

HOUSE OF ASSEMBLY

HANSARD
OF MEETING

HELD ON 5 OCTOBER 1972
VOL I

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24 February 1973

Clerk to the House of Assembly
House of Assembly
Gibraltar

p29. also.

Dear Sir

HOUSE OF ASSEMBLY - VERBATIM REPORT - MEETING COMMENCING ON 5 OCTOBER 1972

I give notice of the following amendments -

1. Page 119, line 14, for the word "any" substitute the words "the only".
2. Page 120, last paragraph, line 12, for the words "they find they" substitute "they find and".
3. Page 122, first paragraph, line 13 -
 - (a) delete the whole of the sentence commencing "This is in fact" and substitute "This is in fact a usual provision to be found in criminal courts although in many cases a lesser punishment is prescribed for an attempt".
 - (b) 12 lines from bottom. Delete "excused" and substitute "accused".
 - (c) 10 lines from the bottom. Delete "the Final Schedule" and substitute "the First Schedule".
 - (d) 5 lines from the bottom. Delete "being" and substitute "the".
4. Page 123. Second paragraph, line 3 -
 - (a) Delete the fullstop after the word "Ordinance)" and substitute a comma - the following word "A" should now be in small type.
 - (b) Third paragraph, line 8. Delete "confess" and substitute "agrees".

Yours faithfully



Attorney-General



OFFICE COPY

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Second Meeting of the First Session of the Second
House of Assembly held in the House of Assembly Chamber
on Thursday the 5th October 1972 at 10.30 a.m.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE MVO QC JP, Chief Minister.
The Hon A W Serfaty OBE JP, Minister For Tourism, Trade & Economic
Development.
The Hon A P Montegriffo OBE, Minister for Medical and Health Services.
The Hon M K Featherstone, Minister for Education.
The Hon A J Canepa, Minister for Labour and Social Security.
The Hon I Abecasis, Minister for Housing.
The Hon Lt Col J L Hoare, Minister for Public Works and Municipal Services.
The Hon H J Zammitt, Minister for Information and Sport.
The Hon J K Havers, OBE QC, Attorney General.
The Hon A Mackay, CMG, Financial & Development Secretary.

OPPOSITION:

The Hon Major R J Peliza, Leader of the Opposition.
The Hon M Xiberras
The Hon P J Isola OBE
The Hon W M Isola
The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi

IN ATTENDANCE:

P A Garbarino Esq., ED, Clerk to the House of Assembly (For Items 7 - 18)
J L Ballantine Esq., Clerk to the House of Assembly (Acting) (For Items 19 - 37)

PRAYER:

Mr Speaker recited the prayer.

OATH OF ALLEGIANCE.

Mr Speaker administered the Oath of Allegiance to the Hon J K Havers, the
Hon A Mackay and the Hon J Bossano.

HON CHIEF MINISTER:

Mr Speaker, I think I will be expressing the feeling of all members of this
House in welcoming the new Attorney General, Mr John Havers, in his first
appearance here, and because of circumstances this House had no opportunity
of recording its thanks to the former Attorney General, Hugh Hickling, who has
now left the Territory, and I think it is fair, even though he is absent, that
our records should show some manifestation of our gratitude for his help during
his time as Attorney General and for his work in this House.

HON MAJOR R J PELIZA:

Mr Speaker, my colleagues and I would like to associate ourselves with the words expressed by the Chief Minister.

MR SPEAKER:

May I also say that it gives me great pleasure to welcome the new Attorney General, Mr Havers, amongst us and also to express, I am sure, the appreciation of all the House to Hugh Hickling, as we always used to call him, for the great assistance he gave the House, and particularly to me, who sits up here rather lonely, and with whom I had opportunity to consult and to rely upon his advice on many occasions. We will miss him but I am sure that Mr Havers will continue to hold my hand as successfully as Hugh Hickling did during his term with us.

CONFIRMATION OF MINUTES.

The Minutes of the Meeting held on the 13th July 1972 having been previously circulated were taken as read and confirmed.

DOCUMENTS LAID:

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

Reports of Charity Commissioners for the years 1965 to 1971.

Ordered to lie.

The Hon the Minister for Tourism, Trade and Economic Development laid on the table the following document:

Registrar of Building Societies - Annual Report 1971.

Ordered to lie.

The Hon the Minister for Labour and Social Security laid on the table the following documents:

1. The Industrial Training (Levy)(No.2) Order 1972.

2. The Prison (Amendment) Regulations 1972.

3. Conditions of Employment (Retail Distributive Trade)(Amendment) (No.2) Order 1972.

Ordered to lie.

The Hon the Minister for Housing laid on the table the following document:

The British Commonwealth and Foreign Post (Amendment) Regulations 1972.

Ordered to lie.

The Hon the Minister for Public Works and Municipal Services laid on the table the following document:

The Traffic (Taxi Fares)(Temporary Increase) Regulations 1972.

Ordered to lie.

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

1. The Imports and Exports(Control)(Amendment) Regulations 1972.
 2. The Overseas Service Gibraltar Agreement 1971.
 3. Supplementary Estimates No.8 of 1971/72.
 4. Supplementary Estimates No.1 of 1972/73.
- Ordered to lie.

ANSWERS TO QUESTIONS

MINISTERIAL STATEMENTS

STATEMENT BY THE CHIEF MINISTER.

Mr Speaker, Sir, I should like to make a statement to the House about Gibraltar's position in regard to the Sterling Area.

2. It will be recalled that on the 23 June, happening to coincide with the date of our Election, the Chancellor of the Exchequer announced the decision of HMG to float the Pound. The Chancellor went on to explain why, in the new conditions, thus created, it had also become necessary to impose certain **exchange control** restrictions on transactions between the UK and member countries of the Sterling Area save for the Channel Islands, the Isle of Man and the Irish Republic, which with the UK now form the Scheduled Territories. We here fully appreciated the reasons for these decisions, and why they had to be taken without prior consultation. We know of course that HMG has world-wide responsibilities for maintaining the value of sterling in the interests of many countries as well as the UK ~~itself~~; and that in such matters as this it becomes necessary at times to take immediate action.

3. Nevertheless, because of the difficult problems which exclusion from the Scheduled Territories would cause for Gibraltar, one of the first actions of the new Government was to ask HM Government to reconsider their decision in our case. As we explained, it was the very fact of our many close associations and connections with the UK which gave rise to these new problems. We believed that these same associations and other very important factors justified exceptional treatment and the inclusion of Gibraltar in the 'inner circle'.

4. The Financial and Development Secretary went to London for discussions in depth on this matter, which involves complex technicalities about exchange control. I also had discussions on the subject during my visit at the beginning of August. Consideration of our representations has since continued. The latest stage which I can now report is the visit to Gibraltar this week of a Senior Bank of England Official to make an on-the-spot examination of the situation on behalf of HM Government.

5. I hope Hon Members will agree that everything possible has throughout been done, and is still being done, to make clear to Her Majesty's Government the facts of our situation and the practical bearing of their action on the small community of Gibraltar; and moreover that Her Majesty's Government are showing every desire to understand our position before reaching a decision on the representations we have made to them.

HON MAJOR R J PELIZA:

Mr Speaker, I am very glad that the Government took quick, and I hope stern, action to ensure that Gibraltar was re-instated in the sterling area. I can assure the Chief Minister that from my position I too have been pressing in every possible way, perhaps not so directly as he has, but certainly indirectly, to bring this about. I would also like to add that I hope it will be possible for the Opposition to be able to see the Senior Bank of England Official, who apparently will be coming to Gibraltar soon, and I hope

an undertaking can be given that this will be the case, because we would like to know the full implications of the present situation which, technically, anyway, is very serious indeed although in practice happily up to now nothing has really happened that could endanger the financial position of Gibraltar, but which I believe, if this had not happened could have helped us very considerably in bringing more investors to Gibraltar. It is, therefore, a pity that even at this stage it is impossible to state categorically that Gibraltar is being re-instated in the sterling area. This is to us a very sad situation. I can assure the Chief Minister that he has the full support of the Opposition for anything that he may like us to undertake. We shall certainly, in any case, carry on pressing but I do hope it will be possible first of all to see the Bank of England Official.

HON CHIEF MINISTER:

I am very grateful for the remarks of the Honourable Leader of the Opposition and feel comforted that we have been doing the right thing in this respect. I am afraid he did not listen properly, or didn't hear properly. I said that the Bank of England Official had visited Gibraltar this week and is leaving at 5.00 o'clock today. He has not, I repeat, not, had discussions with Ministers in Gibraltar; he is an expert on Exchange Control and not on policy. He is a Bank of England Official, and he has visited me, of course, as a matter of courtesy, but there has been no question of any political inspection or any political appreciation of the position. In fact one of the things he said was that that had nothing to do with him, his position was to investigate on the spot the position of the Sterling Area. And I would like to take this opportunity to say that, of course, he has been in very close consultation with the Financial and Development Secretary and all his staff, but I would like to mention that we are very fortunate in this particular problem in having in Gibraltar as our Financial and Development Secretary, one of the few people at the Treasury - and I say few, I would say 10 or 20 at the Treasury - who are really experts on this question of the pound and the floating.

HON MAJOR R J PELIZA:

I am very glad to hear too that we have an expert with us and I knew this and I am sure that the Hon Financial and Development Secretary is also doing his best to help us get into the sterling area again. But I must record my deep resentment at the fact that this Senior Bank of England Official came to Gibraltar and was not given an opportunity to discuss the matter with the Opposition, particularly when it was generally known that we objected so strongly to Gibraltar having been left out of the sterling area. And, therefore, whether he was of a political status or not, he was certainly an authority that I think would have been able to illuminate the Opposition on the difficulties, and certainly perhaps, answered many questions that we might have been able to put to him. I can only say how deeply I resent this, and I hope that this attitude is not being adopted with other people coming to Gibraltar, in which the Opposition is very interested, particularly in the international sphere.

MR SPEAKER:

May I since we have several Ministerial Statements, make a procedural point very clear. On Ministerial Statements the Opposition is entitled to put questions for the purpose of clarifying any matter which has not been

understood in the statement itself. We must not fall again into the temptation of debating a Statement by the Minister; again the proper procedure is a motion. I am here exclusively to apply the rules - I do not make Standing Orders & Rules, I enforce them and I must do this in fairness to the House, in accordance with my interpretation of them. That is the way Standing Rules are made.

HON CHIEF MINISTER:

May I please, Mr Speaker, deal with the last question very briefly, because the last thing I want is any misunderstandings. I learnt of his presence in Gibraltar, 2 or 3 days after his arrival and he only came to see me as a matter of courtesy for about 10 minutes. He came to try and learn the technicalities of the Exchange Control as it applied to Gibraltar, and there was no question of seeing anyone. Of course, anybody who comes here in the international political field will be given every opportunity to see everybody but it just happened that this gentleman was not here on any mission but on a purely technical mission of investigating Exchange Control and I would assure the Leader of the Opposition that there was no intent, in fact he didn't see any of the Ministers at all and just, as I say, came to pay a courtesy call on me. Of course on anything which transcends the purely technical side, there will of course be the closest of consultation and the opportunity will be given, as it was given always, to the other side of the House.

HON MAJOR R J PELIZA:

But is it not so, Mr Speaker, that a man of this calibre obviously has - whether it is for technicality or not, isn't it so that he has great knowledge of the situation and any bit of knowledge coming to us is most important to enable us to look at the situation intelligently. That is all we are asking for, to be able to contribute more constructive arguments because we know the facts. Unfortunately we just do not know the facts, they are not available, they are difficult to obtain and will become even more difficult when they are of a highly technical nature. Since this man was precisely a technical man, if I may say so and obviously I cannot speak for you, I would say that he should have seen you not just as a matter of etiquette, but I would say that he should have discussed this matter as well. At least that is my opinion. Certainly it would have been the case if I had been in your chair.

HON P J ISOLA:

Mr Speaker, Sir, may I ask because this I think is of some considerable importance. The statement that has been made has been made, it seems to me, mainly on a monetary level and on an economic level, but may I ask the Chief Minister whether he has represented to Her Majesty's Government that this particular move is of political significance, in fact of deep political significance in so far as Gibraltar is concerned; insofar as it completes the isolation of Gibraltar begun by Spain; and insofar as the people of Gibraltar now require Exchange Control permission to be able to get out of Gibraltar at all and the people of England require Exchange Control permission before they can invest in Gibraltar. Will the Chief Minister assure the House that this will be taken up by this Government with Her Majesty's Government as something that very much affects the principle of sustaining or

supporting Gibraltar. It is something that goes far further than floatations of the pound and monetary policies, but something that goes to the very root of the existence of Gibraltar as we have chosen to live in it, as we have chosen to live by.

HON CHIEF MINISTER:

Of course, Mr Speaker, of course. From the very beginning, in fact the first official representation made on taking the oath as Chief Minister was that, and the political implication because at that time there were additional political implications, there were the talks coming up and so on. I can assure the House that all the arguments that were used in another context, in which we all got together on a more broad basis for something else, together with the new factors and other considerations, were put forward as strongly as possible. In fact I raised the matter with the Secretary of State himself when I visited him on the 3rd August, I did not go into the matter deeply with him, it was only mentioned, and it had been arranged before-hand that when I went to London we would have talks, which the Governor joined, with the Head of the Financial Department of the Foreign and Commonwealth Office where all the factors which have been mentioned by Members Opposite were raised, as well as others which have not been mentioned.

STATEMENT BY THE MINISTER FOR MEDICAL AND HEALTH SERVICES

Mr Speaker, Sir, I am sure the House would like to know the developments that are taking place and will be taking place in the Medical and Health Department in the course of the next few months. In the first instance, and following the Government's commitment to allow greater participation by the public in the running of public affairs, the Board of Management is being reconstituted in a modified form to meet the new structure which has emerged since the merger of the Health and Medical sections. This will provide a centralised forum of discussion, better liaison and more efficient administration and is in line with the policy which will become effective in Britain in the course of the next few months, that is, greater centralisation and cooperation between preventive and academic medicine. When the Board of Management is reconstituted, the Medical and Health Committees will be resuscitated, thus providing better lines of communication between the professional and lay staff at all levels.

Most of the present legislation dealing with health and medical matters will be consolidated and a few new ideas injected into them both to meet present-day requirements and to streamline the law.

The Mental Health Ordinance will become operative on November 1 and a new Bill is being prepared to bring the present Dangerous Drugs Ordinance up to date.

A close look at the present administrative structure of the Medical Department will take place when an expert from the UK comes over to Gibraltar in a few days' time. This is a commitment from the previous Government which we have much pleasure in honouring.

The Health Centre, the Isolation Ward and the new Laboratory will take longer to open than was anticipated because the work schedule is somewhat delayed and also because no provision was made in time for the equipping of these new buildings. This has now been done as a matter of urgency and the House will in due course be asked to vote another £30,000. Needless to say, this might also delay matters as we cannot open these new buildings until they are fully equipped. I would also like to warn the House that the Laboratory, as at present constructed, does not allow for any elbow room for expansion if the need should arise and this is a worrying problem which we are trying to sort out.

Hospital Fees are also being revised so that those who, as a result of the latest increases in wages, would be in a less favourable position in this respect, will be reinstated in their previous position as far as possible.

The Government is ultimately committed to a Comprehensive Health Service but the difficulties of introducing one in Gibraltar will very much depend on the willingness and availability of doctors. Whilst not wanting to give false hopes to the public I should emphasise that the Comprehensive Health Service is our ultimate aim of policy and we are not going to allow it to go by default through Government complacency.

A problem which is giving rise to much concern is the state of General Practice outside the hospital. This is due to the shortage of doctors and to an apparent deterioration in doctor/patient relationships in some cases. The problem can be solved by encouraging more doctors coming to Gibraltar - and we are examining this possibility - but, above all, by a greater measure of understanding and cooperation between the profession and the public. The public must realise that there is no such thing as "instant" doctors and it is clearly the doctors' duty to provide a reasonable and efficient service that will do away with the present anomalies which give rise to understandable anxiety and unpleasantness amongst the general public. Doctors cannot be expected to be on the move around the clock but within reason it should not be difficult for General Practitioners to provide a service that will not prove to be too great a burden on their already heavily loaded shoulders. In this respect the Government has a number of ideas which will be put to the expert I have referred to and we can only hope that something will emerge from these proposals and the ensuing discussions that we shall have with him.

Far be it for me to say that everything is perfect and without blemish in my department. Some of the problems people complain of can be solved; others stem from circumstances beyond our control and are a burden we may have to carry in the same way as other more sophisticated communities have to do. There are still other problems which arise from a break in the human link and this is not always possible to forestall. I must however, state that some of the criticism that is sometimes levelled at our nurses and doctors is not always fully justified. It can only serve to create frustration and this is not conducive to efficiency. I firmly believe that we have a very hard-working staff which by and large give a service to the community which is not always appreciated and sometimes the staff gets more brick-bats than they deserve. I nevertheless would like to apologise for our faults and failings whilst hoping that, with the cooperation and the help of everybody, we can go a long way towards overcoming most of our difficulties. Needless to say, any views the Opposition may have will always receive sympathetic and very careful consideration.

HON J CARUANA:

Mr Speaker, I will start from the end as it is the freshest in my mind and I would like to say that I fully endorse the Minister's remarks about the hardworking staff. His last sentence reminded me of a similar sentence I once read in one of my speeches about hardworking nurses and I think that it is as true today.

I would like to ask, is the Minister fully satisfied that the Board of Management will work, because I found it a very difficult thing to put into effect. I also knew, in fact, that it has failed during my time because I did not attempt to resuscitate a Board of Management. Given now that the merger of the Public Health Services and the Hospitals did take place, and also taking into consideration that there is now a Hospital Administrator, a Director of Medical Services, a Minister and a Matron - not necessarily in that order - that this kind of system works more efficiently and is administered fully - I am sure that nothing will be lost in trying - but it looks to me if I remember rightly that the Board of Management for the hospital has presented problems for many years. On the question of the Pathological Laboratory and the Health Centre, this is obvious to the outsider who follows building progress, it is being behind

MR SPEAKER:

I always try to be as liberal as I can but I cannot allow you to make a statement in answer to the Minister's Statement. The only thing that the Rules allow you is to ask any questions on matters which you wish to have clarified from the statement itself. I have been as liberal as I can but there is a stage when one has to. . . .

HON J CARUANA:

Mr Speaker, I will not continue.

HON J BOSSANO:

I would like the Minister to clarify the position with regard to this Government commitment to great participation, which I think is a very laudable thing. I think we ought to attempt to involve people to get closer to creating a democratic society. I would like to ask him whether it is his intention to ensure consultation with the organised body representing the people who are going to be involved by the decisions that this Board of Management is going to take, for example, the Union representing hospital workers, in arriving at selecting the membership of the Board.

HON A P MONTEGRIFFO:

Mr Speaker, that was my intention, it was the way it functioned before, and I am only limited in the case of two persons on which I can do nothing about. According to the law one must be a lawyer and the other a lady, and I am sure we all welcome a lady in a committee.

STATEMENT BY THE MINISTER FOR TOURISM, TRADE & ECONOMIC DEVELOPMENT.

Tourism, Trade & Economic Development

Mr Speaker: at this first business meeting of the first session of the second House of Assembly I think I should give an outline of the Government policy with regard to Economic Development and its allied subjects Tourism, Trade and the Ports.

The Government firmly believes that it is short-sighted to rely too heavily or too exclusively on the Dockyard and on other military spending in Gibraltar. This is not because we are not in favour of this. On the contrary, we fully support it and hope that it will not be reduced. But if, in addition to this source of revenue, it is possible to develop other sources which in no way conflict with it, it would be irresponsible of any Government not to do so. Such development can only be to the good of the economy, and therefore of the community, as a whole. The more wealth that flows into Gibraltar the greater the amount which the Government, through taxation, obtains, and this, in turn, is used for the benefit of the people through improved social services.

Let me emphasise that we hope and pray that the military expenditure in Gibraltar will continue for many years but this Government is of the confirmed opinion that it would be failing in its duty to the people of Gibraltar if it left anything undone that could foster the development of the tourist industry in all its facets so that more and more short and long stay holidaymakers can come to Gibraltar and make up for the loss of the hundreds of thousands of transit visitors and excursionists who used to come prior to 1965.

In the 3 months that I have been in office I have grappled with the problem of promoting Gibraltar in England as a holiday resort and later this year I will be presenting to the travel trade in the United Kingdom details of our advertising campaign for winter 1972 and summer 1973 holidays.

We are trying hard to sell Gibraltar as a resort throughout the year and I believe that eventually we shall see the fruits of our efforts.

I am accepting expert advice that television should be used as a main advertising medium because of its high response and we are confident that the conversion figures of this response will justify this decision.

The P A Report advises that we should aim our campaign at that half of the population of Britain that has never left Britain and our campaign is mainly aimed at this important market.

Over 50% of our Tourists come from London and the south east of England, and therefore, if only on the strength of this important fact, I believe that a ground floor Tourist Information Office in London is of paramount importance. Our present office, on a fifth floor, was criticised by me when I was in Opposition and I am now more than ever convinced that this is a mistake and

I will take steps to put this matter right when I can find a suitable office at a rent which is not prohibitive.

I know that money is limited for Tourist promotion but I am closely studying the priorities and it may well be that the rent of new premises will be at the expense of other promotional activities of lower priority.

The set-up where two advertising agents and two public relations firms were appointed by the past Administration will be changed to one of each at the earliest opportunity and the savings effected could be used to strengthen the staff of our London Office to permit more follow-up activities to be carried out; among these activities will be more personal contact with business firms in the United Kingdom for more conferences and more contact with the travel trade down to counter clerk level for the promotion of package tours.

The question of air communications is closely linked to the promotion of Tourism. As we all know, the Vanguard's are being replaced by Trident 2's and 3's. I have been in close personal contact with BEA executives to ensure that seat capacity to Gibraltar is as high as possible consistent with estimated demands. The use of Gibraltar as a pivot between the United Kingdom and Morocco will be extended this winter to include a service to Agadir and next year to Casablanca. This is good but in my talks with BEA Executives I have been stressing the importance to us of seat capacity for the Gibraltar sector as well as cost of fares and I have represented that in future the carriers ^{should} give the Government of Gibraltar notice of their policies well in advance in order to enable us to make constructive suggestions for the benefit of Gibraltar.

I have also fully discussed with BEA executives and other interested parties the question of cheap charter flights and, talking of charter flights, we should bear in mind that the more hotels beds that there are available to the tour operators the easier it is for them to operate charter flights.

Now let us come to the product we are trying to sell - Gibraltar as a holiday resort. I am sure we all agree that there is still a lot to be done to improve the product. The service in the tourist industry leaves a lot to be desired and too many people complain of the prices of goods in Gibraltar, the lack of the right kind of nightlife and the general untidiness.

The Government will do everything in its powers to improve standards of service and the Industrial Training (Hotel Catering) Apprenticeship Order 1972 is a step in the right direction.

As to the prices in shops, there are many factors which contribute to the problem and the relatively small turnover here in Gibraltar for any particular class of goods makes it difficult to obtain from the manufacturers the low prices applicable to very large orders. I have discussed this matter with representatives of the Chamber of Commerce and propose to pursue it further.

I am nevertheless keeping a very watchful eye on prices and I am pleased to announce that soon the Imports and Exports Office will be moved to the ground floor of the City Hall where a Government official will be available to receive complaints from the public on any matter relating to controlled prices.

Britain's entry into the Common Market will be another challenge which will have to be closely observed as it may have repercussions on our trade.

A source of concern is the provision in the Treaty of Rome for the progressive abolition of restrictions in the movement of capital between member countries. Gibraltar is a small territory which could be easily affected by these provisions and the Government will take steps to protect the interests of all Gibraltarians and at the same time respect the spirit of these provisions of the Treaty.

In the port an Advisory Board is going to be created to advise me generally on the workings of the port and I am hopeful that a lot of good will emerge from frank discussions among representatives of operators, traders, workers and consumers of the problems that arise from time to time.

And now what of the future? Here is where economic development comes to the fore as the foundation of a better Gibraltar, socially, economically and politically. It takes much more than bricks and mortar to construct the foundations of a city that houses a happy community but even these bricks and mortar must be laid in accordance with a realistic study of the socio-economic requirements of the community. We have a good staff of planners and technicians and I am fortunate to be professionally qualified to feel on home ground with them.

Plans are being prepared to put out to tender at an early date nearly 3 acres of land at Rosia comprising the gas works site and what is now available of the surrounding areas. This land will be offered as a number of plots for residential development in conformity with a master plan. At the same time we shall be reserving land for Government Housing to the south of this area.

Facilities will be offered to companies willing to build hotels, one on Alexandra Battery and another on Parson's Lodge. The construction of Yacht Marinas is considered to be of the utmost importance. Gibraltar is well situated and offers many advantages for Yacht Marina development; all possible encouragement will be offered for the construction of these.

This Sir, is a general outline of our present thoughts and I can assure the House that we shall do everything in our power to translate them into deeds.

HON P J ISOLA:

Thank you Sir, that was a very interesting statement from the Minister of Economic Development and Tourism and I would like to put to him just a few points of clarification and some questions. His statement has been in a very general form and has enunciated a great number of principles, some of which no doubt we can agree on and one some of which we may well have reservations. But perhaps if I ask him a number of questions he might be able to answer me on this.

Does the Minister view the question of economic development as not something of investment in hotels, or investment here or investment there, but something that effects the whole community. Something that effects the development of the community, not just terms of money, and therefore, does he take into account, in his thinking on economic development, the social consequences of policies and not just the economic consequences. When the Minister talks about the Ministry of Defence expenditure as being something that might go, does he ignore in his thinking the fact that the greater part of the economy of Gibraltar is based on Ministry of Defence spending, and does he not agree that it is absolutely vital, in looking at the whole issue of economic development, to take very much into account in planning the effect this might have on that sector of the economy through which so much wealth pours into Gibraltar. When thinking of economic development, as he asked, can I ask him does he taken into account the sources of economic development for Gibraltar; does he realise that vital in this matter must be communications in and out of Gibraltar; that it must be a nationalization of the port. I notice that the port is dealt with at the end in very much the same manner as I have heard so often, an Advisory Board on the Port. Does he not agree in order to have economic development, true economic development, the airport must be opened fully. Will he assure me that he is not satisfied with an assurance that the Vikings are to be phased out for Trident 2's and Trident 3's. The Vikings have been phased out of almost every route in Europe about 3 years ago. They are being phased out of Gibraltar, I would suggest to the Minister and ask for his confirmation, because they are in effect going out of service insofar as British European Airways are concerned. And can I have the assurance from the Minister for Economic Development that the Government will have a policy, insofar as communications are concerned, to free Gibraltar from strangle-holds it may be found to have which are restricting the development of the Territory in true economic terms. Insofar as the Port is concerned, will the Minister assure us that he will himself personally head this Advisory Board he wishes to set up, to ensure that we do get what is obviously urgently needed, a nationalisation of the port which could be so beneficial to the economic development of Gibraltar. Does he not agree with me that the matters I have outlined are in fact the basis on which economic development must commence?

MR SPEAKER:

You do realise that it will be difficult for the Minister to reply when questions are asked one after the other. . .

HON P J ISOLA:

Well I have made

MR SPEAKER:

We are being liberal because they are matters which are important, but again I must

HON P J ISOLA:

Mr Speaker, I must apologise. I did think that by putting them altogether, in context, one after the other, rather than just getting up and asking one and then the other, it would enable the Minister to give a comprehensive answer. That is why, but I will stop at this stage.

HON A W SERFATY:

I think you would do very well to stop, otherwise it would be very difficult to follow. But of course the philosophy of economic development is one which is to me perfectly clear. I don't say I am an economist, but I know my Gibraltar, and I know the potentials and I think the Opposition will agree with me that more than the nationalisation of the port, more than industry, tourism

MR SPEAKER:

We must not have a debate on the statement. If you have been asked a question on a point of clarification, the Hon Minister is entitled to give an answer to the question. We must not deliberate the point which can be the subject matter of a debate .

HON A W SERFATY:

Sir, to put it in a nutshell, I believe that the economic future of Gibraltar should be - and more important so should Ministry of Defence spending be reduced in the future - based firmly on tourism, and here is where air communications comes in. I mentioned in my report that we cannot get really economical air communications if we don't go into the field of charter flights. And we cannot go into the field of charter flight if we do not have enough hotel beds to offer. Even now, after my operation in London, I discussed this matter with top people in the tourist industry and that is why I was very disappointed - I don't want to hit at the last Government - but the whole basis of air communications and cheap travel to Gibraltar is based on the infra structure of tourism on the bed side. You can say no, but I am convinced of that. If we don't have enough beds to offer, its a waste of time to talk of charter flights. I think this is so important that I think I will limit my answer to that, MrSpeaker.

HON P J ISOLA:

When he mentioned the question of charter flights, and the thing that he has been fed with, if I may say so, in London, will the Minister join in voting in favour of my motion and getting some more facts from other people not necessarily those directly connected. But will he agree with me that in truth and in fact 50% of people

MR SPEAKER:

I realise the difficulty of being liberal is that abuse is taken with liberality. We have allowed a fair amount of latitude. I will not allow this statement to be debated any further we will call. . .

HON P J ISOLA:

Mr Speaker, I can raise this anyway, later.

MR SPEAKER:

Precisely.

HON MAJOR R J PELIZA:

Mr Speaker, I will try and be as rule abiding as possible, but it is very difficult, I think in this House always to be able to stick to the straight and narrow path, because statements are made from the other side of the House which must either be refuted or clarified. I am going to try my best to keep it down to short questions. The first one is a statement that we must not rely too exclusively from the defence spending. What does it mean "to rely too exclusively", I would like to ask a few questions on the meaning of this and I would like to have clarification because to "rely too exclusively" can mean a lot and can mean nothing. I would of course, like this clarified since this can affect very considerably, not just the social structure on Gibraltar for instance. It can have the effect that because we must keep the tourist trade going, wages must be kept low to be competitive. This is a matter that has got to be taken into account and therefore, to what extent, for the sake of having tourism, are we going to encroach on the Defence Services. I would like to know if the Minister can say that we do not intend to encroach into this in any manner or form.

HON A W SERFATY:

I am glad the Honourable Leader of the Opposition has limited his question to this one because it is a most important one and it would be diluted if we carried on with other points. I am not saying that we must develop tourism at the expense of the Dockyard. What I am saying is that we must develop tourism as an insurance against the future. He asks, "Well, what could happen with the Dockyard?" I would request the Honourable Leader of the Opposition to think back some years to what happened in Malta. Why could this not happen in Gibraltar. I hope and pray, as I said in my report, that it never will, but it could. It is not, as the P A Report rightly says, something that we can control ourselves, and this is my answer.

HON MAJOR R J PELIZA:

Without entering into debate, but I think the principle of a bird in the hand is better than two in the bush, still stands, and I hope the Minister will bear that in mind.

Going further, I would like to know whether the Minister has heard any complaints about the difficulty of planes landing in Gibraltar. I have been on planes and have heard remarks by passengers travelling in the plane about the sharp turns the planes have to take. Has the Minister done anything about ICAO, a matter that was going to be taken up, I think, in the days of Judith Hart and is the Government pressing for this air ban to be lifted?

MR SPEAKER:

That is not the subject matter of the statement. Air Communications might have been mentioned but it doesn't mean that every single aspect of air communication must be discussed. If the subject matter of the statement is important enough to warrant a debate then of course we can have one.

HON MAJOR R J PELIZA:

Mr Speaker, I thought this would be a matter that the Minister might be able to answer, but it doesn't matter. On the question of the Chamber of Commerce; I understand that he will be seeing the Chamber of Commerce soon on the whole question ofon the statement. You can't hear me?

HON A W SERFATY:

Now yes.

HON MAJOR R J PELIZA:

I thought I spoke too loud. On the matter of the Chamber of Commerce, Mr Minister. Can you hear me?

HON A W SERFATY:

Yes.

HON MAJOR R J PELIZA:

Could you possibly impresson them not to derogate Gibraltar as they have done in the past, when the other Government was there, by literally telling newspaper men that Gibraltar was filthy and dirty. Could you tell them that this is not in their interest.

MR SPEAKER:

I am sorry that is not . . .

HON MAJOR R J PELIZA:

I am sorry, Mr Speaker, then I will not go on.

HON W M ISOLA:

Mr Speaker, I entirely agree with many of the remarks made by the Minister for Tourism, etc. etc. Again I see in page 3, when he talks about this capital product we are trying to sell as a holiday resort, he goes on to say 'I am sure we all agree that there is a lot to be done to improve the product.' I could not agree with the Minister more. But, can he tell me how he intends to improve the product of the hotels in Gibraltar, other than the three prinipcal hotels? Because, to my mind, one of the most important matters in the tourist trade is to improve the hotels at present in Gibraltar. Can he tell me how he intends to improve them? If he likes to answer that question I might go on to the others later on so as not to confuse him.

HON A W SERFATY:

Mr Speaker, I don't know; powers of persuasion might do something, but of course, I am thinking, as I am sure the Hon Member has before me, and I before him, about 'Hotel Classification'. I think this is something the Government should consider seriously. I think its high time that people who come to hotels in Gibraltar should know what class of hotel they are coming to. And of course the hotel classification is not decided, as the Hon Member knows very well, on the facade and on whether it has a swimming pool and so on, but on the quality of the service, the facilities in the rooms; all these things. This is one of the things I think which would help us to improve the product. But of course I was referring to, and I mentioned, night life, which is also very important and which the tourist lack. We are very badly off in night life for the tourists.

HON W M ISOLA:

Mr Speaker, I could not agree more with the Minister in what he says, but can he tell me what he intends to do to overcome these difficulties? How does he intend to go around getting more night clubs in Gibraltar for instance?

MR SPEAKER:

Not now.

HON W M ISOLA:

The Minister refers to the 60% advertising on television, or 60% of the income, and he says the conversion response would be far greater. I entirely agree as that is what I had agreed in May before you yourself came into Government. Am I also right in saying that by advertising on television the coupon response would be much greater and also the reply per coupon would be much cheaper than in advertising in Sunday newspapers.

HON A W SERFATY:

I am sure the Honourable Member knows the answer to that. The cost of the response on television is about 40p and on the Sunday Papers it is more like £4.00.

HON W M ISOLA:

Another thing. The Minister said that it would be irresponsible for him not to develop other sources. What did he actually mean by 'other sources'? Did he mean by that putting out more land for hotels?

HON A W SERFATY:

I have mentioned, Sir, that we shall try to get people interested in the construction of two hotels at Parsons Lodge and Alexandra Battery, which is another name for Napier Battery. This is one of the things, and of course the development of Rosia as a residential area, for local people and others, will also contribute, I have no doubt, to the economy, to our future economy.

HON W M ISOLA:

Mr Speaker, a matter of clarification. Will the Minister - though he has not yet published the last P A Report - will he bear in mind when he is referring to the question of the product of Gibraltar, which is all important to the holidaymaker, will he bear in mind the remarks made in that P A Report regarding those hotels which are not the three principal hotels.

HON A W SERFATY:

Which are not what, Sir, which are not what?

HON W M ISOLA:

Which I do not refer to as the three principal hotels. The three principal hotels are the Caleta, Both Worlds and the Rock.

HON A W SERFATY:

I wouldn't like to say in public what the P A Report said about some of the hotels, surely the Hon Member knows! Shall we leave it at that at this stage.

HON J BOSSANO:

Mr Speaker, the Hon Minister has shown himself very conscious of the need to carry out savings in Government expenditure and I would like to ask him whether this implies that he is considering doing a cost benefit analysis of tourism on Government finance?

HON A W SERFATY:

Cost what?

HON J BOSSANO:

Cost benefit analysis of tourism on Government finances?

HON A W SERFATY:

In a way we have been doing it. We are all the time considering, as the Hon Mr Isola brought out, the question of the cost of responsēs, but of course that is not the whole answer. What is really important when you start discussing this point is what conversions you get from those responses. There we sometimes have to take a deep breath because it is not so easy - we don't have computers that feed you, just like that - we can use them and we used computers in London, but as the Hon Mr Isola will confirm we have not yet been able to get our hand on accurate information on responses. This is one of the main items in our expenditure in the tourist promotion and I am sure the Hon Member is referring to that.

HON J BOSSANO:

No, I wasn't in fact thinking, Mr Speaker of the items within the tourist budget but of tourism within the context of economic development.

HON A W SERFATY:

I understand now. I am sure you are referring to the quality of the kind of tourists we can bring and the money, that these tourists can leave in Gibraltar. This is another factor when you are deciding on your marketing: where you are aiming your promotion. On people who spend little money or, possibly on people who can spend more. This is also a very important factor in tourist promotion; where you aim your market.

HON J BOSSANO:

Mr Speaker, I am really thinking in terms of his approach to economic development and the place in it of tourism. In particular, if we are going to have a policy that is designed to increase economic development, and this in effect means increasing tourism, what I want to know is whether the Minister has considered that since it is public money that is going to be used to promote tourism, we want to know what is going to be the benefit to the public purse of tourism, as opposed to the private sector.

HON A W SERFATY:

The P A Report has already given details and I agree that these last three reports have not been circularised, but this is only because of pressure of work at the Secretariat, not because I want to sit on it for months as the previous Administration did. The P A Report gives us details of what kind of money the tourists are spending in Gibraltar and of course.

MR SPEAKER:

We must stop this debate. We are debating now, and this again - I have said it I think about 15 times today - is the subject matter of a ministerial statement. If it is important enough for the House then it can be debated. The rules say that if something is not understood within the statement then questions can be asked for clarification and nothing else.

HON J BOSSANO:

May I have clarification on just one small point, Mr Speaker? Thank you very much. In the third paragraph, where it states that it would be failing in its duty to the people of Gibraltar if it left anything undone which could foster the development of the tourist industry, does the Hon Minister include in there, in the context of not leaving anything undone, the possibility of selective nationalisation if this proved to be the best way of promoting the tourist industry.

HON A W SERFATY :

Selective nationalisation? No, but I will stick my neck out and I will say that if some of these things that have to be done to promote tourism, the size of the infrastructure in Gibraltar, some of them have to be publicly owned, I will certainly accept the fact that this idea cannot be discarded.

MR SPEAKER:

I now call on the . . .

HON J CARUANA:

Just one question, Mr Speaker, on the point in which the Minister says that a lot remains to be done to improve the product, will not the Minister agree that the further use of St Michael's Cave and the holding of Concerts in the Piazza would in fact contribute to improve the product of Gibraltar, and if so why is he doing away with these two things ?

HON A W SERFATY:

I really feel the Honourable Member doesn't put that question seriously. It doesn't deserve a serious answer.

HON J CARUANA:

I honestly do, Mr Speaker, that is the product of Gibraltar. The band plays in the Piazza for the benefit of local residents and tourists and St Michael's Cave is improved and is visited every year by tens of thousands of tourists, and therefore the Minister, by his action, is in fact detracting from these two very good entertainments.

HON W M ISOLA:

Mr Speaker, I would just like to refer. . . .

MR SPEAKER:

Order. I have been far too liberal and I must give warning to the House that it is their prerogative to change Standing Rules. Until they do so, I will be rigorous in their application, insofar as Ministerial Statements are concerned. I know the Opposition must have their chance, but the chance is by moving a motion on any subject matter which has been brought before the House by Ministers. This is the Standing Rule and I have to apply it. I will now call upon the Minister for Labour and Social Security.

STATEMENT BY THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Supplementary Benefits Scheme

Mr Speaker: since this Government took office little more than three months ago we have been deeply involved with the question of the Biennial Review of Wages and Salaries. However, this has not prevented us from looking into the position of that sector of the community which probably is the one which needs most looking after, to ensure that no severe hardship is caused as a result of the continuing rise in the cost of living. I am referring of course to those people - in the main elderly persons - who are dependent on Supplementary Benefits. I am glad therefore to be able to announce today that Government has decided to increase the main rates of Supplementary Benefits, last revised in October 1971. The increase will take effect as from the first week in December next, and will be as follows:-

A couple living on ~~their~~ own now receiving £6 will receive £6.60; and
the single person living alone who now receives £3.50 will receive £3.85.

Proportionate increases will also be made in the allowances for children, and the pocket money allowance paid to long-term hospital patients and to residents in the John Mackintosh Homes, who have no resources of their own, will be increased from 65 pence to 75 pence a week. Perhaps I should mention in this connection that this pocket money allowance was not increased when the Supplementary Benefits Scheme was last revised in October 1971.

I should also point out that the allowance of £2 now being paid to persons who are living with relatives who are not themselves on Supplementary Benefits is not being increased. This allowance, which stood at £1 in 1969, has been increased by a further £1 within the past ~~three~~ years and it is felt that, by and large, no further increase is warranted in these cases at present. This does not mean, however, that particular cases where hardship may be involved will not continue to be sympathetically looked into by the Director of Labour and Social Security within the discretionary powers which he has under the Scheme.

The increases in the Supplementary Benefit rates which I have outlined today will involve additional annual expenditure of about £9,000. I shall in due course be asking the House to vote the additional £3,000 approximately which will be required to meet the increases for the period December 1972 to the end of the financial year in March 1973.

HON J BOSSANO:

Mr Speaker, the first point that I would like to make is that it seems to be scandalous that we should only give the poorest people in our community a 10% increase and I would like to ask the Minister for an explanation.

MR SPEAKER:

Order. You can ask the Minister for an explanation of anything contained in the statement which is not understood, but not an explanation on the implementation of policy, at this stage of the proceedings. You are entitled, and again I say so in all fairness, to move a motion, but at this particular time when a ministerial statement is read, the rules say that if anything is not understood then you are entitled to ask a question by way of clarification and nothing else.

HON J CARUANA:

From his statement one gathers, in fact, that the total increase to a married couple on Supplementary Benefits is 60p, which is in fact a 10% increase over a year. I am sure then that if the Government has done this, the Government must be satisfied that this is sufficient, but I am sure that the Government cannot be satisfied with a 10% increase at the lowest possible income level when in fact the last increase was 100%, from £3 to £6. Surely the Government could have done better.

HON A J CANEPA:

Sir, on this matter of the last increase of £3 to £6, let me tell the Hon Member opposite that he is showing his ignorance of the Supplementary Benefits Scheme. He has heard the figure of 100% somewhere and my Hon Predecessor, when he used to refer to the figure of a 100%, was talking about the increase for a single person living with others who are not on Supplementary Benefits. As I said in my statement, in the past three years this has been increased by a further £1: from £1 to £2, and that is the 100% which he has in mind. The last increase for a couple was from £5 to £6.

HON J CARUANA:

I thank the Minister for that clarification, that increase in fact is 25%, certainly much larger than 10%. £1 from £5 is 25%.

HON A J CANEPA:

That increase Sir, is 20%. I might add further Sir, that the Government proposes to keep a very close watch on the situation with regard to the cost of living. The Government is anxious that rates for Supplementary Benefits should be kept abreast of any increase in the cost of living, and these rates will be reviewed in the course of 1973, if it is found to be so warranted in the light of any further increases that there may be in the cost of living.

HON P J ISOLA:

May I ask the Minister, could he tell us what have been the increases for a couple living on their own since the 1st August 1969?

HON A J CANEPA:

Yes Sir, on the 4th January 1969 a couple was receiving £3.50. On the 1st January 1970, that is the first increase effected by the previous administration, a couple were receiving ~~£3.85~~ ^{£3.85} which was a further increase of 35p or

£3.85

or 10%. That was the first increase by the previous Administration. On the 1st January 1971, that figure went up to £5 and on the 1st October 1971, in anticipation of increases in the cost of living in January 1972, that figure became £6.

HON P J ISOLA:

CAN I ask the Minister, would he not agree therefore that in a period of 2 years supplementary benefits went up from £3.85 to £6.00 and I took special notice of the remark when he said that it was increased by £1 in anticipation of an increase in cost of living. Can I ask the Minister, in view of the fact that we are dealing with what the lowest recipients of public assistance if you can call it that are receiving, that we should do some intelligent guessing or anticipation of increases in the cost of living. Could I remind him that assurances that the Government is determined to keep the cost of living down, is hardly compensation for sustained increases in the cost of living, and can I assure him that from this side of the House, if the Government were to reconsider the amount they propose to give, they would have no problem at all from this side of the House and we would willingly vote any additional funds that might be required from any source. Will he give consideration to these matters?

HON A J CANEPA:

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Sir, I will tell the Honourable Mr Isola, that we are talking about couples in isolation. If they have children, as I have said, there are proportionate increases which in fact are bigger and greater than the general 10% in the main rates, but I would like to remind Mr Isola that this figure of £6.60 does not tell the whole story. A couple on Supplementary Benefits will be on full rent relief, and in addition, they have free medical attention and free medicines. That really puts the question in its proper perspective.

HON J CARUANA:

Mr Speaker, we are very grateful for that answer, but what is important in this Supplementary Benefit is the pocket money which the old people who are not able to work have to spend on their food and other necessities of life. Could not the Government have seen it fit to have made this increase retrospective, at least to the beginning of April or July when the wages went up. Why make it ahead of time in December?

HON A J CANEPA:

Sir, again I am afraid that the Hon Mr Caruana is showing his ignorance of the administrative machinery which has to be set up in order to take in 800 books, re-rate them, and re-issue them. This cannot be done retrospectively, this is out of the question and that is why my predecessor, on the three occasions that he increased supplementary benefits did not do so retrospectively.

HON J CARUANA:

I grant the Minister, Mr Speaker, that there are difficulties, administrative difficulties, of which I am more aware than he is, and I would ask him to refrain from using the word ignorance because he has shown a certain element of ignorance.

HON L DEVINCENZI:

Mr Speaker, may I ask the Hon Minister, when he mentions that proportionate increases will also be made in the allowances for children, can he give any indication of what these increases are likely to be?

HON A J CANEPA:

I will do so gladly. Sir, children aged between 15 and 19, who are now getting £1.50 will get £1.70. Aged 11 to 14 now getting £1.20 will get £1.35. Aged 5 to 10 now getting £1.10 will get £1.25 and under the age of 5 now getting £1.00 will get £1.10. He will, if he works it out, find out that the last one is 10% and all the others are well in excess of 10%.

HON L DEVINCENZI:

Since the Hon Minister has been so kind as to offer these percentages, may I ask the Minister in order to save time, when he said that in 1969 a couple were getting £3.50 and the previous Administration raised it to £3.85, he was good enough to mention that was a 10% increase. Right? Then from £3.85 it was raised to £5.00 and he completely forgot to mention the percentage increase. Could he tell me what it was then?

HON A J CANEPA:

Sir, I am not good at mental arithmetic. The 10% is an easy one to work out the second one is not so easy, but it is more than 10%; oh yes.

HON J BOSSANO:

Mr Speaker, the previous increases in supplementary benefits we have been told was in October 1971 and this one is due to take effect in December 1972, and it in fact increases the original amount by 10%. I would like to ask the Minister, in view of the fact that the cost of living increased between October 1971 and December 1972 by more than 10%, in real terms in December 1972 and subsequently, people will be worse off than they were in October 1971, whether he will consider revising the award again in December 1972 by comparing the cost of living then and on the previous date, namely October 1971.

HON A J CANEPA:

Sir, the cost of living from October 1971 to July 1972 has gone up by something in the region of 7%. The figure for October 1972 is of course not yet available and until it is available we won't really know what will happen. There will not be a figure for the Index of Retail Prices, other than for the Food Group in December. The next quarterly review is in January 1973, but I can give the assurance that I have given previously, that further increases in the cost

of living throughout 1973 will be very closely watched, ~~and~~ should the cost of living between now and December or January - the next available figure - be excessive, I shall take this into account when I propose any further increases in 1973 and make them slightly greater than perhaps it would be warranted to take this into account.

HON P J ISOLA:

To take the cost of living increases after they have occurred means that hardship has been caused. The cost of living increase as far as Supplementary Benefits are concerned, should they not be done in anticipation to avoid hardship?

HON A J CANEPA:

We are now more than abreast; there is a slight further increase in anticipation and I don't think the Hon Mr Isola understood what I meant. I said that, for instance, if by a given date in 1973 the cost of living has gone up by x% I am prepared to propose an increased greater than x% to take into account any - I won't say any hardship - but to take into account any untoward increase in the cost of living between now and January.

MR SPEAKER:

We will now recess for approximately 20 minutes.

STATEMENT BY THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Social Insurance Pensions

Mr Speaker: on the first working session of this House I feel that I should make a statement on how this Government is thinking with regard to the Social Insurance Scheme and, in particular, to what improvements should be aimed at on the question of Old Age Pensions. If nothing concrete has so far been done it is because the Government Actuary's report on the Social Insurance Fund for the five-year period ended December 1970 has not yet been received. Advance information, however, would appear to indicate that the finances of the Fund are in a fairly healthy state and may be expected to continue so for some time.

The first priority must be to aim at increasing the level of Old Age Pensions and other Benefits to a figure more in consonance with present-day needs. This, however, will very likely mean that the level of contributions would also have to be increased, and I am now seeking advice on the extent to which this would be necessary in order to achieve desirable improvements in the Benefits. This improvement - particulars of which I am of course not yet able to give, much as I would like to do so - is the immediate aim of policy of the Government on this matter. As the House is no doubt aware the whole subject of social insurance is a highly complex one. I cannot, therefore, at this early stage give any assurances that any finalised proposals will be available within a given time, but I do assure the House that I am giving much thought and time to the matter and that when all the ends have been tied up I shall lose no time in drawing up detailed proposals on which the recommendations of the Social Insurance Advisory Committee will be sought.

Turning now to the longer term view, this Government is committed to the introduction of a new scheme of Social Insurance in which both contributions and benefits will be related to the earnings of the individual employee. Such a scheme enshrines the principle of relating benefits to the individual contributor's earnings and so to his standard of living both whilst he is still at work and later on when he retires. This principle has already been accepted by other countries including the United Kingdom where it will be implemented in 1975. It goes without saying that the introduction of such a Scheme will involve a vast amount of study of the financial and administrative implications. It will inevitably be some time before it is possible to come forward with concrete proposals but again I can give an assurance that, whilst we shall be deeply involved in the improvement of benefits under the existing scheme, we shall not lose sight of the longer term aim of an earnings related scheme.

STATEMENT BY THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Industrial Training

Mr Speaker: the first Industrial Training and Levy Orders in respect of the Hotel and Catering Industry were tabled before this House on March 1 1972.

2. These Orders enabled the first stage of industrial training to be effected within that industry by providing for on-job trainer and instructor courses which have now taken place and have opened the way for further systematic training.

3. Earlier in these proceedings I laid on the table Levy Order No.2 for the Hotel and Catering Industry, which will make it possible to mount an apprenticeship scheme of two years' duration. Young men and women can now enter the industry and obtain recognised qualifications in the preparation and service of food and drink. Theoretical and practical training on basic cookery and food service leading to a recognised City and Guilds of London Institute qualification will be given by the Gibraltar and Dockyard Technical College. In addition, apprentices will receive training in Bar and Cellar techniques developed to suit the requirements of the local Hotel Industry. At the same time the Industry will be providing on-job instruction, which is now possible as a result of the courses held earlier this year as part of the first Industrial Training and Levy Orders.

4. Whilst underindentures, apprentices shall be paid by their employers at the rate of not less than £8 per week during their first year and not less than £10 during their final year of apprenticeship.

5. Sir, these Industrial Training and Levy Orders, which have been developed by the Productivity and Training Unit in consultation with the Gibraltar Hotel Association, and which have been recommended by the Industrial Training Board, have the full backing and support of the Government in its endeavours to provide the necessary training to meet the needs and requirements of a very important local Industry.

6. As further surveys of training needs are carried out, the width and scope of Industrial training will be systematically expanded to cover other industries, such as the Retail, Construction, and Motor-repair industries, and to provide means of training the personnel in the skills that are required.

HON J CARUANA:

Mr Speaker, I am very pleased to hear this very illuminating statement by the Minister and more so because it is a continuation of the policy instituted by the previous Administration. We like to see that it is going through. I am wondering whether perhaps in the statement the pay of the apprentices on the second stage will be sufficient because it is, in my opinion, too low because by that time the chap will have got some practical experience and the tendency is always in fact for youngsters to go elsewhere. Instead of remaining and earning £10 , go into another catering business and possibly get £20, £25 or £30 after their basic training. The other point that I would like the Minister to comment on, other than the money side which I already said might not be sufficient on the second stage of the apprenticeship, what

incentives are being given to youngsters; what promotion prospects are there going to be for youngsters; how is the catering industry going to be sold to the youngsters to change the phobia from the white-collar to the catering industry? I think these are questions which I would like the Minister to express his views on.

HON A J CANEPA:

Sir, I am very grateful to the Hon Mr Caruana for his intervention and they are questions which I will gladly attempt to answer. In the first instance, I think he is referring to the figure of not less than £10 during their final year of apprenticeship. Perhaps the word 'final' there, is slightly misleading in the sense that in this case the final year also happens to be the second year of apprenticeship. It is not such a long period of apprenticeship which is envisaged in this scheme. I think I can best put these rates of £8 for the first year, and £10 to the second year, in a proper prospective if I refer to the rates for apprentices which are now being paid by the Official Employers. At the age of 15 an apprentice now receives £6.15; at the age of 16 £6.80; at the age of 17 £8.05; at the age of 18 £9.85; and it is in fact only at the age of 19 and over that the figure of £10 is exceeded. Let me also point out for clarification that it is envisaged that the apprentices entering this scheme will be from the age of 16 to 19 at the very most, but preferably the aim is to attract school leavers, and therefore youngsters aged 15, 16, and 17 will be receiving rates which compare very favourably with those being paid by the Official Employers. Sir, I think the second point that he referred to entails the whole question of a career structure in the industry. I have already had an opportunity, prior to the mounting of this scheme to speak to the Chairman of the Gibraltar Hotel Association, and I have pointed out to him the need for a proper career structure. If there is no proper structure in the Hotel and Catering Industry then I can definitely visualise apprentices leaving their employers for more lucrative rates of pay elsewhere. This is a need which the industry must bear in mind, and it must do its utmost not only to attract young people into the industry but to retain them.

HON J CARUANA:

Mr Speaker, on a point of clarification. In the last paragraph of the statement the Minister says that this will be extended systematically to other industries such as Retail, Construction and Motor Repairs. Is the order shown any indication of priorities by the Government, because I would have thought that under present circumstances the Construction Industry is the one most likely to get off to a quick start since the Construction School at present at Landport Ditch is already fully equipped and staffed to serve apprentices in the Official departments.

HON A J CANEPA:

Sir, it does not show an order of priority at all.

HON L DEVINCENZI:

Mr Speaker, is Government making any contribution at all towards the cost of the scheme?

HON A J CANEPA:

Sir, the apprenticeship scheme, I said in my statement, would be run by the Gibraltar and Dockyard Technical College and I think that as Minister for Education in the previous Administration he is aware that we do have a commitment to pay 50% of the cost of the Gibraltar and Dockyard Technical College.

HON L DEVINCENZI:

Yes, Mr Speaker, I am aware of that. Perhaps I did not say phrase my question properly. I am trying to think of the contribution that has to be made by the employer, and since there is no refund mentioned here, whether Government is making any direct contribution towards the actual scheme apart from the training which will be received at the Technical College.

HON A J CANEPA:

Sir, there ^{are} also some charges in respect of the use of a kitchen, which is required to run the scheme, and in that sense the Government is undertaking a further commitment.

HON L DEVINCENZI:

Would the Minister say why there will not be any refunds? Wouldn't refunds encourage employers to participate more actively than if no refund is forthcoming? There is provision in the Ordinance for this.

HON A J CANEPA:

Sorry, I am afraid that I am not in a position at the moment to clarify that point.

HON L DEVINCENZI:

I accept that answer, and may I also add, for the comfort of the Minister, that perhaps Government did not necessarily give a refund, as you have not done now. The question was just framed to see why it has not been done on this occasion.

HON M XIBERRAS:

I apologise to the House if I repeat some of the questions asked by my colleagues on this side. But first of all, may I ask the Minister whether this is in pursuance of the David Nott Report and whether the other schemes which are alluded to - I don't mean different industries but other schemes within the same industry - are also in pursuance of the David Nott Report.

HON A J CANEPA:

Yes Sir, this scheme is in pursuance of the Nott Report. We are now at Stage II of the recommendations, Stage II of the recommendations have been effected to date. Stage III involves Management Seminars which will be organised in the winter of 1972/73 in conjunction with the Gibraltar Hotels Association, and Stage IV will be considered during the course of 1973/74. As the Hon Mr Caruana pointed out, he was perceptive enough to realise that there was no departure from the policy of the previous administration with regard to this matter.

HON M XIBERRAS:

Sir, I am sure that everybody on this side of the House is very glad to see the implementation of the second stage, and also very glad to see the continuing support which the Industrial Training Scheme is being given by a particular sector of the community, and we hope that other sectors of the community, engaged in other sort of training, will be equally co-operative when the time comes.

Sir, may I ask the Minister, or may I make this point, since the Minister said that the answer is not easily available at the moment, that as far as I can recall, the refund, if any, must be stated in the Order. In other words the intention to refund the employers must be stated in the Order. I would entirely endorse what has been said by my colleague, the Hon Mr Devincenzi that this is a fundamental feature of the Scheme. Insofar as those employers who do send their employees for training do gain some benefit, however small, from a refund. I think this is an important omission to an otherwise admirable scheme.

HON A J CANEPA:

Sir I can assure the Hon Mr Xiberras that I will take note of his remarks for any future scheme.

HON P J ISOLA:

The Order which has been put before the House in fact says there should be no refund of the whole or part of any payment. Can I ask the Minister, these indentures of apprenticeship, how long is the apprenticeship, for what duration, and secondly can the Minister give any indication of the number of apprentices that are expected to avail themselves of the scheme?

HON A J CANEPA:

Sir, I have answered the third question twice in fact; in my statement and then later on in answer to a question by the Honourable Mr Caruana. As for the second question, it is hoped that nine apprentices will enter the scheme. This is a figure which will make it financially feasible, and we are aiming at that.

HON P J ISOLA:

The indenture of apprenticeship itself will presumably contain no condition that the apprentice must continue to serve the Hotel in which he is working.

HON A J CANEPA:

Such a condition is not laid down in the order.

HON L DEVINCENZI:

Could the Hon Minister say whether all the eleven individuals are locals?

HON A J CANEPA:

Sir, this scheme is being mounted this month, and therefore, as yet no apprentices have been forthcoming.

HON J CARUANA:

This is exactly the point I was trying to make with regard to the recruitments. What effort is the Official side, in conjunction with the Hotel Association, making to bring this to the notice of the public, because I am sure that it takes a lot of repetitive advertising and showing of the scheme to attract people. I am sure that if young men know that there is now an opening into this field they will probably come forward in greater numbers than hitherto. At the moment there is no public information that this is taking place, other than in informal circles, and this should be spread out; television ought to be used; the newspapers should be used to announce the enrolment of apprentices into this scheme, unless of course, all apprentices for this scheme are already employed in the hotels.

HON A J CANEPA:

Sir, it is not a question of advance publicity, it is simply that it wasn't possible to do so until the Industrial Order had been made. Now that it has been made I am sure that every opportunity will be taken to advertise the scheme, and I would hope that it will get down to the level of the schools and that the Youth Welfare Service will try their utmost to persuade young people that in this Industry there are worthwhile prospects of a good career.

HON M XIBERRAS:

Sir, just two small points if I may. The first is on the cost of the scheme: there is a hidden subsidy to any scheme of this kind such as the Ordinance stands. Or at least, the Ordinance does allow for a hidden subsidy and this does exist in practice. Would the Minister assure the House that the Government will have a fair say in the drawing up of curricula in the Gibraltar and Dockyard Technical College in view of the increasing importance of industrial training and of the representations that have been made in the past by the Gibraltar and Dockyard Technical College for the expansion of their facilities.

HON A J CANEPA:

I can give that assurance.

HON M XIBERRAS:

A reinforcement of one that has been made, I don't want to sound too sceptical about this, but unless career prospects are marked out in advance we will not get Gibraltarian boys and young ladies taking up this career, because training can go to waste and also because people may be inclined, once the qualification is obtained; to leave Gibraltar. I would urge the Minister to plan with the Youth Employment Officer a career structure in advance which would include adequate rates of remuneration, a fair promotion ladder, and also a degree of security in the job. This I think can be got in the Official Employers, to a degree, but it is sadly lacking in the private sector.

HON A J CANEPA:

Sir, I really think that the Hon Mr Xiberras is associating himself with my previous remark.

STATEMENT BY THE MINISTER FOR PUBLIC WORKS AND MUNICIPAL SERVICES

The House will no doubt wish to be informed of the present position on Public Works Services generally, and in particular about the major projects in hand.

1. VARYL BEGG ESTATE

The letter of instructions to Messrs Taylor Woodrow authorising them to proceed with the works was issued by Sir Hugh Wilson, on our behalf, on 29 September and accepted by the Contractors on the same day. The site was handed over on 2nd October and work has to commence within one week of that date with completion within 3 years of date of possession. The value of the present contract is £4,648,265 - 10p and covers, inter alia and grouped in 17 five-storey blocks, 652 housing units, a nursery school, a maintenance office and workshop, 6 shops and an old people's rest room. There will be, additionally, considerable parking and recreational facilities.

2. GLACIS

This project is nearing completion and all constructional works should finish by the end of October although there will be some tidying-up and embellishment to be undertaken later, eg landscaping in the early Spring. My colleague, the Minister for Housing, will be making a statement regarding allocation at a future meeting of this House.

3. CATALAN BAY.

Completion of this project is scheduled for August 1973 and all works generally are well up to schedule.

4. HEALTH CENTRE AND PATHOLOGY LABORATORY

This is now scheduled for completion in November 1973, although the Laboratory should be completed by March 1973.

5. NORTHERN COMPREHENSIVE SCHOOL

Work commenced in July 1972 and is scheduled for completion by September 1973. Whilst progress is satisfactory and no major obstacles are foreseen at the moment, it is too early to state categorically, one way or the other, whether the target date will be achieved.

6. NEW DESALINATION PLANT, NEAR NO 5 JETTY, NORTH MOLE

This project is on or slightly in advance of programme. The foundations are generally complete and erection of the plant will commence on its arrival from the UK very shortly - most probably before the end of this month.

7. NEW REFUSE INCINERATOR, DEVIL'S TOWER ROAD

The site has been cleared of the rubbish which had accumulated over the years. It is intended to invite tenders for the construction of the foundations in November. The aim here is to have the incinerator working by the autumn of 1973. The manufacture in the UK of the plant is proceeding satisfactorily.

8. CATALAN BAY ROAD SEA WALL DAMAGE

A contractor's tender for this work costing nearly £28,000 was accepted in August and the work is proceeding normally.

9. GENERAL

a. A children's playground is being provided around the Rosia Guard House Area and this House will surely wish me to thank the Army authorities publicly for undertaking the constructional side of the project. Our contribution is principally in materials to the value of some £1,500. In addition we have had to clean up the area generally before work could commence.

b. We are studying the best means of linking the two large estates - Laguna and Glacis - perhaps by a footbridge across Winston Churchill Avenue, so that schoolchildren and others may move freely and safely from one to the other. Such a bridge would, of course, allow an uninterrupted flow of traffic along Winston Churchill Avenue.

c. In roadworks actually completed, the major item is undoubtedly the resurfacing and re-guttering of the whole of Flat Bastion Road. Major road works actually in hand include the road system within the Glacis Estate, the West side of Cathedral Square and along Rosia Road.

d. In the other little things that count (as we call them) mention must be made of the efforts made to clear up some of the traditional rubbish dumps such as the Jungle, the Gorbals, Calpe Road, Flat Bastion Road, Gardiner's Road, Europa Road opposite Trafalgar Cemetery, Devil's Tower Road behind Saccone and Speed Factory and at the New Destructor Site, Rosia Parade etc. These dumps have been eliminated - for the time being, at any rate. In this connection the public in general is asked to co-operate by dumping their rubbish NOT on the streets but in their own dustbins and, where the item is too large, by arranging with the PWD for its collection. It is also noteworthy that 109 derelict cars have been dumped into the sea between 24 June and 30 September making a total of 273 for this year.

HON J CARUANA:

I thank the Hon and Gallant Member opposite for his very detailed statement, all of which I have expounded in this House time and time again to the complaints of Members of the present Government, and I would like to ask the Minister, what, in his speech, is of news today at this meeting?

HON LT COL J L HOARE:

I started off my statement, Mr Speaker, by saying that the House would no doubt wish to be informed of the "present" position. Not what it was in May, or June, but what the present position is, that is, the position today. That is the object of the exercise.

HON J CARUANA:

It is always interesting to be brought up to date on the current position of all this development programme, instituted during the last Administration, including Glacis.

HON L DEVINCENZI:

There are a few things I want to ask Mr Speaker, one of them is when you say the value of the present contract is £4,648,265.10, I assume that the 10p is more or less!! Having said that, Mr Speaker, would the Hon and Gallant Minister confirm that the Government will do their very utmost, taking into account the great importance that the Northern Comprehensive School has, that the contractors will be urged to have it ready by the target date.

HON LT COL J L HOARE:

10 / Mr Speaker, the first point, I would no more rob the contractors of 10p than to give them an extra⁹pence. Secondly, I can assure the Hon Questioner that not only I, but the whole of this Government will make every effort to have the Comprehensive School finished by September 1973.

HON J CARUANA:

Mr Speaker, I do find something new, in the Varyl Begg Estate the Minister has gone on to describe the Nursery School, Maintenance Office and Workshop, the six shops, the Old People's rest room. But there is one item here which was left to the consultant, Sir Hugh Wilson and Wormsley, to negotiate with the contractor and to attempt to include in the contract figure an open-sea swimming pool, i.e. a swimming pool on the seashore with one side open to the sea. Can the Minister say whether this scheme has been dropped for the time being? Will the Minister give an assurance to this House that an attempt will be made to include this in the scheme if it does not fall within the current contract; as a variation order.

HON LT COL J L HOARE:

As I said at the beginning, Mr Speaker, the only thing which has exchanged hands at the moment is the letter of instruction, the actual details of the contract, and everything it comprises, is not yet available either here or in the United Kingdom.

HON J CARUANA:

Well, perhaps, Mr Speaker I would like to put the Minister in the picture on this one, because it is a very important item. Here we have an estate Mr Speaker, which is surrounded by water on three sides, and is a very dangerous area in the case of children who may attempt to dive into the sea over rocks. The swimming pool is intended to attract the children to that area and keep them away from the danger already mentioned. It was because of this that I was doing everything possible to get the contractors to include this in the scheme, and I am very surprised that at this stage the Minister should have made a statement and has not mentioned this. I will accept the Minister's statement that full details are not yet with us.

STATEMENT BY THE MINISTER FOR INFORMATION AND SPORT

The House may be interested to know that following a meeting held on the 10th August 1972 at John Mackintosh Hall to which I invited all Sporting organisations, a number of problems affecting sport were aired.

The object of the meeting was mainly to set up a Sports Advisory Committee to look into the problems facing sportsmen and local facilities and to ensure a just and fair distribution of our facilities to all sports irrespective of their popularity or crowd appeal. It was also my objective to ensure the right of direct representation in matters concerning their sporting interest.

It was noted that several sports had faded out in the past, sports which Gibraltar so much needed and which had been of a high standard when in existence. One that springs to mind in particular is boxing. This sport, no doubt due to lack of facilities or encouragement, died a natural death and we trust that, given the right approach by the Sports Advisory Committee, we will be able to resuscitate this sport as our indications are that there are several good men who are prepared to coach, organise and revive this noble sport. Such was the standard of boxing in Gibraltar several years ago, that Gibraltar presented a team at the European Championship in 1959 in Switzerland and again in Belgrade in 1961. Contests between Services were very popular, as were also international competitions.

The Sports Advisory Committee will endeavour to bring about closer relations between all sportsmen, to foment good understanding between player and referee, judge or umpire, to promote a desire to participate in sport from childhood, to encourage our youth and assist them as far as possible, and to study the possibility of acquiring areas, no longer required for defence by M.O.D. which could be developed for use by our sportsmen.

The Committee, it is hoped, will be constituted in the very near future and I am confident that those selected to serve on it will do their utmost for the betterment of sport in general. This Committee will allow sportsmen, for the first time ever, to have a direct say in matters which concern them as such.

We will do our best to curb the unsporting incidents which have developed recently on the field of play and instill into players the motto of a local Football team: "Sport is not a question of win or lose, but a matter of playing the game". Thank you Sir.

HON L DEVINCENZI:

Will the Hon Minister give an indication of how many persons he thinks should serve in this Committee?

HON H J ZAMMITT:

Yes Sir, the number of persons to serve on the Committee will be 11 plus a secretary, Sir.

HON L DEVINCENZI:

I thank the Hon Minister for that. All I can think is that, although I think it is commendable that as many people as possible should be in Committees, in the sense that they should be able to have a say and represent their respective sports, I wonder whether a Committee of 11 will really turn out to be a working committee or will it need a referee to..... Anyhow, this is up to the Minister to decide.

HON H J ZAMMITT:

Sir, I think the Hon Questioner **will** agree that large committees invariably don't work, 11 would appear to be just right.

HON J BOSSANO:

I would simply like to ask the Minister whether in this case, as in the case of other committees, he will give careful thought to the manner in which the individuals who serve in the committee are selected and the principle to which I referred in an earlier question of consulting the people who are likely to be involved by the decisions and the organisations that are already there should be kept in mind and not that the decisions of who should be in the committee should be arbitrary ones.

HON H J ZAMMITT:

I can assure the Hon Member that this will be done.

HON P J ISOLA:

Will the Minister be Chairing this Committee?

HON H J ZAMMITT:

I will, Sir.

SUPPLEMENTARY ESTIMATES NO.8 OF 1971/72.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this House resolves itself into Committee to consider Supplementary Estimates No.8 of 1971/72.

HOUSE IN COMMITTEE

MR SPEAKER:

I understand that the Financial & Development Secretary wishes to make a general statement on the Estimates before we go into details.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, if I have your permission, I think a few preliminary remarks may be helpful. Supplementary Estimates No.8 of 1971/72, cover the excesses on sub-heads of expenditure over the amounts provided in the Approved Estimates for 1971/72, taken together with any supplementary provision already made during the course of that year. They have been brought to account in the closing of the books as at the 31st March 1972. I invite Hon Members' attention first to the current account items Nos. 1 to 24 which is found at the top of page 13. This amounts to a total £275,319 of which it will be seen that the last item, No.24, accounts for £500,000. This last item represents a current transaction in the sense that it is a transfer from current revenue to the capital account: that is to say to the Improvement and Development Fund. Let me take first, however, the items up to No.23 which amounts to a total of £225,319. They are mainly attributable to things like the award of cost of living allowances on the 1 April 1971 and the 1 January 1972; the back payment of arrears of salary to a number of officers on settlement of their claims after protracted negotiations arising out the Marsh Awards; the increases in allowances to teachers training in the UK; a greater number of applicants for Supplementary Benefits following the improvements in this payments; the increased importation of water; the higher cost of food, drugs and equipment for the Medical Department; the omission I am afraid, to provide for printing and stationery for the Municipal Department; extra requirements of overtime and so on. But the moral of this, Sir, to me is clear, just look how a whole miscellanea of dribs and drabs of supplementary expenditure on current account can build up to a total of £225,000 so easily. And remember that this is additional to the supplementary provisions made in the course of the year 1971/72 which are shown on the column to the left of the one that we have been looking at. That column has not been totalled up, but I have done the sum and I have found that these same items, Nos 1 to 23 in the course of the year had supplementary provision made for them to a total of £192,441. So the total supplementary expenditure in excess of the provision in the approved estimate for these items for 1971/72 amounted to £417,760.

Sir, perhaps if I may say so, this illustrates why a Financial Secretary may at times appear cautious about the need for reserves and the amounts by which we can afford deliberately to increase our recurrent expenditure.

Sir, with regard now to Item 24, I should explain that although the Financial Statement accompanying the Estimates for 1971/72 provided for a contribution of £300,000 from Revenue to the Improvement and Development Fund so that the

Government's intention at the time was made perfectly clear, this provision nevertheless did not appear in the body of the Estimates and hence did not formally receive the approval of the House, nor was it included in the Appropriation Ordinance. This item is now included for the approval of the House and will also be included, at an increased level which I am about to mention, in the Bill for the Supplementary Appropriation Ordinance which will be coming before the House later in the proceedings. There was this transfer of £300,000. In view, however, of the very heavy commitment of the Improvement and Development Fund it became necessary to increase the contribution from £300,000 to £500,000 which fortunately the Revenue and Expenditure out-turn for 1971/72 enabled us to do. The approval of the House for this £500,000, Sir, is now sought by its inclusion in the schedule of Supplementary Estimates now before us.

But this, Sir, I submitted again is evidence of the need for adequate reserve, because we do need to keep feeding from current revenue the Improvement and Development Fund on which development depends.

Finally, Sir, to deal briefly with the remaining items of the capital account, that is to say the Improvement and Development Fund in Item 25 in this list. These amount to £517,561 of expenditure which has not previously been approved by the House. Items A to D and Item G4 and L are financed from aid funds provided by Her Majesty's Government and the total amount of this comes to £502,036 and that Sir, of course in due time will be reimbursed by Her Majesty's Government. Thank you Sir.

MR SPEAKER:

I have given instructions to the Clerk to read the Item Number and the Head. I will pause at each Head and give Members an opportunity to deal with them.

HON M XIBERRAS:

Mr Speaker, on a point of procedure we all welcome the statement made by the Financial and Development Secretary as a preliminary to these Supplementary Estimates. Would Mr Speaker allow one or two questions at this stage?

MR SPEAKER:

We are in committee and we must be liberal with the rules in committee. Most certainly, yes.

HON M XIBERRAS:

Sir, just on the last figure, the Hon Financial and Development Secretary did mention that a part of the £517,561 / paid by Her Majesty's Government. Was the figure £502,036. would be

HON FINANCIAL & DEVELOPMENT SECRETARY:

Yes Sir, £502,036, the great bulk of the figure.

HON M XIBERRAS:

Thank you. Therefore the Gibraltar Government will have to pay . . .

HON FINANCIAL & DEVELOPMENT SECRETARY:

£15,525.

HON M XIBERRAS:

£15,525. On a total of just over $\frac{1}{2}$ million pounds.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Yes, yes Sir.

HON J BOSSANO:

On the remarks made in relation to the total additional vote under Heads 1 to 23, the Hon Financial and Development Secretary mentioned the fact that it shows how these items build up, and that in fact the total came to £417,760 that is the seven previous supplementary estimates and the eighth one came to that total. In fact that total is covered by the revised estimates given in 1972/73, is it not?

HON FINANCIAL & DEVELOPMENT SECRETARY:

No, Sir. On these items, 1 to 23, on which as the Hon Member rightly says, there has been total supplementary provision of £417,760, £225,319 come to the House for approval for the first time. These are excesses which, as I said, came to light with the recent closing of the accounts, as at 31 March 1972, but the accounts were only recently closed.

HON J BOSSANO:

I am aware, Mr Speaker, that this has to be approved for the first time now. The point I am trying to make to the Hon Financial and Development Secretary is that in fact the revised estimates of expenditure 1971/72 of £5,078,440 announced in March is in excess of the original £4,620,380 by more than the total additional requirement of £470,760. And although, therefore, we are voting for the first time some of this money it is not in fact a total surprise because the Hon Financial and Development Secretary, in his revised estimate, indicated that a sum in this region would in fact be the eventual outcome.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Yes, this is absolutely true, but I was speaking for purposes of illustration when I said you can see before you in this way how the excesses grew up. These particular items are new to the House.

HON MAJOR R J PELIZA:

Sir, I take it that it is true to say, therefore, that these expenses were foreseen at the time that the estimates were approved, but naturally on the same day they were approved - towards the end of the month - it was administratively impossible to bring it down to the last penny. What we are doing now

is in fact tidying up the whole thing and stating exactly how much we have spent. This is the reason why the margin of difference is slight, but in fact the point I am trying to make is that we all knew at that time that this expenditure was being incurred, or had been incurred, and all we were waiting for was the tidying up operation, which is the normal thing every year, to bring this to the House.

HON FINANCIAL & DEVELOPMENT SECRETARY:

No, Sir, no I don't think quite. We did not know at the time of the budget in April that there would be as much as £225,000 of yet additional expenditure related to the financial year 1971/72.

HON P J ISOLA:

If that is the case, Mr Speaker, then of course there shouldn't have been these revised estimates of expenditure. May I ask the Financial and Development Secretary has he by any chance toted up the full revised expenditure figures for 1971/72 which he announced at the time of the budget, and the actual expenditure figures revealed today? May I ask what the difference is? That's a short answer to the question.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, if I rightly understand the question a short answer is £225,319.

HON P J ISOLA:

May I then express great surprise at the mathematical ability of the Hon Financial & Development Secretary, because I think he will find that this is not the case. If he looks at the revised estimated expenditure figure presented to this House at the time of the budget, it amounted to £5,078,440, and that was the revised figure. If we come to the actual figure I think this is arrived at by taking the original estimate, which was approved at the time of the 1971/72 budget, and adding on to this the additional provision being sought now, and that has been sought during the year, and I don't believe that that is £220,000 in excess of the £5,078,000 announced by the Honourable Gentleman at the time of the budget. In fact I understand it comes to a little less. So we're not in trouble.

HON J BOSSANO:

The figure that my Hon Colleague was suggesting to the Hon Financial and Development Secretary, is arrived at by adding the £417,760 that he has just told us is the total amount for the supplementary vote Nos 1 to 7, and No.8 which is the one we have before us now; by adding that figure to the original estimate of £4,620,380. That produces a figure of £5,038,140 which compares with the revised figure that he produced this year, for 1971/72, of £5,078,440, that is some £40,000 less than he thought would be the estimated revised figure for the year.

HON P J ISOLA:

What we want to know Mr Speaker, is this correct?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I am sorry and I apologise, this is correct.

HON P J ISOLA:

Thank you. Could we then ask on another point. The final figure is then £40,000 short of the revised estimated expenditure. Now we come to the point mentioned of the £500,000 that we are being asked, or will be asked to vote for, in the supplementary provision. In the revised figure in March 1972 what came before the House was the approval to transfer £100,000 to the Improvement and Development, where it was hinted, and in published approved estimate of 1972/73 the amount put aside for the Improvement and Development Fund was stated to be £300,000. It now appears Mr Speaker that the Financial and Development Secretary is asking the House to put aside another £200,000. May I ask where this £200,000 is coming from? Is it coming from the General Revenue Balance of £1,630,000 which was referred to earlier on these proceedings, or is this £200,000 additional to the £1,630,000?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, this is coming from the total reserves of £1,600,000.

HON P J ISOLA:

As we are having more or less a general debate, and as I understand it, as far as the Opposition is concerned, this is the only figure that is being questioned, I don't know whether it would be convenient to go to the first 23 items and then discuss this figure when we come to it, or we have a general debate now.

MR SPEAKER:

Let us go through the estimates and ultimately before we take the vote we can debate this.

Items 1 to 23 were agreed to and passed without amendments.

Item 24. Head XXVII (New) Contribution to Improvement and Development Fund.

HON P J ISOLA:

Mr Speaker, may I at this particular item of expenditure £500,000. You have noticed, Mr Speaker, that the Opposition have not queried any expenditure because in effect what this supplementary estimate attempts to do is purely to regularise the position as it was announced at the time of the Estimate of Revenue and Expenditure, regularised position, and gets authority from the House to clear the accounts of 1971/72. And what was said at the time of the budget in March 1972 was that £300,000 would be transferred to the Improvement and Development Fund. We are now being asked Sir, to provide a further £200,000 to the Improvement and Development Fund from the normal surplus for the year. This means that we are being asked to transfer to the Improvement and Development Fund ~~no less~~ than £500,000 of a surplus of about

£600,000 on the year's working for 1971/72. This will of course mean, Sir, that the General Revenue Balance at March 31st 1972 will no longer stand at £1,630,000 but will stand at £1,430,000. The Opposition is very perplexed and disturbed as to the reasons behind this particular transfer of £200,000. I would like the House, Mr Speaker, to cast its mind back to the strike period, and in particular to what the Chief Minister said on no less than two occasions - in fact, I think the only two occasions he spoke. He said it on both occasions when he was more or less a prophet of doom.

May I read from the statement that he issued on Friday August 18 1972, just before the strike started, a particular paragraph when he said: "It is an accepted principle that the General Revenue Balance should stand at the level of 4 months revenue which has not yet been attained, but in any case this reserve is a necessary insurance against unforeseen large deficits and is not appropriate for ordinary recurrent expenditure. We haven't yet got our reserves we have not got it up to four months, good husbandry demands that it should go up to 4 months", which he on a later occasion calculated to be £1,800,000. May I then remind the House what the Chief Minister said in a television interview - well, not an interview - in a television statement on Wednesday 23 August 1972, when the Government - well not at that time they were prepared to talk before that they were not terribly happy about it - when he said "despite the fact that the Improved Revenue Balance of £1,630,000 falls short of the £1,800,000 required to provide for four months expenditure we are prepared to dig reasonably into these reserves in order to meet the cost of current biennial review". And now, Mr Speaker, we are being asked to dig into these reserves, not to meet the cost of the current biennial review, they must have that money tucked away in another pocket, we are being asked to dip into these reserves to put £200,000 into the Improvement and Development Fund.

What is the Financial position of Gibraltar? Is it so good that the Government can afford - and we shall all be delighted if we were told this - that the Government can afford to put away £1½ m from the General Revenue Balance into the Improvement and Development Fund in one year, which must be the highest in the history of Gibraltar quite comfortably at least in my recollection by at least £300,000. And that it does not require to dip at all into these reserves to meet the cost of the current biennial review as stated by the Chief Minister. The House, Sir, is entitled to know at this stage the reasons behind the Government's decision not to dig into the reserves of £1,600,000 which according to the Chief Minister was still below the accepted minimum. We are entitled to know the reason why we have to dig into this reserve of £200,000, not for the wages as was stated by the Chief Minister, but for the purposes of transfer to the Improvement and Development Fund. What schemes have the Government got for this fund? What are the schemes that require this expenditure? What guarantee has this House that they will be spent? But the principle point that emerges from this is that either the Revenue position in Gibraltar is extremely good, and so good that the Government can in fact afford to transfer £1/2 million just like that to the Improvement and Development Fund. Because the Government knows that Revenues perhaps have been underestimated, that the results of the taxation measures have been underestimated, and that the economy is in fact buoyant as was stated by the Financial and Development Secretary at the time of the budget, and can afford to do without the £1/2 million. Either it is that or else we are being asked to put £200,000, in other words £500,000 into the Improvement and Development Fund, to be able at a later stage during the year to moan that there is no money; that the General Revenue Balance is dropping and dropping and we are in trouble, when in fact the General Revenue Balance is going up and up and up, but the cream is being licked off and put into another fund so

as to reveal perhaps not the correct position. I feel, Mr Speaker, that the people of Gibraltar are intelligent enough to see through these moves. I think the people of Gibraltar, and certainly the Opposition, knows enough about the estimates of revenue and expenditure and how things work to be very, very questioning about this sudden desire, in the middle of the year, again unusual; the transfers to the Improvement and Development Fund have historically ever since the fund was started, been done at the time of the estimates. Suddenly in the middle of year, just after the Chief Minister ~~has~~ ^{the last} said how gloomy the financial position of the colony is, what an awful mess the last Government made and so forth. All that is now conveniently forgotten and the Financial Secretary and the Government feel themselves able to support a motion to transfer no less than £500,000 to the Improvement and Development Fund. This is something on which the Opposition certainly would like to hear some explanation before voting.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker Sir, I think there may be more of this in the debate later but I may just say this. The nature of the Improvement and Development Fund and what it is there for. May I read a few lines from my Budget speech, Sir, in the Spring:

"Let me speak now of the Improvement and Development Fund, which finances our development works. These development works are of course the basis for all material progress in Gibraltar. This is where, having met our current expenditure, we invest the balance of our Income and I think it highly commendable that of the revised estimated expenditure on the Improvement and Development Fund in 1971/72 of £2,396,654 no less than £620,000 was from Gibraltar's own resources, the balance of course being British Aid".

I went on to say "In the estimated expenditure of £3,000,000 odd in 1972 which is £800,000 more than the past year, it is appropriate that a higher figure should come from Gibraltar's own resources", and we estimated that from this year at £713,000. That is the expenditure. So we, as we all know, plan to contribute to the economic development of Gibraltar, expenditure at the rate which was £600,000 and is £700,000 estimated. I went on to say the sort of things that this provides for, the new Desalination Plant, the Refuse Destructor, re-equipping of the Electricity Undertaking. That, Sir, is the purpose of the Improvement and Development Fund. Where do we get the funds for Gibraltar's own expenditure through the Improvement and Development Fund? Either from surpluses, revenue surpluses, or from borrowing, both of which we do. But the amount of borrowing is limited.

Now, Sir, as to why then may we draw on the Revenue Reserve for capital expenditure but not for the current expenditure like wages. Well this is in the nature of things, Sir. Capital expenditure is once and for all, you build up your funds and you have got something, you have got the means of providing a school or whatever it is. If you draw from your reserves to finance a wage increase, which will continue next year, and the year after, then you are committing yourself to this additional expenditure year after year, and you will have to get it from increased taxes. Sir, I have tried to explain what is the nature of the Development Fund and why we can draw on the Development Fund and think it financially proper to draw on our reserves for capital works but not for ordinary recurrent expenditure. Certainly, while our reserves are still below the level that is generally considered appropriate.

HON P J ISOLA:

Mr Speaker, the financial policy of the Government, of course, is determined by a Government, and my questions were not really directed completely at the Financial Secretary. He has answered some of it, but of course the whole purpose of the Improvement and Development Fund is to transfer from the Surplus of the current year such an amount as is considered reasonable and prudent. You put that money in the Improvement and Development Fund and then you do your schemes based on the money available. It is not something that is estimated. It is taken after you know your surplus. That's one point, but I want to know why the Chief Minister, and that is the person to whom this particular question is directed, why he said to the people of Gibraltar on television that the Government was prepared to dig reasonably into the reserves in order to meet the cost of the current biennial review when that apparently is not what is being done. This is what the Opposition wants to know because we have to rely on statements that are made by the Government as being statements of fact and not statements made purely and simply to pacify people or to tell them that the thing is so bad that they have to dig into the reserves. Why are we told by the Chief Minister - and I don't see how the Financial Secretary can answer this question - that we are prepared to dig reasonably into reserves in order to meet the cost of the current biennial review when in fact these reserves are being used for the purposes of the transfer of £500,000 of them to Improvement and Development Fund.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I would like to add one point to the clarification I tried to give on the last occasion I spoke and I admitted to saying this. Let it not be thought that the reason we are asking the House to transfer an additional £200,000 to the Improvement and Development Fund is that we have got more money than we know what to do with, and that in the middle of the year we are making the transfer because the out turn in 1971/72 was so good. The fact that it was enables us to do so, but the fact is that development projects have gone ahead faster, Sir, and that about a month or a little more ago, we found that our Improvement and Development Fund was in fact overdrawn to the tune of approximately £150,000. That is my explanation of why in the middle of a year we propose to the House a transfer from revenue surpluses to the Improvement and Development Fund. I will say this, on the remaining part of the question, Sir, that I could well understand a phrasing of this in the way that in order to finance a wage settlement during the current year we shall have to draw on our reserve recently, and that would be for this reason, that although we had a budget which provided for a surplus to accrue through the 12 months of this year of £190,000, in fact we found, after the first four months of this year, and we are coming to this, that we had already supplementary expenditures in excess of that £190,000. Other things remaining equal you would ask: "If your estimated surplus had gone, from where are you going to find the money to pay wages at higher rates than you estimated?" If I were asked, I would say: "Well we have nowhere ~~else~~ to turn but to our reserve." And that, I imagine, is the sense in which this would be said. Thank you Sir.

HON M XIBERRAS:

Sir, the Honourable Financial and Development Secretary must be aware that when the previous Government took office the reserve stood at something like £700,000. The Honourable Financial and Development Secretary must also be aware, being a financial man, that the record of the last Government in bringing up these reserves, is, to use his own words in March this year,

commendable. Will the Hon Financial and Development Secretary say what he considered to be a fair level for the reserves to have reached by March 1973, and where in the Estimates we can find that figure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I would answer that question by saying that we ought to aim to have reserves equivalent to four month's revenue.

HON M XIBERRAS:

Sir, this is absolutely desirable, Sir. It would be even desirable perhaps to have a hundred million pounds in the reserve, but my question was: what was considered by the Hon Financial and Development Secretary to be a fair increase in the reserve so depleted by the previous Administration by March 1972?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It was 1973 in the last question, Sir.

HON M XIBERRAS:

I repeat 1972. The figure is surely down on page four of the Estimates for 1972/73. What were we aiming at in March 1972? What was considered a fair reserve, bearing in mind the great strain, the terrible circumstances Gibraltar has been through, the great deficit left by the previous Administration. Bearing all this in mind, what was a fair estimate, what was a fair general revenue balance to have at March this year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I think that the Government - of which I was then a member, looked at the budget and saw that as it was first presented to the House, it showed a deficit of about £70,000, came to the conclusion that that was not a satisfactory state of affair, did not propose to fall back on the reserves but proposed that we should take additional taxation measures calculated to bring in an additional £260,000 which would transform that deficit of £70,000 into a surplus of £190,000 and we took it on from there. I will say frankly that I did not believe that a surplus of £190,000 would be sufficient to meet the supplementary estimates there always are, together with any additional cost of living awards that might be made during the course of the year for which we did not provide in the estimates plus the additional expenditure resulting from the biennial review. But we had in view certain other sources of revenue and there had been a strong suspicion, or intuition, I think on both sides of the House, that the excesses of revenue over expenditure which had occurred in the Gibraltar budget in the past two years were not so accidental as the Financial Secretary was making out, and in fact that trend would continue. I will say one thing, Sir, at this point. There is just one - I do well remember saying that that time - that if this turned out to be the case and that once again the 1972/73 revenue substantially exceeded the expenditure no one, believe me, would be happier than I, but I said that I did not feel that it was for me to take what I thought were unwarranted risks. The point which I just want to say now is that the checks on the revenue in 1972/73 which I have just made shows us approximately £140,000 over the half year below what the Treasury think it ought to have been if we were running to form on the estimates. At the corresponding point of time last year. I

find, on checking, that the revenue was £170,000 ahead of where it would have been if just on course, so you can see a swing there as between these two dates mid-way through the financial year, of £310,000. Which again I believe is an indication that perhaps the comfortable trend of the previous years must not be assumed to continue. Thank you.

HON M XIBERRAS:

Sir, I thank the Hon Financial and Development Secretary for that long intervention, but really what I wanted was a short figure. I will repeat the question, and that is: what did we estimate that the general revenue balance would be at by March 1972? The figure was, I believe, £1,293,810. The point for asking that is that if money in excess of that figure, naturally it is not hanging from the ceiling, or buried in the floor under the ground. What you do with it is to put it in the general revenue balance, it becomes part of the general revenue balance automatically. So, there is a politically misleading phrase in this, not attributable to the Financial and Development Secretary but used for the first time by the Hon and Learned Chief Minister to say that we have to dig into the reserve in order to pay for the wage claim. If we had not met the figure of £1,293,810, which is what we said was reasonable to aim at, by March 1972, if we had not reached that figure, if the previous government had not raised enough money in taxation, if we had slipped back, for instance, £700,000 which was what the present Administration had when they were last in office, then it would be fair to say: these people on this side have not done their business, they have left a deficit, they have got to go into the general revenue balance. But what the Hon and Learned Chief Minister had said in fact is, these people on this side of the fence had produced a good bit over the £1,293,810 - which in itself as the Hon Financial and Development Secretary had said was a creditable, commendable performance - and then they had given the public the impression that they are digging into the reserve and creating a deficit because the last administration did not do their job. Their position is in fact, that when the Chief Minister today can produce a figure of £1,600,000, or so, in the general revenue balance, he should thank his lucky stars remembering that when he was last in that seat he left a general revenue balance of only £700,000.

I am not blaming this on the Hon Financial and Development Secretary because he is just putting this at the technical level, but for the workers out in the street, to hear the Chief Minister saying: we have had to dig into our reserve"- particularly this Chief Minister who was responsible mainly for the deficit in the City Council - that is a different story altogether. That is not the Hon the Financial and Development Secretary standing up and saying: "Look, any money you do not spend goes into the general revenue balance." Obviously we all know this, but for the Chief Minister to make this political statement at the time of the strike is a matter which we will gladly take up when the motion of censure is brought against the Government.

Sir, the other point I wish to make, with your permission, is that it is a political decision whether we put £200,000 into the Improvement and Development Fund, or we put £200,000 - for last year mind you not this year - for wages. That is a political decision for which Ministers are responsible. That cannot be passed on to the Financial and Development Secretary. The Government is in power, the Hon Mr Featherstone, Minister for Education was reminding us today, that the Government was in power. It is therefore the Government's prerogative to judge where the money should go one way or the other. Therefore, any statement by the Financial and Development Secretary is,

in the circumstances surrounding this particular controversy of the £500,000 not one in which with respect to him, the House should be very much concerned at this stage. The House should be concerned with any attempt by Ministers to tuck away £200,000, or to put priorities other than the pay, other than wages, before the House in order to tuck away, I repeat, a surplus. Sir, £200,000 more than the £300,000 that we were putting in. Would the Hon Financial and Development Secretary say when last such a big infusion - of £300,000 mind you - was put into the Improvement and Development Fund? When last did the Financial and Development Secretary at Budget time have the opportunity to comment that Gibraltar was really contributing to the Improvement and Development Fund? Can the Hon Financial and Development Secretary point across the floor to this side of the House and say: "these people, when they were in Government did not do their bit to provide a contribution." And could he accuse us, if we were not to go for the £200,000 extra into the Improvement and Development Fund, of not having done our bit in the past? Both to boost a reserves and also to provide a good infusion of capital into the Improvement and Development Fund? If the Hon the Financial and Development Secretary does not wish to answer this questions I quite understand it. I think it behoves the Chief Minister to answer these questions, particularly in view of his statements during the strike.

HON CHIEF MINISTER:

Mr Speaker, one cannot really follow the reasoning of this last speaker about the extent to which he knew the money was going to come in, and reconcile that with the measures of taxation that they introduced, and which brought about such a furore in town; which brought out the women in the streets - until they were brought into the fold of the Union and the then Government. How can that be reconciled with Mr Speaker, I hear noises in the public gallery.

MR SPEAKER:

Yes, I am well aware.

HON CHIEF MINISTER:

That is one aspect of his remarks that cannot be reconciled. If in fact he knew that there would be so much more money why did he burden the people of Gibraltar with taxation all along the line and which brought the people out with the slogan "Down with Peliza". That was what we call cheating the worker.

We have heard the Hon Mr Caruana say today, when the Minister for Public Works and Municipal Services pointed out various developments. Everything is what we have done. Yes, and that is the legacy too, and that is the need for the money. After putting the £300,000 into the Improvement and Development Fund and after putting the £ $\frac{1}{2}$ m from the loan into the Improvement and Development Fund, the amount in the Improvement and Development Fund is only £47,113, having paid for the Refuse Destructor and the Disalination Plant.

HON J CARUANA:

Will you repeat the figure please?

HON SIR JOSHUA HASSAN:

Yes. I will repeat the figure do not worry.

After crediting the Improvement and Development Fund with £300,000 and with the $\frac{1}{2}$ m of the loan, the amount in the Improvement and Development Fund stands at £47,113...£47,113. If you look at pages 87 to 92 of your Estimates last year you will find all the work there set out which you have committed the Government to deal with, which are proper commitments and which we have honoured. This is a time when we have to honour what you have done. You provided £100,000 for the Destructor and this will cost £600,000, so we have still got to pay that.

If this is a serious matter, perhaps it might be taken seriously. When the truth comes out - you have been having it all your own way - now you have to hear some real facts. Then you committed the Government, properly, which we have to honour, with £12,650 for Sandpits out of the Improvement and Development Fund; the Health Centre equipment requires £25,000, which you did not provide: you provided the Health Centre but not the equipment; a new primary school which is required as a result of the new flats being built - an extension estimated at £20,000; road improvements amounting to £53,000; a new fire tender - we have approved the expenditure recently but I think it was already on your tray when we came in; and such contribution as we may have to make to the Sports Centre. So that there you have all the requirements of the Improvement and Development Fund which you have charged with all these developments, and therefore, if we do not make this allocation, apart from the $\frac{1}{2}$ m of the loan which is currently in operation, there will be no money to carry out the commitments that you have left us and which we are happy and honoured to carry on.

HON J CARUANA:

Mr Speaker, these commitments were made a long time ago and I am surprised that the information being given out by the Hon and Learned Chief Minister has come in fact from an official from ODA, an economist from ODA, came to Gibraltar and looked very deeply into the extent to which Gibraltar economy could take loans. He found in fact that the Gibraltar economy could take a 50% loan of the Varyl Begg Estate, after taking into consideration the loan for the Refuse Destructor; after taking into consideration the Desalination Plant. This is known and after taking this into account, the expert from ODA was insistent - and we fought this at ministerial level, the Government at the time - that the Gibraltar Government could take a 50% loan on the Viaduct estate. We fought this and we compromised at 25% on the Viaduct Estate. But that expert had looked deeply into the economy of Gibraltar and was advocating stiffer taxes than we ever could imagine on cars and road tax and licences, and therefore when the Government went into the commitment of ordering the Refuse Destructor and the Desalination Plant and all these other items we were well satisfied, in fact, that the Gibraltar economy could take substantial loans. Because, Mr Speaker, £100,000 - I thought perhaps for a moment that it was going to be forgotten - was voted last April towards the Desalination Plant, in the Budget, £100,000 was voted in the Improvement and Development Fund. In the Improvement and Development Fund, £200,000 was also put into the Development Fund... £300,000 I beg your pardon, and therefore we believe that in fact these capital projects, which are of long duration, should not all be met by the present tax payers because this is immoral. This generation is paying all the money, this is what that Government is advocating. The money should

be raised by loan. I don't know whether there is legal statute for that; you can do whatever you like. In principle it has been the practice that capital works nearing £1,000,000 should be raised by loan and not expected to be paid out of one years economy. This is highly prejudicial to the present tax payers. When we take into account, Mr Speaker, the £100,000 which were put into the budget in April for the Desalination Plant; when we take into account, Mr Speaker, £300,000 which was also put into the Improvement and Development Fund; and we take into account the £100,000, of the debentures, we get £900,000 which is new money which has come in since April. I cannot reconcile, Mr Speaker, how after putting £300,000 into the kitty; another £100,000 into the kitty; and a further £500,000 we arrived at £47,000 in the Improvement and Development Fund, unless the Improvement and Development Fund at the moment is bankrupt, and that is not the case.

HON CHIEF MINISTER:

The figure is £47,113.10.

HON J CARUANA:

Can the Chief Minister then tell me what has happened to the £100,000 that were voted in March?

HON CHIEF MINISTER:

These must have been spent in your time, Mr Caruana.

HON J CARUANA:

These were spent, Mr Speaker on the Desalination Plant. Precisely on the project, so part of the work has been done.

HON CHIEF MINISTER:

I think that perhaps if I give the figure again, it may not elicit a smile from Mr Caruana, but perhaps he might make his sums properly and forget about other things. £500,000 balance of the Desalination Plant; no provision made.

HON J CARUANA:

What about the £100,000.....

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

£500,000 balance, Mr Caruana. Listen well, will you. £500,000 balance for the Refuse Destructor; £132,000 for the Desalination Plant; £12,650 for Sandpits; £11,828 for a Fire Tender; £25,000 for road improvements, sorry £53,000; £35,000 for the Health Centre equipment which was not provided; and £20,000 for the primary school. That leaves £730,000; you start with £47,000 how do you meet that, and a possible contribution towards the Sports Centre. Of course, I agree entirely. I

agree entirely, and that that was the policy of the Municipality that you cannot charge all capital expenditure on current revenue, and that also brought a lot of trouble. It is not fair, and I entirely agree, that the taxpayer of a particular year should pay for a benefit that will give the community something for 10 or 15 years, but if you are progressing you have to make every year some contribution towards the capital expenditure and provide with loans. A loan for £500,000 is being raised towards this, so more than half of the commitment that we have is coming from a loan. Yet, the Improvement and Development Fund has got to be fed, to carry out the commitment that you have left behind and of which you are so proud. You cannot have your cake and eat it, you cannot boast about the Desalination Plant that will give the amount of water that is required in Gibraltar, or the best destructor that will do away with smoke and all these things, you cannot do all that, boast about it and not make provisions, leave it started, and expect the next Government not to carry on with it. That is the reason why this money is required in the Improvement and Development Fund. We shall come to the question of what I said at the time of the crisis. We have the dner motion, I am not going to get involved now, but I think the Financial and Development Secretary, in a very, perhaps casual but proper way has said so. I was not saying that there were not reserves, I was talking about the budget, and I was saying that there was no money to pay the £5 or £6 which the Leader of the Opposition mentioned, after he lost the election and not before, and thereby misled the workers into thinking that the money galore was there to give them. That is not what he said before. He said before the election that we would honour what the Joint Industrial Council gave. Afterwards he said what a Minister from England called the kind of statement that Leaders of the Opposition can afford to say. He was too kind to say, by people who lose elections. That is the censure.

MR SPEAKER:

We are on Item 24, which is of course the voting of £500,000. I appreciate that we are in Committee and we have got to be liberal, I appreciate the political implications, but there are going to be two more opportunities during this sitting to discuss the matter; when we take the vote after passing the items and subsequently of course when the motion of censure is discussed. I say this, because however liberal we want to be we have I think laboured the point to a certain extent.

HON MAJOR R J PELIZA:

Mr Speaker, I fully appreciate what you have said but certain accusations have been made by the Chief Minister in a rather high temper and I feel that it is only natural and fair that an opportunity should be given to me to answer him when my turn comes if you don't mind. Thank you.

HON J BOSSANO:

Mr Speaker, I will confine myself exclusively to preventing people from being misled by figures that are being quoted on the other side. I would like to ask the Hon and Learned Chief Minister if the £47,113 that he has quoted is the figure that appears as the estimate balance on the 31st March 1973 and which is given on page 4 of the Estimates for 1972/73?

HON CHIEF MINISTER:

Yes.

HON J BOSSANO:

This is a figure that is expected in March 1973, and he has just told us that it is out of this figure that the £713,000, which he has totalled, has to be found. Is he then saying that the money has to be found after March 1973?

HON CHIEF MINISTER:

Mr Speaker, I think I may have been responsible for misleading the Hon Member but I can assure you that if I did that I did it entirely unintentionably I would not try to put across a qualified economist such a shameful catch. What I did say was that according to the Estimates, the Improvement and Development Fund at the end of 1972/73 was estimated to finish with £47,113. Then I went on to elaborate what the commitments on that fund were and I have given figures amounting to: £22,635 on the one hand and £730,000 on the other, so there you have £752,635. At the time that this intended allocation was made no provision had been made for all these things which are now coming up because what the expenditure is going to be is much clearer now. The point is this, according to the Estimates, from page 87 to 92, the commitment of the previous Government on works which are properly chargeable to the Improvement and Development Fund are the ones that I have mentioned. It is quite clear that we could not pay all that with £300,000. If you'll allow me, it is being said with £¹/₂m of the loan, it is being said with £300,000 approved. That would leave the fund almost penniless and that is the reason for the transfer. In order to keep up and in order to, perhaps later on, be able to deal with excesses on the work. Some may be contractual; some may be tied to contracts where the charges are varying according to wages rates and other materials - they are not all fixed contracts, I am sure they are not. I wish we could do that, but who in this state of flux and inflation will abide by a fixed contract, and therefore, these are the works that must be serviced from the Improvement and Development Fund which had £47,113 at the beginning of our financial year.

HON J BOSSANO:

I am correct then in thinking that the £47,113 which it is estimated will be the balance at 31st March 1973, is after estimated receipts in 1972/73 of £3,136,000 which is given on the same page of the Revised Estimates. This in fact does not include any future provision from the surplus for 1972/73 into the Improvement and Development Fund. You see, the objection at this stage is, that it may well be that in future: for example we are estimating, or it was estimated last March that expenditure in 1972/73 would be £3,231,088. It is highly likely that this figure will prove to be too low, because it always proved to be too low in the past. For 1971/72 for example, the original estimate was £1,736,763 and we are today being asked to approve additional expenditure of £712,761 which will bring the total up to £2,449,524 which is very close to the revised estimate produced with 1972/73 Estimates, that is the revised estimate for 1971/72. The proper time to put in an additional £200,000 if they are seen to be needed, would be when the figures are revised upwards. The figures that the Honourable and Learned Chief Minister has produced are entirely hypothetical, because the House is not being presented with supplementary votes for the items he has listed.

HON CHIEF MINISTER:

Mr Speaker, there is a confusion. The Improvement and Development Fund is not a recurrent expenditure and therefore you don't come for supplementary vote. You feed the fund and you go on drawing on it for capital expenditure. The point is that even with those figures, which in fact support my case that the expenditure may be more, having regard to the commitments of the previous Government, there is not enough money with the £300,000 to carry on this year all this work. That is the point. If in fact, for some reason or other, the people building the Destructor say that this one was proposed by Mr Caruana and we are going to cut down the cost to half and it is only to be £300,000 because we like Mr Caruana very much, well then we have that extra money. But is that likely, is it likely that any approved expenditure on capital works of this nature is going to be less than estimated. In my experience Mr Speaker, unless I like the face of Mr Caruana, not likely.

HON J CARUANA:

The expenditure will be less than what the Chief Minister is trying to indicate, and I shall tell him. Because all the expenditure will not be incurred in one year, precisely that, and the whole thing is being voted in one year. Not because they like Mr Caruana or they don't like Mr Caruana but because financially and physically it is impossible and in fact the Minister for Public Works earlier on to-day gave a completion date for those two projects and one of them I believe was the Autumn of 1973. Therefore you have got three quarters of the year where the biggest part of £1m are going to be spent in the latter part of 1973. And in the case of the Desalination Plant, the termination, the retention money and the final contract figures are all settled after March 1973. So, therefore, Mr Speaker, the sum will be less in this year.

HON CHIEF MINISTER:

I do not agree and in fact his colleague, the Hon Mr Bossano was expostulating before something which really goes counter i.e. that the estimate of expenditure is always less than the actual expenditure, so if you account for that you are now speculating. That is all. Insofar as that is concerned, I would have thought from the point of view of the Government it matters little whether the money is in the Improvement and Development Fund or in the General Revenue Balance, so long as the payments are not made the money will be invested for the benefit of the General Revenue of the Territory, but that in any case would be a matter of judgement. The fact is that we have commitments and the way in which this was presented at the beginning it looked as if we wanted money to tuck it away and not give it to the workers and in fact we could have spread out the £5 or £6 as the Leader of the Opposition said. £15 each a week if we had to spread all this money out. But I think it is prudent to say that we are talking about 1971/72 and we are not talking about 1972/73 insofar as recurrent expenditure is concerned which was the basis of the problem which will be raised at a later stage in these proceedings.

HON P J ISOLA:

Sir, the Chief Minister has talked about not going into a political diatribe at this stage, that we will get later on, but promptly does so with regard

to my friend the Hon Leader of the Opposition, and he has made a statement just now in which he said it did not matter whether it was in the general revenue balance or in the Improvement and Development Fund. That is an extraordinary statement to make because, according to himself, it does matter because he told the people of Gibraltar on Television that he was prepared to dig into the reserves, which he no longer has because he is transferring them into the Improvement and Development Fund, to meet the biennial wage review. Mr Speaker, the balance shown at March 1972 of revenue in excess of expenditure was estimated by the Financial and Development Secretary at £313,000, we now know it to be £65,000 at 31st March 1972. When the Financial and Development Secretary made his budget, the Financial and Development Secretary who is the official responsible for the finances of Gibraltar, told us all these things that the Chief Minister is now revealing with great fluster and a great sweep of the hands. The Desalination Plant and the Refuse Destructor were there, we know from the statement made by the Gallant Minister for Public Works that one of these items, the Refuse Destructor, will not be operational until the Autumn of 1973. On the reasoning of the Chief Minister if somebody has a thought of buying a new aeroplane for Gibraltar in 1975 it would be prudent to meet that commitment to grab the money and put it into the Improvement and Development Fund now. Mr Speaker that is nonsense. The Improvement and Development Fund exists for improvements, and if you have not got the money you do not make the improvements. I am surprised to hear the Chief Minister say that for the big capital projects, which my Honourable Friend Mr Caruana has stated, are projects which will be in operation in Gibraltar for many years - the Refuse Destructor and the Desalination Plant - he proposes that only half the loan finance required for this should be raised by public loan. Why has he changed from what he did whilst he was in the City Council, when he had no surpluses for ten years and had to raise every capital project by loan finance and told this House, at the time of the debate, that this was the thing to do. Why cannot the Government now raise loan finance for the Desalination Plant and the Refuse Destructor; we are not objecting. This was the intention of the previous Administration, and that is why only £300,000 was being put in the Improvement and Development Fund. Of course, if you want to pay for everything now, this moment, today, so that your figures are right, you may of course have to put £800,000 of the general revenue balance in. But is it fair to make the people of Gibraltar of today pay £500,000 from their revenue balance into the Improvement and Development Fund. The Opposition is not objecting to the transfer of a reasonable amount of the year's working surplus for improvement and development. On our working out this would require the Government to raise by loan, assuming they are going to complete these projects in the current financial year - which they are not - it would only require to raise, instead of £500,000 to raise £650,000 and leave the General Revenue Balance in a healthy state instead of reducing still further against financial advice from the Financial and Development Secretary. It is that to which the Opposition is objecting to, because the result of making that transfer of £500,000 now into the Improvement and Development Fund, apart from increasing the burden of the present population of Gibraltar and the present payers of the present financial year, apart from doing that, produces precisely the picture - and this is why we are suspicious of it - that the Government desired to impress the public with at the time of the strike that the economy was unable to sustain a reasonable and fair wage award. The Opposition, Mr Speaker, is voting against the provision of the whole of the £500,000 and will only agree to vote £300,000 precisely because it considers it to be an inordinate amount of the surplus for the transfer; it does not consider it to be necessary, whatever figures might have been produced by the Financial and Development Secretary and the Chief Minister having regard to the general

policy of loan finance, which is accepted in as I understand it, public utilities - on which we have had so many lectures from the Chief Minister when he was Leader of the Opposition; Mr Speaker, and because it would reduce, in our view, the revenue balance more than it is necessary and would give the Government excuses for not getting on with social progress in Gibraltar.

HON CHIEF MINISTER:

There is one point I would like to make on this one because it is very near my heart and that is the question of the raising of more loans to service capital projects. This was a Municipal matter; I have always been told in this side, the Government side, that that was not done, as often.... Oh yes, and in fact I would like.

MR SPEAKER:

Order.

HON CHIEF MINISTER:

Anyhow, but, yes I think you described it as 'hire purchase'. What I say is that the central Government does not allow and I wonder why, if the Government in power before the 23 June intended to raise a loan of more than £ $\frac{1}{2}$ m they did not do it. They were committed to all these capital works, and it is no use telling us that you say you were going to do it. The fact is that you did not.

HON MAJOR R J PELIZA:

Mr Speaker, I will not degrade myself to say what has been said about the Chief Minister publicly lately as he wanted to be fair when he started speaking about this issue earlier on today as to what was said about myself by the demonstration against the extra taxation. May I add that it seemed that some people were inspired to say things about me. Interestingly enough one of them was a person who did not own a car and at the end of the demonstration took a taxi and went home. This lady was protesting because the car tax had gone up as well as the petrol tax. Tell me, how could he reconcile that woman saying 'Down with Peliza' on a tax that it did not affect her in the least, so I just wonder to what extent such things were not inspired.

But putting that aside let us get down now to the basic principles which we are debating here today. Interestingly enough the quarrel is: what were we going to do with £200,000 more than we had expected. Is that not a happy position to be in? Had we been debating this in 1969 it would have been: what are we going to do with £30,000 that we have got for development? This is what the figures shows in 1969, the year in which the Minister for Tourism earlier on today said, that tourism was going like a bomb and things were good. Here is the situation today and the proof of the pudding is that under our Administration not only have we raised the reserves, after paying £380,000 from £700,000 to £1 $\frac{1}{2}$ m, but spent nearly £ $\frac{1}{2}$ m more than was estimated and generally provided now for much greater expense than we have ever done before. It proves that the economic policy of the previous Administration was a sound one and I think this has been admitted by the Hon the Financial and Development Secretary earlier today. That has been established. The smoke

screen that the Hon and Learned Chief Minister has been trying to lay today really does not disturb me in the least. I am perfectly satisfied that we have left behind a very sound economy and a very healthy Government fund. And the proof of the pudding is - the quarrel is - that we have £200,000 more than we estimated.

Sir, really, it is a question of deciding which is the best policy for Gibraltar. This is what concerns me. We must take into account and this has been proved, that if the economy has been bouyant in Gibraltar it has certainly not been due to Tourism, because according to the Minister for Tourism, we have really made a shambles of that. So it has not been tourism. It must therefore be the UK departments and this has come about by the increases in wages that has taken place during these years. This is the source of income that we have had in Gibraltar. This is why I was so concerned in making sure that the Government of Gibraltar had the money to meet, pound for pound, whatever the UK employer could be asked to pay. But not penny for penny, as the Hon the Chief Minister said on television, knowing quite well that I had said pound for pound. This is another way of misleading the public and although an economist may have spotted it, perhaps the public did not. Going on that theory we must always be prepared, and as far as this side of the House we will insist on that and this is what we are quarrelling over, the £200,000 that we must have sufficient money in the reserve to meet pound for pound whatever wage claim there will be in the future. Because get it out of your mind, there will be inflation and we cannot control inflation in Gibraltar, it is out of the question. The prices all over the world will continue to rise, and therefore, unless we have the means of meeting that cost of living, over which we have no control, the economy of Gibraltar must be sound. And when that happens, if when the UK employers are prepared to pay, the Government of Gibraltar have not got the funds to pay, then, goodbye Gibraltar, we are sunk. This is the importance of the whole debate, this is why we are insisting on the £200,000 remaining in the reserve. So that we are not told later by financial experts, not in Gibraltar but perhaps away from Gibraltar: "It is impossible, you cannot tax the money you haven't got it, you cannot raise the wage. This is the danger, and this is why it is so vital for us to see that whenever possible the reserves go up. At the same time, obviously, we have to put some money aside to improve our social services. This is the reason why we provided what we thought was reasonable towards that. It is also true, and we must realise that, that money is losing value every day. It is therefore economically sound to raise loans and pay for such things over a period of years, because when you calculate the full amount you will find that you have paid a lot less than you thought you would pay if you had paid cash. It is therefore a sound economy, up to a certain degree, to pay with loans.

We have never said, and never been against it, and proof of that is that we put £2m in our Estimates for loans, so I am not preaching anything new. I have always thought of this, I always had it in my mind. What we objected to when we took over was that there was a hidden figure of £386,000 which have been used contrary to law, and that we had to pay immediately out of our reserve, the money that we wanted to have ready to pay out in wages. That was the quarrel that we had over that incident. Therefore, Mr Chief Minister, this is what I am trying to elucidate. I am not casting any aspersions against you, and I never will, unless I am provoked. And I hope that you will expect nothing less from me, because if I didn't I wouldn't be

worth my salt. But you have never heard me ever, Mr Speaker publicly degrade the leader of the Opposition, now the Chief Minister. I am just trying to compare my position with his when I was in his chair.

The quarrel over this money is a straightforward one. It is basic economies of Gibraltar. This is what we are thinking about. Therefore, the Opposition will not vote for the £200,000 extra to go into the Improvement and Development Fund. We will insist on that money going into the reserve so that nobody in the future, if we find ourselves as I am sure we will with further wage claims, can turn round and say: "I am sorry, we have not got the money." Because the consequences then for Gibraltar are going to be very bad. It is worse than not having a Refuse Destructor; it is worse than not having a Desalination Plant because the thirst will start going down. But don't be worried it has been proved that our policy is 100% right. It is proved by the way the standard of living is going up and it has gone up, it is proved by the amount of money that has gone into the social services and the way that this has been improved during the three years that we were in the Administration. We have set the ship on that course and all being well, and provided that the present Government does not mess about with the rudder, I am sure that towards the end of this year the prosperity of Gibraltar will be greater than it is today. Because it is obvious that now that money is coming into the economy, there will be more trade, more import, more revenue and there will be more money for the Government to spend. I am now sure that this is not crystal gazing, I am sure that we shall have a surplus again at the end of this financial year. We do this conscientiously and it is not because of any question of intuition, it is because we have not got the machine to work out the cumulative effect of a rise in wages. If we could do that then we could estimate how this will turn round into a much straighter estimate. We are basing it on the money available now, not in the money that is going to be available at the rate it takes place. Therefore it is obvious that if we are basing it on the money that is going round you are going to work on that figure, but if you take into account the extra money that is going to come into the economy that figure is bound to be much greater.

It is common sense, it is not intuition, the intuition normally comes from your Minister for Labour and your Minister for Tourism, but not from this side of the House. I think it is pointless, I have other points to continue with, Mr Speaker, but I have touched upon the substance and I think it is really wasteful to depart from that. I only hope, and I really mean this with all sincerity, this is not Government and Opposition now, I only hope that in the interest of Gibraltar the course that has been set for the economy is not disturbed and this is continuous because otherwise Gibraltar will be in great peril both financially and economically. And politically too.

HON J BOSSANO:

I move at this stage, Mr Speaker, that Item 24, Head XXVII (New) Contribution to the Improvement and Development Fund be reduced from £500,000 to £300,000.

MR SPEAKER:

You can propose an amendment, which you should put in writing and give me, and then we can debate the amendment, or you can vote against the Head, as it stands now, or you can propose the amendment at a later stage when we debate the Estimates in the sitting of the full House.

HON MAJOR R J PELIZA:

If we are going to vote now we are obviously going to vote against the £500,000 going in. We want to reduce that to £300,000 and the point is that we must have the opportunity to be able to move the amendment when the Appropriation Bill comes.

MR SPEAKER:

It is of course up to the members of the Opposition to decide the way in which they want to do it. I presume to suggest that there are two different ways. You can do the amendment now to the particular item, you can reduce the Appropriation Bill by £200,000 having voted against this particular item now. You are now in Committee not in full session of the House.

I will now propose an amendment which has been put by the Hon Mr Bossano to Item 24 Head XXVII. It reads as follows:

"That the votes detailed in Item No. 24 Head XXVII, which reads (New) Contribution to the Improvement and Development Fund: reduce £500,000 to £300,000".

Mr Speaker then put the question in the terms of the amendment proposed by the Hon J Bossano.

HON MAJOR R J PELIZA:

Mr Speaker could we have a division on this one.

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

The Hon Major R J Peliza
The Hon M Xiberras
The Hon P J Isola
The Hon W M Isola
The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi

The following Hon Members voted against:

The Hon Sir Joshua Hassan
 The Hon A W Serfaty
 The Hon A P Montegriffo
 The Hon M K Featherstone
 The Hon A J Canepa
 The Hon Lt Col J L Hoare
 The Hon I Abecasis
 The Hon H J Zammitt
 The Hon J K Havers
 The Hon A Mackay

MR SPEAKER:

There are seven 'ayes' and ten 'no's' and consequently the amendment is defeated. We will now take a vote on the item itself as it stands in the Order Paper.

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

The Hon Sir Joshua Hassan
 The Hon A W Serfaty
 The Hon A P Montegriffo
 The Hon M K Featherstone
 The Hon A J Canepa
 The Hon Lt Col J L Hoare
 The Hon I Abecasis
 The Hon H J Zammitt
 The Hon J K Havers
 The Hon A Mackay

The following Hon Members voted against:

The Hon Major R J Peliza
 The Hon M Xiberras
 The Hon P J Isola
 The Hon W M Isola
 The Hon J Bossano
 The Hon J Caruana
 The Hon L Devincenzi

MR SPEAKER:

There are ten 'ayes' and seven 'no's'. The item is therefore passed.

Item 25 Improvement and Development Fund was agreed to.

The House resumed.

MR SPEAKER:

Gentlemen, this would now be the beginning of the debate and because of the time, I consequently intend to recess now until tomorrow morning at 10.30.

HON MAJOR R J PELIZA:

Are we moving the adjournment?

MR SPEAKER:

I said that this would now be the beginning of the debate on the Estimates and that therefore I intended to recess until tomorrow morning at 10.30, it is open to any member of course, to make a motion.

HON MAJOR R J PELIZA:

Well, I would just like to ask the Chief Minister, if you do not mind Mr Speaker whether he could not start in the afternoon tomorrow and if necessary go on till Monday. It is very difficult for some of us to do so in the morning and I remember being very accommodating to members of the bar, particularly in the mornings when they had court cases which they couldn't adjourn. This is very much the same situation from the business point of view or work point of view and I would ask, request, the Chief Minister whether he could not start in the afternoon, at three o'clock, and if necessary - of course I would like it to be half past five I am not departing from my view that it should be at half past five - but since this obviously is too much to ask, I just wonder whether he would compromise and start at three o'clock and if necessary go on till Monday.

HON CHIEF MINISTER:

Mr Speaker, I would be prepared to agree on that, but first of all the sitting tomorrow will necessarily not be very long, so therefore we would have to start at three o'clock, but if we are to go over to Monday, Monday must really be at 10.30. I can visualise the thing lasting too long and I don't think we can allow for a number of evenings to get through the rest of the agenda. At the pace that we are going we would take a long time, so whilst I am quite happy to accommodate the Leader of the Opposition on this one, it would be on the basis that we would have tomorrow's session from about three o'clock to half past six, and then go on Monday morning.

HON MAJOR R J PELIZA:

I will be quite happy to start at three and, if the Chief Minister is not prepared to change his mind for Monday, of course I will have to accept it. I have no option. But I would say, what is the difference between starting at say half past five and half past ten in the morning? It does give those of us who have to work during the day an opportunity of carrying out that work and then coming in the evening. If he could be that accommodating, I think would definitely finish on Monday.

HON CHIEF MINISTER:

The Hon and Learned the Leader of the Opposition spoke about accommodating members of the bar. Well, I have a court commitment on Tuesday and it will be impossible to finish the business that we have left with just Monday afternoon. In this case I am meeting him half way by giving him tomorrow morning and let us finish on Monday.

HON MAJOR R J PELIZA:

Could we not leave that pending until we see how business progresses tomorrow?

HON CHIEF MINISTER:

There is of course one other aspect of the matter which I must raise and that is that the delegates to the Commonwealth Parliamentary Association Conference should be leaving on Saturday but I understand that the Hon Mr Bossano will not be leaving until Tuesday. This is the proper time to pair, and I am not prepared to meet on Monday if he is going to be in the House and doesn't pair with Mr Zammitt, who has also got to go on the CPA Conference. There is a censure motion and I am not going to be drawn into the position of having one of my members going at the right and another one remaining behind.

HON MAJOR R J PELIZA:

Again, Mr Speaker, perhaps the Chief Minister would like to see how things go tomorrow.

HON CHIEF MINISTER:

Yes.

HON MAJOR R J PELIZA:

Thank you.

MR SPEAKER:

We will now recess until tomorrow afternoon at three o'clock.
The House adjourned at 8.05 p.m.

FRIDAY ~~THE~~ 6TH DAY OF OCTOBER 1972.

The House resumed at 3.00 P.M.

MR SPEAKER:

May I remind the House that we are still on Supplementary Estimates No.8 of 1971/72 and we are now at the reporting stage. May I call upon the Hon Financial and Development Secretary to do so.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to propose that the votes detailed in Supplementary Estimates No.8 of 1971/72 be approved.

MR SPEAKER:

I now propose the question which is that this House approves the votes detailed in Supplementary Estimates No.8 of 1971/72.

HON J BOSSANO:

Sir, I beg to move that Supplementary Estimates No.8 of 1971/72 be passed subject to the amendment that the expenditure authorised therein be reduced by the sum of £200,000.

MR SPEAKER:

May I please have a copy of the amendment in writing. The amendment moved by the Hon Mr Bossano reads as follows:

"That Supplementary Estimates No.8 of 1971/72 be passed subject to the amendment that the expenditure authorised therein be reduced by the sum of £200,000". I propose this amendment now to the House.

HON J BOSSANO:

Mr Speaker, the amendment is necessary because in the view of the Opposition the additional £200,000 included in the Supplementary, over and above the £300,000 contained in the Revised Estimates for the year 1971/72, is unnecessary at this time. It would be better if this sum were to go into the General Revenue Reserve. The Opposition feel that it is imprudent, and possibly misleading in the political context of the background of the estimates and the available resources to the Government, that it should be included at this stage.

HON LT COL J L HOARE:

I would like to bring to the notice of the House that since our meeting yesterday evening I have gone into the costings of the new Refuse Destructor at North Front, which was thrust backwards and forwards, and for which only £100,000 was left as a token in the Estimates. The actual expenditure anticipated up to the 31st March 1973 is £250,000. In other words £150,000 more than the token figure, leaving an expenditure of £350,000 to complete the works in the next financial year.

HON MAJOR R J PELIZA:

Mr Speaker, that in no way alters the principle and policy of the Opposition on the finances of Gibraltar which I very very clearly stated when in the committee stage debating the same point. Obviously, I do not want to elaborate on it, except perhaps to add that it is most unfair, apart from being I think financially unwise, most unfair to burden the full cost of any item, particularly of utility, which will be of benefit not only to this generation but for many future generations, on one particular generation. Certainly not one particular generation, merely in one or two years and therefore that in no way alters the view of the Opposition.

HON J CARUANA:

Mr Speaker, could I ask the Honourable Minister.

MR SPEAKER:

You can definitely contribute to the debate on the amendment itself, but this is now a sitting of the full House. Each member has a right to address the House on the motion once. You are entitled to that but the Hon Minister has now had his say and will not be able to answer you.

HON P J ISOLA:

The only point, Mr Speaker, which I would like to raise, to support what the Chief Minister has said, that this is a matter of principle. Unfortunately the Minister for Public Works in the statement he has made, has left the whole thing in the air. He has told us how much he expects to spend on the Refuse Destructor by March 31st 1973, but has not told us what the balance is for the completion of the Refuse Destructor for the autumn of 1973. It appears that the policy of the Government seems to be, at this stage of the proceedings and we shall have something to say when we go to the next Supplementary Estimates, is to pile up the expenditure as much as possible at this stage for public consumption and then, if it is spent or not perhaps let it be reflected in next years estimate. Then perhaps they can sit back and tell the public: despite all the increases of wages we have had we are glad to tell you that there has been a saving. I have never seen, or experienced in my time in the House of Assembly or Legislative Council such an inordinate haste to burden public funds with expenditure that there is very little chance of doing in the time before the next financial year. We shall keep a very close watch on this Sir, and I think it becomes still more necessary, if it is the responsibility of this House to see that public expenditure is curbed and that monies that are not going to be required immediately are not voted well in advance of the time that it is required, it is more than ever necessary to refuse to vote these additional £200,000 being claimed now. Especially as if it is voted we can be sure that much less will be financed from loan finance than should properly be financed from loan finance than members of this House would wish and it will be completely outside our control once it goes in the way that is being suggested by the Government. I support the amendment and all the more so since the statement made by the Honourable and Gallant Minister for Public Works.

HON LT COL J L HOARE:

On a point of clarification may I say that I did say how much was left for next year - £350,000. Perhaps you didn't hear it but I did make the statement.

MR SPEAKER:

Does any other member wish to speak on the amendment?

HON J CARUANA:

I think, Mr Speaker, that I would venture to suggest that what the Honourable Minister for Public Works is saying is that the expenditure for this item for the forthcoming financial year will be £350,000. But I do not think for a moment that this is extra money which has to be raised other than that money which has already been discussed in this House, which has amounted to £1,100,000, with all the total figures already mentioned; with the £¹/₂m loan;

with the £2¹/₂m transfer into the Improvement and Development Fund, and with the previous £100,000 so I think perhaps the Minister for Public Works could be misleading the House in saying that this is extra money which has to be raised in the new year.

HON CHIEF MINISTER:

Mr Speaker, one point on the question of loans which I would like to clear up. I don't want to go through the whole thing; we had this yesterday, we are the same people, it is not like a committee and then a full House. In the first place, there are no legal powers for further loans beyond the £500,000 which are now on the market and which is not being yet subscribed. We do not exclude, and I repeat, we do not exclude the possibility or the advisability of raising loans for matters of a capital nature, and if we do require such loan sanction, borrowing powers, we shall have no hesitation in coming to the House with the required Legislative provision to be able to launch further loans.

HON M XIBERRAS:

Sir, the Hon and Learned Leader of the Government - also Chief Minister and Leader of this House - has just told the House that he is not excluding the possibility of loans to finance capital works. I think the House will be clear, since the point has been brought before it again, and again, ever since the Teesdale Report was debated at great length by the House, that there is a difference between raising loans when the income of the Government is assured and steady, and the Government of the day, or in the case of the Council, the Administration of the day, has the political courage necessary to go to the people for money in taxation, and on the other hand when the Government or the Administration of the day is not prepared, particularly over a long period of time, to do the politically unpopular and raise taxation. It has been the contention of this side of the House that when Members on this side were in Government, they had a record for raising money in taxation, in necessary taxation, equalled by no other Administration. I think, Sir, that the same could not be said for the other side, especially for those members on the other side, especially the Hon and Learned the Chief Minister, who during his administration of the Council, allowed the income of the Council to drop to such an extent that a very substantial deficit was left by the time the Council and the Legislature were merged. It is these particular sets of circumstances which caused Mr Teesdale to call such a conduct of affairs "financially imprudent and contrary to law."

The Honourable and Learned the Chief Minister said that this was a matter that was close to his heart; I think that it should be engraved on it, because it is at the root of much of the discussion that has come before this House, and once again it becomes relevant when dealing with these Supplementary Estimates of Expenditure. I think the public too should be aware of this because it may be the purpose of the Government to try to pass on the statement just made by the Hon and Learned the Chief Minister as justification for the attitude he himself took when he was in the Council, and as a means of blotting out the black mark left on his Administration by the Teesdale Report. Now we have ample funds and we have also, from the mouth of the Financial and Development Secretary in March this year on presenting the Budget, "We have every right to expect the Government to raise substantial loans because Gibraltar", again in the words of the Financial and Development Secretary "has made a very good contribution to the Improvement and Development

Fund and as good as could be expected in the circumstances and bearing in mind that the last Administration started barely three years ago with a very substantial deficit inherited from the City Council." Therefore, the set of circumstances today and in 1969 when this side of the House took office are quite different and I have no hesitation at all in supporting this amendment. And in doing so making clear the reasons why I support it, and this side of the House has brought it forward.

MR SPEAKER:

If there is no one else who wishes to speak on the amendment I will call upon the mover to reply.

HON J BOSSANO:

Mr Speaker, the only new information that has been put forward to substantiate the original motion has been the figure quoted by the Hon and Gallant Member the Minister for Public Works. Clearly an isolated figure like this is meaningless. It has to be put in the context of the total expenditure and income of the fund. But with the original estimates of receipts and expenditure for 1971/72 it was anticipated that there would be a deficit of £96,000 for the year ending the 31st March and it was because of this that the estimates were subsequently revised and the £300,000 included to change the original estimated deficit into a surplus of £141,337, which is to be found on page 4 of the Estimates of Revenue and Expenditure for 1972/73. On the basis of the figures given under Item 25 in Supplementary Vote No.8 and the motion that we are to deal with after this one, it would appear that the surplus to the Fund from last year is very close to the original anticipated figure of £141,337, because in fact, the bulk of the additional expenditure in the Supplementary is financed by Her Majesty's Government. It therefore follows that at the end of the year 1971/72 the Improvement and Development Fund is in surplus and the traditional way for providing for additional expenditure in the current year is by an upward revision of the figures for expenditure and receipts as was done in the case of 1972/73 Estimates in relation to the 1971/72 Estimates. This would be the normal thing to do, and there is the provision of the summaries available now without taking into consideration the £200,000 which was in the original motion, and a very, very substantial surplus if that figure is included. Therefore it would appear to be totally justified to reduce the surplus on the General Revenue Balance, where it is easily available to meet immediate needs, and to put it in the Improvement and Development Fund where it can only be allocated to specific needs.

MR SPEAKER:

I will now put the question which is that the amendment moved by the Honourable Mr Bossano to Supplementary Estimates No.8 of 1971/72 be made.

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

The Hon Major R J Peliza
 The Hon M Xiberras
 The Hon P J Isola
 The Hon W M Isola
 The Hon J Bossano
 The Hon J Caruana
 The Hon L Devincenzi

The following Hon Members voted against:

The Hon Sir Joshua Hassan
 The Hon A W Serfaty
 The Hon A P Montegriffo
 The Hon M K Featherstone
 The Hon A J Canepa
 The Hon I Abecasis
 The Hon Lt Col J L Hoare
 The Hon H J Zammit
 The Hon J K Havers
 The Hon A Mackay

The amendment was accordingly defeated.

MR SPEAKER:

I will remind Members that we are on the motion for the passing of the Supplementary Estimates No.8 of 1971/72 and all Honourable Members are free to express their views on this before I put the Question.

HON P J ISOLA:

Mr Speaker, Sir, we wish to say on this side of the House that because of the procedural matters involved we will of course now vote in favour of the motion because we would wish to authorise all the expenditure that was in effect spent by the previous Administration and which was approved by this side of the House in the House. But in voting in favour of Supplementary Estimates No.8 of 1971/72, it must be clearly understood by those on the other side of the House that it is a vote subject to the reservation we have made with regard to the Improvement and Development Fund.

HON SIR JOSHUA HASSAN:

I think there is a very good precedent for this when we had the difficulty in the budget, not last year but the year before, where we did not agree with one item included in the list. We made the reservation and we voted for the rest of the expenditure.

MR SPEAKER:

I now put the question which is that this House approve the votes detailed in Supplementary Estimates No.8 of 1971/72.

Supplementary Estimates No.8 of 1971/72 was passed unanimously.

IMPROVEMENT AND DEVELOPMENT FUND:

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move that this House approves Supplementary Expenditure of £712,761 spent in 1971/72 from the Improvement and Development Fund on the following works:

<u>1971/72</u>	£
(A) <u>HOUSING</u> (Financed by HM Government)	
3. C D & W Scheme D6742, D6742A and D6742B (Sandpits and Laguna)	385
4. C D & W Scheme D6894 and Gib/3 (Glacis - Second Phase)	82,202
6. (New) Development Scheme Gib/10 (Catalan Bay)	7,910
7. (New) Development Scheme Gib/14 (Viaduct)	125,002
(B) <u>SCHOOLS</u> (Financed by HM Government)	
2. C D & W Scheme D7061 and Gib/4 (New Primary School Glacis)	21,759
(C) <u>MEDICAL SERVICES</u> (Financed by HM Government)	
1. C D & W Scheme D7039 and Gib/2 (Conversion of K G V Hospital)	7,051
(D) <u>TOURIST DEVELOPMENT PROJECTS</u> (Financed by HM Government)	
5. (New) Development Scheme Gib/11 (General Improvements)	6,767
(F) <u>LOANS TO LOCAL BODIES</u>	
1. Gibraltar Broadcasting Corporation (For renewal of equipment)	507
(G) <u>OTHER DEVELOPMENT</u>	
4. Development Scheme Gib/5 (Workers' Hostel - Financed by HM Government)	70,033
8. (New) Grant to Sandpits Lawn Tennis Club (First instalment of loan of £12,800)	150
(H) <u>PURCHASE OF MOBILE CRANE</u>	1,597

(I) MUNICIPAL SERVICES

(A) General Rate Account (The Haven)	4,572
(C) Potable Water Service Account (Desalination Plant)	79,656

(K) (NEW) LOSSES ON REALIZATION OF INVESTMENTS 102(L) (NEW) TOURIST DEVELOPMENT LOANS (Financed by HM Government)

1. Development Scheme Gib/12 (Queensway Hotel)	305,068
	<u>£712,761 "</u>

MR SPEAKER:

I now propose the question which is: that this House approves the supplementary expenditure of £712,761 spent in 1971/72 from the Improvement and Development Fund as detailed by the Hon the Financial and Development Secretary.

HON M XIBERRAS:

Sir, perhaps this is a good moment for this side of the House to thank Her Majesty's Government for the substantial sums which have been made available to Gibraltar for capital works. The programme, which is very well under way, and which is undoubtedly the largest ever known in Gibraltar, is geared to social needs with the aim particularly of trying to attenuate the effects of the blockade. Her Majesty's Government made this money available in pursuance of the policy of support and sustain, a policy which has served Gibraltar well in this respect but which we on this side of the House very much hope will be extended to very practical matters such as wages, the maintenance of the Dockyard, and so on. Not only for as long as the restrictions last but that this sort of help will be available on the basis, and out of consideration, that the people of Gibraltar wish to see their destiny tied indissolubly with Britain's.

I think Sir, some of the items which the Hon the Financial and Development Secretary has mentioned have proved their worth already. To take an example, the Workers' Hostel is working well and providing the sort of motor which has kept the other development projects going. We heard the Honourable and Gallant Minister for Public Works and Municipal Services give us a statement earlier in this House about the state of policy on the many projects which can be seen going up around Gibraltar. These projects he has inherited from my colleagues on this side in quite an advanced state of planning or actual building, so that as in other respects, the Government of the day has not found a mess but a going concern and the figures and the headings on these pages show that what is being said by the Opposition now is in fact the case.

We are grateful, therefore, to Her Majesty's Government but we trust that those items, which despite the heavy aid which has been given us in the past, those items which have not yet been included and which are the subject of consideration by Her Majesty's Government, notably the sports facilities to be attached to the Comprehensive School, and the Southern Comprehensive School itself, which at some appropriate moment the Government must obviously

think of putting to Her Majesty's Government, we trust that Her Majesty's Government will look with equal consideration on these new projects as it has done with the projects we are now discussing. I am sure the Honourable and Learned the Chief Minister will approach Her Majesty's Government in due course to try to get these projects started and I would also ask the Honourable and Learned Chief Minister to have a careful thought for the inspiration behind this development programme, which has been a social inspiration. We know his views on the expansion of the economy, but this side of the House will most certainly not like to see the funds which may be forthcoming from Her Majesty's Government spent on projects which will take years, and years to materialise and which will be only of very indirect benefit to the mass of the people. This side of the House will be critical of such petitions to Her Majesty's Government, and this side of the House would like to see a continuation of the policy that Her Majesty's Government's aid should be used to assist the people of Gibraltar, or the mass of the people, to resist in a practical way the onslaught of the Spanish Government. We would not like to see over-ambitious development projects which would depend on the opening of the frontier for their consumation or even for a yield. We would like to see practical and direct help to the ordinary people.

Sir, we have no hesitation in voting in favour of these proposals now before the House especially in view of the fact that they represent almost entirely or perhaps entirely, the work of the previous Administration.

MR SPEAKER:

Does any other Honourable Member wish to speak on the motion now before the House ?

HON J BOSSANO:

I would just like to ask the Hon Financial and Development Secretary how this expenditure, which refers in fact to the year ending in March 1972, coincides with the Revised Estimates? This, I believe, covers the whole of the additional expenditure for 1971/72 not provided for in the original estimates, and it brings the total to £2,449,524. Is this the case?

MR SPEAKER:

Before I invite the mover to reply, does any other Honourable Member wish to speak on the motion?

HON MAJOR R J PELIZA:

Yes Mr Speaker, I too, would like to rise and express our thanks, and perhaps the thanks of the people of Gibraltar to Her Majesty's Government for the £10m aid that was given to Gibraltar during the time of our Administration. I would also like to state that when we went asking for this money we made it clear that Gibraltar did not want to beg and that we would do everything within our power to make a contribution towards development and to use the money coming in from development to improve the economy of Gibraltar. It is very clear that we have fulfilled our pledge. We have definitely asked the people to contribute, sometimes of course a very unpopular move, but I think in the end a very dignified thing to do which I am sure is appreciated and gives Gibraltar a lot of goodwill in the eyes of the people of Great Britain,

even if for that I have been called names outside and inside this House. But going further, I would like to say that thanks to that support it has been possible to infuse the moral strength that will enable the people of Gibraltar to continue to uphold their rights of existence in our territory and do so with an eye to the future, of a propserous future, which I have no doubt our Administration has laid the foundations for. The clear fact of this is that not for a long time, perhaps never in the history of Gibraltar, have we been able to put so much money - and something to be proud of. Never before in the history of Gibraltar, in its worse possible times, has it been possible to allocate so much money to improvements and developments. Therefore, I would like to thank, not only Her Majesty's Government and the people of Great Britain, whose money it really is, but also the people of Gibraltar who have shown that they can live up to the situation with great dignity and with a great sense of success.

MR SPEAKER:

Does any other Honourable Member wish to speak. Once the mover replies that will be the end of the debate. I call upon the mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, may I say that in the position in which I am here it gives me very great pleasure indeed to hear what has been said in appreciation of the aid which has been given by Her Majesty's Government. I am not sure whether it is in place for me to say so on behalf of my Ministerial Colleagues here, but I think they would like me to do so, and I do that wholeheartedly.

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May I in reply to/Hon Mr Bossano's question, put it this way, that in the case of the recurrent budget we have supplementary estimates, they are brought to the House for approval of the expenditure, the estimated expenditure to take place, when all expenditure has been completed, or when the expenditure in a year has been completed, then we come back to the House with a Supplementary Appropriation Ordinance, by means of which the House puts its formal seal of approval on the expenditure which has taken place. In the case of expenditure from the Improvement and Development Fund, the procedures are similar, not quite identical. As additional expenditure is foreseen we come to the House for authority to expend that additional money from the fund and then later when the books for a year have been closed we again come to the House for the formal seal of approval of the expenditure from the fund. But in the case of the fund, not by way of a Supplementary Appropriation Ordinance but in this way, by a motion of the House to approve the money which, when the books were closed, is seen actually to have been spent in 1971/72. That is what we are doing here and the figure is £712,761 and I do not think it will happen that that figure will happen to coincide with any figure we might have given earlier.

MR SPEAKER:

I now put the question which is that this House approves Supplementary Expenditure of £712,761 spent in 1971/1972 from the Improvement and Development Fund as detailed by the Honourable the Financial and Development Secretary.

The Improvement and Development Fund was passed unanimously.

SUPPLEMENTARY ESTIMATES NO.1 OF 1972/73

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that the House resolves itself into Committee to consider Supplementary Estimates No.1 of 1972/73 .

This was agreed to and the House went into Committee.

HOUSE IN COMMITTEE

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, Supplementary Estimates No.1 of 1972/73 total £292,994 of which £249,786 is in respect of expenditure on current votes, and £43,208 in respect of the Improvement and Development Fund. Against the expenditure on current votes there will be an offsetting credit to revenue of £15,000 in respect of a contribution by the United Kingdom Departments towards the cost of the expenditure shown on the Accommodation for Labour. These estimates cover, I should say only items which have already been approved by the Government. I should also inform the House that according to the revised estimates which have been submitted to me by departments further supplementaries amounting to approximately £40,000 look like being required on current votes - look at this point of time like being required on current votes before the end of the year. These of course, Sir, will be brought to the House for approval when we are finally decided and ready to do so. Thank you Sir.

MR SPEAKER:

I have again given instructions to the Clerk to read the item number and the Head. I understand that of course there will be a general debate on the comments made by the Honourable the Financial and Development Secretary.

HON P J ISOLA:

May I ask the Hon Financial and Development Secretary whether the financial year for Gibraltar, in accordance with the European Community Bill that is before the House, will be altered to terminate at the 31st December this year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker Sir, the answer is no. This one day may happen, there is no doubt that this will happen but it is not in sight yet.

HON P J ISOLA:

The Financial and Development Secretary says he expects to come to the House for further Supplementary Expenditure of £40,000 to the end of the year. I presume there will be much more than that, because I notice there is nothing here about the wage review. That is correct is it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes Sir. The point in my making this remark was that in other connections, I think, we have said what volume of supplementary expenditure departments have already said they require in the course of this year. By no means do I look forward to what further excesses departments may bring to us later on.

HON M XIBERRAS:

Sir, I would like to ask the Hon Financial and Development Secretary whether the sum of £249,000 in Supplementary Estimates is unparalleled in the experience of this House.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I do not think that my knowledge, my experience, of this House goes far enough to enable me to answer that question straight away.

HON P J ISOLA:

There is a very simple answer he can give here. Supplementary Estimate No.1 of 1972/73 for £249,386. Am I right in thinking that, having regard to the fact that we are in the seventh month of the current financial year, the House is being asked in fact at this stage of the financial year, to vote less in supplementary expenditure than it was asked at the corresponding time last year, up to that date. It seems to me by simple arithmetical calculation, based on the increased total supplementary expenditure for 1971/72, which I think is £497,000, it seems to me that this is no more than average.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, first of all my previous remark was not meant to be facetious. Certainly I ought to be able to compare experience this year, with say, experience last year, and I do recall from yesterday, and I can't put my finger quite on the figures, that I was explaining yesterday how supplementary expenditure could mount up over a whole year of over £400,000. This may not be unusual but I repeat that it does illustrate the sort of magnitude unforeseeable commitment that has to be taken into account.

HON M XIBERRAS:

Sir, I fully appreciate that the Hon Financial and Development Secretary cannot off hand compare the amounts of supplementary expenditure. Perhaps the Hon and Learned the Chief Minister would be able to enlighten the House about the size of supplementary estimates in the past. In my short experience in this House I certainly remember one supplementary estimates of a £4m. I think it was at the time of the last COLA payment and that was not the only one during the year, the average I suppose being £40,000, £60,000, £70,000 and these are not irregular in the monthly meetings of the House. The point I am making Sir, is that £249,000 even adding another £40,000, in the seventh month of this year is not as my Honourable and Learned Friend has said an inordinate amount, in fact it is a rather common place amount for the seventh month of this year. The other point Sir, concerns the words which I learnt from that side of the House as well, virement, which is the passing over of, with the authority of the House of course, of monies from one vote into another vote or from parts of one head to another head, and that money is available because not all the work which the Government of the day sets itse^{lf}

out to do in the course of the year is in fact completed. No doubt there are many purists who would argue that it is not a good thing to pass money from one side of the accounts to another. Well, certainly it may be something which purists do not like to do but the House knows that this happens time and time again almost inevitably and perhaps there isn't a single year in the history of any country, even a little territory like Gibraltar where this does not happen. Furthermore, sometimes it is not necessary even to vire the money at all, in other words the money is left unspent because it is not possible for a Government machine to consume the amount of money which has been voted by well meaning members in the House at the beginning of the financial year and by politicians who want a big programme. So it happens that there is quite a lot of money, quite a lot of money which is left unspent at the end of the year, and that is money which has the authority of the House of course, which is in the Government coffers, and which can be used provided of course one comes to the House, and I have adopted this Simple Simon tone because it is most important that the House should realise that we do not have to go for the £249,000 to the surplus to the general revenue balance because there is shown to be undoubtedly and particularly during the course of the present year which has not been exactly a smooth one for Gibraltar, there is bound to be some saving, some money unspent and this money is not something one banks upon but nor is the converse or should the converse be the case that supplementary expenditure of £249,000 should be presented with a fanfare of trumpets with a special green paper or bill which draws attention to it, but the effect I think is the same, and that is that it does seem to the man in the street as if for some odd reason the last Government wanted to do certain things but did not provide the money for those things. Well it is practice, it is customary, it is the way of working of the Government to do things in this way, some years it is more, some years it is less but I am sure the Honourable and Learned Leader of the Opposition will agree and not disagree with one single word that I am saying and having found agreement on that side of the House I gladly sit down.

May I correct the record to read that the Honourable and Learned Member across the way is in fact the Chief Minister.

HON CHIEF MINISTER:

Mr Speaker, I was thinking before he made the last gaffe, Mr Speaker, I hope we can carry on our proceedings in proper order.

MR SPEAKER:

I assure you we shall do so without interruptions from anyone or from any place in the House.

HON CHIEF MINISTER:

I was only going to say this and that is that we have had the Supplementary Estimates. We have said nothing about it except what has been put by the Financial and Development Secretary. We have had two or three speakers expounding on government policies and I have been giving them the opportunity of thinking that they are still in Government, the illusion that they are still in Government and let them talk. We have nothing to say except the votes which are here and to answer any particular point. They have been theorising about virements, about excesses, about reductions and so on. If it gives them the pleasure and the impression that they are still in Government they are welcome to it.

HON J CARUANA:

The Chief Minister will no doubt forget that in his television speech made a

MR SPEAKER:

We must be as liberal ~~as~~ we can in committee/^{but} we must talk about the question before the House which is Estimates of Expenditure No.1 for 1972/73.

HON J CARUANA:

It so happens Mr Speaker that the Chief Minister on television referred to an additional expenditure to be met in this House when he was making a case that there was a deficit and that there was no money in the coffers so I think he is very conveniently forgetting that point, so therefore it is very relevant that my colleague on my left, Mr Xiberras, should say that financial advisers are very prone in fact always to minimise revenue and certainly to make forecasts in savings as small as possible and at the same time build up the expenditure as much as possible because this is part of their responsibilities. However, Mr Speaker, since the Chief Minister has invited me on this side of the House to point out any questions I would like to bring up one particular question and that is the question, the last item on the paper on Item 24 Improvement and Development Fund K - Car Parks and it shows £15,000 which says "required to provide car parking at Queensway Hotel" and then it goes on to say "off set by saving under I & D F (1) Roads." Well, Mr Speaker, votes in I & D F in the Estimates has £20,000 and this side of the House included this £20,000 in March precisely to carry out a comprehensive improvement to roads in Gibraltar precisely to compensate motorists after the budget where motorists were heavily laid on, on licences and import duties and therefore this side of the House, bearing in mind the great difficulty which car parking and the car problem and roads affect Gibraltar today and will certainly affect Gibraltar in the next few years to come decided to launch for the first time a Head under I & D F Roads and Car Parks. Now the Government, because this is one of their actions, most of the other things have been done prior to their taking office, but this particular action of off ~~set~~ ^{setting} from roads is their direct action because I definitely resist and I object to this move coming out of the head for the roads because it would leave a balance of only £5,000 for roads reconstruction. Now the House will remember I made a comprehensive statement on roads and car parking and traffic generally and this stipulated a programme, a comprehensive programme, which was well advised on improvements and enlargements and construction of roads. Now we find that this vote is going to be reduced. Flat Bastion Road as has been recalled by the Hon and Gallant Member for Public Works has been resurfaced. This was part of the programme. Rosia Road at the moment is being repaired, this was also in the programme. Mr Speaker, I object to this money coming out of roads because it will certainly curtail the improvements of roads very drastically and I think this is most unfair to the motorist who have undergone severe punishment, a severe obligation to pay taxes and duties in the last budget. Mr Speaker, the pedestrianisation of Main Street was talked about yesterday and it was said that it was going to be implemented some time early in November next. In order to carry out successfully the pedestrianisation of Main Street it is essential that sufficient and ample car parking spaces are made available in the perimeter of Main Street in the town area so that cars which at the moment use Main Street and other roads leading to Main Street and who will be deprived of using Main Street and the allied roads leading to it will have to find by virtue of the fact that it is closed during day time - because they will be

opened during the night time - they will have to find parking spaces. This is why in the Estimates for this year we included also a heading for car parks which was £31,700 precisely to clear up certain areas in Town Range and in other districts which we are having investigated to demolish all dilapidated huts and what have you. If this is going to be a departure from that policy, Mr Speaker, I think that the Government would do well to reconsider the whole matter again because if this money comes out of these road works I would suspect that unless another supplementary estimate is made specifically for roads to complete the programme which was scheduled for this year, then there will not be sufficient money to keep that department moving. There is another vote in the estimates under Recurrent Expenditure for repairs and maintenance of roads. And that is perfectly all right. This heading deals specifically with innovations in roads; with the construction of roads; with a massive resurfacing and reconditioning as was done in Flat Bastion Road. Mr Speaker, I urge the members opposite to reconsider this item and to make sure that this part of the programme does not suffer. If in future the Government finds itself obliged to come to this House for supplementary estimates then Mr Speaker this item might as well go as a new item.

MR SPEAKER:

We will now start calling the item numbers.

ITEM 1. HEAD I. AUDIT was agreed to and passed without amendment.

ITEM 2. HEAD II. CEMETERIES was agreed to and passed without amendment.

ITEM 3. HEAD IV. EDUCATION.

HON L DEVINCENZI:

Will the Hon Mr Featherstone confirm that since the present Government took office no money has been needed for books and equipment other than that which was already earmarked by the previous Administration? What I am trying to say is that these £9,000 were already earmarked for books and equipment and I would like the Hon Minister to confirm that nothing has been added since then. Perhaps there was no need for it.

HON M K FEATHERSTONE:

Sir, it might have been better if the Hon Member had used a little intuition and kept silent on this. These £9,000 Sir is new money. It is required because there was gross under estimation by the previous Minister at the time of the Estimates with the result that when I took over I was being pressed on every side that they were completely inadequately equipped, and that indents had gone through to a much greater figure than that foreseen by the last Minister. This Sir is new money, it is not old money.

HON L DEVINCENZI:

Sir, I beg to differ unless this is extra money. This is what I asked. This amount for books and equipment although it has not been voted had already been earmarked and in fact the books and equipment were ordered and a number came by airfreight. It had been impossible to estimate the exact requirements

due to the late arrival through no fault of his of the Head Master of the Boys' Comprehensive School who would in fact be responsible for ordering and as soon as he came it was done in a hurry, but it was done, and no amount of money or effort was spared to bring the required books and equipment by airfreight. This is perhaps a new thing in Government dealings to bring books and equipment by airfreight, and this was done. What I am asking the Honourable Minister is although this money is being asked for now, whether it was in fact for these books and equipment which have in fact arrived already or is it being ordered now?

HON M K FEATHERSTONE:

that

I am afraid that the statement/has been made appears to be so vague I do not know quite what to answer. Some of these indents Sir, were not made until July. I am not sure what may have arrived by air and was arranged to arrive by air by the previous Minister. I do know Sir, what I have arranged and over 25 tons have arrived so far in the last three weeks by air - a process set up by myself Sir. This is because the indents went through so late there was no other way in getting the stuff here in time. The indents Sir, went so late I feel because the previous Minister did not get them seen to adequately when he was there.

HON L DEVINCENZI:

Mr Speaker, will the Honourable Minister confirm one way or another even if they were sent late the books and equipment which have been arriving during the last three weeks were those ordered by the present administration or by the previous administration?

HON M K FEATHERSTONE:

Sir, £9,000 of these were ordered by the present administration.

HON L DEVINCENZI:

Sir, I would not like to doubt the Honourable Minister's word but I would certainly check on this to see whether these £9,000 have been in fact ordered by the present administration.

HON P J ISOLA:

Can the Minister state the date when these were identified for?

HON M K FEATHERSTONE:

Sir, I am willing to stand corrected. It might be £8,999. It might be £9,001. I do not think, Sir, it is a reasonable question to expect any Minister to give a whole list of dozens of indents and the date of these indents. I can only inform him that one of the first things that happened when I took over office was to be presented with a whole new list of indents totalling even more than £9,000 because if the Hon Members on the other side care to look at the estimates they will find there are other items which are also classed as required for Comprehensive Schools and these are also new indents.

HON MAJOR R J PELIZA:

With all due respect to the Minister, Mr Speaker, this is one of those decisions that we took thinking that it would be supported by the coming administration. We did this out of our own bat as elected members and I supported the then Minister of Education to take it upon his responsibility to forward that indent. If the indent was not forwarded then that is not the fault of the elected member. It must be ~~have~~ been left in some pigeon hole in the administration.

HON M K FEATHERSTONE:

I would say that ~~this~~^{is} one more instance of the last Government trying to mislead the electorate and the people and this House generally by putting forward future commitments without putting the correct figures. In the same way that they put forward a mere £100,000 for a refuse destructor and the true figure is £250,000 or £350,000 this year and God knows what next year, so they put down a minimal figure for books and equipment because they hoped to get it through the estimates easily and we have found that we had to meet a far greater bill. And for one example the Teacher of biology did not even arrive in Gibraltar till late July to make his indent.

HON J CARUANA:

Sir, I would like to ask the Hon Member to withdraw what he has just said. The total of £100,000 for the refuse destructor if he cares to read the Estimates as he so eloquently always boasts of being so intelligent is a token vote and is so marked in the estimates. It is purely a token vote and there is no question of defrauding this House, the public or anyone else. I ask the Minister to withdraw his remarks.

HON M K FEATHERSTONE:

Sir, there is no question of withdrawing any remarks. It was clearly stated as a token vote Sir, but with a clairvoyance which is evinced so frequently by the Hon Mr Xiberras who knows what figures are going to come in the future, etc., and knows what this economy is going to do this year, who can already tell us what the surplus is going to be at the end of the year. He could have foreseen all these things. Why give us a token vote why not be honest and say we are going to spend £350,000 this year. Sir, as I have already stated

the £9,000 or pretty near that figure perhaps a little less perhaps a little more are new indents which were placed in the main after July in fact some of them were not even placed until considerably later and they are not all for overseas equipment, some are for local purchase and the indents have hardly been placed.

HON J CARUANA:

Will the Minister look at the heading of 23. Special Equipment - which specifically says that it is a revote of 1971/72 and is he claiming that this is now a new vote.

MR SPEAKER:

Order. May I remind the House that the mover of this motion to consider the estimates item by item made a general observation on the items to be discussed. That we agreed that Hon Members of the Opposition would have an opportunity to reply to the points raised specifically by the Honourable the Financial and Development Secretary on his opening. We have an opportunity now to study the estimates item by item, I would suggest that we do that and that we comment on the items as we come to them.

HON MAJOR R J PELIZA:

I think it would be very helpful if the Ministers also when referring to any item should not allude to other items as the Minister for Education just did when he started referring to the refuse destructor which obviously had nothing to do with the item under discussion.

MR SPEAKER:

I take the point of the Hon Leader of the Opposition. What I am trying to say is that what we were doing now was exclusively giving a chance to the members of the Opposition to reply to matters raised by the Honourable the Financial and Development Secretary when he was making the motion. We are now going into the items and then, of course, being in Committee we will be as liberal as we always have been but we may perhaps be falling into the temptation of going into the particular items before we have even called them. That is all I am trying to say.

HON L DEVINCENZI:

May I have one more word on this, and that is to ask the Honourable Minister for Education that if he checks at the Department he will see that before I left I was presented with a list of books and equipment and this I personally authorised that it should be sent. If there was anything else needed certainly it was not up to me to tell the Director, etc, what exactly was needed, I was presented with a list and I authorised it to be sent in full. There must be a record there and that can be seen.

HON M K FEATHERSTONE:

Sir, I did not object to that statement in the slightest. I am simply saying that when he sent this list which he personally authorised he underestimated, he did not go into his homework sufficiently to the extent of £9,000 which I am asking you to vote as new money, as new things that he did not consider at the time. I do apologise Sir, for bringing in extraneous matters but when one is rather provoked by the constant gramophone record of the Chief Minister and the City Council deficit one sometimes does feel a little bit that way oneself.

HON M XIBERRAS:

If the Hon Member was not aware that my Honourable Friend had in fact authorised such an order, how does he know to what extent the vote was underestimated? Is it not a fact that he was not aware in fact that my Hon Friend had given instructions that these books should be purchased. And is it not a fact that in such a thing as comprehensive reorganisation and in the ordering of books which is something which depends not so much on the Head of Department as his head teachers it is a protracted process and one requiring

consultation with the staff and an answer does not come out for quite a long time. Perhaps he himself who has had some experience in schools will remember what goes on. The requirement is taken by the teacher, it goes up to the head teacher, the headteacher goes to the department, the department goes to the Minister, the Minister goes to the Council of Ministers, the Council of Ministers goes to the House and we are talking about July for a term that was starting in September. Will the Hon Minister say whether all his requirements for September next year have already been made and whether he has a good idea and can he assure the House that he will not come before the House and ask for a single penny more because if he does no doubt the House will remember what he has just said, that it was not an adequate forecast of requirements. The fact of the matter is, Sir, that he is completely misleading the House because he hasn't got the foggiest notion as to what my Hon Friend has done whilst he was in office or what he has not done and this he admitted in his opening remarks. He didn't have the foggiest notion whether the books had arrived or not. How much the books cost? He did not have the foggiest notion, either. Sir, I will not give way Sir. The other point is perhaps if this is such a serious matter, the Honourable Minister should have made the point in a statement such as those we have received from his ministerial colleagues and said all that has gone wrong, the tremendous mess in the hand over, in the beginning of comprehensive education. We haven't heard him say a word about the mess of comprehensive education. Apparently once he is in the chair then - Have no fear, Mr Featherstone is here. Comprehensive will go smoothly, Sir, I feel that my Hon Friend has been done hard by the Hon Mr Featherstone and at least he owes the House some sort of indication as to what was ordered and what was not ordered before he came in, if he knows the facts.

HON M K FEATHERSTONE:

Sir, after the lecture from school teacher, the Hon Mr Xiberras, I now know how everything should not be done. I have never yet thought it is a minister's job to go round and find out the cost of each and every book, lead pencil etc., that the department wishes. I thought that there was a department to do that. That is not a minister's job. A minister's job is to make policy. Perhaps the Hon Mr Xiberras if he were a minister for Education would spend all his time working out the cost of lead pencils. What I am telling the House, Sir, is that when we took office I was presented by my administrative assistant who does all the indenting with a whole set of indents and I was asked: "May we put through these indents which have not yet gone through and which amount to around another £9,000 and these items are essential, we are assured by the head teachers, for the opening of the comprehensive school." What I am saying Sir, is that if the previous minister could miscalculate so that increases of 50% for just two schools have got to be put through, then either he failed in his job, his intuition let him down, or something went wrong. Since I was not there Sir, and further even if I were there I am not going to run round and see when each and every book arrives. I can only state that indents have been coming in through my efforts by air in large quantities to try and get them if not in time at least reasonably soon after the opening of term time. But I will grant one thing to the Honourable Mr Xiberras. He is quite right when he says that from the estimates there is quite a long time before indents can go through and perhaps he will remember this when I present the Education Bill, which will help, I hope, to improve this matter and I look forward to his support on that.

HON MAJOR R J PELIZA:

Mr Speaker, I notice from the Minister of Education that every time he refers to Mr Xiberras he refers to him as a teacher, as if being a teacher was a degrading thing. Well if it is not so I think he ought to make it quite clear because that certainly is the impression he gives in this House when he is addressing the Hon Member and this coming from a Minister for Education I would say is most undesirable. But going further now, I would point out and I can categorically say this, that precisely because the Minister for Education was concerned with policy and not with the details of the actual ordering of the individual books or the particular books that had to be ordered and because we all know, we found tremendous difficulty in obtaining the heads of departments within the Educational Department that could carry out the administrative functions as we all wanted, there could have been some delay, but one thing we were determined to do, we wanted to leave that House in order before we left and after the House was dissolved we were left as a caretaker government with no power to vote any money. The Minister then took it upon his shoulders with my consent and with the consent of my colleagues to indent for those books so I think that the Minister, not only acted correctly but he acted with great courage always thinking that when you came, if you did come, into Government - we were not presuming that we were going to come back - you would honour that indent. And I see that not only have you honoured it but you are now trying to claim it to be yours.

HON M K FEATHERSTONE:

Sir, after that tirade it is not worth answering. The only question I will answer Sir, is that I of course hold teachers in very high esteem, but I think teachers should keep their teaching for schools, not to lecture everybody in the House of Assembly.

HON P J ISOLA:

I hope that remark is picked up by his colleague on the right who refused to take into account statistics yesterday and who acted in what I would have thought to be an unprofessional manner as far as a teacher is concerned - acting always on intuition - but let that be as it may. Mr Speaker, Sir, I would like to ask the Minister - he did mention earlier on in the proceedings he talked about misleading, because of this £100,000 token which was clearly said as token and he must have heard it himself, but since he mentioned the word misleading, which is a word that will arise quite frequently in the course of the debate on the censure motion on the Government - could I just ask him where the sum of £15,500 mentioned by the Chief Minister with great flourish in his press conference on August 18 that was required for comprehensive education, increases consequent on introduction of comprehensive education, £15,500, where that item can be found? Am I right in thinking that £9,000 is part of it? As the word misleading has been used I hope the Chief Minister was not misleading the Press on that day on this matter as well as others that we shall talk about.

HON M K FEATHERSTONE:

Sir, on the question of statistics I don't think that has much to do with school teachers. I think that it is more for the member on his left, the economist. I am not really here to answer for what the Chief Minister said on television, or to the Press or wherever he said it, but the £15,500 I don't think it has anything to do with the Education vote as such, but to votes in the Public Works Department for money to be spent on schools which were being

re-equipped and re-furbished to enter the Comprehensive system.

HON P J ISOLA:

This £15,000 increase is consequent on the introduction of comprehensive education. Then this £9,000 is an additional one to this £15,000. Is it? Is the Minister sure of that?

HON M K FEATHERSTONE:

Sir, the £9,000 is for books. That there is no doubt whatsoever.

HON P J ISOLA:

Can I refer the Minister to the Public Works vote. In page 9 is this the figure he thinks it is? There is a figure there - Government Schools Improvements required to carry out a revote from last year. Is that the one the Chief Minister was referring to? Perhaps the Chief Minister can help us on this one.

HON CHIEF MINISTER:

I will deal with that in the censure motion. I am not going to allow myself to be drawn into duplication. We have enough filibustering as it is, and I will deal with that in the censure motion.

HON P J ISOLA:

Mr Speaker, I am not filibustering at all. I have been told by the Financial and Development Secretary, the House has been told, that we are voting now £249,386 and there is £40,000 more to come. Now, that is one thing we have been told. The House is being asked to authorise expenditure. This is the time we ask questions. What we would like to know is, is this item Increases - consequent on introduction of comprehensive education £15,500. Is this £9,000 part of that? Is it this £15,590 at page nine? What is it? Surely, somebody can tell me on that side of the House. I would have thought the Minister of Works or the Minister of Education, the Chief Minister or the Financial and Development Secretary. I am merely asking for information.

HON CHIEF MINISTER:

The £15,590 which appear on page 9. That was to be revoted this year and we needed the money for it.

HON P J ISOLA:

You see there is a figure there in the statement made by the Chief Minister which put the financial position. It said (1) revotes in respect of expenditure voted but not spent in the previous year. - £65,000. Can I ask why the £15,500 in connection with the introduction of comprehensive education did not appear as one figure there. Is the Chief Minister sure of what he is telling us now?

HON M K FEATHERSTONE:

As far as I understand the situation we are discussing, item No.3 Head IV. EDUCATION and in particular sub-head no.2 Books and Equipment. The provision originally in the estimates was £19,500. I have been asked about our request for another £9,000. Once again I will state for the benefit of the gentlemen on the other side who apparently do not have the ability or the wish to understand, the £9,000 are new indents which apparently has not been foreseen at the time of the estimates.

HON P J ISOLA:

Could I just ask one question. We are being asked to vote under the Head for Education, £9,000 for the comprehensive school, £500 for sports equipment in connection with the comprehensive school. Is that all the money we are being asked in connection with the introduction of comprehensive education in Gibraltar up to September 1972 apart from the Public Works?

HON M K FEATHERSTONE:

Up to the present moment yes Sir. But this does not mean I may not come for more money in the future.

HON P J ISOLA:

I am sure that will be received with great sympathy by this side of the House which has its heart on Education, but I was really asking the Minister is, is he going to come for any more money in respect of the introduction of comprehensive education up to September 1972 or does he know?

HON M K FEATHERSTONE:

Up to September, no Sir, but there are indents which I am being asked to place, which again were not taken account for in the beginning and which I have done my utmost to resist to some extent and to chisel the balance out of the Hon the Financial Secretary. If I get it from him I will come to the House for more money, which was originally under-estimated.

HON P J ISOLA:

But apart from the chiselling, on the question of the comprehensive school - this figure of £9,000 - we are right in thinking that the indents were made. What happened was that the Minister or rather somebody in his Department or somewhere under-estimated the cost, which as the Minister, the present minister has said is not his job to tot out how much a book costs, but it is right, is it, these books were in fact indented for by the previous administration.

HON M K FEATHERSTONE:

Sir, ad nauseam I have to say no Sir. It is not right they were indented under the previous minister. I have already stated, twice I think, that some of the indents were placed as late as July and one of them - the biology indent - was not placed until the person who was to teach biology actually returned to Gibraltar arriving here about the 20th July, so how he could place it before I really don't know.

HON P J ISOLA:

That surely is all right, isn't it? The biology teacher's indent should be approved by him, I would have thought. Sould educational sense demanded that.

HON M K FEATHERSTONE:

But what I am saying is that if I had been the Minister of Education in January and I was going to start a comprehensive school I would have done a lot more homework to find out what the special costs required to go comprehensive would be. Apparently this was not done by the last minister, so that we are now asking for £9,000 in one hand, £500 on another and I will possibly come back for even more.

HON P J ISOLA:

What proportion is that of the Education vote, £9,500. This is not filibustering Mr Speaker. The Minister for Labour doesn't want us to waste his time, I know it is very valuable, but will the

MR SPEAKER:

Order, I will not have the member who has the floor interrupted under any circumstances other than for a point of order or he gives way.

HON P J ISOLA:

Will the Minister for Education agree that £9,500 is, in fact, a very small percentage of the total education vote.

HON M K FEATHERSTONE:

Sir, for the statistics minded I work it out roughly at 2%, but I do hope Sir, that when I ask for something costing around £10,000 or increasing the education vote by 2% there will be no opposition on your side to refuse it because I will then say that 2% is a very insignificant figure.

HON MAJOR R J PELIZA:

The Minister will note from the record of the past administration and the one previous to that one, that we spent quite a lot of money on education and the vote was increased by a considerable amount I believe nearly 50%. So I think that the Minister may rest assured that anything he asks for education will be more than welcomed from this side of the House provided, of course, that they can find the money. At the moment, you are playing with the money that we left you.

Item 3. Head IV. E was agreed to and passed without amendment.

Item 4. Head V. Electricity Undertaking was agreed to and passed without amendment.

Item 5. Head VI. Fire Service.

HON P J ISOLA:

Mr Speaker, I notice the new Fire Engine comes in from the Improvement and Development Fund and not from this vote, is this normal? Wouldn't that be part of the running expenses of the department, I just wonder?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is undoubtedly a borderline case. It might very well be more appropriately held to be current equipment, but in this and some other cases at the time of the budget we thought that it would not be improper to provide certain substantial items of new equipment which are not of a recurrent nature but will last for a long time from the Improvement and Development Fund.

HON CHIEF MINISTER:

It seems therefore Mr Speaker that this is following the wise policy of the previous Government.

Item 5. Head VI. was agreed to and passed without amendment.

Item 6. Head VII. The Governor was agreed to and passed without amendment.

Item 7. Head VIII. Judicial was agreed to and passed without amendment.

Item 8. Head IX. Labour and Social Security was agreed to and passed without amendment.

Item 9. Head X. Public Works was agreed to and passed without amendment.

Item 10. Head XI. Public Works Annually Recurrent was agreed to and passed without amendment.

Item 11. Head XII. Public Works Non Recurrent.

HON P J ISOLA:

Head 79. Catalan Bay Road - Sea Damage - £15,198. Supplementary to £12,660. Has that work been completed?

HON LT COL H L HOARE:

Mr Speaker, that is the item that I mentioned in my statement yesterday that a tender for £28,000 or very nearly had been accepted to get these works done, and work has in fact started.

HON P J ISOLA:

And finished in the course of the current year?

HON LT COL J L HOARE:

I want it finished before the really bad weather starts. They have promised me they will do their best, but obviously they have no control over the rough weather.

HON M XIBERRAS:

Will the Honourable Minister for Public Works give an indication of the progress of minor works, roughly how many have been started and whether the progress is good.

HON LT COL J L HOARE:

I can't undertake that. At any given moment we have got something like 1100 or 1200 jobs on the go daily and I am sorry I can't keep track of that. But major items I most certainly will.

Item 11. Head XII. was agreed to and passed without amendment.

Item 12. Head XIII. Law Officers - Attorney General was agreed to and passed without amendment.

Item 13. Head XIV. House of Assembly was agreed to and passed without amendment.

Item 14. Head XV. Medical and Public Health was agreed to and passed without amendment.

Item 15. Head XVI. Miscellaneous Services.

HON P J ISOLA:

On item 32. (New) Family Expenditure Survey - £2,720. Does this carry the support of the Minister of Labour and will he assure the House that he will accept the results before he authorises the expenditure.

HON A J CANEPA:

Sir, I thank the Hon Mr Isola for the opportunity that he gives me to put the record right. I am sure that when the verbatim report comes out he will find that I didn't say anything yesterday when questioned about statistics about intuition. I am only too happy however, to have that faculty ascribed to me, and I shall be very happy to use it in the course of the next four years in Government. What I spoke about yesterday - I have been correctly reported on by the Gibraltar Chronicle - was intelligence. I referred to the need for intelligence in running a department. I also said that I subscribed to the need

As a mathematician, I lay a great deal of store by statistics that are cold, impersonal and objective.

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for statistics but that I did not lay much store by statistics that were based on a questionnaire, particularly in the case of Gibraltar where people are naturally reluctant to answer questionnaires, where people have natural and understandable suspicion in answering a questionnaire. ~~Statistics that are cold, impersonal and objective, as a mathematician, I lay a great deal of store by them.~~ But subjective statistics I am somewhat suspicious of. But I do thank the Hon Mr Isola for this opportunity, and if he does wish to continue to ascribe the virtue of intuition to me, I shall only be too happy to accept it.

HON P J ISOLA:

I shall not ascribe it again, Mr Speaker, but I do think that the Minister has indicated to us that he intends to take no notice of this Survey on the principles he has enunciated, because the Family Expenditure Survey depends entirely on a subjective questionnaire. Will the Minister, therefore, reconsider the request for this money because this is going to be exactly what he doesn't place much trust on and in the Family Expenditure Survey, families are going to be asked how much you spend on cigarettes, how much you spend on beer and all the rest of it. And he is not going to take much notice of it. In view of the fact that the Government has told the public the position we are in and so forth does the Government consider that it is wise to ask the House to vote this money in view of the statement just made by the Minister who will obviously be concerned with it.

HON A J CANEPA:

Sir, as this is a commitment from the previous administration, I think we had better honour it.

HON MAJOR R J PELIZA:

Mr Speaker, I can assure the Minister that if in fact he is not going to make any use of that, it is no use whatsoever honouring what the previous administration has requested and I would suggest that we should strike it out of the Supplementary Estimates. We would be quite happy. I think it is a complete waste of money, if you are not going to use it and I really mean this, Mr Speaker, and I would suggest that it be struck out.

HON M XIBERRAS:

May I say Sir, that the Family Expenditure Survey is most important as the Minister for Labour should know. It is on this new expenditure survey that we shall judge whether the Government is successful in keeping down prices and the cost of living or not. So I for one am pretty keen on having this wise policy of the previous Government. But if on the other hand after completing the work the Hon Minister for Labour is going to say that he does not believe in the results and he has no alternative to offer then perhaps the Government should dishonour the commitment of the previous Government.

HON A J CANEPA:

I accept the need for a new index of retail prices to be based on expenditure which is more realistic, more up to date than the index on which we have been working at the moment.

HON MAJOR R J PELIZA:

Mr Speaker, but if he does not feel that this is the right way to go about it, rather than spend this money on something that obviously he is not going to have any faith on because he does not believe even as a mathematician he does not believe in statistics that are procured by questionnaires, why doesn't he find another way other than a questionnaire to obtain the statistics. I don't know of any other way but perhaps he does and I would suggest that he puts it into practice, and if it means more money and he is going to use it we are prepared to vote for it. What I think is a complete and utter waste of money is for the Minister to come and ask from our side for money that previously he says he is going to make no use of. And I think this is a complete waste of money and I really would like to hear the Minister say whether, in fact, he is going to make any use of it. If he is we will vote for it, if he is not, we are going to vote against it.

HON P J ISOLA:

I would like to add to that Mr Speaker, that there we had yesterday the Minister of Tourism saying that he wouldn't spend £50 on having the band giving pleasure and entertainment to the people in the Piazza and we have the Minister for Labour coming to this House and telling us please vote for £2,720 for a survey on which I don't have much belief, may be of some worth, but I do not have much believe in. I think this is important because this affects the cost of living, this affects a lot of things and I think somebody perhaps higher in authority in the Government than the Minister should tell this House what the attitude of the Government is going to be to this Survey before asking the House to vote £2,720.

HON CHIEF MINISTER:

I am going to tell the House what the attitude of the Government is to the attitude of the Opposition. We are not going to spend our time helping the Opposition to filibuster, to twist words, to give meanings that have not been said. If that is what they like they will not complain if we start not at half past ten in the morning but perhaps at 9 o'clock in the morning if we have to get on with the business of this House.

This is a legislature and we must get on with the work. The Minister has said nothing of the things that have been attributed to him as the record will show in due course I will be confirmed in that. He has said that he does not give that strength to subjective statistics as the previous minister who was the paragon of statistics in Gibraltar. And that is all that he said. He will apply his abundant intelligence and his attributed intuition to the survey.

HON MAJOR R J PELIZA:

Mr Speaker, what we are really worried about is what degree of his intelligence he is going to put on figures and on statistics and on intuition. And this is the problem. If the minister can give us an assurance that he is going to make use of this survey we shall certainly vote for it. If he cannot give us that assurance then I am afraid that we cannot vote in favour of work that is consuming work for the administration, it is going to cost money to the

tax payer and it is going to be thrown into the wastepaper basket and therefore we just, and this is no fun, this is very serious it is a question of £2720 well, I think it is something that is really worth looking at and I am sure that the Minister, if what the Chief Minister has just said, is the case, will have no difficulty in standing up and saying that he would certainly make use of the Survey.

HON M XIBERRAS:

Sir, on a more serious note it is much more than the sum we see there, of course, because the whole cost of living formula would be based, no doubt, on this survey. Eventually when the Government decides to resume, in consultation with the Union, the cost of living payment which will be dropped for a year. Sir, I believe that the last survey was done a very considerable time ago, long before the closure of the frontier. Was it 1964, and therefore this one is badly needed. It has suffered some vicissitude already but I am sure the minister will assure the House that the compilation of the new index is well under way. Could the Minister then tell us more or less what stage has been reached?

HON CHIEF MINISTER:

There are two points arising out of that. One of them shows the extent of the time wasted because I believe I heard before I spoke last time that it required somebody more senior than the Minister to say whether this money was justified or not. I got up and made what I thought was a reasonable assessment of what had happened if you take away all the filibustering and all the time wasting unnecessary remarks, and I made a pronouncement which I think is sufficient. Now, the Minister is asked separately for his assessment. We speak with one voice that is why we do not all speak and therefore; one voice **yes**, one voice of the Government, but not three voices and people dissenting and people afraid of crossing the floor and having to dissolve the House. These things do not happen on this side and therefore I say that nothing more will be said from this side about the flippant, irrelevant remarks about the regard of the Minister to statistics, or not. With regard to the latter part of the question made by the Honourable ex-minister for Labour and Social Security, the question of statistics is not the responsibility of the Minister of Labour as he well knows.

HON P J ISOLA:

Can I ask the Chief Minister in view of the opinions that have been expressed on his side of the House about the value of the family expenditure survey amounting £2720 whether he would not think that this money would be better spent by adding to the £9,000 extra cost the supplementary benefits are going to cost adding 25% increase to the meagre benefits announced yesterday and dropping this item.

HON CHIEF MINISTER:

It does not arise.

HON P J ISOLA:

The Supplementary Benefits announced by the Minister yesterday would cost £9,000 a year. £2720 is about 25% of that. This item could be dropped and the Minister for Labour could come for another 25% which this side of the House would gladly vote for, but if its felt that this item is really necessary, if it is going to be used, then we will vote for it.

HON CHIEF MINISTER:

A very effective point to make by the new socialist and former leader of Conservatives in Gibraltar and now the spokesman for the working classes, but the point that is before this House, Mr Speaker, is the voting of the money and I would propose that the vote be now put.

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

The Hon Sir Joshua Hassan
The Hon A W Serfaty
The Hon A P Montegriffo
The Hon M K Featherstone
The Hon A J Canepa
The Hon I Abecasis
The Hon Lt Col J L Hoare
The Hon H J Hammitt
The Hon J K Havers
The Hon A Mackay

The following Hon Members voted against:

The Hon Major R J Peliza
The Hon M Xiberras
The Hon P J Isola
The Hon W M Isola
The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi

Item 15. Head XVI. Miscellaneous Services was therefore passed by a majority vote.

Item 16. Head XVII. Police was agreed to and passed without amendment.

Item 17. Head XIX. Port.

HON P J ISOLA:

Item 16. Two fender units. Can I ask have these in fact been acquired?

HON A W SERFATY:

I really couldn't say but I know they are required and are being acquired.

HON P J ISOLA:

Mr Speaker, we are being asked to vote money here. Can the Minister say whether an order has been placed for these fenders or in the words of the Minister for Education have they been indented for?

HON CHIEF MINISTER:

It is ordered as urgently required.

HON P J ISOLA:

As urgently required. In that case we must support it.

Item 17. Head XIX. Port was agreed to and passed without amendment.

Item 18. Head XX. Post Office and Savings Bank was agreed to and passed without amendment.

Item 19. Head XXI. Prison was agreed to and passed without amendment.

Item 20. Head XXIII. Revenue was agreed to and passed without amendment.

Item 21. Head XXIV. Secretariat was agreed to and passed without amendment.

Item 22. Head XXV. Telephone Service was agreed to and passed without amendment.

Item 23. Head XXVI. Tourist Office.

HON W M ISOLA:

Re Item 8. £1800. Is this part of the money which is required to finish off the painting at the London Office or has the work already been done?

HON A W SERFATY:

These offices were taken during the Hon Member's term as Minister and I can say that quite a lot of work has been done and a lot remains to be done. Presumably the money is required for what remains to be done which was not completed during the Hon Minister's time.

HON W M ISOLA:

I am very glad to see that you are going to finish the office except I was worried in view of the statement of the Minister earlier on in the course of the proceedings when he said that if he finds other premises which are not prohibitive he will move. It would therefore appear to be a waste of money to continue painting these premises if the intention of the minister is to leave these present offices.

HON A W SERFATY:

I will be quite frank with the Honourable Member. If this money has not been spent, and I have a notion that it has not, it will not be spent.

HON W M ISOLA:

In that case, I suggest, Mr Speaker, that you do not ask for this money. Why is the Minister then asking for £1800 or whatever it is if the Minister does not wish to spend this money?

HON A W SERFATY:

It has been spent in the Hon Members' time.

HON W M ISOLA:

One little point Sir. It is unfortunate of course that in the question of Supplementary Estimates we are unable of course, to put in items but it is a great pity that when these supplementary estimates come over here the minister did not consider putting an additional £200 or £300 so as to enable the local people in Gibraltar and his tourists on which he is so keen to have enjoyed the summer concerts which were recommended by the PA report of which the Minister on so many occasions accused the Government of not looking after the PA report and only recently on two particular cases the Minister of Tourism on the first two occasions that he has had, he has come along and chopped off two recommendations of the PA Report. It is incredible Mr Speaker.

Item 23. Head XXVI. Tourist Office was agreed to and passed without amendment.

Item 24. Improvement and Development Fund.

HON J BOSSANO:

Before we go on to Item 24, I think it will be useful for the House to have a look at the total of the first 23 items and to see how this compares with our financial position on the 18 August this year because the members on this side of the House, of course, we were not in office on the 18 August and we are not in a position to have expert advice on the matter, we have to depend on the public statements particularly because there was not the opportunity to place questions directly with responsible Ministers. We are very concerned at what the position was then and we want to see now that we have reached the stage where we have voted this additional £249,786, how this compares with the figures that were released in August based on the terms of the first three months and to see how this changes or affects the financial

position of the Government. Perhaps the Hon Financial and Development Secretary would like to comment on the £290,000 quoted on the 18th August which includes several items which we have just voted and which the Chief Minister brought out as reflecting the latest position of the Government at the time and it appears now that several months later the position is more favourable than it was then on expenditure.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, from memory the amount of Supplementary Estimates for this year quoted at the relevant date in August were of the order of £290,000 comparing with the amount of £249,000 nearly £250,000 for which the authority of the House is at present being sought. I implied that there was this difference that although this submission to the House includes £250,000 approximately that ~~there was~~ more and that about £40,000 was taken into account when we were looking at the prospective state of our finances in the course of August.

HON J BOSSANO:

Is the Honourable Financial and Development Secretary trying to say that the whole of the vote that we have now approved are included in the £290,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Could I have the question again, please?

HON J BOSSANO:

Is the whole of the £249,786 we have just voted included in the £290,000 of additional expenditure that was brought out in August?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes Sir.

HON J BOSSANO:

Did not the Hon Minister for Education mention in connection with the £9,000 for books that this figure was not included in the £290,000.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I think it very unlikely that he could have done because this figure of £9,000 for additional books which as Financial Secretary I was reluctant to approve, so soon after the provision of equipment and supplies in the estimates for the Comprehensive School, was reduced from £10,000 to £9,000. This has been under discussion for months. So I think it unlikely that it could have been said that it was not included in any figure for supplementary provision in the month of August.

HON CHIEF MINISTER:

I think, if I may just try to help the Hon Mr Bossano, what I think Mr Featherstone said was that he did not think that the £9,000 were included in the £15,000 mentioned as extra required for the Comprehensive that was the point. There were no big totals mentioned by Mr Featherstone at all.

HON P J ISOLA:

Does that mean then that this figure given by the Chief Minister on the 18th August was a bit of long range forecasting in this sense that we have only got about five months to go to the end of the year and that it was expected, but we have still got £40,000 more to vote of this £290,000 and if God willing, I presume we will meet again sometime in November, which will only give us four more months to the Budget itself. Does that mean then that on long range forecasting made by the Financial and Development Secretary at this glum time the Supplementary expenditure apart from wages estimated for 1972/73, was in fact going to fall short by some £200,000 to the expenditure of 1971/72, the supplementary expenditure, because, you see the point I make? Am I right in thinking that the estimate that the Financial Secretary made in August was a long range forecast of the total Supplementary Expenditure without wage increases envisaged by the administration at that time for the year 1972/73 falling short therefore by some £200,000 to the actual supplementary expenditure 1971/72.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

May I say that the figure that was quoted in August, was a figure based on our knowledge of the Supplementary provisions which departments were demanding from the Treasury and the Government. That figure totalled then to something like £290,000 and as I explained £249,786 of that has been brought to the House today and I gave warning that there will be more because I am confident that most of these other expenses will have to be brought to the House for approval. Now Sir, I am sorry, could I have the second part of the question.

HON P J ISOLA:

The second part is this. You then estimated the total Supplementary Expenditure you required for 1972/73 based on what had come in from the Departments. There is only about five months left now and it has not actually been spent. We have heard from the Hon Minister for the Port, that the £12,000 for the fenders are just on order, not paid for. What I am getting at is this. Am I right in thinking that apart from the wage increase which of course will increase the Supplementary Estimates, in actual fact for 1972/73 on Supplementary Expenditure, the trend is that we are going to spend £200,000 less than we did in 1971/72.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry for being so obtuse Sir. I now understand completely. The answer is certainly no. What we talked about in August was likely Supplementary Expenditure that we then knew about. This did not for one moment mean that we imagined there would be no further requests for further supplementary expenditure later in the year. Therefore the figure quoted in August like this figure of £249,000 now is by no means to be compared like with like, with the figure of over £400,000 which was the actual total supplementary expenditure incurred and approved by the House in 1971/72.

HON P J ISOLA:

Could I ask apart from the £40,000 that the Financial and Development Secretary has given warning about, has his department received any further requests for supplementary expenditure not related, of course, to the increases in wages which we all know about?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, not to my knowledge, except that they are liable to come from day to day.

HON J CARUANA:

Could the Government say why include a new fire engine in the estimates to the value of £11,828?

HON CHIEF MINISTER:

Because the previous Government decided that it should go there.

HON J CARUANA:

Because the previous Government what? I beg your pardon Sir?

HON CHIEF MINISTER:

Because the previous Government decided that it should go to the Improvement and Development Fund and this question was answered to the Honourable Mr Isola and exactly the same answer given, that we were honouring the policy decided by the previous Government that though this was a border line case as the Financial Secretary explained you had decided to put it to the Improvement and Development Fund.

HON J CARUANA:

Mr Speaker, as usual the Honourable and Learned Chief Minister is off the mark. I was not asking that question. I was asking why put an order for a new fire engine. I am very well aware that the last administration included an item under the Improvement and Development Fund called mechanisation (J) which goes under the heading of Purchase of Motor Vehicles, I am not quarrelling with that, what I am asking is why order a new fire engine at the cost of £11,828?

HON CHIEF MINISTER:

Because there isn't one cheaper.

HON J CARUANA:

Mr Speaker, that is hardly an answer to a legitimate question that I am putting and I would like the Chief Minister to be more respectful to a straight forward question. I am asking a simple, logical question. This is public money which is being spent and there are reasons for my question and the House will learn if I get an answer.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I can answer the question to this extent that the question of obtaining a new fire engine has been under discussion for six or nine months. The Chief Fire Officer went to considerable lengths to get specifications and prices of the various types of fire engine that could be obtained from the UK. He took account of the engines and equipment he already had and put to the Government a convincing case to my mind for the purchase of this particular one at this particular price.

HON M XIBERRAS:

On a very short point of clarification, we have already voted the amount under Head 9. 14 - Accommodation of Labour from Abroad. Now the Hon Financial and Development Secretary said that £15,000 had come from

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The Ministry of Defence vote from the UK. It has not come yet and we are ~~advised~~ it will be some time later in the course of this year.

HON M XIBERRAS:

Sir, I am aware that the £15,000 were for and I am also aware that the work involved, and this vote was rather more than £15,000. Could I ask a question as to whether there is any possibility in view of the work involved and the use to which the work has been put now. Will there be any further joy, if I may put it that way.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I am afraid the answer is no. We talked at an earlier stage about £15,000 because that was the then estimated cost. The cost increased to something over £18,000 and we tried to make a case for that. However the settlement was reached at the original figure that we had claimed of £15,000. I am afraid no joy.

HON M XIBERRAS:

Sir, the House will of course be aware that the Hon and Learned Chief Minister referred to this item in his famous statement and apparently he was not aware at the time. Of course, the Opposition restrained itself and did not comment publicly until the Hon the Financial and Development Secretary brought it to the knowledge of the House.

HON CHIEF MINISTER:

A little more than that. The point is that at the time that I made the statement there had been no offer or no agreement to pay anything. There was a claim but there was no certainty that it was coming.

HON M XIBERRAS:

Of course the Hon and Learned Chief Minister has read the papers thoroughly I have no doubt, and he will see that the decision was taken and the case was

made strongly enough for the Hon and Learned the Chief Minister to be able to at last consider the possibility that these funds would not have to be disbursed by the Gibraltar Government but of course he was trying to pile up the expenditure at that particular point in time.

HON J CARUANA:

I would like the House to recall what I said previously on car parks. That the item Car Parks at the end of the Improvement and Development Fund, this item here offset by saving is misleading because this in my opinion is not a saving it is in fact money which is being brought specifically out. This money has not been saved from the Improvement and Development Fund. What is happening is that you are depriving the Improvement and Development Fund of some amount of money. I am not quite sure whether it is the full £15,000 or part thereof. But definitely there is money which is being deprived of the Improvement and Development Fund. If this is correct and if that is the case, Mr Speaker, I am very concerned that road improvements will be prejudiced.

HON A W SERFATY:

Sir, I will try to help the Hon Member. It is rather a complicated matter but the previous administration was in negotiation with the Parcar Hotel Developers on the question of a car deck. We have our own ideas about that but although I will say straightaway that I certainly agree that this car deck above the Fish Market Road could be a pilot scheme on the so much exploited word multi-storey car park and all that sort of thing and that I am very eager, I am sure the Government is very eager to see this scheme materialise and I am sure the Opposition will agree with us. Negotiations are still going on. There was a commitment of the previous administration for Parcar of £34,500 but no provision had been made either in the Estimates or in the Improvement and Development Fund now. These negotiations started long before the previous administration terminated. The Hon Major Gache was negotiating this and he was a member of the previous administration. The point is this. We want to see that car deck go up. It will help the pedestrianisation of Main Street, it will help in the ever increasing parking problem. The commitment with the previous administration was £34,500. We are negotiating this with a new look. We may eventually find that instead of this parking area being exploited by private firms as would have been the case if the previous administration had carried on with its negotiations, this administration which does not pretend to be so socialistic as the previous one, may find that we may have to look for more money than £34,500 and we may have to come here again but even if the contribution of the Government were only to be £34,500 - and this car deck should be built at an early stage before the Parcar hotel is completed - I am sure the Honourable Member will agree we have to find this money, and what we have decided is to delay the work on the Castle Street conversion and on the Arengo's Palace, Castle Ramp and Relcamation Road parking areas and may I say because this is very important, in the last Estimates of the previous Government there was only - and this is beginning to be quite clear, it was a favourite thing of the previous administration - there were only token votes of £500 for the Arengo's Palace and the Castle Ramp Car Park. So what I have enumerated are the schemes that are going to be delayed because we hope that at an early date we shall be able to carry on with this car deck and we may have, I give warning, to come here again for more funds for this car deck.

HON J CARUANA:

I thank the Honourable Minister for his reply. He has in fact confirmed my concern. In fact three good projects, two of them car parks, which had to be started some time are now going to be delayed and we do not know when they are going to start so therefore the date is indefinite, therefore these improvements for the motorists in Gibraltar are for the time being remaining on a status quo basis. Castle Street was an important project because it would ease the traffic to and from the hospital for ambulances. It would relieve the two-way traffic coming down and through Hospital Ramp and I believe the sum there was something in the region £15,000 or £10,000. The token vote of £500 for Arengo's Palace Mr Speaker was a token vote for initial demolition of the prefab on the spot because the first stage was to use the levels as they stood and just clear the area with £500 in simple demolition work and Reclamation Road was only £1,000 which was for resurfacing Reclamation Road and turning from a road into an official car park and then invite tenders from private concerns to tender for the possibility of using mechanical two-tier car parking in Reclamation Road right against the wall and the area is ideal. So therefore Mr Speaker my fears have been confirmed. Work on the roads and parking is being delayed. I hope the Government will remedy this situation. We are very well acquainted with what was going on in that respect I think the Minister opposite mentioned the name, Major Gache, who was in our Government, I believe, is still in Government.

Item 24. Improvement and Development Fund was agreed to and passed without amendment.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have the honour Sir, to propose that the votes detailed in Supplementary Estimates No.1 of 1972/73 be approved. Sir, I would like I may respectfully do so to say that I welcomed the interest shown and the constructive discussion I thought we had about supplementary estimates and the system in general, that discussion which we had at the beginning, first of all to what is a suitable level of supplementary expenditure in Gibraltar. I must have been very forgetful when I didn't momentarily realise that it was only yesterday that I was commenting on the figure of £419,000 as the total of supplementary expenditure on current votes in the year 1971/72 and this year you see for a bare half year we are up to practically £249,000. Now, it may be recalled that in my budget speech in the spring I said that on a recurrent budget now of the order of £5½m we were seeing swings of both revenue and expenditure of as much as about £500,000 and one has only to suppose what would happen if the swings went on both directions against us, to see where we would be anything up to £1m worse off than we thought when we first estimated. I make this comment simply, Sir, to say I am not sure that Hon Member said we can rely upon it that expenditure committed will not be achieved. I endorse of course that the Hon Mr Xiberras stated absolutely correctly what the system is. It is quite true that departments may not spend more on sub heads of their votes nor may the Government approve additional expenditure on sub heads without it being brought to the House. But this does not mean now that the Treasury Sir, does not make every effort before coming to the House for supplementary expenditure to ensure that the spending department makes corresponding savings on other subjects. But, Sir, my experience is that we are not very successful in that regard. I recall if I may say discussions of this matter with the former Chief Minister and our both taking account of the fact that in our estimates we do not have anything of the nature of a

miscellaneous item at the end of each vote to allow for unforeseen contingencies. But I am bound to say that if one thinks of £500,000 on total expenditure of just a bit over £5m but getting on to 10 percent and that is a high level of supplementary expenditure. If I may allow myself these remarks, on this occasion Sir. I only have one more comment and that is on the anxiety expressed about robbing item L in the IDF Fund to pay item K car park. Well, Sir, there was reference earlier to this perhaps causing a case for supplementary expenditure but as we know the House has authorised the transfer to the I and DF of £200,000 and I shall make it my business Sir, to ensure that these expenditures if they are incurred, are incurred within that sum and that no further expenditure is called upon from the House. Thank you, Sir.

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

HON J BOSSANO:

Mr Speaker, I would like to say a few words as to what we feel is the present position now that we have reached the stage where we have closed the accounts for the year 1971/72, we have approved apparently all of the bulk of the additional expenditure which we were supposed to have not provided for initially in the original estimates for 1972/73. The position as to the general revenue and the fluctuation of half a million pounds each way to which the Hon the Financial and Development Secretary referred would in this hypothetical situation where they crossed each other of course produce a £1,000,000 deficit and if this was in fact within the realm of reality it would be most imprudent to take £200,000 out of the general revenue reserve and put it into the Improvement and Development Fund where they would not be immediately available to meet this sudden £1m deficit but in fact this hypothetical situation is highly unlikely to take place certainly in 1972/73, because the Hon the Financial and Development Secretary originally estimated at Budget time an increase of revenue for 1972/73 of almost £800,000 more than the original estimate for 1971/72 and in fact this estimate of 1972/73 which was £800,000 more than the original 1971/72 happens to be also £300,000 less than the final figure. So we have now moved from an original position where we expected revenue to be better than in the previous year by £800,000 to a position where in the absence of any revision in the expected revenue position we are now expecting £300,000 less than we got last year. This is of course incompatible with for example the revenue inducing effect of the wage claim to which the Hon the Financial and Development Secretary referred yesterday in answer to a supplementary question of mine. The other major body of expenditure is of course the I and D Fund where the Opposition felt very strongly that the transfer of £200,000 was uncalled for. In supplementary estimates No.8 of 1971/72 we voted total expenditure of £714,000 which at the time I sought clarification in order to compare the final expenditure figure of the fund for 1971/72 with the revised estimate and there is a slight difference of some £60,000 higher than the revised estimate but in fact the bulk of the £714,000 that we approved in supplementary estimate No.8 is accounted for by direct grant to HMG. And the only figure that we ourselves need to provide for the reserves of the Fund is an additional £86,584. To cover this figure there is of course the £300,000 we intended to put in. This means that the net position of the Improvement and Development Fund at the 31st March 1972 would have been better than anticipated if only £300,000 had gone in as was suggested by this side of the House. It is now considerably better because of the additional £200,000 and already a large part of the 1972/73 year has gone by and the only supplementary provision we are being asked to provide for out of the Improvement and Development Fund is £28,000 for which there is something in the region of a £4m available. Dealing with the specific question of the approval of the

estimates, I wish of course to move that the supplementary estimates No.1 of 1972/73 be approved subject to the amendment that the same be reduced by £2,720. Thank you.

MR SPEAKER:

I will now propose the amendment to the motion moved by the Hon Mr Bossano which reads as follows:-

That Supplementary Estimates No.1 of 1972/73 be approved subject to the amendment that the same be reduced by £2,720.

HON J BOSSANO:

Mr Speaker, this is the item to which we referred earlier and which we found unfortunately it would be necessary for us to oppose because the expenditure would not be as useful to the present Government as it would have been to the last Government who originally intended it. I think everybody in the House is quite clear of the reasons and it is hoped that when the Hon Minister for Labour and Social Security becomes converted to the usefulness of questionnaires it may be possible for this side of the House to support future votes to be expended in obtaining statistics by that well established method. Thank you.

MR SPEAKER:

Honourable Members are now free to debate the amendment if they so wish otherwise I will put the amendment to the House.

On a vote Being taken the following Hon Members voted in favour

The Hon Major R J Peliza
The Hon M Xiberras
The Hon P J Isola
The Hon W M Isola
The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi

The following Hon Members voted against:

The Hon Sir Joshua Hassan
The Hon A W Serfaty
The Hon A P Montegriffo
The Hon M K Featherstone
The Hon A J Canepa
The Hon I Abecasis
The Hon Lt Col J L Hoare
The Hon H J Zammit
The Hon J K Havers
The Hon A Mackay

The amendment was therefore defeated.

MR SPEAKER:

The amendment is therefore defeated. If there are no further speakers to the motion I will now put the question.

HON J BOSSANO:

Mr Speaker we shall now of course be voting for the supplementary as a whole but it is quite clear with the reservation that the amendment referred to.

On the question being put by Mr Speaker the votes detailed in Supplementary Estimates No.1 of 1972/73 were passed.

SCHEDULE OF CHARGES FOR TELEPHONE SERVICE

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, the House may recollect that at the last sitting it was mentioned that loud speaking telephones had been put into service in the UK and that there appeared to be a local demand for them in Gibraltar also. I am glad to be able to say that this item is now on order for our telephone service and that consequently a new charge has to be introduced therefor.. I accordingly move Sir, that in exercise of the powers conferred by Section 39 and 40 of the Public Utility Undertakings Ordinance, this House determines by resolution that Schedules 1 and 2 of Legal Notice No.33 of 1972 - Charges for the telephone service - be amended by the inclusion therein respectively of the following new charges with effect from the first day of October 1972. Schedule 1 Rentals - Part 5. Miscellaneous equipment and apparatus, Item 9 - Loudspeaking telephone LPS4 £10.00 per quarter. Schedule 2 -Connection and Removal charges, Item 9 - Loudspeaking telephone LTS4 Standard charge £5.00.

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

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

The motion was accordingly carried.

MR SPEAKER:

If it is acceptable to Hon Members I now propose to recess until Monday morning at 10.30 a.m.

HON CHIEF MINISTER:

Mr Speaker, I thought perhaps as we have a little more time we could get through at least one or two of the bills.

MR SPEAKER:

By all means.

BILLS
FIRST AND SECOND READINGS

(1) The European Communities Ordinance 1972.

The Chief Minister moved that a bill for an Ordinance to make provisions in connection with the inclusion of Gibraltar for certain purposes within the European Communities 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 CHIEF MINISTER:

Mr Speaker, I beg to move that this Bill be read a second time.

On 1 January Gibraltar will be included, for certain purposes with the European Communities, under Article 227(4) of the Treaty of Rome. Gibraltar's position on such inclusion will however, differ from that of the United Kingdom in that:

- (a) Gibraltar will be excluded from the common tariff arrangements;
- (b) the common agricultural policy (CAP) will not apply to Gibraltar;
- (c) the value added tax (VAT) will not apply to Gibraltar.

2. Subject to the foregoing reservations, however, the principles of the Treaty setting up the European Economic Community will apply to Gibraltar. Of particular relevance to Gibraltar are the following Articles of that Treaty:

- 48, dealing with freedom of movement of workers, i.e. all salaried or wage-earning persons, except those in the public service;
- 52, dealing with freedom of establishment of nationals of member States;
- 54, (with particular reference to paragraphs d, e and f thereof), dealing with the abolition of restrictions on freedom of establishment, including entry and residence and the acquisition and use of land;
- 58, assimilating the status of companies to that of natural persons;
- 59, dealing with restrictions on services, in particular those of a commercial character, and professional occupations;
- 65, dealing with the imposition of restrictions on persons providing services without any distinction on the grounds of nationality or residence;
- 67, dealing with the abolition of restrictions on movement of capital belonging to persons resident in member States.

3. This Bill, which is based upon the European Communities Act 1972, is designed to provide for the legislative changes which will enable Gibraltar to comply with the obligations entailed by membership of the European Economic Community. These obligations and rights derive from the Treaty concerning the accession of the United Kingdom to the European Economic Community and to the European Atomic Energy Community and the Decision of the Council of the European Communities concerning the accession of the United Kingdom to the European Coal and Steel Community.

4. The basic requirements of Community membership are dealt with in Part I with the First and Second Schedules. The main purposes of Part I are:

- (a) to give the force of law in Gibraltar to present and future community law which under the Community Treaties is directly applicable in member States;
- (b) to provide for subordinate legislation in connection with the implementation of Community obligations or the exercise of rights under the Treaties.

5. Part II, with the Third Schedule contains provision for the detailed legislation needed on or shortly after accession to implement Community obligations. The main purpose of Part II is to amend the law of Gibraltar so as to comply with the obligations which arise from accession.

Part I - General Provisions

6. Clause 2 introduces the principal definitions and in particular those of "the treaties". The Treaties will include the Treaty and Decision relating to the accession of the United Kingdom to the Communities, the six principal preaccession Treaties listed in Part I of the First Schedule and treaties entered into by any of the Communities. They will also include other ancillary treaties to which the United Kingdom becomes a party.

7. Clauses 3 and 4 make general provision for rights and obligations arising under the Treaties. Clause 3 gives the force of law in Gibraltar to present and future Community law, which, under the Treaties, is to be given legal effect without further enactment (subsection (1)), Clause 4 provides that regulations may be made for the purpose of implementing a Community obligation, exercising a right under the Treaties or dealing with related matters, subject to the restrictions in the Second Schedule.

8. Clause 5 deals with Community obligations and charges these on the Consolidated Fund. Clause 6 deals with the treatment and proof of the Treaties and Community instruments in legal proceedings in Gibraltar, and makes it clear that questions of their validity, meaning and effect are to be determined in accordance with the jurisprudence of the European Court.

Part II - Amendment of Law

9. Clause 7 effects certain amendments to existing law listed in the Third Schedule. It is considered that this Schedule should include only those amendments that are basic, essential and immediate to the requirements of Gibraltar's inclusion in the EEC: subsequent amendments being the subject of regulations under Clause 4.

10. In this Schedule are included brief amendments to the Interpretation and General Clauses Ordinance and to the Financial Year Ordinance 1970: the former being designed to enable certain definitions relating to the EEC to be used in all laws and public documents and the latter (which, we are pleased to say, will not come into effect until an appointed date) which is estimated to be not less than about five years hence and it would be a pity if we had to do that so quickly after having only two years ago come back from our calendar year for budgetting to the financial year in the UK that we should go back, but of course, we will not go back any earlier than the UK will go back and therefore the consonance which was reached by amending our legislation to provide the financial year from the 1st April to the 31st March of the following year will continue in consonance with the UK until both parties change the law.

11. Schedule 3 to this Bill does not, however, propose amendments to certain laws that are of particular importance to Gibraltar in relation to the European Economic Community. These are the -

Control of Employment Ordinance
Immigration Control Ordinance
Land (Titles) Order and
Trade Restriction Ordinance.

12. Following the test of adopting amendments that are "basic, essential and immediate", it is likely that Schedule 3 will require amendment to incorporate modifications to these four laws, with effect from the date of Gibraltar's inclusion in the Community.

13. Draft amendments to the four laws referred to in the preceding paragraph have been prepared and these are under review in London. The views of the Home Office are being sought upon the adequacy of draft amendments to the Control of Employment Ordinance; similarly views are being obtained in the light of the comments of the Principal Immigration Officer, on necessary amendments to the Immigration Control Ordinance; and it may well be that the Authorities in the United Kingdom will have advice to offer on other aspects of the Schedule.

14. In view of the difficulty of obtaining and considering relevant comments in time, the substantive text of the Bill, together with Schedules 1 and 2 and only those provisions of Schedule 3 dealing with the Interpretation and General Clauses Ordinance and the Financial Year Ordinance are now included. It is hoped that by the time the committee stage of the Bill has been reached the nature of the appropriate amendment of the Control of Employment Ordinance, the Immigration Control Ordinance, the Land (Titles) Order and the Trade Restriction Ordinance should well have settled; and at that stage (or later if need be) Schedule 3 can be enlarged, as required.

15. The enlarged united Europe of which Gibraltar will soon be a small part is a great enterprise and one in which we should all be glad and proud to share. I have dealt in my speech on the second reading of this Bill with a number of technical matters affecting our laws. We are also, of course, considering as my Hon Friend the Minister for Tourism said in his statement yesterday, the economic aspects of Gibraltar's membership with a view to ensuring that the new arrangements do not work to our economic detriment. But we must not, I think, allow our preoccupation with the legal and economic technicalities of entry

into the Common Market - important though these are for our material welfare and for the orderly progress of our society - to obscure the wider and less tangible possibilities and benefits which can accrue to us all as a result of this amalgamation of economic interests.

16. It may be many years before a wider appreciation of the brotherhood of man comes about and before physical and other national barriers are removed, but at least we are starting on the right road and I am certain that future generations, while wondering why it took us all so long, will thank us for having taken it in the end.

17. Although Gibraltar will be only a minute part of this new enlarged Community, we here have perhaps a particular interest in the long-term aims and effects of this gathering together, for the common benefit, of peoples of different nationalities but of similar historical backgrounds, civilisation and culture. We can therefore, I think, only welcome this movement towards a united Europe, express the hope that the development of its political and human aspects will gather speed and momentum and, from a local point of view, that it will eventually lead to a solution of our difficulties. I am sure that the patience we have exercised in the past and which we will need to continue in the future will, at some future date, be rewarded. It is in this spirit that I earnestly commend this bill to the House.

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

HON MAJOR R J PELIZA:

Yes Mr Speaker, naturally we who have always advocated that Gibraltar should become an integral part of the new and United Europe welcome this Bill and will of course scrutinise in committee Stage the proposals that are being made in the Bill. But since the nature of the Bill is of so great common interest to Gibraltar, I hope it will be possible for the Government to be in close consultation on this matter with the Opposition so that we could have perhaps a number of meetings where we could discuss the Bill in detail before we come to the House so that if possible when we eventually come to the committee stage there is complete unanimity on the Bill. I can start by saying that there is one point that I personally would like to see excluded from the Bill for an Ordinance to make provision in connection with the inclusion of Gibraltar for certain purposes within the European Community. I would like to see the deletion of the words "for certain purposes" because that seems to minimise the close and perhaps integral position that Gibraltar will have with the Common Market, but I am not at this stage putting arguments in favour or against the inclusion or exclusion of that but its just a pointer, Sir, of perhaps some other details in the Bill of which we may have different views. I think above all and I'm not going to talk long on this because I think the sentiments and feelings of the Opposition on joining the Common Market are well known. I was in fact rather criticised by certain sectors when I said I was jubilant in the beginning that Gibraltar was joining the Common Market, so I think the feelings of the Opposition are well known and hardly need expressing again. But there is I think a very fundamental matter involved here and its the balance between the economical and the political and certainly the Opposition will not give way, I will not agree to any points or amendments to the Bill which would prejudice the political connection of Gibraltar with the Common Market and the future,

the very important future implications of this political link with Europe because as has been restated by myself and my colleagues, whether Gibraltar eventually can overcome the present restrictions and harrassment of the Spanish Government will greatly depend on whether or not Gibraltar is an integral part of Europe and the British Government is prepared to ensure that Spain will not be allowed to join the Common Market unless and until they respect the people of Gibraltar and grant us the rights that we are so legitimately entitled to our territory, to our institutions and to our rights.

HON ATTORNEY GENERAL:

On a point of clarification, the inclusion of the words "for certain purposes" was considered necessary by the draughtsman because as the Hon Leader of the Opposition will appreciate certain provisions such as customs provisions which, the Hon Chief Minister explained are not going to apply to Gibraltar. That is why these particular words were put in by the draughtsman.

HON MAJOR R J PELIZA:

If I am allowed just to say that this might be overcome simply by the presentation, by changing the wording there, and perhaps stating the points that are.....

HON P J ISOLA:

Mr Speaker, Sir, the Hon Leader of the Opposition has already stated the support of the Opposition for this Bill because of the attitude we have taken all along on the question of entry of Gibraltar into the European Economic Community and the Leader of the Opposition has said for Gibraltar the importance of entry is of political significance rather than of economic significance. On this side of the House, of course, if it had been necessary to achieve our political aims we would have willingly entered into the European Economic Community as full members under the Treaty of Rome. Having said that I appreciate that the Bill before the House follows the pattern of the Act of Parliament in the United Kingdom but of course, in the case of the United Kingdom that country is going into Europe as a full member and that legislation which raised so much opposition in Parliament on matters relating to questions of principle in the Bill itself, in other words legislating by delegation, are matters that equally cause concern on this side of the House and certainly on this side of the House the thought came into our minds of suggesting a Select Committee to consider the Bill and this is something that the Government might want to consider, but it is possible that the need for a Select Committee of the House to consider the Bill could be avoided by informal meetings of both sides of the House so that full explanations can be given with regard to the sections in the Bill and the reasons for particular clauses in it. There are some clauses, Mr Speaker about which we must of course raise our eyebrows. For example, clause 3 where it says all rights, powers, liabilities and obligations and restriction created or arising under the Treaties and all remedies and procedures from time to time provided for by or under the Treaties as in accordance with the Treaties, are without further enactment to be given legal effect or used in Gibraltar shall be recognised and available in law. In one clause, a whole host of law of the Community become the law of Gibraltar, which is not within the customs zone. I think it is necessary for the House to consider whether there must not be qualifications to this because of the customs provisions in the Treaties and the fact that we are outside those provisions. Then Mr Speaker clause 4 again obviously has matters on which great objection must be taken in principle and that is the power of the Governor-in-Council by regulation to make laws for Gibraltar. I know this follows

the pattern in the United Kingdom but in the United Kingdom there is a very busy parliament and to get in your legislation it sometimes requires extreme skill on the part on the whips on the Government side. In Gibraltar, Mr Speaker, the House meets only once a month and I would have thought that it would be preferable in Gibraltar that any new laws of the Community or any new laws that require enactment in Gibraltar itself and are not covered by the sweeping section 3, should be brought before this House, examined and explained rather than done in a stroke of the pen by the Governor in Council. This is something that certainly we on this side of the House would like to be considered and something that will not in any way in our view infringe the provisions of the Treaty of Rome. The Honourable and Learned Chief Minister in proposing the motion has referred to certain amendments that he hopes will come to the Third Schedule at the Committee Stage of the Bill. These amendments relate to the Immigration Ordinance, Control of Employment, Trade Restrictions, Land (Titles) Order. So with the exception of the last one, the other three are obviously laws that are of great interest to the population in Gibraltar and although in this particular case they will be brought in Committee Stage as a third schedule and will enable the Opposition to consider them and consider the need or necessity for the amendments within the context of the Treaty of Rome, others could be brought at a later stage apparently by direct enactment by the Governor in Council and if these amendments to these particular pieces of legislation should not be ready before the 31st of December it would be possible for the Governor in Council to make these amendments purely by order in Council. Well, obviously this is clearly against the spirit of the Constitution, it is clearly against the spirit under which laws are passed in Gibraltar. We are not wishing in any way to escape any of the responsibilities that membership of the Treaty of Rome bring with it. But, I would respectfully point out to the Government that there is a great difference between the procedure that has to be carried out in the United Kingdom who have Parliament that is already too busy with legislative enactments and the comparative peace and quiet we have in Gibraltar in the House of Assembly and the comparative amount of time that we have to consider matters in the House during the course of every month of every year and in our view any amendments that are required to the European Communities Ordinance once it is passed should be brought before the House. I think on this side of the House we would look at all the legislation and want to be in a position to want to question the Government and especially the Law Officer of the Government as to whether any particular amendment is or is not absolutely necessary within the context of the Treaty of Rome. We may take a different view and therefore I think it is good and right that opportunity should be given for debating it here. If something very urgent should come up certainly on the Opposition we would meet at short notice and deal with it but I cannot imagine that in Gibraltar this is likely to be necessary at any time so although we do not offer at this stage any particular amendment to the Bill nor indeed are we required to do so, we on this side certainly would welcome unofficial meetings between both sides of the House to consider this Bill in some detail rather than in the formality of the Committee Stage in this House and we would certainly ask the Government to give very serious consideration to the request from this side of the House that we should not through this act get ourselves in the position of having the Executive Arm legislating for the people of Gibraltar and pushing that responsibility on to the House. The machinery is adequate to pass legislation in Gibraltar comfortably at short notice certainly within two months of any decision that may be made. Although we support this Bill and support the spirit behind it and the fact that Gibraltar is joining Europe, nevertheless we do wish serious consideration be given to the comments we have made on the Bill itself.

MR SPEAKER:

Does any other Hon Member wish to speak?

HON M XIBERRAS:

One point Sir I feel that everybody in the House is in agreement with the principles of the Bill but this side of the House is not in agreement with the executive legislating to such an extent but perhaps this point needs rather more emphasis because the executive about which we are talking in Gibraltar is not directly linked with this House. It is the Governor in Council, and I feel that matters of very great importance to people here could be decided automatically in Gibraltar Council in which all members of this House not even all members of the Government are represented and that therefore bearing in mind also the peculiar circumstances of Gibraltar at present and the circumstances in which Gibraltar has found itself for a good part of the 260 something years we have been British, it is of the greatest importance to Gibraltar that at least all the elected representatives of Gibraltar should have a chance to discuss any proposal that comes from the Common Market be this a major proposal emanating from some Treaty or a minor proposal in Common Market terms for the free entry of labour, for lands questions and so on. Such changes as the last ones I have mentioned and which the Honourable and Learned Chief Minister mentioned could create considerable upheaval in Gibraltar. And I remember the Hon and Learned Chief Minister expressing his disquiet when this side was in Government at the lack of information that had been put out by the then Government to the then Opposition. In frank terms I thought that perhaps because of the lateness of the hour he spoke far too hurriedly on this important Bill, he omitted many important considerations and that he expected the Opposition to catch up with what was a written brief in moving the first and second readings of this Bill. He did not allude for instance to the link between this Bill and the Constitution which my Hon and Learned Friend spoke of them in passing. How would any decision of the European Common Market and this is purely a hypothetical question obviously, bear on the constitutional obligations which HM Government has with Gibraltar; how would any part of this Bill bear on the established rights of elected members in the constitution in respect of defined domestic matters. Would there be any overlap with defined domestic matters and if there were to be an overlap between what the community says we should do, what is accepted by Governor in Council we should do and the defined responsibility of Ministers, the constitutional responsibility of Ministers, is there any possibility of arbitrating, of seeing exactly what should be changed, whether any responsibilities should be amended, whether there has been an encroachment of any kind and are we in accepting the power of the Governor in Council to legislate on all matters in Gibraltar, are we also at the same time accepting in principle the possibility of a diminution of the powers of the Ministers and of the rights and privileges of this House. I appreciate that these are weighty questions and that in the last resort little Gibraltar may have next to no hope of influencing the result. But I would like to say that this is not the spirit behind the Bill nor is it the spirit behind the community.

And therefore the proper spirit, the right spirit behind the community and what I have no doubt is the right spirit behind the bill should be put across in rather clearer terms than the Chief Minister has put them tonight. I do not know what the rush is but if there is a rush even if it might be presumptuous of this little Assembly to hold up the great workings of the Common Market by an adequate consideration of the Bill I think we, the elected people of Gibraltar, do owe very full explanations of the consequences of this Bill and we do not have to accept what comes even in the UK pattern to this House. I am sure I am inviting facetious remarks from the other side by saying that, but it is a question of the interest of a small place like Gibraltar first. Even when these important matters are concerned and I am sure the Chief Minister would not like to push this Bill through the House at top speed as I am sure the Chief Minister would like to consider at least informal meetings, preferably in my personal opinion, a Select Committee of the House on the Bill. It is among the most important bits of legislation that has come before this House, the implications are very, very wide and I think we can not just accept one speaker on the other side going through a prepared brief when one on this side does not have, even knowing something about it, does not have such things as copies of the UK act, copies of such Acts as might exist in other small places like Heligoland or other places and having no possibility of comparing the legislation here with what has been used in other places. I am not particularly enamoured of this Bill the way it is presented. If it has to be then it has to be but I would like the Government and especially the learned Attorney General to convince me that this is the only way we can go forward on this Bill because if we do not have that then we will be giving our assent to something we really do not know very much about. We had one rather fleeting but helpful visit from a Mr Ford sometime ago. I have seen papers about the implications on the various Ordinances in Gibraltar, but I have still not seen an exhaustive analysis of what the consequences would be for Gibraltar and we must in this House be absolutely convinced that there is only one way of doing this if we are to vote for legislation by the executive to this extent. Finally Sir, may I come back to the point which I make again to end. Could we please have a Select Committee on this Bill or if the official side would prefer some sort of arrangement that would be more flexible so long as the House accepts that there would be a proper and reasoned and orderly discussion of the reasons for this Bill, before we come to this House again and so long as the reasons are made clear to the public at large in this House at the appropriate time. I think it is of very great importance.

MR SPEAKER:

Before I put the question and invite the mover to reply is there any other member who wishes to say anything on the general principles and merits of the Bill?

HON CHIEF MINISTER:

Mr Speaker, it seems rather odd that after all the jubilancy of the previous Government about entering Europe and in fact almost making it appear that Gibraltar had compelled Britain to go into Europe in order that Gibraltar could go on its apron strings but now there are full of so many doubts and so many concerns

about the actual proposals however much they may say that they agree with the principle. Now, I am no expert in the delicacies and intimacies and complications of Community Law and never pretended to be. I have done a little homework and therefore I have a few things that I can say in reply. And let me say to start with that I entirely agree that there should be informal consultation with the other side. This is a fundamental change in our lives and even if nothing could come out of that I don't think anybody would be entitled to get through this Bill on the basis of a majority in order to get on with it. Before I would like to say that whilst I am quite happy and prepared to have meetings what I don't think this Government can do and carry on governing is having endless meetings with semantics about a word here and a word there and forgetting the principle that we are concerned with. If we are going to have the same kind of things that we've been having here at question time then there will be these things but they will have to be limited because in fact one has got to get on with the job. But let me also say that I do not like I do not like legislation by delegation. I have always been against that as a lawyer and as a politician and my view on that for what it is worth at this stage and I have not discussed this matter yet with the Hon Attorney General I am speaking about the question of my attitude to delegated legislation and my attitude to that which is a political one whatever funny faces Mr Xiberras will make is that I make two distinctions insofar as delegated legislation is concerned, one is those laws that directly affect the life of Gibraltar, the economic, social life of Gibraltar and there are those other laws which are made by the Community which will have nominally to apply to Gibraltar but which will have no effect, very much the same as Orders in Council made by Her Majesty in the United Kingdom enforced in Gibraltar by a notice in the Gazette and a copy of it if you are lucky to get it because you never have to look at it because it has nothing to do with it. That is how I look at the point of the delegated legislation. There is also in the provision to the ordinance the fact that any delegated legislation must be laid on the table and can be discussed. This of course is the normal safeguard for delegated legislation but my attitude on this is a major distinction and I thought that I had highlighted this because I have brought out four major ordinances that affect our lives and must be done before the end of the year. I do not think we can expect Britain to withhold her accession to the Common Market on the 1 January because we are not ready in Gibraltar. I don't think much as they like us, I don't think they would be prepared to go that far for the sake of satisfying the Hon Members of the Opposition. And there is of course, an element of time in this and there has been an element of, I won't say delay, but time for these matters to have been taken up in the United Kingdom. Going back as members will know the Attorney General, the previous Attorney General has made visits to the United Kingdom long before the Elections about the matter but he was not because of

ready
 consultations held there and so on/to produce the Bill until just before he left. So I make two points. First of all, certainly let us have informal consultations within reason and secondly the question of the delegated legislation which affects Gibraltar or rather the legislation which affects Gibraltar, I make a distinction between that and between all the endless number of regulations which, no doubt, have got to be applied formally because we cannot have our cake and eat it. We cannot say we want to go into Europe and immediately start worrying about whether the powers of the members of the House of Assembly are going to be reduced and so on. I think anybody who has read the huge debates on the Bill in the United Kingdom will have seen that there are two very strong views about this matter. The views of those who thought that Parliament was being deprived of its right and the views of those who said: "This is the only way you can do it if you want to go to Europe. I will speak as long as I like, Mr Caruana,

Now, this is the matter which concerns us most because these are the points on which I am dealing which have been raised by 3 members who have spoken on the Bill. The fourth one as I say, certainly consultations, secondly the amendments to those laws and to the other laws that may require direct change because we have to safeguard our position or any laws that might come that would affect Gibraltar even though we are told that it has to be done because it applies to Gibraltar because we cannot say we are in the community and reject anything that we don't like but still hope that because of the community eventually everything is going to be solved. We are not going to be convenient members of the community. We are either members or not members within the limitation, and so far as any laws affect Gibraltar itself we will certainly find out whether they can be done in time by amendment or whether there can be prior consultation and discussion before putting them on the schedule. These are matters which I would like to consider, but I certainly have anticipated and, in fact, my first dislike when I saw the first paper was this question of delegated legislation. But I see the need of it for quite a considerable amount of the work that has to be done and of the regulations that no doubt will be flooding us once we become part of Europe. With regard to the spirit of the constitution. I think first of all that though we have a routine constitution, and Britain has not got a written constitution, I would imagine and I'm sure this will have been looked at and will continue to be looked at, that the same as it has been assured and secured in Parliament that this does not affect people any more than people want to be affected by subscribing to treaties, because any accession to a treaty is a surrender of an element of your sovereignty in some way or another - this has been described over and over again in the debate - and therefore you would voluntarily give up something because you think you're getting something better but I do not think that the responsibilities under the Treaty of Rome can in any way derogate from the powers of the executive in Gibraltar any more than it is required for the strict purpose of complying with the Treaty, no more than it can delegate from the powers of ministers and members of the United

Kingdom but I shall certainly welcome discussions on this matter but according to the advice we have insofar as this Bill is concerned whatever amendments may come after that may arise or not, this Bill should come through the House by the end of November. This only gives just one month because Britain must have also her homework done and so on before she goes into Europe, but there is in fact no spirit of taking advantage and I'm perfectly sure that if in fact what happened on the 23 June had not happened we would now have the Hon Major Peliza on this side of the House producing this kind of Bill and perhaps more eloquently doing exactly the same that I have done today.

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

The Bill was read a second time.

The Chief Minister gave notice that the Third Reading and Committee Stage of this Bill would be taken at a subsequent meeting.

MR SPEAKER:

If its acceptable to Hon Members I intend to recess now until Monday at 10.30 a.m.

HON MAJOR R J PELIZA:

Mr Speaker, if I may just again appeal to the Chief Minister to alter the time. I remember that we said that perhaps we could discuss the matter in private late today before we adjourned and one of the points he made I think yesterday was that it appeared that the House was more full in the mornings or very much the same anyway. I've been watching this today and I have noted in fact that it was rather late in the afternoon that the House began to fill and nearer 5 than 3 o'clock, and I wonder if the Chief Minister would again reconsider for the purpose of enabling those who cannot come in the mornings whether it would be possible to adjourn until later in the afternoon and also because it is very demanding certainly on the members of the Opposition who have to attend work, who have got to ask permission from their employers to attend and if possible I wonder whether he would not reconsider again starting late. I can assure him, I think of the points he made was that he was prepared to consider this if Mr Bossano would pair off with Mr Zammitt. I don't know if he's changed his mind. If he has well, of course it is no use arguing but if he has not changed his mind from that position, I think it might be possible to find a compromise because I can assure the Chief Minister that Mr Joe Bossano would not vote that he would leave the House at voting time and therefore I don't think it would effect this in any way.

HON CHIEF MINISTER:

Mr Speaker, I'm sorry I cannot give way on this one because in any case whether the House is empty or not as we are taking so long whatever time we start in the morning there is always room for everybody to come. Here we are, if we would have started at 10.30 we would still have business now and therefore to be quite frank there has not been sufficient progress made today to warrant giving the respite of this morning and I must get on with the business of the House and I must say that we must carry on and meet at 10.30 a.m. on Monday. I am very sorry. I give way today but I cannot give way any more.

HON MAJOR R J PELIZA:

Mr Speaker I would like to say how sorry

MR SPEAKER:

Order. I have announced to the House that if it is convenient to all members we would recess until Monday at 10.30 a.m. Having heard the Hon Chief Minister, and the Hon Leader of the Opposition I feel that it would be proper in the circumstances that a motion for the adjournment of the House should be made and a vote taken on it.

HON CHIEF MINISTER:

I move Sir, that this House adjourns to Monday at 10.30 in the morning.

MR SPEAKER:

I now propose the question which is that this House do now adjourn until Monday at 10.30 in the morning.

HON MAJOR R J PELIZA:

Mr Speaker, I must object and vote against such a motion because I think it involves a matter of democratic principle. The whole object of a Parliament is to discuss matters of public interest. Therefore, it is the public that one has to think of since it is their affairs that we are discussing in this House. It is very clear from the situation in Gibraltar, since the vast majority of the people of Gibraltar are working men and women, that it is impossible for them or very nearly impossible unless they lose a day's pay and act contrary to the wishes of their employers, to attend the meetings of this House. I am very surprised that a Government which calls itself a Labour Party Government does not take into account the working people who attend and listen to the debates, who seem to care very little as to whether they come or not and the Chief Minister's only argument against it is that we take considerable time over our meetings. Isn't it the purpose of these meetings to discuss as much as possible any item that may be brought to the House. Isn't the purpose of asking a question to get an answer

from a Minister, and if the Minister doesn't want to answer the question isn't the duty of the Opposition to press, and press and press until they get an answer. I can assure the Honourable and Learned Chief Minister and being learned he knows this very well that if his Ministers were prepared to give the information that is of so much value to the people of Gibraltar not to his House only because the purpose of a question is not just to inform the members of this House but to inform Gibraltar as a whole and particularly those who can come and listen to our debates. Isn't he aware that if his Ministers were to come out with a straight forward answer a lot of time would not be wasted. I know perhaps that the Chief Minister objected our not agreeing to the £2,000 plus on the question of the family survey, well, I think we have to do this.

MR SPEAKER:

I would remind the Hon Leader of the Opposition that we are speaking on the debate for the adjournment of the House to Monday the 9th October at 10.30 a.m. We must not depart from the question or bring in extraneous remarks.

HON MAJOR R J PELIZA:

Yes Mr Speaker, the reason why I was alluding to that was because one of the objections that the Chief Minister has mentioned before was the length of the meeting and we know that this particular item took a long time and I was trying to explain to him why this took a long time, with your permission Mr Speaker, if I am allowed to do that, I will explain to him why it took such a long time.

MR SPEAKER:

We must bring the debate within bounds.....

HON MAJOR R J PELIZA:

How long have I got, Mr Speaker?

MR SPEAKER:

You have got as long as you feel you ought to give to the matter.

HON MAJOR R J PELIZA:

If you allow me then, Mr Speaker, if I could allude again to the point and clarify the matter to the Learned Chief Minister who apparently does not understand why we took so long over that particular item. Now the reason for that is very important. It was not just the £2,600 involved. It was the principle. It is possible that at a later date there might be a wage claim and the wage claim may be based on figures because it cannot be based on intuition and whose intuition are we going to follow? The

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intuition of the Minister for Labour, or the intuition of the Leader of the Union. So therefore it is important to look at figures. And if the Labour Minister was not going to accept those figures on what was any cost of living formula or any index of retail prices or anything connected with that going to be based. Now this is why we take time, and it is necessary. The other objection that the Chief Minister I heard saying earlier today was that whatever time we started we were going to take the same time over it in any case. And so what? The point is that whatever time we take over our debates it will be possible for the humbler people of Gibraltar to be able to attend this House and listen to it. If it is in the morning they cannot, if it is in the afternoon they can. Therefore there is a very strong case to have the debates at a reasonable hour when the vast majority of the people of Gibraltar are able to come and attend the meeting. If at times - obviously one has to be flexible in this - if at times for one reason or another the meeting has got to be held earlier or has to continue until late in the night then of course, I think that he knows perfectly well that I have had to do that in the past and I too would agree to be doing it in the future. I am not talking for the exceptional case. I am talking for the general situation. Furthermore it was my experience that early meetings take a long time of the civil service and that effects the administrative machine. I think it is more convenient from the point of view...

MR SPEAKER:

Allow me, we are not debating whether it would be more convenient to have meetings of the House in the mornings or in the afternoons. We are debating whether we should adjourn to Monday the 9th October at 10.30 a.m. We must keep to the point. I have been as liberal as I have been able to be in the circumstances.

HON MAJOR R J PELIZA:

Mr Speaker, unless I can put arguments to show that meetings should be held in the afternoon I cannot understand how I can argue that the meetings should be held in the afternoon. And this is all I am trying to do.

MR SPEAKER:

Perhaps I may be assisting the House by saying that if this matter of holding meetings at any particular time is considered by the House as a matter of importance perhaps a debate can be held on the matter but now at this particular moment we are exclusively debating whether we should adjourn this particular meeting to Monday the 9th October at 10.30 in the morning.

HON MAJOR R J PELIZA:

In this case I will put it in another way. If we were to start on Monday in the morning instead of Monday in the afternoon it would mean that civil servants would not be able to carry on with their administrative work and therefore I should suggest

that bearing that in mind it might be better to have it later in the evening. In the same way because there are many matters that we want to discuss from now forward—the point of the Press which I think again was made by the Chief Minister on a previous occasion—it would be preferable for the Press because of the limited space that they have available. After all the local newspapers are not all that big and the television time dedicated to debates is not all that large either. It would be better if we had it in small doses but every day and certainly as far as this meeting is concerned anyway for the meeting to be held late on the afternoon. Well, those are the points and of course the Chief Minister has the prerogative of doing whatever he wants to do but I think that if he adheres to the democratic principles and if he bears in mind the importance of allowing people to attend and if he wants them to do so it is obviously clear that certainly on this occasion it is impossible to come at 10.30 a. m.

HON L DEVINCENZI:

May I ask the Hon and Learned Chief Minister in order to smooth things out a bit whether he would give the Opposition an indication of the number of questions, the length of questions and whether the questions we ask should be easy or difficult in order to make the meeting much shorter.

HON CHIEF MINISTER:

I would like to make one point, Mr Speaker.

MR SPEAKER:

I have never craved the indulgence of the House in the two years nine months that I have been sitting in this Chair. I would like to warn the House of the fact that I have to be somewhere at 6.55 p.m.

HON CHIEF MINISTER:

This will take a very short time. Two points Sir, how many people were in the House when we used to meet until 12 o'clock at night after 8 o'clock - nobody; and particularly, if there was an international football match on television. And the other point is that we have met at estimates time when there were long meetings. Democratic principles require that we should get on with business, democratic principle also gives the majority to the Government of the day. I don't do this, but I have been provoked to say that in fact we have to take the decisions and the Government has to govern and the Opposition to oppose. I move that we resume at 10.30 on Monday.

On the question being put by the Speaker the following Hon Members voted for the motion:

The Hon Sir Joshua Hassan
 The Hon A W Serfaty
 The Hon A P Montegriffo
 The Hon M K Featherstone
 The Hon A J Canepa
 The Hon I Abecasis
 The Hon Lt Col J L Hoare
 The Hon H J Zammitt
 The Hon J K Havers
 The Hon A Mackay

The following Hon Members voted against the motion:

The Hon Major R J Peliza
 The Hon M Xiberras
 The Hon P J Isola
 The Hon W M Isola
 The Hon J Bossano
 The Hon L Devencenzi
 The Hon J Caruana

The House adjourned until Monday the 9th of October 1972 at 10.30 a.m.

MONDAY THE 9TH OF OCTOBER 1972

The House resumed at 10.30 a.m.

THE POWERS OF ATTORNEY ORDINANCE 1972.

The Hon the Attorney General moved that a Bill entitled "An Ordinance to make new provisions in relation to the powers of Attorney and the delegation by trustees of their trusts, powers and discretions" 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 ATTORNEY GENERAL:

Mr Speaker, Sir, I now have the honour to move that this Bill be read a second time.

As members of this Honourable House may be aware there is a standing body in England known as the Law Commission which considers the existing law not from the aspect of its contents but representing the provisions which regulate the rights and duties of the public generally such as criminal law, road traffic law, income tax or customs etc., but considers it as to whether the law is functioning properly. One might say that the Commission's task is

to see that the proper tools are available to see that the machine of the law functions properly, that it is properly oiled and greased and doesn't seize up. From time to time the Commission recommends to the Law Chancellor that steps be taken in particular fields to ensure that the proper tools exist and are available. Recently the Commission advised and recommended that legislation be enacted governing powers of attorney and effect was given to their recommendations in the United Kingdom by an Act, the powers of Attorney Act 1971. The present bill before this House is designed to see that the appropriate tools exist in Gibraltar. A power of attorney is a written authority given by one person to another to enable the other person to exercise certain rights on behalf of the first person e.g. a person who owns property in Gibraltar is *prima facie* ^{any} person who can sell or transfer that property. If I own a house in Gibraltar and wish to sell it, it is I and I alone who can execute the necessary documents selling or leasing the property. There are of course many other examples of rights to which the owner himself is the only person who can transfer and I have taken land as the one example. Now as members will appreciate it may not always be convenient for me to exercise those rights e.g. I may be away from Gibraltar on holiday or business or I may have too many other liabilities here to give me sufficient time to exercise my rights in a particular field. And the way this problem is dealt with is that I give a power known as the power of attorney to some other person to exercise those rights on my behalf. As Hon Members will be aware it is obviously necessary to regulate matters such as the procedure, the form by which a power of attorney may be given, the method by which it may be proved to be valid and in certain cases to protect persons who are given powers of attorney and persons who acquire rights from anybody exercising a power of attorney. I don't think it necessary for me to go through this bill clause by clause. If any member of this House should have any problems on any particular point I will try and answer it. But I would say this; copies of the bill as it to a large extent is of interest to the legal profession only, copies were sent to every member of the legal profession in Gibraltar. They were asked for their comments and criticisms. In fact no criticism has been received at all, no comments. It is as members will appreciate, largely a technical matter. Mr Speaker, Sir, I commend this bill to this Honourable House.

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

HON P J ISOLA:

On this side of the House we welcome the provisions of this bill. As the Hon and Learned Attorney General has so clearly stated, this bill is mainly concerned with technical improvements in the law of delegation and we certainly welcome it and as it appears that the legal profession are not against it in any shape or form, it is obviously a good bill. Thank you.

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

The Bill was read a second time.

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

THE POLICE (AMENDMENT) ORDINANCE 1972.

The Hon the Attorney General moved that a Bill entitled "An Ordinance to amend the Police Ordinance (Cap.126)" 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 ATTORNEY GENERAL:

Mr Speaker, Sir, I have the honour to move that this Bill be now read a second time.

As members will see the purpose of the bill is to enable the Commissioner of Police with the approval of the Governor to enlist persons as Police Cadets, and to make regulations again with the Governor's approval, dealing with such matters as appointment, terms of service, training and duties of such cadets. As members will probably be aware, Constables cannot be recruited into the Police Force under our Police Ordinance until they have attained the age of 18 years. This means that many persons when leaving school who would like to join the police, must either take some other job to fill in time till they are 18 or else do nothing at all. It is certainly unsatisfactory if they do nothing at all, and if they find ^{and} they take another job it is or could very well be that when they reach the age of 18 they feel that it is not worth giving up the job they started and enlisting in the Police, giving up perhaps 2 or 3 years which they have already gained experience. This being so, suitable material for the police is lost. Now by enabling persons to be enlisted as cadets it is hoped to recruit suitable candidates as soon as they leave school so they can give a full career in the Police Service and in addition when they reach the age of 18 and can enlist as constables they will already have had some training and as such will be much more useful material. The minimal age of entry as a cadet will be 15 and cadets will be trained in many aspects of Police duties. Training will depend to a certain extent on the particular age of any cadet but it will include attachment to the various departments of the Police, all of them if possible. There will be a certain amount of further educational training and it is hoped adventure training under the auspices of the Duke of Edinburgh Award Scheme. Now one point which I must stress is

that police cadets will not be employed directly on police duties. They won't be responsible for enforcing the law, in the criminal aspect; they won't be responsible for traffic duties; they won't have powers of a policeman, it will be purely a training capacity and a training capacity only. Mr Speaker, Sir, I commend this Bill to this Honourable House.

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

HON M XIBERRAS:

Mr Speaker Sir, this bill is well known to members on this side of the House. It was under discussion for a considerable length of time whilst the last administration was in office, and the result is entirely satisfactory to us. There is one point only and that is that I feel that part of the training which these young men and perhaps women will receive should be socially orientated, an effort should be made to try and get them to appreciate the problems of other departments with which they would have dealings as constables in the future. I don't mean an invasion of those departments by the police, even by police cadets, but that they should be well aware of the functioning of other departments, a suggestion is the Fire Brigade and so on. I think there is a need in Gibraltar perhaps because of the resources available to the Police, to resuscitate as far as possible the socially orientated policemen if I may say so, the man on the beat, "a Dixon like figure perhaps", "Dixon of Dock Green" figure which in these days of walkie talkies and vans and so on, may tend to disappear. Training of this sort I think would be valuable and would be much appreciated by the public. This does not come within the terms of the bill and as I said before, the bill is entirely satisfactory to this side of the House who had a good opportunity of discussing this whilst in office.

Mr Speaker put the question which was resolved in the affirmative. The Bill was read a second time.

The Attorney General gave notice that the Committee Stage and Third Reading of the Bill would be taken at the next meeting of the House.

THE CRIMINAL OFFENCES (AMENDMENT) ORDINANCE 1972.

The Attorney General moved that a Bill for an Ordinance to amend the Criminal Offences Ordinance 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 ATTORNEY GENERAL:

Mr Speaker, Sir, I have the honour to move that this Bill be now read a second time. Although the objects and reasons of the Bill are set out in the explanatory memorandum at the end I prefer in a case of a Bill which amends the Criminal Law to explain to the Honourable Members the Bill clause by clause in some detail so that it can be seen that Government is not intending to impose draconian legislation on an unsuspecting people. I trust Honourable Members will bear with this approach. Section 172 of the Criminal Justice Administration Ordinance provides that where a person is charged with an offence but is only found guilty of an attempt to commit that offence he is unless there is specific provision to the contrary liable to the same punishment as if he has been found guilty of actually completing the offence. This is in fact a usual provision to be found in criminal codes ~~and setting codes in fact put in~~, in many cases a ~~lesser~~ ^{lesser} punishment for an attempt ^{for an} ~~only~~. At the moment, a person who is found guilty of attempting to have sexual intercourse with a girl under the age of 13 is liable under our laws at the moment to be imprisoned for life, that is the maximum possible imprisonment for the person who is found guilty of completing the offence. In the case of an attempt it is considered that the possibility of life imprisonment is unduly severe and that a maximum imprisonment of 7 years is sufficient. The provisions of Clause 2 of the Bill make the maximum punishment for an attempt 7 years instead of life. Similarly Section 72 of the Criminal Offences Ordinance provide that where a person is guilty of incest he may if the girl is under 13 years be sentenced to imprisonment for life and in other cases to imprisonment for 7 years. Clause 3 of the present Bill mitigates the provisions of Section 72 by providing that where a person is found guilty only of an attempt he will be liable to imprisonment for 7 years if the girls is under 13 and to imprisonment for 2 years in other cases. I now turn to Clause 4. At present Section 76 of the Criminal Offences Ordinance imposes a maximum penalty of 2 years for all indecent assaults. Clause 4 provides that in normal cases 2 years shall remain the maximum penalty but where the indecent assault is on a girl under the age of 13 the maximum penalty should be 5 years. I think Hon Members will appreciate that we must strive to protect the younger members of the population by imposing what is clearly a deterrent sentence. Clause 5 creates a new offence, that is of gross indecency, in which a child under the age of 14 is involved. A sub clause 2 of that clause goes on to deal with certain questions of evidence and provides safeguards of an ~~accused~~ ^{accused} ~~excused~~ person which are at present in existence with respect to certain offences continue in relation to where he is charged with this offence of gross indecency. The ~~First~~ ^{First} Schedule to the Criminal Justice Administration Ordinance lists certain offences created by the Criminal Offences Ordinance against children and young persons to which special provisions of that ordinance apply. Both provisions deal with such matters as ~~the~~ ^{the} ~~being~~ determination of age, the manner of charging offences, allowing the case to be heard in the absence of the victim - I know that sounds rather odd but as I'm sure you will appreciate if you have an offence in which the victim is a young child there may be ample evidence of the offence without calling the child

itself, and it could do great psychological damage to a child if it has to go to Court and recount the unpleasant details of what happened to it. This won't of course prejudice the rights of the accused. If you have to call the child because there is no other evidence then the child will be called but if there is sufficient evidence the Court has the power to dispense with the presence of the victim.

The present law as to malicious damage is contained in a single statutory provision (at Section 254 of the Criminal Offences Ordinance), ^A large number of sections of the United Kingdom Malicious Damage Act 1861 which we apply here, and the common law offence of arson. The new sections introduced by clause 7 set out at some length the various types of offences which may be committed towards property. They are based on the English Act of 1971 which set out to rationalise, if you like, perhaps codify would be a better word, the law. As Arson is now an offence under the new section which we have incorporated under clause 7 we have abolished by clause 8 Arson as a common law offence in Gibraltar. Clause 9 is a minor amendment which does away with a lacuna in the existing law. Clause 10 creates a minor offence which at the moment doesn't exist in Gibraltar which is considered to be in the public interest should exist, and the Schedule.

Paragraphs 1 and 2 of the Schedule are amending paragraphs and remove from our laws certain criminal offences which are now no longer necessary by the enactment in clause 7 of certain new sections i.e. 134 to 142 of the Criminal Offences Ordinance. The First Schedule to the Magistrates Court Ordinance sets out certain classes of offences by adults which may be tried summarily that is by a Magistrate instead of by the Supreme Court if the accused ~~confesses~~ ^{admits}. At the present one of these three classes of offence is an offence under various provisions of the Malicious Damage Act 1861. As most of this Act is now no longer applicable in Gibraltar reference to it should be struck out from the Schedule to the Magistrates Court Ordinance. This Schedule is therefore a purely consequential amendment and consequent upon the new Clause 7 it is necessary to include such offences which can be dealt with by the new sections which are replacing the 1861 Act. Mr Speaker, I commend this Bill to this Honourable House.

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

HON MAJOR R J PELIZA:

Mr Speaker, this side of the House welcomes the improvement brought about by this amendment to our laws. It will do away with a lot of anachronisms. It will humanise much more the attitude of the criminal offences in Gibraltar and the way that justice will be done, and therefore this side of the House welcomes the Bill.

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

The Bill was read a second time.

The Attorney General gave notice that the Committee Stage and Third Reading of the Bill would be taken at the next meeting of the House.

THE COMPANIES (AMENDMENT) ORDINANCE 1972.

The Financial and Development Secretary moved that a Bill for an Ordinance to amend the Companies Ordinance (Cap 30) 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 AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be now read a second time. Sir, Hon Members may have read in the British National Press some little time ago that a number of companies had been registered in Gibraltar bearing the same or very similar names to those of internationally well known companies in the financial and merchant banking world registered in the United Kingdom. This has caused embarrassment here and I am sure that the House will agree that it is something which in the interest of Gibraltar and its good name should not be allowed. Accordingly the purpose of the Bill is to confer on the Registrar of Companies the power to require a company to change its name after registration where the name is so like that of another existing company previously registered or gives such a misleading indication of the nature of its activities as to be likely to cause harm to the public interest here. Section 46 of the Companies Act 1967 and Section 18(2) of the Companies Act 1948 in the United Kingdom make similar provisions with regard to companies registered in that country. Sir, I commend the Bill to the House.

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

HON P J ISOLA:

Mr Speaker, on this side of the House we welcome this Bill. We remember very well that famous article in the Sunday newspaper that brought out what appeared to be a very unsatisfactory situation as far as the image of Gibraltar abroad was concerned and we are particularly glad that a solution has been found to this problem without departing from the normal principle of company law in the United Kingdom and we are certainly very glad to see that it has been possible to find some systems from the English Act. I think the rights of a local person to register a company by name which suits his business and suits his purposes is protected insofar as an appeal can be made to the Court against the direction of the Registrar. There may be many cases of bona fide misapplication of a name and in such cases it seems to me that this law leaves it open for the Court to decide the matter should the party be aggrieved. The only point I would like to raise on this is of course the Business Names Registration Ordinance, the possibility that a person who doesn't register the name can do so now by registering it under the Business Names Ordinance which will prevent anybody registering a company by that name or vice versa. I wonder whether it may not be necessary to consider putting some similar provisions as there is here into the Business Names Registration Ordinance but I appreciate that that is not an urgent matter, the urgent matter is getting our companies law right so that the image of Gibraltar is protected and that people are not permitted to use internationally known names for purposes of misleading the public. We welcome this Bill.

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

The Bill was read a second time.

The Financial and Development Secretary proposed that the Committee Stage and Third Reading of the Bill should be taken at a later stage in the meeting.

MR SPEAKER:

Do all members agree that the Committee Stage and Third Reading of the Bill be taken at a later stage at the meeting.

HON MAJOR R J PELIZA:

Mr Speaker, normally of course we would not agree to this happening but in the circumstances of this Bill would agree to that.

MR SPEAKER:

Do I understand that the Honourable Leader of Opposition said that he does not agree to the general principle of having a third reading but he agrees for this particular instance?

HON MAJOR R J PELIZA:

That is correct, that is what I said.

MR SPEAKER:

Of course, I will explain that objection can be taken to the Third Reading but under Standing Orders all that happens is that it can be heard on a following day, insofar as the Third Reading is concerned.

THE PENSIONS INCREASE (AMENDMENT)(NO.2) ORDINANCE 1972.

The Financial and Development Secretary moved that a Bill for an Ordinance 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 AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be now read a second time.

Sir, the cost of living allowance in payment to serving officers below the non-industrial grade of Assistant Secretary and not above the industrial Technical Grade I was increased with effect from the 1st July 1972. The purpose of the Bill now before the House is to provide for appropriate increases in the pensions of officers who before that date had retired from the service in grades qualifying for cost of living allowance. Clause 4 of the Bill deals with officers who retired before the 1st April 1971 the date from which the first cost of living allowance became payable. They have had their pensions adjusted in respect of that and the second cost of living made on 1st January 1972. Clause 2 refers to officers who retired after the 1st April 1971 and before the 1st January 1972. They have had their pensions adjusted in respect of the increases awarded on this latter date. Clause 3 covers the officers who retired before the 1st January 1972 and before the 1st July 1972 the date of the last award. In all three cases the increases which are now proposed and which follow the same principle as on the two previous occasions will take effect and be payable from the 1st July 1972. Sir, I commend the Bill to the House.

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

HON M XIBERRAS:

Sir, as the Hon the Financial and Development Secretary has just said this Bill appears to follow the same principles for the incorporation of part of the cost of living allowance into pensions for those officers who are pensionable or those officers still in service for the future in the same way as two previous cost of living awards have been incorporated. The Honourable Mr Montegriffo Minister for Medical and Health Services, raised the point I believe on both occasions before, and the point with which this side of the House was very much in sympathy when we were on that side of the House was that the whole of the cost of living payment the 85 p or 70 pence, in this case 50 pence was not passed in toto into the pension. There has been long discussion in my time on that side of the House about this and the principle is of course accepted that one cannot alter the statutory relativity between a pension and the salary of a serving officer without at least thinking deeply about it, and without changing the pensions Ordinance itself, the body of the Ordinance. Nonetheless, Sir, there is a point which I am not stating now for the first time from this side, and I am doing no more than the Hon Mr Montegriffo was doing in his time, from this side of the House, there is a point that pensioners do get obviously less than serving officers and the cost of living tends to hit them rather harder than it would hit the serving officer. The difference this time to my mind is that we have just had a biennial review of wages and salaries and in the talks I had with certain pensioners who were roughly representative - I am not referring specifically to the Transport and General Workers Union Sub Committee of pensioners - I was at pains to explain the present position but I was wondering even at the time whether it would be possible, at the time of the biennial review, to try to look at the whole position again. Already in the United Kingdom there have been changes in pensions which call for periodic reviews of the pensions of officers. I appreciate that with the cost of living awards coming as regularly as they have in the past, here in Gibraltar there might not be at first glance a need for such an extensive review every time a cost of living award is made, but I think it would be salutary every two years or so to have a good look at pensions to make adjustments for any anomalies, to seek the views of the pensioners themselves and try by all means to deal with this part of the Community which is most subject to inflation. It is particularly relevant now as I said because in the UK something of the kind is being done. In fact in Gibraltar in respect of MOD pensions and DOE pensions an exercise has been carried out or is in the process of being carried out even now adjusting the base line for pensions before a certain date and so on. This adjustment of the base line is only one of the factors that might go into such a review and I would ask the Government to consider carrying out as time permits it a review of the structure of pensions and particularly the base line of pensions Sir. There are people who get about £13 or £15 a month, and these I feel, and everybody in the House I am sure feels, are hit by rise in prices and are not compensated by rise in wages. We accept therefore this Bill because a major change would be required in the Pensions Ordinance to bring about any improvement but in accepting we wish to make it clear that we request the Government in strong terms to carry out the review which I have mentioned.

HON A J CANEPA:

Sir, I appreciate the point that the Hon Mr Xiberras has made about the reviews in pensions that are taking place in the United Kingdom every two years. Of course Sir, that is very much in line really with what has been happening here as well. It will be recalled that at the time of the 1967 Marsh Award, and then again at the time of the 1970 Marsh Award, the pensions for retired Government officers were adjusted in the light of increases which Government non-industrials got in those two awards. In the same manner, when the current biennial review is concluded for non-industrials, Government will look at the question of pensions for retired Government Officers and adjust them accordingly.

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

The Bill was read a second time.

The Financial and Development Secretary proposed 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.

SUSPENSION OF STANDING ORDERS

The Financial and Development Secretary moved the suspension of Standing Order No.30 in respect of a Bill for the Supplementary Appropriation 1971/72 Ordinance 1972, and on the question being put by Mr Speaker this was agreed to.

FIRST READING

THE SUPPLEMENTARY APPROPRIATION 1971/72 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 year ended 31st day of March 1972 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 AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be now read a second time.

Sir, during the course of the year the House is invited to approve supplementary estimates covering actual or anticipated excesses in expenditure over the amounts provided in the approved estimates under individual sub heads of expenditure, as we know

from our discussions at the end of last week. When however the accounts for the year are closed it may happen that the supplementary estimates approved during the year cause excesses under the heads as distinct from sub heads of expenditure authorised by the Appropriation Ordinance. Such excesses must be covered by a Supplementary Appropriation Ordinance and hence, Sir, the Bill which I now commend to the House.

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

HON J BOSSANO:

Mr Speaker, Sir, the Bill covers money that has been spent during the course of 1971/72. The estimated expenditure has been voted in the course of the year in supplementary estimates. We have already gone into the matter when dealing with the last supplementary estimates No.8 and we support the Appropriation Bill in respect of all the items with the exception of the reservations that were expressed at the time of the discussion of the Supplementary Estimates No.8 that is the increase in the contribution to the Improvement and Development Fund. The Supplementary Appropriation simply closes the books at the end of the year that is it enables the Government, the Hon the Financial and Development Secretary to put in order the books for the previous year because at that time he knows how much of the money it was intended to spend has actually been spent, how much it has been physically possible to spend and here we have in fact the figures which added to the initial approved estimates made at the beginning of the year give us the final figure for expenditure for the year, and this when compared with the final figures for the revenue for the year produce the surplus which we were able to establish in the course of debate earlier in the meeting of this House. Now, in respect of the £500,000 of course the Opposition expressed surprise that it had been found necessary to raise the original intended contribution from £300,000 to £500,000 and this is rather an unsatisfactory state of affairs because if there were an argument for increasing this contribution from the revised estimated figure, the original figure was £100,000, it was subsequently revised upwards to £300,000 to take account of the expected commitments of the fund during the year. The only argument that would justify an increase of this size which is unknown in Gibraltar's history, would be one based on the actual position of the fund in respect of the year 1971/72 and the Opposition would very much welcome if the Hon the Financial and Development Secretary were to inform the House of what the actual final receipts and expenditure figures are for the year 1971/72 and what the actual balance in the fund in the year ending March 1971/72 is so as to assess the degree of justification there is for an increase at this stage when the normal procedure is an upward revision of the estimated contribution as the year progresses and as the House gets a clear idea of the commitments that the fund would have to bear.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, it will be some time yet before these figures will be ready for printing. I do not have Sir all these figures in my head or here. May I say just this, however, that at this stage as I explained the £500,000 contribution to the Improvement and Development Fund has been approved by the House and it is attributable to the year 1971/72 and the expenditure having been approved the House I think will wish to give the appropriation cover. I shall be only too pleased to reveal and discuss these figures with Hon Members of the Opposition at any time.

MR SPEAKER:

May I say that we are now speaking on the general principles and merits of the Bill. We will have plenty of opportunities to go into the details when we discuss the Bill in Committee Stage when necessary matters can be raised or any amendments to the Bill be suggested but all we are interested in just now of course is in the general principles and merits of the Bill. I think that might satisfy all members of the House.

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

The Bill was read a second time.

The 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.

COMMITTEE STAGE AND THIRD READING

HON ATTORNEY GENERAL:

Mr Speaker, Sir, I beg to move that this House should resolve itself into Committee to consider the Pensions (Increase) Ordinance Bill. I say that Mr Speaker because there is one point which occurred to me this morning with regard to the Companies (Amendment) Bill which I would like to think about and possibly take the Committee Stage tomorrow rather than today. It is a technical point but at this stage I move that we consider in Committee the Pensions (Increase)(Amendment)(No.2) Ordinance.

MR SPEAKER:

The Hon Member is envisaging that we are going to sit tomorrow.

HON M XIBERRAS:

Well, or perhaps later today if we have time to consider them.

MR SPEAKER:

Most certainly. It might mean of course that as Honourable Members are prepared to change the Order Paper we are entitled to do so. We cannot change the order paper without the consent of the House in any manner or form.

HON MAJOR RJ PELISA:

Mr Speaker, certainly we would not have any objection to it being taken today. I don't think there is anything there which is controversial enough to warrant leaving it for another day and will cause a lot of inconvenience to lots of people so as far as we are concerned. We certainly do not mind.

HON CHIEF MINISTER:

With regard to the point which has been raised by the Attorney General just now, as this Bill was drafted by his predecessor and we all know that lawyers sometimes disagree, will be only right and proper that he should have an opportunity. If possible we could take it later on today if we don't have to sit tomorrow.

MR SPEAKER:

We will resolve into Committee to consider exclusively the Pensions Ordinance.

COMMITTEE STAGE

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

Clause 1 was agreed to and stood part of the Bill.

Clause 2 was agreed to and stood part of the Bill.

Clause 3 was agreed to and stood part of the Bill.

Clause 4 was agreed to and stood part of the Bill.

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

MR SPEAKER:

If the Hon Attorney General would like to report the fact that the Committee Stage of this Pensions Bill has been taken we then perhaps may take the Third Reading at a later stage when we have gone through the Committee Stage of the Companies Ordinance.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, I beg to report the Pensions (Amendment) Bill from Committee without amendments.

PRIVATE MEMBERS' MOTIONS

HON M XIBERRAS:

Sir, I beg to move that this House deplores the misrepresentation made in the current biennial review negotiations as to the ability of the Gibraltar Government to meet current wage claims due to insufficiency of funds, deplores the failure of the Chief Minister to call an early meeting of this House to discuss the situation, deplores the general handling of the affairs of Gibraltar by the Government during this time and censures the Government therefor.

MR SPEAKER:

If the mover would like to open the debate and then I will propose the question.

HON M XIBERRAS:

Sir, at the very first meeting this Government has had to attend it is our duty to present a censure motion against it for the handling of the affairs of Gibraltar at the time of the general strike. I should explain first of all, Sir, that a new motion has been introduced not because the one that has been withdrawn was in any way difficult to defend but because the refusal of the Hon and Learned Chief Minister to hold a meeting of the House at the time when the general strike was actually taking place has made the terms of the previous motion not less relevant but not quite adequate for present circumstances. The previous motion read that this House deplores the misrepresentations made in the current biennial review negotiations as to the ability of Gibraltar Government to meet current wage claims due to insufficiency of funds. That part of the motion has been kept, and calls upon the Government, the other motion read, as the responsible entity to explain its own position add to take a lead in satisfying the legitimate aspirations of the workers of Gibraltar, industrial and non-industrial alike, in the current negotiations. As it happened Sir, the Hon and Learned Chief Minister refused to have such a meeting so that part of the motion is now incorporated in the new motion in a different way. To take a lead in satisfying the legitimate aspirations of the workers of Gibraltar. This side of the House feels most strongly that that side of the House, the Government of the day, dismally failed to take a lead in the negotiations and did less than could have been expected even in normal circumstances to satisfy the legitimate aspirations of the workers of Gibraltar in the course of the negotiations and specifically of the general strike. We therefore, do not withdraw the spirit of the original motion, we have simply incorporated the spirit and made it more relevant to the present time and added above all now looking back on the events of the general strike a motion of censure; a motion which is directed primarily at the Honourable and Learned Chief Minister and the Honourable the Minister for Labour and Social Security for their conduct of affairs during the course of the general strike. Sir, this is not a frivolous

matter which has been brought by this side of the House as an excuse to bring a vote of censure against the Government in its very first meeting. Of all the internal matters that have come before the House from time to time this is one of the most serious. It concerns a general strike involving a complete stoppage of the economic life of Gibraltar in both the public and the private sectors for a period of some 4 days; involving also a power cut in the electricity supply of greater proportions than ever before involving a very real threat to our supply of refrigerated products and of all food supplies, involving the use of troops in the Generating Station, involving above all confusion, animosity and the type of situation which might easily have led to disorders of a serious nature. This is no laughing matter as the Hon and Learned Chief Minister, whom we saw in the course of the General strike had no inclination to laugh at the time perhaps he can laugh later when this motion has been presented to this House. Sir, one particular organ of public opinion has taken the line that perhaps we should have let bygones be bygones and not brought these matters to the House. But this side of the House feels that we would have failed the House itself and the public and our duty as an Opposition had we not brought these matters forward. We wanted to bring these matters to the House at the time of the General strike but we were prevented from doing so because of the attitude of the Hon and Learned Chief Minister. Sir, we have brought it forward in a motion because this will be our policy, to discuss matters of importance similar to this and anything which in our opinion requires a motion by means of a motion. We will confront the Government in the House of Assembly on issues on which we disagree. We will not make use of newspapers to avoid the responsibility of coming to this House and stating our point of view clearly as the new Government was prone to do at the time when it was in Opposition. I cannot recall many motions being brought forward by the other side at the time when this side was in Government. But we intend as can be seen from the order paper to bring forward motions and to attack the Government squarely and to state our position squarely which is more than the Hon and Learned Chief Minister was prepared to do on a number of important issues when he was in Opposition. We will not circumvent therefore this House Sir. We will put the argument squarely and we will demand an answer. Already in the course of this session we have seen the Government refusing to give an answer but we will press the Government as hard as we possibly can on these points and we shall try by all democratic means possible to get them to answer. The Hon the Minister for Tourism has refused to give an answer, the Hon Minister for Labour and Social Security refused to give an answer, the Hon and Learned Chief Minister also refused to give an answer. Therefore, Sir, it is a motion of very serious import which is brought to this House. I mentioned the Hon and Learned Chief Minister first in saying why we thought it fit to bring a vote of censure because it appeared that it was he in the Government who was speaking for the Government at the time of the general strike. This side of the House Sir, censures the Hon and Learned Chief Minister not only for his actual handling of the strike but also for the attitude which he displayed throughout the strike. The Hon the Minister for Labour and Social Security made only one statement as far as I am aware on the general strike and that was a considerable period after it had all ended and on that occasion his speech was made all the more autocratic as he banged the so-called hand of friendship on television and told people where to get off. Such a