are being used, one has heard arguments about the commercial judgement of British European Airways, that they go where the money is, and all the rest of it. I think it is important that this House should look into the question of the viability of the Gibraltar/London air route. Is it a paying proposition for the airlines, or isn't it? And is the fare policy being carried out by the airlines, the different sorts of air fares that are made available to the public, are they justified? Are they consistent with the expanding economy? Are they consistent with an expanding service to the public? In this connection Sir, we hear of increased costs and we hear of the need for increases of fares from time to time. I don't pretend to be an expert on this, this is why I myself think that a Select Committee should look into this matter, but I would like to refer the House to the BEA News, one of the BEA newspapers, actually this is a report in TTG International of January 14 1972, which I think is relevant to this question of air fares. The headline is "BEA seeks low Europe fares. Main talks. British European Airways is planning big efforts during the next few weeks to persuade certain European and Scandinavian Governments to agree to new low fare proposals for the coming summer season", then it says it's reached agreement in principle with Scandinavian Air lines on a halfprice advance purchase fare between the United Kingdom and Sweden, Norway and Denmark. I think the Hon Mr Serfaty expressed interest in this sort of early booking idea. It says tickets would have to be purchased at least two or three months prior to that date. Now this was announced by Mr Wilkinson, Managing Director of British European Airways. Then it goes on, and this is interesting, he talked about consultations that were carrying on between BEA and other international carriers, Governments of France, Belgium and Holland, concerning the reduced rate, last minute booking fares. "If talks succeed", this is what Mr Wilkinson says, "it is planned to introduce half-

price fares available only 12 hours or less before departure on routes between London, Paris, Brussels, and Amsterdam, as both of these new types of fares would be agreed between the Governments of the countries concerned they would not necessarily have to be ratified within the overall framework of the International Air Transport Association. Then he says "Mr Wilkinson also disclosed last week that with effect from Feb 1st BEA is to abolish first class fares on domestic trunk routes", - now this is another interesting bit that comes on. "In addition BEA plans to introduce half-price domestic fares for passengers travelling on return tickets on Saturdays and Sundays. The new moves are designed to help cut BEA's present £2 million losses on domestic routes by an estimated 50%". So here you have an airline that is, *prima facie*, I am not saying the reasons for it or going into it, but here you have an airline that is losing money on its domestic routes and cutting fares by half and hoping by cutting the fares by half to cut the losses down. This would not make sense to ordinary people but I think it is a fact of life that aviation being the competitive game that it is, more and more airlines are cutting down fares where there is competition for reasons best known to themselves. They are commercial people, they exercise commercial judgement. But insofar as Gibraltar is concerned, and I am not saying we should not have a monopoly on the Gibraltar route, I am not saying that, but insofar as Gibraltar is concerned, judging from the statement made in April 1971 by the Minister responsible, increased costs means increased air fares and we have a different sort of set up. I am not saying this is not justified, but what I do say is that it is something that should be gone into because in other routes where money is being lost, fares are being cut and whenever BEA can whether it is competition agree with another Government, they seem to agree to low fares and this e.g. the early booking system, which is going into effect in some European countries on bi-lateral agreements Well you don't need these sort of things with Gibraltar, we agree to anything that cuts down fares. And these are matters that I feel should properly be gone into. Then there was the question of the Dan Air charter application



for the Forces. Now, Mr Speaker, again I don't go into the merits or otherwise of this application. But let me say one thing, that the result of this application is that BEA offered the Forces lower fares than was available to the Gibraltarians wishing to travel to England to see their families, because there are many Gibraltarians who travel to England, it is not all holidays. And we read in the Vox last week, that five seats on the scheduled airline are being sold to Forces personnel and their wives and people here on agreement at £28 or £29 return. I don't complain about that, but I do say, that it is a matter that calls for investigation because I wonder if this would have come if the Ministry of Defence had not made an application to have a charter operation to Gibraltar. The whole issue I think here in these particular points that I have raised revolves round the viability of the Gibraltar/London air route, and this is something that I think should be specifically considered by the Select Committee.

Mr Speaker the third point in my motion deals with the question of consultation between the Gibraltar Government and Her Majesty's Government and there are two sides to this particular part, one is consultation between Gibraltar Government and Her Majesty's Government and the other is the say that the people of Gibraltar through the elected representatives should have in the question of air communications in and out of Gibraltar. Now it is the principle of the air authority that civil air transport exists by serving the public and the authority should inform itself of the public's needs and take full account of them. I think it is the responsibility of the House through a Select Committee, this being a non defined domestic matter, it is the responsibility of this House through its elected representatives, to ensure that the authority is informed as to the requirements of the people of Gibraltar, it is not a different Government, it is not a foreign Government, this should be brought in my view as much as possible, in the domestic set-up, Channel Islands, Isle of Man and Gibraltar, the interest, particular interest, not necessarily run completely on commercial judgement but this is a matter of enquiry for the Select Committee, but I think this is something

obviously that would go into any motion before this House and that is the interests of the people of Gibraltar and the effective say they should have on the matter.

Paragraph (d) which refers to monopolistic tendencies, Mr Speaker, I have already touched on. The monopolistic tendencies, if any, on travel in and out of Gibraltar and the desirability or otherwise in the public interest. A lot has been said in Gibraltar about monopolies, in general, and I haven't read it but I believe there was a communique put out by the Consumer Association. A lot has been said about monopolies. In England there is monopolies legislation as you know and all sorts of bodies are being set up to prevent monopolies that are harmful. Now I am not going to make a general discourse on monopolies, Mr Speaker, nor of the morality of them, I am not particularly concerned with that in this motion but what

I am concerned is that we should understand and realise whether there are monopolistic tendencies in travel in and out of Gibraltar. We should investigate, look at it and see how far, if at all, they are harmful to the main purpose of the motion which is the welfare of the people of Gibraltar. And again I think this particular subject which can be a delicate one is one that should be properly dealt with in the confine of a Select Committee of the House looking into the matter. There is no question about it, the main monopoly existing of travel in and out of Gibraltar is in fact BEA. British Caledonian Airlines have a very small part of the traffic and Gibraltar Airways, although the majority of it is held by a local company in actual fact the know-how, the aircraft, the engineers are all provided by British European Airways; and the Select Committee, I think, should look into these monopolistic tendencies and see whether they are desirable in the public interest. If, because there is a monopoly, we are to be deprived of various nice things that are being done by airlines in all parts of the world where there is competition, of cut-price fares, half-price if you book 12 hours before or travel in a plane 12 hours before, if we are being deprived of all that because the monopoly exists then obviously and clearly it would not be in the public interest to encourage this sort of situation. I am not saying that that is the case but this is a matter that I think should be properly looked

into by the Select Committee. The last part of my motion, Mr Speaker, the need and desirability of encouraging air communication between Gibraltar and other countries is to use the words of the Hon Mr Serfaty, perhaps a bit of a pipedream. But, Sir, I would remind the House that if one looks at the map of the world, and one looks at Gibraltar, it is very much in the centre of things. I think it is a matter of some regret that from Gibraltar you either go to London or to Tangier and nowhere else. I think, again talking both of the economy and the welfare of people, that there is a case for trying to encourage another airline, a foreign airline, or any other airline to, say, come to Gibraltar once a month, a scheduled trip of once a month, from Holland, Italy, Malta or wherever it is. I know these things bring problems or agreements, international agreements, and so forth, but I think the Select Committee should look into this, should look into **what** possibilities there are, should if it **thinks** there is any chance at all, should make its position clear to those whose responsibility it will be to fight the good fight, but there can be no doubt in the mind of any member of this House, I am sure, that if we can only have one flight a month say to Rome or one flight a month to Bonn, Austria or Vienna, this would be of great benefit not only to the welfare of the people of Gibraltar but also to the economy. Mr. Speaker, Sir, I shall not keep the House any more on this, I think I have stated the case and the reasons why I think it would be a good thing to have a Select Committee and I commend the motion to the House.

MR SPEAKER :

Mr Isola perhaps it might be advisable for the record and the good order of the House that you read your motion so that the House knows. You have given notice but I think it right that the mover should read the motion.

HON P J ISOLA :

Well Mr Speaker, I commend the following motion to the House and that is that this House resolves :

- (1) "In view of the very great importance of Air Communications to the welfare of the people of Gibraltar and to the expansion and strength of the



economy this House resolves that a Select Committee of the House be appointed to investigate, report and make recommendations on :-

- (a) The different kinds of air fares available to the public and the need if any in the public interest to restrict any other operator from operating on the Gibraltar - London routes, whether by charter or otherwise.
- (b) The viability of the Gibraltar - London air route.
- (c) The extent and nature of consultation between the Gibraltar Government and Her Majesty's Government and the need if any for the people of Gibraltar through their elected representatives to have a more direct and effective say in Air Communications in and out of Gibraltar.
- (d) The monopolistic tendencies, if any, on travel in and out of Gibraltar and their desirability or otherwise in the public interest.
- (e) The need and desirability of encouraging Air Communications between Gibraltar and countries other than Britain, thus affording the public increased opportunities of travel as enjoyed in other countries and at the same time providing a foundation for the continued expansion of the Gibraltar economy.

I thank you Sir.

Mr Speaker then invited discussion on the motion.

HON A W SERFATY :

Mr Speaker I have pleasure in standing up and saying that the Opposition supports this motion. I am assuming, of course, that the Government is also supporting it, because I mean there are two ministers that have to do with travel and tourism and the backbencher who is proposing it, but anyhow I can see from the faces opposite that the Government is supporting it. Now this question of airing matters; I am not going to say for example that some of these problems are exactly as stated by the Hon Mr Peter Isola, I consider and I must say so quite frankly that BEA are friends and so are British Caledonian. Of course BEA and British Caledonian are not in this business for the good of their

health so they are defending their interests, and of course we are here to defend the interests of Gibraltar, so I am sure that a lot of good can come out of several members of this House sitting round a table and discussing these matters. There is one point on which the Hon Mr Isola said about the expanding service - I have my doubts. Let us face it that it is an expanding service. But of course I like to think that the two ministers who have to do with travel are successful as I hope they are going to be successful, and I haven't seen many signs of their being very successful to date, but anyhow, I hope, for the good of Gibraltar, that they are going to be successful, that this will be an expanding service and that therefore there is a lot to talk about when we sit around the table.

Of course this whole matter of aviation can branch out into different issues which we will not be able or perhaps be willing to avoid. For example one is the question of air freight charges. Here we have seen, I don't want to speak too much about it, but we have seen already signs that competition is a very good thing. Now this question of foreign airlines. Lets face it, we shall fight for it we shall have to go to the British Government through whoever it is to fight this matter out, because we know, and let us be honest about it, that there are pressures from certain quarters against foreign airlines using Gibraltar. And one of the other issues, I am not going to speak much more about this matter, but one of the other issues that we may go into and we should I believe is this question of the runway and how best to overcome the problem. If we are going to have an expanding service we have to face the hard facts of life and we have to consider the best way of overcoming the problems of a runway of limited length. Thank you.

HON MAJOR GACHE :

Mr Speaker, I welcome the opportunity of speaking on this matter, and the Hon and Learned Backbencher has put forward a motion and explained and given reasons for doing so. Starting if I may with the different kinds of air fares, I am sure that the House would not wish me to go into details about the different kinds of airfares now but leave it when we do come, I hope we do come, into the Select

Committee. But I think it is proper that I should say that the London/Gibraltar air fares are amongst the lowest in the world and if I may just say that the main line, that is the BEA main line international, i.e. Europe average rates per passenger mile is .03649 for all classes and for Gibraltar it is .01928, for Malaga it is .02603. So we will see that not only is our rate half of what it is to the average in Europe but it is even lower than Malaga where the Gibraltar distance is greater. Perhaps, too, if I may be allowed to just say, that in a comparison of the price variations between Gibraltar and Malaga, which we should look at for political reasons, and between Gibraltar and Malta which we should look at for economic reasons as a competitor, that there is no fare in either Malaga or Malta which is lower than Gibraltar. In fact the differences are in Malaga, I think the lowest . . . . .

MR SPEAKER :

We are debating the appointment of the Select Committee to investigate certain matters. To do so it is only right that speakers should be allowed, whether they are going to oppose or agree with the motion, to generalise. We mustn't fall into the temptation of debating the merits of the matters to be placed before the Select Committee. That is for the Select Committee to do at a later stage. As I say, there is a fair amount of liberalism to the extent that to further the arguments members are entitled to generalise, but we mustn't fall into the temptation of going into the actual workings and the merits of the work to be placed before the Select Committee. I have been very careful with previous speakers and I mustn't bend the rules in favour of anyone in particular.



HON MAJOR A J GACHE:

Thank you Mr Speaker, I bow to your judgement, we will leave this to the Select Committee. However, I think that whilst still dealing with the subject I think that in generalising I should also say that Gibraltar enjoys certain concessions already on fares which are not enjoyed by other places and in particular not even by Malta and Malaga. I think the Hon and Learned Backbencher mentioned the question of charters. It is a matter which we have got to go ~~into~~ and it is very necessary that we do but when we do so I think that we shall have to consider that the dilution which could be created by charters in what has been described and what is at the moment, whether we like it or not, a falling market insofar as air seats - and let me say that this is not a reflection in any way on my Hon and Learned Friend the Minister for Tourism because he is increasing the number of nights in which people stay in Gibraltar, and we now hope that we will get more people here increasing the number of people staying in Gibraltar and of course that means that even if there are less people travelling it does not imply that the policy has failed because the people are staying longer but naturally the seats are less. All regular services to holiday resorts are suffering heavily at the moment from the effect of charter. Charters only fly, when and where there is trade. And what would we do in the periods of the winter to maintain as we have got today a daily service which we did not have last year and which we have because of representations which we made, very strong representations, to British European Airways and British Caledonian Airlines. And what would we do in those periods if we were to encourage charters and charters were to fly in the peak periods of the summer which is the period in which the airlines depend, as indeed the hotels do in Gibraltar and the trade do in Gibraltar, to offset the possible dilution of profits in the winter periods. This is a matter I think which is of very great importance. The other one that has been mentioned is the question of the load factors. British Caledonian insist, demand, and will not generally increase their services unless they get <sup>a</sup> breakeven point of 70%. I think it is very necessary British Caledonian Airlines do so because they have got certain restrictions or limitations on the number of passengers that they can carry in their aircraft due to runway limitations.

On the question of the viability of the Gibraltar /London air route, or maybe Mr Speaker, if I may just go back one minute on the question of air fares, I would also like to inform the House that I have discussed and it is a matter which will be taken up with British European Airways further, that there should be possibly a special concessional rate of air fare from Gibraltar to London, so that the people from Gibraltar, who as the Hon and Learned Backbencher has said are now able more often to get to London, to be able to go to visit their family. This, of course, is something that cannot necessarily be introduced very quickly

but it is a matter which I have discussed and I am discussing.

Equally, I am discussing the question of the minimum stay limitation which I think the House will remember went up from nothing to six days.

Well, the proposals here again **which is to the benefit of Gibraltar and to the**

Gibraltarians, is that there should be a concession to Gibraltar that the minimum stay from Gibraltar to London, should be decreased from six days to four days, so that again the Gibraltarian does not have to pay the full one-year fare when he goes to England to visit his family for a short stay. Let me say, however, that there is a concession that if one travels during the weekend from Gibraltar in fact even from England, providing that one does it on an inclusive package tour, one can go from Friday, in fact from 8 pm on Thursday to 8 am on Tuesday, one can travel on an inclusive tour. And a lot of people can make and I hope will be making use of this. These are things which are in the pipeline and which, no doubt, will come up in the Select Committee and maybe that it was not possible in the public interest to disclose them earlier.

On the question of the viability of the Gibraltar/London route, this is something which certainly we will have to go very carefully into ,

and we shall certainly need a lot of information, and I have already accumulated quite a lot of this.

I think I ought to, however, in general terms say what was said by the Air Transport Licensing Board when Gibair applied to come on this route. The Air Transport Licensing Board said in their decision turning down Gibair's application which application was supported by the Gibraltar Government, the Air Transport Licensing Board said, that provided the capacity remained adequate however we are clear that until traffic shows signs of substantial increase, the arrival of another carrier on the route would inevitably weaken the viability of the existing services which are so vital to Gibraltar's interest. And I do not believe, Mr Speaker, that the situation has changed from then to now but we can certainly go into that in the Committee.

Equally, about two weeks ago, in reply to Lord Merrivale in the House of Lords, Lord Drumalbyn, the Minister without portfolio, said that Her Majesty's Government do not consider that there is any shortage of services into Gibraltar at the present time in relation to the traffic offered. There is another aspect too, another point that we have to consider in connection with viability, and this is the question of the restrictions. The Trident, e.g. at the moment, does not land at night in Gibraltar. And therefore the Trident has got to be operated during the day, whereas the most economical time for the Trident to be operated is in the evening, on a night flight, and it could do so quite easily because they only take two and a half hours to two and three quarter hours nevertheless it has got to be tied on to the Gibraltar route, practically the whole day, and those are the most expensive hours of the day for

the Trident and this is imposed because of restrictions and, of course, the length of the runway. Equally, in the viability of the Gibraltar route, I think you have to consider the incidence of greater diversions, which is coming on to us, and as more and more jets come on this route, we may yet get more and more diversions because of the speed at which a jet has got to commit itself to land and we have got, of course, a very tight fighter turn when the aircraft has got to land from West to East. Enough of that, Mr Speaker, on (b) Now on (c) - The extent and nature of consultation between the Gibraltar Government and Her Majesty's Government - I think that I can say that we have certainly since we came into Government and most certainly in the last year have had consultation and cooperation and every facility given to us by Her Majesty's Government on a matter which is a non-defined domestic matter. Now until the 1st April when the civil aviation authority comes into operation, we are under the old Civil Aviation Licensing Act and under this Act there was no provision for us to be consulted. There was provision for the Isle of Man, and the Channel Islands, and, in fact, the Regional Advisory Committee of most areas in the United Kingdom, and the House may remember that I have spoken at great length on this subject and through the Governor in Council we <sup>made</sup> representation on this, that we wanted to be included in the new Act and we wanted to be consulted, just like the Channel Islands and the Isle of Man. Well, I am sure the House will be glad to know that the Civil Aviation Act comes into operation on the 1st April, Regulation XI of the Civil Aviation Authority Regulation 1972, gives us the same measure of consultation as the Channel Islands and the Isle of Man. Therefore under the new civil aviation authority regulation, Gibraltar being in exactly the same position as Channel Islands and the Isle of Man, has a very important exception and that is that for constitutional reasons, whereas in the Channel Islands and the Isle of Man the consultations are with the Channel Islands Air Advisory Council or the Isle of Man Airports Board, in our case it is with the Secretary of State for Foreign and Commonwealth Affairs on behalf of Gibraltar. Now, we have got an assurance, an assurance has been given to us that all applications which are passed to the Secretary of State, are passed on to Gibraltar and in fact although the Act has not even started, this has already been in operation for quite some time. This assurance has been given and the Gibraltar Government has accepted it.

In fact, Gibraltar is better provided in the Act in other respects than the Channel Islands and the Isle of Man. There is a proviso in Regulation XI that consultation shall not be required in a case where the application of the licences question is for not more than four flights in any one direction between the same two places. Now this would appear to me that a charter operator could ask for four flights and the civil aviation authority would not have to consult Gibraltar.



We thought that particularly because of the difficulties of Gibraltar that we would need to be consulted. And it has been agreed that except on such circumstances as are considered to be urgent and by urgent is meant in general terms that the aircraft is probably here and there/<sup>are</sup> people here who have got to be lifted, or somebody else has got to be brought in, that unless there is that condition when there will be no time for Gibraltar to be consulted, that on all other circumstances when anyone applies even for less than 4 charter licences that Gibraltar will be consulted. Therefore, I cannot speak, I cannot say more than Her Majesty's Government on this matter of consultation, if I may use the term, has really bent over backwards to fall in with what Gibraltar required. In connection with (d) the monopolistic tendencies, if any, at the moment I do not believe - if any I do say if any - I do not believe that there are.

In fact I know that there are no monopolies on the Gibraltar/London route or London/Gibraltar route. BEA is not in a monopoly position on the London/Gibraltar route and insofar as agreements are concerned, perhaps I should say that there was a full agreement between BUA and BEA. This expired on the 31st March 1970. BUA has at the moment, and has had for many years a licence from the Air Transport Licensing Board to operate up to three flights in any one week. BUA have not used up those three flights even today and what is more have not thought necessary despite their very high load factors, not only not to take up the third flight throughout the whole year but to apply to have their licence increased to more than three flights. Now I am assured by BEA that BEA would not oppose an application by the second carrier to increase its frequency between London and Gibraltar, and in fact discussions are going on at the moment between BEA and BCAL for the summer of 1973 when BEA will be introducing complete pure jet services to Gibraltar for BCAL to increase its frequency possibly four and maybe five. Of course there is the question that again if there is a monopoly if Gibair did apply to come on the route and as I mentioned before the Air Transport Licensing Board did not think it was necessary in fact it would have affected the viability to have put Gibair in; well I wonder whether now what we are saying is that we ought to go forward and say that we want Gibair on the route even if it does affect the viability of the other airlines on the route. Let me also inform the House that I did consult as was something that was said on the PA Management Report, I have taken note of that, of contacting another airline which had shown an interest in possibly coming to Gibraltar and I have a letter here which says: "We have carefully analysed our future availability and I regret to advise you that ...."

MR SPEAKER

We are not going into the merits of the case. You are quite entitled to comment on anything which might formulate your ideas on the general principles and nothing else.

HON MAJOR GACHE

Thank you Mr Speaker again. An opportunity to have some water. Anyhow, I did consult another airline and the airline stated that it was practical for them to come to Gibraltar. And lastly the need and desirability of encouraging air communication between Gibraltar. Again, I can only repeat what Her Majesty's Government have said, in fact what Lord Drumalbyn said again to Lord Merrivale, that they welcomed traffic to Gibraltar. But what we know have to do and this is the most difficult part, is to get foreign airlines indeed to come to Gibraltar. And there is, of course, the question of whether there is traffic and the other one is the political situation and I should mention in this connection the political situation with regard to charters that whereas scheduled services at the moment appear to have no difficulty, it is possible, and I would go no further at this stage to say that charters could have difficulty in getting to Gibraltar. Mr Speaker, I think I have said enough, as you have already pointed out on two occasions. The Government supports the motion.

HON FEATHERSTONE

Sir, I am somewhat surprised at the last few words of Major Gache, that the Government supports this motion, because, Sir, after the wealth of facts he has given us I wondered at times whether we needed the motion at all. He was practically a Select Committee on his own. I am sure, Sir, that the mover of the motion, the Hon Mr Isola is not intending to cast any aspersions on the efforts of the Hon Major Gache in all he has done on the question of aviation. I am sure, Sir, the intention of the motion is to supplement these efforts, to give more power to them. Now, Sir, I do not intend to go through all the different headings, item by item, I think after the Hon Major Gache, this has been done more than adequately. I do wonder just to digress just one little bit, Sir, whether the mover of the motion, definitely the Hon Major Gache and myself, Sir We should all declare an interest in this, we are rather regular air travellers. And I must agree with the Hon Mr Isola when he says that more people of Gibraltar today are using air transport than ever. Indeed, Sir, the other day I was very worried when I saw three Members of the House on the same plane. If anything had gone wrong, the number of by-elections would certainly have upset this budget. Sir, today when partly due to the circumstances with Spain but even irrespective of these circumstances, Gibraltar needs and depends more and more on aviation, it is essential that we must have the very best service that is possible. Much has been said about fare structures. Well, Sir, fare structures

are a very complicated matter and they must be looked into to the absolute utmost. And I am sure, Sir, that if a Select Committee presents a report, any consultations that ensue therefrom must be obviously to the benefit of everybody concerned, to the airlines themselves, to the people of Gibraltar, and to the visitors of Gibraltar and therefore, Sir, there can be no harm whatsoever in this Select Committee investigating and reporting. I was glad to see, Sir, that one person on the Government Side, I will not say of the Government, the Hon Mr Isola, the backbencher, does admit to have dreams. This, Sir, we know is a thing the Government doesn't seem to enjoy but it is from dreams, Sir, that a great deal can evolve. The down-to-earth planners and I believe the Government prides itself on being very adamant in its planning, cannot see very far beyond immediate mundane matters. I often wonder, Sir, what would have happened to Newton if he had been a planner and had not been sitting dreaming until an apple fell on his head. It may seem at the moment, Sir, a dream that Gibraltar should become a centre of air communications but unless we start from this dream we will never get anywhere. This is one of the dreams that I am sure the Hon Mr Isola has and that I have too, Sir, Gibraltar must become more important in air communications, not simply from here to London and back, or here to Tangier, but all round this part of the world. Sir, as has been said by the Hon Mr Seffaty, we support that there should be a Select Committee; we are not going to say whether we are in favour of any of the items as such, they are all worthy of investigation, and we will do our best for it.

MR SPEAKER

Does any other Hon Member wish to speak on the motion.

HON SIR JOSHUA

Mr Speaker, I propose that we should have a member of the Government other than the member who is directly interested, who has spoken at some length, to tell us what they think about this. I say so for a particular reason. The move made a very important point, and that is that it would be better for the purposes of this very important matter to have a by-party approach, with which we agree. But I must say perhaps in anticipation of the second motion about the constitution of it, that it doesn't seem to me to be sufficiently representative of the House .....



MR SPEAKER

May <sup>I</sup> interrupt and say that we mustn't allow ourselves to speak on the constitution under this motion. It is against the orders.

HON SIR JOSHUA

As Mr Speaker pleases. I will deal with that when we come to the other one. But one thing is certain. Whatever happens, it is going to be a very interesting Select Committee to be sitting in from what we have heard already from two members on that side of the House. Very interesting.

I am not putting in a claim to be there, I can assure you, I shall try and get my report in due course. But there is one thing which is very important and that is that this motion, or the purpose behind the motion, will not and cannot succeed unless we get the cooperation of all sectors interested in this matter, by that I mean the Foreign/<sup>and</sup>Commonwealth Office, the Board of Trade, or the Department of Trade and Industry, whatever it is called, BEA, BUA and everybody else. The Select Committee in my understanding has no powers to compel people outside this jurisdiction, to appear before it, and therefore unless there is full cooperation, it will not be helpful because it will not have all the factors which are required to make a proper assessment of the matter before it. If a Select Committee is going to have the force that a Select Committee of this House should have, after considering a matter of such importance, it must have it, if it has had the full cooperation of all those who are directly concerned, from all aspects, perhaps even the Ministry of Defence, all people who in the judgement of the Select Committee could give information that would put a complete view to the matter under review, and that no important factor, be it commercial interest, service interest, political interest, be excluded from giving their full views in order that the report of the Select Committee shall be something of which the Committee itself and subsequently this House can be proud of, and from where a lot of benefit could come to Gibraltar.

MR SPEAKER

If there is no other speaker, I will call on the mover to reply.

HON P J ISOLA

Mr Speaker Sir, I do not plan to say much in reply, but let me say that I agree entirely with every word that has been spoken, on the Opposition benches. It is not often I can make this statement, but let me say that I agree entirely with everything

that the Hon Mr Featherstone has said, I agree entirely with what the Hon and Learned Leader of the Opposition has said about the question of cooperation. I think this will be most important, and I am sure that there can be no doubt at all

that the Foreign and Commonwealth Office, having heard Major Gache speak on this matter, will be willing to cooperate and it is clear to my mind that the Civil Aviation Authority will be cooperative with the people of Gibraltar. I would hope that somebody from the Department of Trade and Industry would appear before the Committee to help them in their deliberations. Insofar as the airlines are concerned, I am quite sure that it will be possible in view of the terms of reference of the Committee, to obtain their full cooperation. If this was not forthcoming, well,

clearly doubts might rise in the minds of the members of the Committee, as to their sincerity in their saying they do wish to help on this particular route. With regard to what the Hon Mr Serfaty said about being friends with BEA I think everybody in this House wishes to be friends with BEA but as the Hon Mr Serfaty also said they stand for their interests we must stand for ours. With that I would wholeheartedly agree. I would only remind the House that it was on August 4th 1970 reported in the Evening Standard that a spokesman of the British European Airways said: "We have got to remember that while there may be a demand in Gibraltar, there may be a heavier one in Malaga or Barcelona, and we go where the money is". Statements like that are not likely to encourage good relations, if I may say that, but anyway I am quite sure that all Hon Members of this House, and I am quite certain that the Minister for Commercial Economic Development would wish to have a friendly situation. Mr Speaker, the Minister for Commercial Economic Development in replying or in speaking on this motion, tended to prejudge a number of the issues and I will not fall into the temptation of attempting to reply to them because I think this is properly the work of the Select Committee but let me say one small thing, on the question of the load factor to Gibraltar. One of the important things the Select Committee will have to remember is that the service from Gibraltar to London is a scheduled air service whatever rate may be given to tour operators and individuals and out rates here and cut rates there, it is a scheduled air route and as it is a scheduled air route, it must comply with the normal requirements that a scheduled air service gives the public and it is stated very clearly in the report that has been accepted by the British Government that where the load

factor is 65% it means that an adequate service is not being given to the public and that people are being turned away and if we look at Flight International the 24th February 1972 we find that the load factor to Gibraltar is in fact 65% and that means, prima facie, that the public is not being given a proper service, an adequate service. I don't say that this is a fact, it is a matter that must be looked into by the Committee, but it is of no concern to this House if British Caledonian Airways says we must have a 70% load factor on the Gibraltar route. That is something that we shall entirely disregard. British Caledonian Airways has no right to make such a statement in view of recommendations that have been made and accepted by the British Government and which I would hope the Civil Aviation Authority would bear in mind when looking at the Gibraltar route. Mr Speaker, Sir, as I said I will not be tempted in dealing with any other matters but may I say just one thing, that if the Minister for Commercial Economic Development thinks he is going to convince the Select Committee that there are no monopolistic tendencies on the Gibraltar route, certainly as far as one of the members is concerned, he's got another guess coming. And I am sorry that the Hon and Learned Leader of the Opposition will not have the interesting experience of coming on the committee, but of course he will be very welcome if he wishes, Sir, because as I say the question of the composition of the Select Committee is the subject of the next motion.

Mr Speaker then put the question which was resolved in the affirmative.

The motion was accordingly carried.



## (2) PRIVATE MEMBERS' MOTIONS - The Hon P J Isola

HON P J ISOLA:

Mr Speaker, I have the honour to move the second motion standing in my name which reads:

"(2) This House resolves that the following members should be appointed to the Select Committee to investigate, report and make recommendations on:-

- (a) The different kinds of air fares available to the public and the need if any in the public interest to restrict any other operator from operating on the Gibraltar - London routes, whether by charter or otherwise.
  - (b) The viability of the Gibraltar - London air route.
  - (c) The extent and nature of consultation between the Gibraltar Government and Her Majesty's Government and the need if any for the people of Gibraltar through their elected representatives to have a more direct and effective say in Air Communications in and out of Gibraltar.
  - (d) The monopolistic tendencies if any, on travel in and out of Gibraltar and their desirability or otherwise in the public interest.
  - (e) The need and desirability of encouraging Air Communications between Gibraltar and countries other than Britain, thus affording the public increased opportunities of travel as enjoyed in other countries and at the same time providing a foundation for the continued expansion of the Gibraltar economy.
- The Hon Major A J Gache  
 The Hon W M Isola  
 The Hon P J Isola  
 The Hon M K Featherstone  
 The Hon A W Serfaty"

Sir, in nominating the Select Committee for consideration of the House, I ought to say that there have been no consultations with either side of the House on the composition of this

Select Committee and accordingly as far as I am concerned I would go along with an increase in the membership of the committee and changes in the composition of the committee. I ought to say that the reasons why I have suggested these persons are because they are the people who have shown interest largely in the House on aviation matters and secondly insofar as the Government side are concerned, they are the Ministers affected by the particular problem before the Select Committee, The Hon Major Cane, as we know, is the Minister for Commercial Economic Development and responsible on this matter to the House, and he is obviously somebody whom I am sure all Hon Members will wish to see on the committee. The Hon W M Isola is the Minister for Tourism whose department spends quite a substantial amount of money in trying to bring tourists to Gibraltar and is obviously very much an interested party in the deliberations of the committee, especially when balancing the welfare of the people as against the tourist demands because we may find there is a conflict of interest between the tourist economy and the welfare of the ordinary citizen and the ordinary traveller. Myself, well, the committee would be no fun, Sir, unless I was on it, being the mover it is traditional that the mover, the person that has expressed an interest in the subject, should be on the committee and as far as the Hon Members opposite are concerned, and the debate has shown it, the Hon Mr Featherstone and the Hon Mr Serfaty have taken a very great interest in questions of aviation. The Hon Mr Serfaty is, in addition, also interested in the tourism side of the economy in the private sector. And accordingly, the committee, insofar as the welfare of the people of Gibraltar, welfare covers everybody I admit, but I mean insofar as the ordinary traveller is concerned and the tourist side is concerned, the committee is balanced two by two, I would have thought. Should there be an addition, for example, should we have an official sitting on the committee, because of the need for cooperation of the British Government? That is a matter which I leave entirely to the House and as far as this motion is concerned, I am entirely in the hands of the House. I thank you Sir.

Mr Speaker then invited discussion on the motion.

HON SIR JOSHUA HASSAN:

Sir, I have no hesitation in being the first to speak on this side of the House. I would certainly confirm that there has been no consultation on this side of the House to nominate the two members and we have no objection to the two members being members of the Select Committee. But I find myself in certain difficulties about this. In the first place, I think that the committee is not representative of the composition of the House, not as Select Committee should be, because it is quite clear that there is no member of the Integration part of the Grand Alliance, and the other is the defunct or ex member of the .... 1/3rd of the Isola Group, even though in volume it may even be much more than 1/3rd, and the other thing, of course, is that in the substantive motion, Ministers who are so keen always in speaking and saying so much have kept very, very quiet, despite the fact that they have had every opportunity to do so. On the other hand I do not think that the Committee should have an additional member to those nominated for a very simple reason. And that is that it might nullify the proceedings of the committee because reports of three and three would be very undesirable; if, in fact, there is a split in the report of the committee. Whatever may be minorities or not, there should be a majority report and if the numbers are odds then there is bound to be a majority report, but not if the numbers are even. Seven, to me, would make it far too burdensome and therefore I really cannot propose that two additional members should be appointed. I am not seeking to eliminate any of the members suggested by the mover insofar as that side of the House is concerned. I am not going to say that we are going to vote against it if the same members remain, but I do consider it my duty to draw the attention of all members of the House to the fact that in a matter of such importance the five elected members who with the other three make the coalition should not be represented in this committee. I think that is a great pity and certainly if it has to be done in my view it could only be done at the expense of one of the three members already nominated from that side of the House.

HON CHIEF MINISTER:

Mr Speaker, I am sure that the Hon & Learned Member of the Opposition is again suffering from a complete misconception of the unity that exists in the Government and there is no



need to divide the Government into the Isola Group, the IWPB and my Hon Friend Major Gache. We are all one, we think alike, we fight hard. When there are differences, if there are, these differences of opinion are always resolved. That has been proved, there is no denying that, otherwise we would not be in Government today. So whilst I appreciate very much the suggestions made by the Hon and Learned Leader of the Opposition, I hope that from now onwards he realises that we are just one Government all united in our purposes and policies and that no matter how much he tries it is very unlikely that he will succeed in driving a wedge.

HON MAJOR A J GACHE:

I would just like to clarify something that has been said by the Hon and Learned Backbencher. He has described me as being the Member responsible for civil aviation to this House, I am not the Member responsible for civil aviation to this House. Civil Aviation is a non-defined domestic matter, it is a matter for the Governor in Council. The fact that the Governor in Council has allowed me in an unofficial way to consult, as indeed it must be done because of the constitution, to consult with the Department of Trade and Industry, Foreign Office and so forth, I appreciate this, we all appreciate this certainly from this side of the House, and certainly it is appreciated by the Opposition. But let it not go down that I did not rise to make it absolutely clear that this is a non defined domestic matter and I am not responsible for civil aviation. I do take a very great interest and it is because of that I have been allowed to do this thing and I feel it is very necessary someone should do so because of the importance to Gibraltar and this is why I have done it and I am grateful to the Governor for permitting me to do so, to the extent to which I have done it.

MR SPEAKER:

Do I understand that there are no other members who wish to speak on the motion?

HON P J ISOLA:

Mr Speaker, I thank the Minister for Commercial Economic Development for reassuring us on the fact that he is not responsible for air communications between Gibraltar and London,

because then our position is so much clearer. I do consider that he is responsible to the House in the sense that he has given to the House information on these matters from time to time and I think has been congratulated on his work in this matter by all sides of the House, and I have no hesitation in joining in such congratulation. As regards the composition, Sir, of the committee I appreciated when I put this forward that I had no member of the Integration with Britain Party on it, but I just couldn't see how I could do it unless I increased the number of the committee. Clearly, the Minister for Commercial Economic Development should be there; he has taken this tremendous interest in air communications, and clearly the Minister for Tourism should be there. So unless I recommended a committee on which I wasn't present, I either had to make it seven or five, and I agree entirely with the remarks of the Hon and Learned Leader of the Opposition that seven is too large a number for a committee, and having heard the reassuring words of the Chief Minister, with which I entirely agree, let it be said quite clearly, I find no problems are created by having a committee on which there are three members of this side of the House, orphans and all, and two on that side. I commend the motion.

Mr Speaker then put the question which was resolved in the affirmative.

The motion was accordingly carried.

#### ADJOURNMENT

The House then adjourned sine die.