HOUSE OF ASSEMBLY

HANSARD

OF MEETING

HELD ON 15 MAY 1973

OFFICE COPY

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Sixth Meeting of the First Session of the Second House of Assembly held in the House of Assembly Chamber on Tuesday the 15th May 1973 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 and Development Secretary

OPPOSITION:

The Hon M Xiberras, Leader of the Opposition
The Hon Major R J Peliza
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:

F A Garbarino, Esq ED - Clerk to the House of Assembly

PRAYER:

Mr Speaker recited the prayer

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 19th March, 1973 having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID:

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

The Musuem (Entry & Fees) Rules 1973.

Ordered to lie.

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

(1) The Traffic (Main Street Restriction) Regulations 1973.
(2) The Traffic (Horse Drawn Vehicles and Bicycles)(Amendment) Regulations 1973.

Ordered to lie.

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The Hon the Attorney General laid on the table the following document:

The Copyright (International Convention)(Amendment) Order 1973.

Ordered to lie.

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

The Imports and Exports (Control)(Amendment) Regulations 1973.

Ordered to lie.

ANSWERS TO QUESTIONS

STATEMENT BY CHIEF MINISTER

GIBRALTAR REGIMENT

At the meeting of this House held on the 1st March, 1972, my predecessor made the first of what were to be periodic statements to the House on the affairs of the Gibraltar Regiment generally. I am now in a position to make a further statement on this matter.

Since the matter was last raised in this House the Regiment has completed its first full year as a mainly volunteer unit and is about to complete its second year in July. It has been a satisfactory first year and has laid a good foundation for the future.

Lieutenant Colonel A J Ferrary succeeded Lieutenant Colonel J J Porral in Command in July, 1972. The Regiment has an establishment of 189 volunteers and the present strength is 180. Consideration is being given to holding a recruiting drive later in the year.

Apart from the two annual training camps held in Gibraltar in September and November, a total of 96 members of the Regiment drawn from the Infantry Company, the Light Air Defence Troop and the Heavy Troop held training camp abroad at Basingbourne, Monorbier and Germany respectively. Weekend evening training continued to be held in the usual way and in addition units of the Regiment participated in an Air Defence Exercise and Command Post Exercises. The first shoot by the Heavy Troop without Royal Artillery assistance was carried out in December. Training camps in Britain will continue to be held in 1973.

Among its ceremonial activities the Regiment for the first time as a volunteer unit performed the Ceremony of the Keys in June. This was also the first occasion on which the Regiment provided the Port Sergeant. After the Regimental Day Parade on the 23rd September the Regiment exercised its right as Freeman of the City by marching along Main Street with bayonets fixed drums beating and colours flying.

The Regimental Association held two meetings during the year, on one occasion members of the Association spending a morning with the Regiment watching them at training. Consideration is being given, in consultation with the Association, to the possibility of bringing together from time to time past and present members of the Regiment.

Increases in pay, pensions and gratuity for the Permanent Cadre were approved during the year, a new Equipment Table was published to meet the requirement of the reorganised Regiment and a new scale of clothing was authorised which provides for an increased issue of combat clothing and No 2 dress. As is the case with many TAVR Units in Britain, the Regiment does not hold the most up-to-date webbing equipment but attempts to obtain this will continue. The possibility of forming a Corp of Drums as well as Cadet detachment is under consideration.

I paid a visit to the Gibraltar Regiment last October and was greatly impressed by the standard being achieved by the still young volunteer unit as well as by the enthusiasm of those whom I met. This is a good augury for the continuing development of the Regiment and I am sure the House will join me in congratulating all concerned on the success of their efforts in wishing them every further success in the future.

MR SPEAKER:

I now call on the Minister for Labour and Social Security.

STATEMENT BY MINISTER FOR LABOUR AND SOCIAL SECURITY

LEGISLATION TO PROTECT EMPLOYEES FROM UNFAIR DISMISSAL

Mr Speaker, at the meeting of this House held last November, I undertook to keep members informed of the progress that was being made in enacting legislation to protect employees from unfair dismissal. After the matter had been carefully studied by the Director of Labour and Social Security, the Attorney-General and myself, the Government has accepted, in principle, that it is desirable to legislate against unfair dismissal.

Honourable Members will appreciate that the matter is a complex one, and that, furthermore, new ground will be broken by the proposed legislation, the draft of which will have to be referred to the Labour Advisory Board. Although I cannot promise results overnight, I will certainly do everything I can to introduce legislation to this House as soon as possible.

HON J BOSSÁNO:

Members on this side of the House look forward to the draft legislation so that it can be examined and we can contribute whatever constructive proposal we can, to make what is a difficult piece of legislation workable. Can the Minister give some indication of the extent to which he is thinking protection will be needed in that piece of legislation. For example, in view of the importance to our economy of the public sector is he hoping to include the public sector in the legislation, to protect individuals against unfair dismissal?

HON A J CANEPA:

Yes, Sir, I do intend to include the public sector as well. The legislation will apply to the public sector.

HON M XIBERRAS:

Will the Honourable Minister for Labour and Social Security give an indication of what main lines are going to be followed?

HON A J CANEPA:

I wouldn't like to do so, Sir. The Attorney-General is now in the process of drafting legislation. It will have to be considered by the Council of Ministers, from the Council of Ministers to the Labour Advisory Board and back again to the Council of Ministers before it is introduced in the House. I therefore wouldn't like to commit myself, Sir.

HON M XIBERRAS:

It would be a bit more helpful to this side of the House to know what general option the Minister for Labour and Social Security is going to take before the draft legislation comes to Members on this side of the House. I am thinking of the main approaches to the question of protection which I am sure the Minister for Labour knows there are one or two things.

HON A J CANEPA:

Sir, one looks at the situation as it is in Gibraltar at the moment. There is some provision, limited provision, in our existing legislation in the Conditions of Wages and Regulation of Employment Ordinance. One then looks at the

provisions of legislation in other countries on the question of unfair dismissal and from there one draws ones ideas and tries to develop and build on that. But I wouldn't like, Sir, to have a debate on draft legislation now and then have a subsequent debate when the Bill is introduced in the House.

HON J BOSSANO:

Can the Minister say whether he is planning to consult the Unions to see whether they feel there is a great need for legislation.

HON A J CANEPA:

Sir, in the Labour Advisory Board, the union are very adequately represented and I have no doubt that the draft legislation will be aired there fully. I can give this undertaking since I myself am the Chairman of the Board. ~~I can give that undertaking~~.

MR SPEAKER:

The Minister for Labour and Social Security.

STATEMENT BY MINISTER FOR LABOUR AND SOCIAL SECURITY

SPONSORED PATIENTS - ACCOMPANYING RELATIVES

Mr Speaker, when speaking on the Estimates on my Department at the last meeting of this House, I said, in connection with sponsored patients, that both the Minister for Medical and Health Services and myself were actively considering the question of Government helping relatives to accompany sponsored patients sent to the United Kingdom for treatment.

The present position with regard to accompanying relatives is by no means entirely satisfactory since escorts do not receive financial assistance from Government unless the patient requires to be accompanied on strictly medical grounds, or on exceptional welfare grounds, which is not often the case. But the majority of cases do involve very serious illnesses, and it is very understandable that a close relative (usually the spouse) should invariably wish to go and stay with the patient in the United Kingdom. Quite often, also, the latter will refuse to go unless accompanied by a relative. Government appreciates that at a time when the patient and the family are extremely worried persons, could do with all the help and consolation that they can get, the prospect of having to incur considerable expenditure (and often to enter into debt) in order that the patient may go accompanied only adds to their worries and anxiety. It is also recognised that irrespective whether a patient is undergoing out-patient or in-patient treatment in the United Kingdom, the company of a husband, wife or other close relative, together with relief from financial worries could go a long way towards raising the patient's morale and, may, even accelerate recovery. The Government accordingly considers that the provisions of financial assistance to the escort is fully warranted, particularly in the circumstances of Gibraltar, where family ties are so very strong.

It is therefore proposed that, as a general rule, every sponsored patient should, in future, be entitled to have an accompanying relative whose return air passage will be paid by Government. With regard to the escort's maintenance in the United Kingdom the same criterion should apply as is the case at present with regard to the patients themselves, namely, the Director of Labour and Social Security should recommend payment of an allowance to the escort, within the approved maximum, depending on the family composition, income, etc.

Provision of £4,000, Mr Speaker, was made in the Estimates for 1973/74 based on current expenditure. This extension of the scheme will, it is estimated, involve additional annual expenditure of about £3,000 and I shall, therefore, in due course be asking the House to vote additional funds.

HON J CARUANA:

Mr Speaker, this side of the House welcomes such an extension of the service as a general rule, as explained by the Honourable Minister for Labour, and we wholeheartedly agree that this is a matter which should receive the attention which it has received at the moment. We remember various cases where sponsored patients sent to United Kingdom had to be accompanied and we had to go through a whole rigmarole to allow relatives to accompany them. The whole thing was full of red tape and the case had to be made. I remember at least three cases in my time when patients were allowed to be accompanied by relatives at Government expense. So, whilst not a new thing, we welcome it as a general rule.

THE GROUP PRACTICE MEDICAL SCHEME ORDINANCE, 1973.

FIRST READING

The Honourable the Minister for Medical and Health Services moved that a Bill entitled "An Ordinance to establish a Group Practice Medical Scheme and to make provisions incidental thereto" be read a first time.

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

The Bill was read a first time.

SECOND READING

HON A P MONTEGRIFFO:

Sir, this is a small Bill and, in appearance perhaps, a simple one but I hope that its simplicity and shortness does, by no means, outweigh the importance of its substance. Sir, we are breaking new grounds, we are, as it were, laying the foundations of what both sides of the House, I am convinced, want for Gibraltar, and that is, an ultimate comprehensive national health scheme. And, Sir, for such a comprehensive scheme to come about, very much depends on the success we have with this initial measure which we are asking the House to approve today.

The more will give medical coverage to about 16,000 persons out of about 23,000 odd, which comprise the population of Gibraltar, for which the Government is responsible for medical services. These 16,000 people are divided into three groups. One is a very small group, the Civil Servants, who will come within the Group Practice Scheme but will retain the rights that they have had up to now; the second group comprises the District patient, who again will retain their rights; and the largest group will be those, the bulk of which today have to go and see a doctor and pay £2 for house calls, or £1 for a call at the surgery.

The contributions of the beneficiaries will basically be 3p a week and for that fee they will also be entitled under the scheme to include their dependants. There will also be an opportunity for voluntary contributors to join, and they will pay the full amount of 6p per week. Under clause 5 subclause (4) the Minister will have powers to exempt any person, or group of persons, whom it is felt cannot afford to make the necessary contributions: weekly, yearly or whatever it may be. The benefits that persons joining the scheme will get will be: a subsidised medical fee, which means that those attending at the doctors clinic will pay 20p; and those who prefer to call the doctors to their home will pay 50p. On top of that they will be eligible for free Pathological service, free Radiological service, and free Consultant service, in their homes if so required. From that we can carry on building and as time goes by we can find the level of the commitment we are getting ourselves into.

I am not saying that this provides the whole solution to the problem we have in Gibraltar at the moment, especially in general practice. What I do hope is that, if we can develop doctor/patient relation, which is the difficult problem which is poisoning at the moment the general practice in Gibraltar, then we can plainly sail through easily to build something which, as I said before, is very dear to the House; and that is, a national comprehensive health service. Perhaps if the Gibraltarian doctors had had the foresight - and I am not blaming them, it is very difficult to make people change their views when they have had entrenched views for so long. Perhaps, if the Gibraltarian doctors had decided all along to come into the scheme from the moment that it was introduced it might have been possible to go further ahead

with this comprehensive health service, but at the moment there is this danger which I want to warn the House of. We are bringing three doctors from abroad, and we must be grateful and thankful that we have been able to do so. I am the first one to accept the difficulties of having completely new doctors in Gibraltar who are not acquainted with the bilingual problem - or bilingual virtues - finding their way about etc. But I do hope that this important Bill, which establishes a Group Practice, and which the Shaw Report states as being the most immediate and urgent need in the Medical Services in Gibraltar, will receive the support from all Members of the House, so that, if the scheme, by one of those unfortunate things were to be wrecked, it would certainly not be said that it has been wrecked because of political motives. I commend the Bill to the House.

HON J CARUANA:

Mr Speaker, we have studied this Bill, this small Bill, carefully, because some times the big things come wrapped up in small packages. Medical services are one of the biggest things for Gibraltar and, therefore, the mere fact that this is a small Bill should not blind us to the importance of the issue. The Opposition side will agree to the principle of this Bill, with amendments, and with the reservations that I am about to put to the House.

We are glad to hear that the Minister recognises that this scheme, and the Bill itself, does not provide the full coverage for Gibraltar. In fact this Bill provides very little. The principles of this Bill, Mr Speaker, are nothing new; the Minister himself was considering a similar scheme proposed to him in 1967, precisely on the 19th of October, by local doctors, the only difference being that the charges were going to be 2/6, 7/6 and 10 shillings. The doctors in Gibraltar put the suggestion but the scheme did not get off the ground. The only new thing in the scheme, Mr Speaker, is the availability of a modern, well equipped Health Centre which the IWBP Government planned and built and that is the only good thing that is going to come out of the scheme. We do not accept the principle that whatever services are rendered by the Government - and this is one of the amendments we are going to propose - should be restricted only to insured persons or the registered person, as described "Registration" at section 4(1). I say this, Mr Speaker, because this was exactly the same problem that was experienced in the United Kingdom and a lesson has been learned there. With your leave, Mr Speaker, I shall quote an ex-minister of the United Kingdom on Health Services, Mr Enoch Powell, who had this to say about the National Health Service, or in our case, the Medical Service, he had this to say: "The contribution paid is in no sense a payment for the Service; no right is created by it. Those who pay the contribution enjoy no less and no more access to the Nationalised Medical Service than those who do not. It is a payroll tax, the insurance, on employer and employee, which goes to finance the Service as do, to an uncertainable extent, the duties paid by the consumer or consumers of alcohol, tobacco, and other dutiable goods."

Mr Speaker, the mere fact that a person pays 3 pence a week should not entitle him only to receive the service because the tax bill of the expenditure for Medical Services in Gibraltar is upward of half a million pounds, and the fees collected, I think, if my memory serves me right, is something in the region of about £40,000.

MR SPEAKER:

Perhaps you would like to check the figures of expenditure.

HON J CARUANA:

The fact is that whatever the figure is that is received from revenue by the Medical Department, the greater part of the Medical Services are sponsored subsidised, by the taxpayers of Gibraltar and 3p a week should not entitle, or the non-payment of 3p a week, should not disqualify persons from enjoying this service, which in fact should be available to all.

With your leave, Mr Speaker, I shall quote the Health services in Great Britain, as explained in the official booklet, on the scope and finance of the National Health Service in Great Britain with respect to the finances and insurance paid by the people. It says this: "What was aimed at was a strengthening and an expansion so that benefits, once available only to insured persons and those who could afford to pay for them, or as a form of charity, should become available to everyone". Mr Speaker, this is exactly the same criterion in Gibraltar, and we are very sorry to see that the Minister has only been able to bring to the House a Bill which limits the scope of Medical Services to insured persons only. If we don't generalise the service to everybody it will be fragmentised in a certain fashion. In fact what we shall have in Gibraltar by the introduction of this Bill, is a multi-purpose medical structure of various shapes, meaning that the people in Gibraltar will not know for a long time what their entitlement is.

Gibraltar will be working in a medical complex of insured persons, who would benefit from this Bill; those not insured who cannot afford private doctors who would not benefit from the scheme; those who can afford private doctors; and I believe there is a proposal that a certain part of non-industrials in the Ministry of Defence Department, who might be asked to join the National Health Service System of Great Britain, here in Gibraltar, and enjoy all the benefits from the Naval Hospital in Gibraltar. They will pay National Insurance, if the thing comes to fruition, National Insurance contribution as in the United Kingdom.

So you see, Mr Speaker, the situation is not at all clear. Perhaps the Minister has worthy intentions, but the Bill does not go far enough, and leaves a lot to be desired. There are various parts of the Bill which will require close scrutiny by this side and on which we shall be making proposals. But the main principle is that this Bill is giving a service to people who chose to pay the insurance but who themselves might be bigger taxpayers than the person who pays insurance and who are not entitled to receive benefits from the Government of Gibraltar. This we find is an opportunity that should be grasped now and perhaps the Bill might be delayed to put into effect a Comprehensive Medical Scheme which will bring into the scheme everybody in Gibraltar on the same basis. There is no question of "voluntary": the voluntary aspect of this comes, as the official pamphlet explains, in the choice by the people themselves whether to use the service or not, but as a right they are fully entitled to the service. They have the full right to enjoy the full benefit of the service. The voluntary aspect of this comes in the opting out of that and using private doctors and private insurance schemes, whatever they like, but their entitlement is for full pay participation in the scheme. This Bill does not do that and, therefore, we consider the principle of this Bill, whilst not wishing to appear to be going against something which has worthy intentions, we consider that the principle behind this Bill falls short of what is required in Gibraltar. I dont think for a moment that the complex matter of the Medical Service rests purely with the availability of doctors or not. I would even like to go further and say that the principle that we would like to see enacted today is the principle of unifying our Health Services with those of Great Britain. We have had the Minister for Labour making a statement on sponsored patients to the United Kingdom. Well, even sponsored patients to the United Kingdom, so called sponsored patients, have to pay. There are even pensioners today who are, so called sponsored patients, but who have to pay for part of their cost in the United Kingdom. I know of such a case of a person who is required to pay and cannot and yet he has gone

to England and has been charged for it. This is the blatant fact. On the question of taxes, we shall see again, this comparison has been drawn. The picture is emerging clearer; what we require in Gibraltar and indeed what is going to happen, and we hope will happen and we hope the Government will encourage and not persuade the Ministry of Defence not to carry out the National Health Service for non-industrial Gibraltarians working in the Ministry of Defence Department, I hope the Government will not discourage such a scheme taking place, because that would be the thin end of the wedge. What we require in Gibraltar today is a Bill, with the consent of Her Majesty's Government, unifying our Medical Services with those of the United Kingdom. There are many benefits in that principle and this is what we would have liked to have seen here today.

The principle of enroling doctors in this Bill who work in conjunction with this new Medical Scheme will be greatly facilitated because those doctors under the scheme would come to Gibraltar as an extension of the United Kingdom contract and not as an overseas appointment. They would then have no fear of losing seniority and they would have the same prospects of remuneration as in the United Kingdom. This is what we would call progressive.

MR SPEAKER:

You have been speaking on what you feel the Scheme would be and not on the general principle of the Bill itself. I have given you a tremendous amount of latitude but I feel I have got to bring you back now to what we are discussing. You may disagree with the general principle, but you have expounded a Scheme which is completely and utterly different, which to some extent does bear on the general principle and merits, but we must not overdo it in any manner or form.

HON J CARUANA:

I agree with you, Mr Speaker, perhaps such a speech should have been more appropriate at the Committee Stage, but nevertheless when talking about payment of insurance, the picture would remain uncompleted if one did not expand on this and I beg your indulgence, Mr Speaker.

The principles of the Bill have certain short comings, in so much as this Bill, apart from anything else, is an extra form of taxation, as Mr Enoch Powell said, another pay-roll tax, to be paid by the public or part of the community for this Service. But what it omits to include here is what in fact the Minister has stated in his explanation, which I would have thought would have formed part of the explanatory memorandum at the end of the Bill, and that is, what do people, when they read this Bill, know what they are entitled to; what is the service they are going to get. When they see this perhaps we might get more cooperation from the public, perhaps we might get more people wanting to join the service, and this might encourage the Government to go a little bit further towards the end aim of nationalising the Health Service, at the same time attempting to unify our Health Service with those of the United Kingdom. So, Mr Speaker, we would like to see included in the principles the benefit to which people are entitled to as part of the Bill, since in fact the Bill only includes a weekly contribution required from the patients.

MR SPEAKER:

Does any other member wish to say anything on the general principles and merit before I ask the mover to reply?

MAJOR R J PELIZA:

Well, like my Honourable Friend, Joe Caruana, I think that I too welcome the initiative taken by the Minister, but what surprises me is that the Minister should be in doubt as to the effectiveness of a fully pledged National Health Service. He wants to start by a small beginning like this. I consider this to be a danger. This is my main objection to the Bill, not the principle of having a National Health Service, but not going far enough and therefore starting on the wrong foot.

We all know from experience in the United Kingdom, that there can be considerable opposition to a National Health Service. I think that it was extremely difficult to introduce it in the United Kingdom and I am sure that the Minister himself probably found that it was extremely difficult, in past years when he held the same Ministry, to make any headway in this direction. There are not only financial difficulties, there is professional difficulties to be overcome. Therefore, I do sympathise with the difficulties that the Minister must have met, and is probably meeting today. The financial one of course is even more frightening, but I think on this occasion, a person who is responsible to such an important department must use his courage. Without courage it is going to be very difficult to get off the ground in Gibraltar a National Health Service.

I cannot understand how there can be any doubt about the effectiveness, and the need, the absolute need in every modern society, for a fully pledged National Health Service. It is as important, if not more important, than a National Educational Service which everybody in this day and age takes for granted, in any modern society. I would say perhaps that of all the countries in Europe, we are probably one of the ones that are far behind in this respect. So now that we are telling the Minister, and I think the Minister knew before this, but certainly the Opposition are 100% behind any move towards a more comprehensive National Health Service. I wonder whether the Minister would not give consideration to completely shelving this, starting afresh and produce a fully covering National Health Service which the public would see was something really important and transcendental taking place in Gibraltar. I am sure that as far as the Minister himself is concerned, he would go down in history at having done a great thing for the people of Gibraltar, and I am sure that the Government too will be able to add a feather to its hat - perhaps the only one so far since they took office - but at least one that would be very very much welcomed by the Opposition and by the people, who generally I should say, bear in mind the importance of a good Health Service.

I think it has been proved already in the past, when the Minister himself started what I think was - and I am not talking with much knowledge of this - a Domiciliary Service which was a complete and utter failure precisely because it was given a small beginning. Now, is he going to do this thing again? I thought that experience is learning by mistakes. He made that mistake, he wants to make the same mistake again? I am trying todissuade you from that and I hope, since we still have to go into Committee, if he is not prepared to completely shelve this, whether he can add more meat, more substance, to this Ordinance and make it much more comprehensive. It is very human, in a society and particularly in a society which has not got a National Health Service so far, it is very human that there will be tendencies for a lot of people to think that if you go under this sort of Health Service you are not getting the attention that you do if you go privately. The moment that that happens you are on the brink of failure, and not only on the brink of failure but the failure of being able to develop this into a National Health Service. This is the thing that I fear most.

We heard my Honourable Friend say that already the Ministry of Defence is giving consideration to having their employees enroled into the National Health Service in the United Kingdom. There again, I think if we had that opportunity, it is clear at least that the United Kingdom employers are not afraid. And seeing from the knowledge that we have, it appears they themselves might

cooperate since after all they would have to make a contribution to this, they have got to be brought into it, naturally. It seems, therefore, that the main employers of Gibraltar would have no basic objection to it. Now, if we go that far, and we win the battle with those employers, I think there would be less reaction from the private employers in Gibraltar of making a gr ater contribution towards these vital needs. Therefore, one should aim at a Scheme that will eventually link us up with the National Health Service of the United Kingdom. We must int ograte ourselves. We applaud the Minister for Labour today when he said that in future it would be preferable for someone requiring treatment in the United Kingdom to be accompanied by someone who will look after the patient. This is very welcome. You just imagine the great satisfaction to everybody in Gibraltar, if they knew that if anything went wrong they would not be subject to any means test of any nature, but that they would have available the best possible medical attention, you might say, in the world, because in the United Kingdom today, they have probably the best medical attention available in the whole world. Isn't that a goal worth aiming at? Why therefore spoil the opportunity of getting that far by introducing something which is peacemeal.

I would ask the Minister, who I know has his heart and soul behind the Health and Medical Service of Gibraltar, to give second thoughts, and to realise that having made a mistake once, he should not do it again. The danger of this misfiring is very great and I think my colleagues and I will give the Minister 100% support to try and introduce a National Health Service to Gibraltar which would link us to the National Health Service in the United Kingdom. Then he would not have to break the law, as he has had to do unfortunately, has gone to the extent of breaking the law of Gibraltar, to be able to give medical attention with not fully-qualified doctors to the people of Gibraltar. That is a shameful thing because it is bringing down the standard of medical attention in Gibraltar. That is a great danger, going against the law, to reduce the standard of medical attention in Gibraltar. This we must avoid, we have got to go round the other way, have to move in the other direction. We must int egrate the Medical Services of Gibraltar with the Medical Services of the United Kingdom. The problem of doctors would be over to a large extent. Well, the main problem, I would say. I know doctors are difficult people to handle, I know, like all professional men.

MR SPEAKER:

We are departing from the general principle. We are talking about the National Health Service.

MAJOR R J PELIZA:

Mr Speaker, with all due respect, I think that all I am telling the Minister is, to drop this one and to introduce something better. I cannot tell the Minister to drop this one unless I put an argument to show him that there is something better available than this.

MR SPEAKER:

Yes, but that is not speaking on the general principle and merits of the Bill before the House.

MAJOR R J PELIZA:

I think I am talking on the general principles, Mr Speaker, in the sense that this is not good enough to meet the requirements of a modern society in Europe today.

MR SPEAKER:

Yes, that may well be, but you are going beyond that, I think, if you will refer to Hansard, in due course.

MAJOR R J PELIZA:

To be able to do that I have got to compare it with other National Health Services in Europe, otherwise I can only say I do not agree, I think it is wrong. I disagree with the principles of the law and I do not think that would be logical or constructive. I am trying to be constructive. I will not, of course, prolong that argument any more, but I would say to the Minister think again, come with something much more useful than this, and you have the support of the Opposition, and, I would say, the thinking people of Gibraltar.

HON M XIBERRAS:

I would add one thought in the vein which my Colleagues on right and left have spoken, and that is my experience of Industrial Training. For a long time the administration previous to our administration, was toying around with the idea of Industrial Training, and with voluntary schemes for the establishment of Industrial Training. And yet the scheme, Industrial Training itself, never got off the ground because what was thought up was not statutory was not strong, was not comprehensive. Now, similarly, there is a great danger in timidity, and this is how I would categorise this Bill, a timid Bill. It is a Bill which is characteristic of the mover of the Bill who tends to do things in very small doses, and unfortunately his stop-gap measures tend to become permanent. I think those interests that will militate eventually against a comprehensive, a Nationalised, I might call it, Health Service are going to see a certain amount of timidity in the Minister's action and they will rally their forces against the Minister and make it more difficult for a National Health Service to get off the ground. So it is not that we are saying that this is not a step towards the aim which is shared by both sides of the House, we are saying that this sort of step is not necessarily going to get the Minister to that desired aim in the quickest possible space of time. Another very concerning factor is that there is no statutory obligation on the Government to asking people to pay, and you must say in the body of the Ordinance what you are going to give them for the payment they are making. Without that it is unfair to ask people to pay. I must also record that the Honourable Member on the Minister's right, the Minister for Labour and Social Security, is carrying out a revision on Social Insurance and this subject is closely associated, obviously, with the question of Medical Insurance, because the contributions that are to be made are going to come out of the same pocket, be it employer or employee, even though the object of such contribution would be different, and therefore this appeared to be an opportune moment to dovetail these two contributions so that you would have Social Insurance protection and also Medical Insurance protection. That appears to be just the right moment for it and this was more or less what we, on this side of the House, had to tell the Transport and General Workers Union when they raised the matter with us towards the end of our period of office. Now, it was with this in mind that we put it in our election manifesto and we are not advocating views which are different now. The Transport and General Workers Union Executive at the time will bear witness to this. This is our worry, that the stop-gap measure is going to become a permanent thing, it is going to be a paliative to those who wish to have a National Health Service at the same time as it is going to allow a new lease of life to a system which, as my Honourable and Gallant Friend on my left has said, is not up to the level of the rest of Europe.

Also of great concern is the question of the Government attitude in relation to the Scheme referred to by my Honourable friend on my right concerning employees, Gibraltarian employees, of United Kingdom Department. Now, that covers a substantial body of persons and I would welcome clarification of the Gibraltar Government's attitude to such proposals that may exist, in the course of the Minister's speech, to enable us to determine how many people are going to be covered by insurance of one kind or another. It is said that the Gibraltar Government has shown opposition to the inclusion of these persons to the scheme and I would vote a refutation of this statement, of these rumours, by the Minister if their attitude has not been in fact one of opposition of the Scheme.

In its present form, we reiterate, we are not happy at all about the Bill, and substantial improvement would have to be made, so substantial in fact that we would much prefer the Bill to be withdrawn and a comprehensive Bill brought in, if it is possible to do this within a reasonable time span.

LT. COL.
HON J L HOARE:

I was not going to intervene in this debate at all but I feel I have got to put right a few misconceptions, certainly about the National Health Scheme in the United Kingdom of which I have a certain amount of practical experience, I have practical experience at the moment because I pay National Insurance, which includes a National Health element but I am not entitled to any medical treatment, either in the United Kingdom or here. The National Health Scheme is not an insurance scheme. It is based on getting medical attention whether you pay subscriptions or not. The only qualification is a residential qualification, not a permanent residential qualification, but actual residence at the time. This is why Britain is at the moment the Mecca of all girls in the continent, who want to get an abortion because the moment . . . . .

MR SPEAKER:

Yes, but you must not. I have just called the attention of the Honourable Mr Caruana precisely on that point. We must not now try and expound on the virtues of other systems. We are speaking on the general principles and merits of the Bill before the House and on nothing else.

LT. COL
HON J L HOARE:

Thank you, Mr Speaker, but I was coming to the point that, whilst I am fully in agreement that what we eventually want to aim for is a comprehensive National Health Service Scheme, I think it would be quite wrong to go at the deep end at this moment. We would be laying ourselves open to thousands of visitors from across the water, who by merely being taken ill whilst they are in Gibraltar, would be entitled to all the medical and sickness benefits here. This would be an impossible financial burden; it would be an impossible burden on accommodation and the medical resources available to us at the moment.

HON J BOSSANO:

Mr Speaker, on the general principles of the Bill. It appears from the last intervention that this original first faultering step to a National Health Service may well not end in the introduction of a comprehensive National Health Service if the reservations expressed by the Honourable and Gallant Minister of Public Works is shared by his colleagues in Government. But in any case, quite apart from whether there is any intention to proceed with expanding this as quickly as it is possible to do, into a National Health Service, the way the original scheme is brought to the House in this Ordinance gives cause for concern to members of the opposition, because the law as it stands here in draft form does not state explicitly who is going to benefit

from the Medical Scheme, and how they are going to benefit, and in particular that the figure of 15,000 has been suggested by the Honourable Minister for Medical Services as the beneficiaries of the Scheme makes us wonder, on this side of the House, on what basis the computations has been done to arrive at this figure of 15,000. This is most important, Mr Speaker, because if the financing of the Scheme and the provisions of the services under the scheme are going to be based on the assumption that only 15,000 people are going to make use of this then it will have a different form from what it would be if there were 20,000 I should say.

We have looked at the census figures in respect of the population of Gibraltar and I would draw the attention of Members on the Government side to the tables that are published in the Gibraltar Census Report which show that there are, for example, 5,500 individuals, males and females, who are under fifteen, who would presumably be dependants of people who would be able to register under this legislation. So straight away we have got 5,500 people there under fifteen, not economically active, not employed, who would not be able to register themselves but who would be able to use the services by virtue of the registration of their parents who would be employed in Gibraltar.

In addition we have 1,000 males over 65, and 2,000 females over 60, who would not be employed and whom we do not know yet, from this law as it stands, whether they would be able to make use of the services or not. But if we take these two groups together, the people who are not in employment and the people who are in fact in most need of Medical Service because it is the young and the old who make most use of Medical Services, and it is for the young and the old primarily that a National Health Service is required, these two groups take up half the number suggested of 15,000. Then we are left with another 7,000 when in fact the labour force of Gibraltar is 11,700 so it is our view that the figure of 15,000 is far too conservative in estimating what the Scheme needs to provide and if, for example, the contributions and the disbursements anticipated for the Scheme, and the recruitment of personnel to operate the Scheme, have been based on the assumption that only 15,000 people are going to be allowed to make use of it, then there is going to be a great number of people whom we feel are in need of a comprehensive system of medicine, to take care of their needs, and who will feel a great deal of resentment in that they have been left out of something which should cover them as well. It is this which we will be looking at, and which we will make use of, in planning our amendments for the Committee Stage and I would like to impress upon the Government that on this side of the House we are looking at this with a view to making the Scheme work. We want to help to make it work, because we support the Scheme, not because we think that this is the best way that it should be started, but because we think the Government is erring on the side of caution. But we would rather give an overcautious Government our support so that they will become more radical and go as far as introducing a comprehensive National Health Service, than try and put stops in their way.

MR SPEAKER:

I will now call on the mover to reply.

HON A P MONTEGRIFFO:

Mr Speaker, before I was called timid but at least I am doing something about it. And with a certain amount of courage, because as I said before, the Scheme, any new Scheme, any baby who has teething troubles which may or may not be able to overcome. Then I am accused of lowering standards, because precisely we have to allow House Officers to do certain work, because we did not have doctors. And I am told 'scrap the Bill' precisely when this Bill does just that, bring doctors to Gibraltar. But let us look at the historical

background of all this, Mr Speaker, we brought or rather following the wisdom of the previous Government this Scheme was late, because we wanted to wait for the experts on which the last Government was placing so much hope. And, let us see what the experts told us to do. 'The size of the population makes it exceedingly difficult to plant a Health Service on a national basis,' and goes on to say 'I have indicated that in my view the main and most pressing needs of the moment is to establish a Group Practice to provide general medical services for the community. Now, Sir, only about six or seven months ago there was quite a public outcry in Gibraltar, which has been mounting ever since, at the lack of attention by medical practitioners. It has not been an easy matter to bring doctors to Gibraltar. It has been an uphill struggle, as everybody knows, and I am glad the Honourable member opposite is nodding his head. How can I be expected then to start a fully comprehensive National Health Service when the few doctors in Gibraltar were not enough to cope with the limited service we are providing and when I have only been able to get three doctors that at least can do some work in Gibraltar. Three, and two local doctors one of whom joined after having refused to join on numerous occasions seeing the red light he says 'Now I am coming into the Scheme' - and we have accommodated him. Five doctors would not be sufficient. I appreciate the views of the Opposition because I myself have said so in my original opening, and that is, that this Scheme has its claws. But one must at least have the courage to do with what is available to improve what we have at the present moment. I think there is another mistaken attitude taken on the part of some members. The Scheme is not a voluntary one, not by any means. The bulk of the people will come from those who are insured and they will have to join the Scheme. The Scheme makes it obligatory on all those who are insured to join it. And because we want to find out, and we cannot, we haven't got the figures of statistics at the present moment, we cannot find out what other person we ought to bring in, there is an absolute discretion on the Minister which will allow such person, as it is thought fit, that by leaving them out, they suffered hardship to come into the scheme and if necessary even not to contribute, anything at all except the doctors fee. I have been asked to scrap the Ordinance or the Bill. I am sorry I cannot do that, and I cannot do that because this is like the story of the hen and the egg, which comes first? and I could not get this Bill, or rather I did not prepare a Bill to bring to the House until I was sure I was getting the doctors. Having got the doctors on certain conditions, I can of course be most willing to listen to any view that the Opposition may have to improve the Bill and I will accept it, but having engaged doctors on certain conditions as regards their salaries and their fees to be collected from patients, which I will say this: 'It was the one thing they found most attractive'. This is the territory. I cannot drop the Bill, I could have taken an easier attitude, do nothing about it, wait for the National Health Service, try to do reciprocal agreement with Britain on integrating the National Health Service, it might have taken years. But we are faced with the problem of the shortage of doctors and limited service being given to the public and therefore I am sorry, I cannot scrap the Bill though I would be most willing to listen very carefully and give very full consideration and weight to any proposals that may come from the other side of the House. I do not care who does it. If you can improve the Bill, good luck to Gibraltar. I do not go about saying 'I did the Health Centre, or I did the Hospital, or I contributed'. I dont care two hoots about that, I dont care, I never put the plaque up there incidentally, never! And now when I open the Health Centre I will say who did the Health Centre, which shows more courtesy than was shown to me. The 3p that is being paid, which includes the family and of course it can be argued - you are paying 3p which is £1.50 a year - that when you do not need the doctor you are losing money. This is the same as an Employment Injuries Insurance, if you do not get a brick on your head you cannot draw the benefit from the Fund. Good luck to you, or if you insure your house against fire you would say you are losing money every year for the very simple reason that your house will not catch fire. Sir, I think that basically it is a sound Scheme. I am not the cream of the earth. I brought forward proposals to the House precisely

so that they could be scrutinised and if the proposals that the Opposition make improve the Bill and can be accepted within the context of what I have mentioned before 'that doctors have already been engaged', otherwise I would not have been able to bring this Bill before the House, on certain conditions and in fact one of the doctors have and the Honourable Member opposite was part and parcel of the negotiations so he knows on which conditions the doctors have been employed. That cannot be touched. That cannot be touched. The rest provided it does not impinge in the financing of the Scheme, which is non-profitable of course, we can also listen as well as to any other amendments they care to bring. And the other point about the benefits not being defined except through Regulations, it was done purposely, I would not spell out what the benefits would be. But I thought, perhaps wrongly, that by spelling it out here in the House and then incorporating it into Regulations it would be much easier and quicker whenever we want to increase those benefits to do it through Regulations rather than having to come to the House for an amendment to the Bill. On the other hand, I thought of including the fee that was going to be paid, precisely to tie my hands more and not to allow through Regulations to increase fees or decrease fees unless it was put to the House to change the principal Ordinance. There is nothing sinister about it, and I have already spelt out that the people would be entitled to free pathological work, free radiological service, free consultant service in the home and a subsidised medical fee. I will finish with one last point raised by the Honourable the Leader of the Opposition. I think he mentioned, if I understood him rightly, that the Government were opposing this. Well, as far as I am concerned, a Senior Civil Servant went to see them to consult about the Scheme and as far as I was told, they are very, very happy with the Scheme.

HON M XIBERRAS:

Sir, I am grateful to the Honourable Member for giving way a second time. The point that I was re-iterating really, was the one raised by my Honourable Friend on my right, and that is, that we are informed that those Gibraltarians non-industrial workers with the United Kingdom Departments had been offered medical treatment in the Military Hospital, and of course a contribution on United Kingdom lines for this attention, for this benefit, and also that rumour had it, that the Government of Gibraltar had opposed such an arrangement What I was seeking from the Minister is clarification on behalf of the Government as to what the attitude of the Gibraltar Government had been to this.

HON A P MONTEGRIFFO:

Well, Sir, I can categorically say that I know nothing about what the Services are doing with their workers, this is the first time I have heard it. I have never heard one word about this National Health Service applying to the workers of the . . . . none at all.

HON M XIBERRAS:

May I suggest Sir, that this is quite an important development because it does affect a good number of Gibraltarians that might contribute to the figures given by my Honourable Friend who was playing a little while ago.

HON A P MONTEGRIFFO:

Sir, I commend the Bill to the House.

MR SPEAKER:

I will then put the question which was resolved in the affirmative and the Bill was read a second time.

HON A P MONTEGRIFFO:

Sir, I now move that the Committee Stage and Third Reading be taken later on in the proceddings.

HON J CARUANA:

Mr Speaker, I wonder if, since the Scheme is not envisaged to start till the 1st of July, so I understand, will the Government, because of the views expressed by the Opposition with regard to the Bill and the intention to propose substantial amendments will the Government consider leaving the Committee Stage and Third Reading to the next meeting of the House, in June? If this does not take place I am afraid that we shall be unable to support the Bill in its present form, for the reasons we have explained.

HON A P MONTEGRIFFO:

I am sorry. I wish I could accommodate them. The difficulty is that we have got to start registering people - doctors are arriving some time in mid June - we have got to start registering people now. So that we have all the records and all the things ready and giving the opportunity to any one, and also the Insurance stamps will have to be printed, and there is very little time left.

HON M XIBERRAS:

Sir, I don't think it is a question of whether the Government wishes to . . .

MR SPEAKER:

Yes, but I must say that we are not going to have a debate on this one. It is a question of agreeing or disagreeing exclusively.

HON M XIBERRAS:

Sir, but I thought that a statement on behalf of the Opposition would have clarified the situation. And that is, that unless there was during the course of the second reading, some explanation as to why the third reading, needed to be taken now, the Opposition would not agree. It is not the normal practice to take the Committee Stage and Third Reading at the same meeting as the first and second readings and the Minister has not had the imagination perhaps to explain why it was so urgent. Nor has he informed the Opposition that he wished to take all readings in one meeting.

MR SPEAKER:

This is the stage at which it has to be done.

HON M XIBERRAS:

I think it has been normal for Ministers wishing to get a Bill through quickly to inform the Opposition and ask them if they have any objection to this and, therefore, we cannot agree to having the Third Reading at this stage.

MR SPEAKER:

Well, I will read the rule, it is simple and clear, it is Rule 32(1)(32(2) of the Standing Orders)and the relevant part is 32(2): "The only amendment to the question permissible shall be one postponing the Second Reading to some subsequent date". There is no such amendment and if the motion is carried - which it has been carried already - the Clerk should read the title of the Bill and thereupon a day shall be fixed for the consideration of the Bill in Committee - which is what has been done at this stage - which may be the same if all Members agree, and that is why I have asked if all Members agree, that it should be taken today or at a subsequent day if otherwise. So all that happens is that if the Opposition disagrees that the Committee Stage and Third Reading should be taken on the same day, it stands to a subsequent day and nothing else. So, it is recorded that the Opposition do not agree, in other words, so that we have perhaps slipped on the matter. Now as the position stands, you can of course make a statement to the effect that the Committee Stage and Third Reading will be taken at a later stage of this meeting.

HON A P MONTEGRIFFO:

I now move that the Committee Stage and Third Reading will be taken at a subsequent day on these proceedings.

The Employment Injuries Insurance (Amendment) Ordinance, 1973.

FIRST READING

The Hon the Minister for Labour and Social Security moved that a Bill for an Ordinance to amend the Employment Injuries Insurance Ordinance, Chapter 49, 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 A J CANEPA:

Mr Speaker, I beg to move that a Bill for an Ordinance to amend the Employment Injuries Insurance Ordinance, Chapter 49, be read a second time. Sir, on the 30th of January, 1973, I made a statement in this House in which I outlined the changes which I was proposing to make to our Social Insurance Scheme and which are embodied in the next three Bills on the Order paper. I also said, Sir, that these proposals were to be referred to the Social Insurance Advisory Committee for their advice. Sir, I am glad to be able to say that the Committee when it met in February saw fit to endorse all the proposals put to them, with a further recommendation that the option to enter or re-enter Insurance - which I have referred to in my statement in this House on the 30th of January - to those employed persons who are now excluded from the Scheme should be extended to ~~those~~ men under 65 years of age, 50 in the case of women, instead of just to men up to the age of 50 and women up to the age of 45 as I have earlier had in mind. Sir, I have reconsidered this point and it has been possible to accept the recommendations of the Social Insurance Advisory Committee. All the proposals, Sir, are now contained in the three Bills before the House of which this is the first one. The main purpose of

this Bill is to increase by 100% the benefits payable under the Ordinance. These, Sir, are principally: the Injuries Benefits, which is increased from £2.18 per week to £5.60p per week for men - Clause 16, Sir, gives effect to this; Disablement Pension, which is also increased from £2.80 to £5.60 per week at the maximun, here, Sir, it is Clause 18, which gives effect to this; Disablement Gratuity, the amount for 100% disablement is increased from £800 to £1,600 - Clauses 17 and 19; and Industrial Death Benefits Gratuity, increased again, Sir, from £800 to £1,600 as per Clause 7. There are, Mr Speaker, corresponding improvements, in the increases of Disablement Pension, where constant attendance is needed - Clause 6; in the pensions for orphans - clause 8; parents - clause 9 - and other dependants - clause 10.

Sir, the increases in benefits have necessitated a corresponding increase in the contributions payable. In the case of adult males the employer and the insured person are each required to pay an additional 2p a week making up a combined contribution of 8p. These new contributions, Sir, are set out in Clause 15 of the Bill. The opportunity has also been taken in this Bill through Clause 11 to extend from 26 weeks to 52 weeks the period of extinguishment of a right to benefit. This, Sir, will bring us into line with practice in the United Kingdon. The other clauses of the Bill, Mr Speaker, are concerned with increasing the penalties which may be incurred by persons in breach of the Ordinance.

Sir, the current rates of benefits were last revised in 1968 so that the increases now proposed are long overdue. I therefore commend the Bill to the House.

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

HON J BOSSANO:

Mr Speaker, the Employment Injuries Insurance and the Social Insurance, which we are going to consider as well in this meeting of the House, see the implementation of a commitment given by the previous Government to raise the benefits under these two branches of insurance. In the case of this particular Bill, the important principle is of course the need to protect a man from injury at work and it is of course particularly important in relation to the Bill which has just been considered, the Medical Services Bill, where a reference to this insurance is made, in that it is individuals who are insured under the Employmen Injuries Insurance who are required, in the Medical Insurance Bill to become insured for the Group Medical Scheme. So that anybody who registers under this will automatically acquire the obligation to register under the other one. It is, therefore, important to insure that we make the opportunity to join the Employment Insurance Scheme as liberal as we can, now that we are thinking of changing the conditions under which it is possible to join and it is here I am thinking of the reference that the Honourable Minister for Labour and Social Security made to the age of 55 as the ceiling age when the scheme can be joined. This limitation on the age of 55 I believe has been arrived at by virtue of the fact that, in order to qualify for a pension, under the Social Insurance Scheme, 500 contributions are needed, and 500 contributions cannot be feasibly accumulated in less than 10 years. It is because of this that there is a 10 year gap between the age on which one joins and the age which one qualifies for benefit. But of course this does not directly relate to the case for Employment Injuries Insurance and it would appear that there is no reason why, even if the Government insists on limiting the opportunity to join the Insurance Scheme to qualify for old age pension to those under 55, they should deprive all those over 55 from joining the Employment Insurance Scheme so that they can protect themselves against injury at work. In fact it is our view that in view of the small contributions, Employment Insurance ought to be obligatory because in the interest of all employees to protect themselves against employment injuries.

As to the changes that the law brings in Benefit and in Contributions, the point that clearly emerges is that in fact all that is being done is that the income and the expenditure under the Scheme will be doubled, in that the contribution is going up from 2p to 4p and the benefit is going up from £2.80 to £5.60. Two questions arise; one is whether in view of the very healthy state of the fund it would not be possible to give better benefits in relation to a given contribution. That is, in view of the experience I have had of how the fund stands up to now, and the fact that both the Employment - this applies both to this Bill and to the other one - that in both cases we have found that the insurance fund has been in substantial surplus every year. The income has been sufficient to meet its commitments and produce a surplus. In view of this the question arises whether there is a need to limit the provision of benefits to the same ratio in respect of contribution as existed before. And in addition there is a question of looki quite apart from the problem of financing the benefits which the bouyant stat of the Insurance Fund would suggest is no problem, quite apart from that, the is a question of the adequacy, in terms of today's cost of living, of the benefits given in the Schedules to this Bill.

We are not happy, Mr Speaker, on this side of the House, that £5.60 a week for a man who has been put out of work by an accident at work means anything in today's cost of living terms. £5.60 a week may be twice the £2.80, but with every day that passes it gets nearer to being as insignifican as the £2.80 was. There is a need to relate the benefits that are being give to what the purchasing power of the £ is, and not to think that a purely nominal figure of £5 is going to be worth as much to those people who are in need of those £5 today, and in a year's time, and in two years' time. There is a need to recognise and I would say that there is a need to include a recognition of this by some sort of linking of benefits, so that if we think in the House now, in May, 1973, that a man who is injured at work should be paid Injury Benefit of £5.60 a week, and we think that this is the bare minim because it cannot be described as anything else, the bare minimum which would enable a man to survive while he is unable to take up employment, through an injury at work, then if it is the bare minimum today it would certainly be insufficient next month. This is clearly so from the trend of prices, theref it seems to me that all that the Scheme does is to double benefits, double contributions, and make it possible for people to join the Scheme who were not in the Scheme before. It is welcome, as other Government measures are welcome in that they are pointing in the right direction; it can never be welcome because of the timidity of the steps being taken in that direction.

HON ATTORNEY-GENERAL

Mr Speaker, Sir, it may be that I misunderstood the Honourable Member, Mr Jose Bossano, but if he was saying that anybody is restricted from becoming insured under the Employment Injuries Insurance Ordinance, he is of course wrong. The is no limitation on age whatsoever. Section 4 of the present Ordinance reads: "Every person having attained the age of 15 years and being employed in insurable employment shall be insured in the manner hereafter provided." Now, at one time there was a provision that persons not in manual employment earnin over £500 a year could not be insured. That restriction was removed in, I think, 1968, in so far as people who come into insurable employment thereafter but it still remains as far as people who have been in insurable employment before that time, and had been pushed out because they had reached the wage limit. Now, under the present amending Bill, anybody, anybody who is precluded because of the pre-existing conditions, he can now opt to come in. So, there is no restriction as I say for age whatsoever. The majority of people are compelled to be insured, those who are not compelled because of previous record of service, had now got the complete option to become insured.

MR SPEAKER:

Is there no other Honourable Member who wishes to . . . .

HON M XIBERRAS:

Sir, there are various considerations which apply to the three Bills before the House; the Employment Injuries, Social Insurance Non-Contributory, Social Insurance Contributory, which the Opposition is very interested in as a whole and I wonder whether this is the right place, and I do fee it is the right place, because it is the first of the three. The remarks which I might make with your leave, Sir, is the general level of benefits for which we have had no justification from the Minister other than the fact that they are 100% higher than what they used to be. And we accepted that to have 100% improvement, is a good step. What we are interested in, really Sir, at this stage bearing in mind particularly the information which is available now to the Government which was not available when the last review of this Scheme was carried out. For instance the information my Honourable Friend has been quoting from the Census, the Employment Surveys which the Minister had access to. The welcome information which has solely been provided by the Statistics Office. We are interested, Sir, on the Opposition side, with the general level of benefits of every kind under the comparison, the corelation between the benefits. For instance, Supplementary Benefits compared to the Disablement Benefits as compared to the Un-employment Benefits and so on. Now, there is rhyme and reason in other countries and are reasons for pushing them up and bringing another, or not allowing another to go up as fast in other countries but in Gibraltar it has been rather a haphazard development of a colonial type which the Honourable and Learned the Attorney-General was referring to. We have the £500 rule, then we have got people in, but the benefits, how much attention has been paid really to the level of benefits of this kind? Very little I myself was given to understand in no uncertain terms that there could not be a review of these benefits until there was an actuarial review and in the meantime, these benefits were remained extremely low. Now comes the chance for a general revision and this is a very good opportunity to our mind, to try to establish some corelation between the Supplementary Benefits, for instance, to which the House has paid a good deal of attention and which has been increased on a good number of occasions - both in the life time of the previous Government and the life time of this Government - and to make a comparison of these benefits and let us not just say we are increasing this 100% because as my Honourable Friend has said £5.60 a week is more than £2.80. But £5.60 a week is nothing we must be ashamed to give as much in Supplementary Benefits. So we are still lagging behind in this particular respect, lagging behind Supplementary Benefits which we know lagged behind what one would have required to live on, taking the general level of wages today. Now, we often, Sir, and we often try to come to the United Kingdom for some sort of comparison. I think this is not amis here. In my time in the Minister's place I was interested in establishing some sort of comparison between the Supplementary Benefits in the United Kingdom and the Insurance Benefits in the United Kingdom. And also between that and what proportion of the average wage for instance or the labourers wage, the Supplementary Benefits or the Contributory Benefits obtainable at any given time represented. Now, there is absolutely no doubt that whereas there has been an improvement in the level of Supplementary Benefit this has not been accompanied by a comparable improvement even with 100% increase now in Contributory Benefits. And the old argument of the Government when they were in Opposition, that a person who did not contribute was substantially better off then the person who did contribute, still remains. I appreciate that the wish to accelerate this, the Minister has spoken about two-yearly reviews or annual reviews or three -yearly reviews I believe, and so forth. I agree with this. But if I may come back to a word used by the Minister "necessitated" the increase of 2p in the contribution and is with this word 'necessitated' that I might take issue for a little while with the Minister.

N.ecessitated to my understanding means, that the Fund will not be able to take the burden of the benefits which he proposes unless there is an increase of 2p in the contribution. Now, it is about this, about what the fund can really afford that it is in thisthat the House is interested mostly I would say. It is what the Fund can give now, we know that Moroccan workers leave a great deal of money here. This is the sort of information, because I would not like the Minister to be led up the garden path by overcautious actuaries, people who say that we cannot judge more than 100% at one go, and I would like to make sure that the benefits are as great as the Fund can possibly afford. That is as regards benefits.

Now, with regards to contributions, we all know that in the United Kingdom contributions are quite substantial. People say, why go to London to work and so on, I have to pay so much in contribution for this and so much contribution for that. Now, that is the decision of the British society, they say, we want so much to provide for a disablement, we want so much to provide for ill health, or old age, and so on, and a certain amount of the wage is passed on, as Honourable Members are aware, for another purpose, it is taken out of the living wage. And slowly surely Sir, there evolves a pattern in which a good proportion of the income of a person, or of a family is devoted for non-immediate aims. This proportion is what this side of the House is interested in. That is why I referred to average earnings and so on. Are Gibraltarians providing enough out of their pay packet for the future, for disablement, for medicine, for this sort of thing. Because surely this is the concern of the three Bills which are going to come before the House. Because if they are not, if the Gibraltarians, employers and the employees alike, can afford to contribute more, surely it is an obligation of the Government, at this particular time, to impose this particular level of contributions to make sure that we do catch up with the needs of old age, of our senior citizens, of the disabled, unemployed and so on. Otherwise we will never catch up. We will never catch up.

I agree entirely that this is a beneficial measure, it is 100% improvement. I have explained and given an indication as to why in our Administration we did not do it. We were told this could not be done until we had the actuaries review. "You cannot interfere with this in any great measure". We were told this by the Financial and Development Secretary and others in my time. We could think about the minimal increase, but not anything like what was needed. And we used to say, well, if it is going to be a question of 10p or 11p we are not going to touch it. But now that the opportunity is here, now that we have a fresh Actuaries report, could we not look and see whether we can really make an effort to catch up. Can the fund afford it and should Gibraltar be able to afford it? Should we increase the contribution now? In respect of other Bills before the House we are going to be dealing with people who are going to get the benefit in some years time, not immediately, and by that time, even by two years' time, will £5.60, or whatever the benefit is intended to be, is that going to be enough for them.

We make these comments in all good faith and we certainly welcome what the Minister has had to say. I am very glad for the clarification the Honourable and Learned the Attorney-General gave as to who was not only eligible, but who had to pay Employment Injuries insurance, because I clearly understood the Minister for Labour to say that only people up to a certain age, I believe he said 65, would come within the scheme generally. I thought he was drawing an analogy between other social insurance benefits and the employment injuries, and I am glad to see that anybody who is working will have to pay this amount. This was in fact what I understood the Honourable and Learned the Attorney-General say. That it would be compulsory. That everybody who was working would have to pay ..... We had better get this one clear, Sir, because it is important. Section 4A(2) refers. "Any person who although in insurable employment was not an insured person immediately prior to the 2nd July, 1953, may notify the Director in writing on or before the 1st July, 1973, of his wish to become an insured person." That would indicate that there is an option there, which is more or less what the Minister for Labour and Social Security was saying.

THE HON ATTORNEY-GENERAL

As I explained, originally when the Ordinance was passed, nobody who was earning over £500 a year could become insured under the Employment Injuries Insurance Ordinance. If you were earning less, and then you reached that wage you stopped being insured, that is when you reached £500. In 1968 we amended the Ordinance striking out entirely the £500 limit for people then entering employment. As far as people who were at that time earning over £500 there were two different provisions. If you had been in insurable employment, and then reached the barrier and so came out, you had an option to come back in again. Otherwise, if you had never been insured you had not got that option. What we are now doing is saying, everybody has now got an option. This option is only exercisable by people who were in insurable employment before 1968, and at that time were over the £500 limit. Anybody else is bound to come in. These people are not bound to but they have got the option. There is no limit on age whatsoever.

HON M XIBERRAS:

The Honourable and Learned the Attorney-General has taken us over some quite familiar grounds. In those days, I believe, the Honourable Minister for Labour and I were arguing on the same lines in the Teachers Association, trying to get insurance for teachers, and I am well aware of the history, but what I wanted to clarify was whether it would be compulsory for all who were working to join, and the Honourable and Learned the Attorney-General has in fact said - that is my reading of the Bill - that those who were insured but opted out before 1968 can come in as an option. Those after a certain date, 2nd July, 1973, must join. Am I right in saying that?

HON ATTORNEY-GENERAL:

No, not entirely. Anybody after 1st January, 1968, starting employment must come in. That is the provision of the Ordinance at the moment. Anybody starting after 1st January, 1968, must come in. Right? Now, we are saying anybody who is not compelled to come in at the moment, or not allowed to come in at the moment, has now got the option to come in, but this can only relate to a very small category of people who were in insurable employment before the 1st of January, 1968, but at that time were precluded from being insured. Now they have got the option. Everybody has got an option now, certain people are compelled, we are now giving an option to a very small class of people who have not had the option until now.

HON M XIBERRAS:

The people, Sir, with the option are the people who opted out before 1968 who were struck off after 1968.

MR SPEAKER:

I do not wish to interrupt, but we must not do what we are doing. We are now debating, we are now doing the committee stage of the Bill and we must not. It is the general principle and merits that we are talking about.

HON M XIBERRAS:

I am afraid, Sir, that . . . . .

MR SPEAKER:

I appreciate the difficulties. . . . .

HON M XIBERRAS:

There were some discrepancies, as far as we could gather, between what the Minister for Labour and Social Security was saying that the Bill attempted to do and what the Honourable and Learned the Attorney-General in his contribution . . . . .

MR SPEAKER:

There will be opportunities to clarify the matter, not only in this Bill, but on the other two that are coming.

HON A J CANEPA:

Sir, I can see from my notes, Sir, that I was referring generally to the statement which I had made on the 30th January - that was by way of general introduction - and then I referred to the main provisions of this Bill. I mentioned the question of the option before actually dealing with the Bill itself.

HON M XIBERRAS:

Sir, we hope the thing becomes somewhat clearer in Committee Stage, but for the moment accept what has been said, that the option will be exercisable by a limited number of persons, so that it does not affect in great measure the Bill before the House.

The main question, Sir, the question which we hope the Minister for Labour and Social Security will answer, concern the size of the benefit and the size of the contribution. We on this side of the House are not prepared to accept them just like that because they represent a 100% increase. I have alluded to some figures which you might not have available and this brings me to the point where I think the Minister would like this to go through all readings straight away.

Now, Sir, I must make the same kind of comments as I made on the Medical Bill, and that is that we cannot alter substantially the practice of this House to allow some sort of gap between the Second Reading and the Committee Stage. We have one, two, three, four Bills at least, which the Government wants to push through as quickly as possible and is not allowing the Opposition a chance to work out amendment. Some of them may be quite substantial and we cannot allow these things to be brought to the House, and just pass in one meeting just like that, because it is only after the Second Reading, that there is interest in the Bills created and the public, Associations, people, the Opposition itself can have a really good look to come forward with some worthwhile amendments at the Committee Stage. Besides, we cannot just draft amendments on a cursory reading of the Bill. We want to hear what the Government has to say in support of the Bill and then, having argued the case, go away and consider and bring forward amendments if that is considered necessary. I am very concerned that these Bills, for which there appears to be no dreadful hurry, that these Bills should be brought forward in this manner and I suggest to the Honourable the Learned Chief Minister, and to the Government generally, that they should draw the attention of the Opposition to this, and not just put them down in the Order paper - something which is quite normal - but that the cooperation of the Opposition should be sought in respect of those Bills where it is felt that it is absolutely necessary to change the practice of this House, but not otherwise.

HON CHIEF MINISTER:

Mr Speaker, on this question of the practice of the House, I remember very well, making exactly the same complaint, but more often than it is being made now, from that side of the House where almost every Bill that came before this House was cleared through all Stages. Of course they were. Look at the history of it, look at the Hansard and you will see that that is right. I did say then and I do say now, that it is certainly not our intention to bring all stages of a Bill before the House in one session if it is not absolutely necessary. In this case, together with the others, they all have a dateline which make it obvious that is necessary to have the legislation ready. As a result of the prolonged sittings of this House it is possible to have a Second Reading of a Bill on one day, and the Committee Stage two days later. This is what is happening now; we are taking so long and so on, perfectly right, they have a perfect right to do so, but we also have a duty to get on with the business of the House and very often the Standing Orders were invoked because we were not, as they boast, in Opposition, as Honourable Members opposite. And it was on the same day that we had to give the consent because the business was concluded on that day.

HON M XIBERRAS:

For example.

HON CHIEF MINISTER.

I am not prepared to give you an example, I am speaking off the cuff, and if you want example you will wait until tomorrow, as simple as that.

Young Persons Employment. I have just been reminded of one. We have a few days in which to do it. The Standing Orders only prevents the Bill being read Committee Stage and Third Reading on the same day, for obvious reasons. We shall have more days, unfortunately or fortunately, in this House, the Bill was published on the 19th of April, the Opposition have had the Bill since the 19th of April, and they still have it for another few days, but in these cases the absolute deadline is required. In the other case, at the time of the budget, I gave way and I agreed because I thought it was very important that the Income Tax Bill should be left, but I am afraid that agreement or disagreement from the Opposite side is not my judgment but my own assessment of what is fair and reasonable, which may not coincide with the other side.

MR SPEAKER:

Does the mover wish to reply on the general principles?

HON M XIBERRAS:

Sir, may I have your advice on this, it is a matter which is obviously of great concern. Three very weighty Bills on Social Insurance legislation, and another of considerable weight toward a National Health Service are going to be passed in one meeting of this House. It is a shameful thing, Sir.

MR SPEAKER:

We cannot have a debate on that. The rules allow it. Whether it is considered by the Opposition to be the right procedure or not the Rules allow it. There is no room for a debate on it, they are not allowed by the Standing Orders. We are discussing the general principles of a particular Bill and nothing else.

HON MAJOR R J PELIZA:

Mr Speaker, the Honourable and Learned Chief Minister referred to the previous Government and gave the impression that I was still bulldozing Bills through this House . . . . .

MR SPEAKER:

I will call your attention again. I have allowed the Chief Minister to reply because it was the Honourable the Leader of the Opposition who raised the matter as to when the Committee Stage and Third Reading should be held and I thought it was only fair that the Chief Minister should be given the right to reply, but there is no room for debate in this case. It is the application of Standing Orders and the Government making use of them, if they so wish. Nothing else. I will ask the mover to reply.

HON A J CANEPA:

Mr Speaker, both the two main speakers on the opposition side on the principles and merits of the Bill before the House have made reference to the adequacy or otherwise of the benefits which it is proposed to give on the basis of the healthy state of the Employment Injuries Insurance Fund. Now, Sir, I made available the Report of the Actuaries to the Honourable Mr Bossano and it is obviously on the basis of that, together with the statement that I made in the House on the 30th of January, that he knows that the Fund is in a healthy state. But when I made that statement I did say, and if I may be allowed to quote, Sir, a few lines, I was saying that the Fund, both funds, were in a healthy state, the Social Insurance Fund and the Employment Injuries Fund, but I then gave a word of warning: "Although it must be borne in mind that a small scheme such as this - the Employment Injuries Insurance Scheme - is liable to considerable fluctuation from year to year and could suffer severely if, God forbid, an industrial disaster were to occur and create expensive employment injury and/or deaths".

Sir, the balance of the Fund is of the order of £130,000 as opposed to the other Fund, the Social Insurance Fund, which stands at about £2m. And that is why, Sir, because the Fund is liable to fluctuation and because there are no great reserves to meet such a contingency, that I am not able to be as liberal in the benefits proposed under this Bill, as I am being in the benefits proposed under the Bill which we shall be considering later, where in return for a 75% increase in contribution, benefits are going up, the long term benefits, 150%. There I am happy about the future; here, Sir, it is subject to fluctuation.

Sir, the other point that was made, again on the same basis of the adequacy of the benefits, by the Honourable Mr Bossano, was, that £5.60 disablement pension did not enable an individual to make ends meet. Perhaps I should remind Members opposite that in addition to any disablement pension which a person can get, he can also get his Social Insurance pension. There can be that overlap, he is entitled to a Social Insurance pension as well. Indeed, he may have some other source of income, as there are persons currently in receipt of Disablement Pension who, nevertheless, are able to be fully employed.

Sir, the Honourable Mr Xiberras also related the benefits to Supplementary Benefits. Now, Sir, that is not strictly relevant to the Bill before the House but I would ask you to allow me to divert somewhat, to point out that, at the moment, Supplementary Benefits are £6.60 for a couple. Apart from that of course they get Rent Relief and they are entitled to free medicines. But this is for a couple who have no other source of income, and the figure should be related to the £7.10 for an Old Age Pension which a couple can get and yet

continue to have another source of income through employment. Sir, every person who is disabled does not have to rely entirely and wholly on the disablement pensions paid under the scheme. Sir if the benefits proposed are inadequate then perhaps ~~neither~~ are the contributions, because they are being increased the same amount. I would be quite happy to, perhaps, treble the benefits as long as I can also treble the contributions for this fund, precisely because it is subject to fluctuations. This is a very important consideration. It is just a question, in this case, of judgment as to how far we can go.

And finally, Sir, perhaps I should say this: that the Honourable Mr Bossano spoke of timidity the steps that we were taking were timid steps. Sir, the Honourable Mr Xiberras for his part has explained why during his period in office he was unable to do anything to increase Social Insurance Benefits, he was awaiting the Actuarial review, and I accept that explanation made in good faith. I would also expect the Members opposite to accept in good faith the explanation that I give, that this is a fund that cannot be lightly tampered with. It is a fund for contingencies. I would hope that, Sir, it will continue to be healthy for another twenty or thirty years, through having contributions paid into the Fund and having no serious injury benefit to pay out, and I would hope that the Almighty would spare us in that way. But one must plan for contingencies in this case, the figure is nowhere great. With the other ~~one~~ Fund at £2m, one is on a safer footing and I would hope that Members opposite will in good faith also accept that explanation. I do not wish to get very involved on the question of the fact that we are taking the Bills through all stages. This is a need, Sir, unless I can do this we will not be able to pay out the benefits at the beginning of July. We will not be able to pay out Old Age pension, which I am most concerned about, at the beginning of July. There is a great deal of administrative work which has to be done between the time that the Bill becomes law and the first payment of increased benefit at the beginning of July. If the Bills are delayed, payment of increased pension will also be delayed, Sir, and I cannot accept that.

The other thing Sir, is again an administrative difficulty of allowing a reasonable period of time - of five or six weeks - for people to exercise the option to enter or re-enter insurance and possibly, if they wish to pay back the arrears, to make arrangements to pay those arrears. People may not have the money readily available, perhaps they have to make arrangements with their employers to advance them money and then deduct it from their wages and salary over a period of time. There are these administrative matters to be considered, Sir, and because I was concerned to have the Bills law, I had them published as soon as possible and that is why they were published four weeks ago, Sir, so that the Opposition could not say that we had only given them the minimum period of time in which to consider the Bills. They were in their hands four weeks ago, I made a statement on the 30th January, and my main proposals have not altered in any way from the ones that I outlined. They are embodied in these Bills, nothing has changed, they have had in fact more than four weeks, they have had since the 30th of January in which to consider my thinking and bring forward any alternative views which they might have. Sir, I commend the Bill to the House.

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

The Bill was read a second time.

HON M XIBERRAS:

Mr Speaker, I beg to give notice that Committee Stage and Third Reading of this Bill be taken on a subsequent day of this meeting.

MR SPEAKER:

In fairness to the Opposition I will put the matter before the House so that you can express your views. Do all members agree that Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting?

HON M XIBERRAS:

Sir, the Honourable and Learned Chief Minister has said that when our Government was in, he was asked, as Leader of the Opposition, to agree . . . .

MR SPEAKER:

May I make it very clear that I am allowing you to say this exclusively by way of explanation on something that the Honourable the Chief Minister said, because no debate can be held on this one, and I do not want contributions from all Members of the House.

HON M XIBERRAS:

No, Sir, we will not indulge in a debate, but I am very grateful to you, Mr Speaker, for allowing this opportunity for the Opposition to put forward its views, because it is a very serious matter. I do not propose to make a very long speech, because I think it is going to fall on deaf ears. But it is a most serious thing for three - whatever period of notice has been given however, long the Bills have been with the Opposition - it is a very serious thing that the first four Bills that the House has had to consider today, in respect of these four quite weighty Bills, the Opposition is being asked to formulate its views whilst the House is sitting, within days of having heard the Minister explain and expound on that particular Bill. I challenge the Honourable and Learned the Chief Minister to produce evidence in support of his statement that when we were in Government we asked them to do the same to the same extent. It is just completely inaccurate and I challenge the Honourable and Learned the Chief Minister to prove to this House the accuracy of this statement. As to the seriousness of what he is trying to do, we had already drawn attention at the time of the budget, a budget that shamefully this House did not have a chance to discuss.

MR SPEAKER:

We will not have a debate here.

HON M XIBERRAS:

And here we have a display, Sir, of the very same attitude. That he stands up and he says: whether you like it or whether you don't, you are going to do as I say and I care two hoots about this House, or about what the Opposition feels. Four Bills come before the House and he asks for a suspension of Standing Orders in each of these Bills.

MR SPEAKER:

No, no, I am afraid that that statement cannot be accepted. There are no suspension of Standing Orders involved, in any manner or form.

HON M XIBERRAS:

Sir, it is in no way for the House to do its business, and I do feel that the Honourable and Learned the Chief Minister should reconsider. If it is a question of the Department of Labour and Social Security having to do some sort of computation, which I appreciate is important, and the Minister for Labour and Social Security wanting to pay in respect of this Bill the benefits as early as possible, surely there can be another way of tackling this rather than upsetting the pattern of this House. Sir, I would ask the Honourable and Learned the Chief Minister to reconsider the stand that he has taken.

MR SPEAKER:

Does the Honourable the Chief Minister wish to say anything.

HON CHIEF MINISTER:

I am afraid that for the moment we must get on with the business of the House. I shall consider the matter as we go along in the House before we get to the Committee Stage. I cannot give any undertaking now.

MR SPEAKER:

Perhaps this is a reasonable time in which to recess until tomorrow morning at 10.30.

The House recessed

The House resumed.

The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment)(No 2) Ordinance, 1973.

FIRST READING

The Minister for Labour and Social Security moved that a Bill for an Ordinance to amend the Non-Contributory Social Insurance Benefit and the Employment Insurance Ordinance Chapter 113, 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 A J CANEPA:

Mr Speaker, I beg to move that this Bill be read a second time. Sir, this Bill necessarily goes hand in hand with the other which is before the House today, to provide increased benefits under the Employment Injuries Insurance and the Social Insurance Ordinances, and its main purpose, also, is to double the rates of transitional retirement pension which are payable, subject to certain conditions, to insured persons who are not otherwise entitled to receiv Old Age pension under the Social Insurance Ordinance. The other main purpose of this Bill is to double Unemployment Benefit.

Sir, the weekly basic rate of Retirement Pension is being increased from £1.60 to £3.20 for a married couple, and from £1 to £2 for a single person and Clause 8 in the Bill, Sir, gives effect to this.

Unemployment Benefits comes up from £2 to £4 for a couple, and from £1.20 to £2.40 for a single person, and this is provided for in Clause 4. As in the case of the proposed increases in Social Insurance Benefits under the Bill, which is next on the Order paper, these increases are payable to persons who have been ordinarily resident in Gibraltar, or have been covered under the Scheme for at least two years out of the three years preceding the date of entitlement. Again it is Clause 4 which makes provision for this.

I also wish to refer to Clause 2, in particular, which substitutes the term "ordinarily resident" for "domiciled". Sir, this is being done because "domiciled" is not defined under the EEC Social Security Regulations, though the two are synonymous. "Ordinarily resident" means the same as "domiciled" and we are just bringing our legislation into line with that of the EEC.

Sir, although Unemployment Benefits is payable from the Social Insurance Fund, Retirement Pensions are paid from Revenue, and the increases proposed will represent the additional expenditure of about £7,000 per annum. The necessary provision for £5250 for the nine months from July, 1973 to March, 1974 has already been made in the approved estimates of my department for the current financial year. Sir, I commend the Bill to the House.

MR SPEAKER:

Before I put the question to the House does any honourable member wish to speak on the general principle and merits of the Bill?

HON J BOSSANO:

Mr Speaker, the Bill before the House is primarily involved with the raising the level of existing benefits in line with the changes that are taking place in other areas of Social Insurance, and tying up, as it were, loose ends such as the Honourable Minister for Labour has pointed out, the one in respect of a change in the wording: from "domiciled" to "ordinarily resident". It is of course clear from the way our social insurance system is fragmented that something much more fundamental is needed and it is a pity that an opportunity such as this should be missed, and that a Bill such as this should limit itself simply to raising the monetary level of existing benefits instead of going to the very essence of the system and finding out how adequate the benefits are, and whether the way that they are made available, whether the conditions, for example, that have to be met to enable individuals to claim benefits are good enough in the light of the experience that Government has had of the working of the existing legislation. I am sure the Honourable Minister is aware that there are anomalies; particularly, for example, in the question of the fact that non-contributory insurance is linked to the contributory scheme. There is one particular case that comes to my mind where, for example, a person has been able to claim a Widows Pension and then by virtue of the fact that the insurance scheme says Widows Pension and then, by virtue of the fact that the Insurance Scheme says that widows pension cannot be paid after the age of 60, has lost this widows pension and not been able to claim old age pension because insufficient contributions were paid by her husband during his lifetime. Here is a claim where because of the contribution condition that person has lost her right to the contributory pension and has also automatically her right to any benefit from the non-contributory scheme because the two are linked together, because only persons who are able to claim the one can claim the other. This being so whereas there might be some justification for saying that one has to have contributions conditions in respect of the contributory scheme, it is clear that this cannot be said of this particular scheme where it is from general revenue that the benefits are paid. The Non-Contributory scheme seeks to make available to persons in need a certain sum of money which is found and provided for by the whole community. It is therefore a better principle

if anything than that of the contributory insurance scheme, and being a better principle it seems to me that it is anomalous that it should be linked to the other. I would have liked to have seen, Mr Speaker, an attempt, now that this Bill is before the House, an attempt not simply as this Bill is doing to increase the level of benefits to bring into line with other benefits but an attempt to remove the anomalies that do exist. To see how far one can go to prevent cases such as the one I have mentioned by way of example.

MR SPEAKER:

Does any other member wish to contribute to this?

HON M XIBERRAS:

There are two points, apart from the ones which I made in relation to the previous Bill that the House considered about the general level of benefit. The first is that I understand that the Clause that the Minister referred to specifically in introducing the Bill would mean that these increased benefits would not be passed on to persons who worked in Gibraltar before, but no longer do so - referring to the labour force was withdrawn - and that they would continue to receive pensions and benefits at the old rate. I would be grateful for confirmation of this from the Minister, whether in this context or in another context.

Sir, the second point is the position of those persons who were, through no fault of their own, not allowed to be contributors to the scheme and therefore will end their days without a pension. This is where the bulk of the problem lies at present. Those persons who either earn more than £500, the Honourable and Learned the Attorney-General was referring to earlier in this meeting, persons obviously who opted out because the conditions might not have been all that good at that time, it seemed to them not to be to their advantage to opt into the scheme. A number of persons who are somewhat confused by the option, through no fault of anybody's, but who have made the wrong choice at a particular time and these are the people, these are the over 65 and over 60s, whose plight is rather a difficult one. I wonder whether the Minister might tell us whether he considers making a direct contribution of a sizeable amount out of Government revenue to bring these persons into the scheme and to make the Scheme universal, not only in respect of contributions to be paid - an important step was taken in 1968 - but also in respect of benefits to be received. I appreciate that there might be a conflict in the proposition that persons who did not contribute should be entitled to benefits under a general social insurance scheme. I understand that this situation would not have been without parallel in the United Kingdom when some time around 1948 or so the scheme was made universal in this sense. Therefore, there will be beneficiaries out of this scheme, and there will be other Bills before the House immediately, obviously, but there will be a good number of people who are not going to receive a social insurance pension and who are going to consider themselves to be in exactly the same position as they were, that is, applying for Supplementary Benefits, and so on. I appreciate that my suggestion is one which will involve considerable expenditure, but it is the sort of thing which would clear Government's book once and for all and the sort of catching up with past deficiency, which all Members of this House will have been proud to support.

Perhaps since the Minister has not included provision of this sort of thing in the Bill before the House it may be too late now to attempt to do so. But I put it down on record so that perhaps next time we have a review of the scheme the number of the persons I am talking about will be dwindling and it will be possible then to include them in the social insurance scheme. I appreciate the technical difficulties involved, I appreciate the number of computations that will have to be made; I appreciate also that this will be breaking new

grounds in so far as the tri-partite contribution to the scheme: Government Exchequers; employers; and employee, would be considerably changed. In other words the Exchequer would have to pay considerably more. It is under this head that I have chosen to make this point because this is the non-contributory part of the scheme and I would be grateful if the Minister, who no doubt has had in mind the plight of these persons who are going to fail to understand why they have not been brought into the scheme, the Minister could give an indication to the House as to whether he has had any thoughts on the matter, or whether he has taken an initiative on this matter, and if so, lots of difficulties have been in introducing this element into his scheme.

All the remarks that are made in respect of the Employment Injuries, in respect of level of benefits, I think are applicable to this Bill and have already been referred to by my Honourable friend Mr Bossano.

MR SPEAKER:

I will call on the mover then.

HON A J CANEPA:

Mr Speaker, again we have this problem of endeavouring to relate the benefits which are payable under this Ordinance to the benefits which are payable under the other Ordinances. Perhaps, Sir, if I were to give some slight background as to how these retirement pensions in particular came about, it might help to see the matter in its proper perspective. Sir, when the Social Insurance Scheme was introduced in 1960 there were a number of people who were already too old to qualify for an Old Age Pension. They were given, Sir, an option - the option was either to take a Retirement Pension in 1960, under this Ordinance, or else to opt for an Old Age Pension under the Social Insurance Non-Contributory Ordinance, which could have been taken up obviously five years later in 1965. Now, Sir, we find that ~~for instance~~ there are people who, as a result of exercising their option, qualified for a Retirement Pension with a minimum of 40 contributions. They paid one shilling and five pence, then as it was for 40 weeks, and they have been able to get the Retirement Pensions as they were: £1 for a single person and £1.60 for a couple. Now they become £2 and £3.20 and they have been receiving these pensions since 1960. Now, Sir, it is because of that option that we need to relate and to see what is happening with the benefits, with the long term benefits, Old Age Pension under the other Ordinance. We find that a couple, as a result of contributions by the husband, again at one shilling and five pence, a minimum of at least 500 contributions - contributing for ten years - were getting £2.10, which will now become £3.60. These are people who only contributed at one shilling and five pence, they did not contribute at 20 pence revised in 1968, and obviously they are not going to contribute at the new rate of contributions. Such a couple, Sir, will be getting £3.60 under the Social Insurance Ordinance and we must, therefore, make sure that these Retirement Pensions of £3.20 bear some relation to the £3.60. There is no difficulty here as far as the actuaries are concerned, these Retirement Pensions are paid out of revenue and Government could increase them by one hundred fold if Government is prepared to raise the revenue, but a certain relativity must be kept with the other pensions which people have earned by dint of contribution over a long period of time.

Sir, the Honourable Mr Xiberras asked me in particular to clarify the question of the residential qualification. It is a fact, Sir, that the increased benefits will not be passed on to anyone, regardless of nationality, who did not reside in Gibraltar for at least 104 weeks out of the three years preceding the date of entitlement. Now, Sir, this is regardless of nationality; a Gibraltarian who has left Gibraltar and taken up residence elsewhere, in the United Kingdom, Sir, for instance, will not be entitled to the increased rates if he does not fulfil the residential qualifications.

The Honourable Mr Xiberras has also alluded to those persons, who perhaps through no fault of their own, were earning over £500 at the time of the inception of the scheme, or were self employed and will still remain outside the scheme. He did say that he appreciated that there were difficulties, very technical and very complex difficulties, Sir. I have tried to bring in as many people, to give them the option to come in, and that is why we have extended this option up to the age of 55. The problem is what do we do about persons who are already over 65 and are not getting a Retirement Pension or an Old Age Pension, and what do we do about those who are between 55 and 65 and who likewise cannot come into the Social Insurance Scheme because they cannot fulfil the necessary number of contributions. I cannot pretend that I have found the answer to the problem. The Honourable Mr Xiberras spoke of a tri-partite set up. Well, that is what we are having here at the moment. Employers, employees and Government are making a contribution through supplementation. Government will be contributing over £50,000 directly to supplement Old Age Pensions; Government as an employer will also be contributing another £55,000. The question is, Sir, how far can we go in supplementation. We are already taking on a greater burden because the number of Old Age Pensions is increasing year by year. Also by giving an option to people under 55, and the number of them is very great indeed, I think the total number of people outside the scheme is about 1500. There could well be anything up to 1,000 or 1200 under 55. Government is taking on a commitment to pay supplementation to these people when they qualify for Old Age Pension for many many years to come. So we are already putting in money directly into the Scheme.

In 1948, in the United Kingdom, Sir, the scheme was not made universal, there were again as in Gibraltar people who were too old to come into the scheme and it is ironic to think that it took a Conservative Government in 1971, a Tory Government, to put the position right and that it took 23 years for pension for persons over 80, who did not qualify in 1948 to come into the scheme, for such persons to get a pension as of right. And this is where perhaps, Sir, I see a ray of light. This is what I am thinking and this is what I have been studying. I have got proposals which I will be putting to my colleagues. Maybe that is not the answer, there are imperfections even there, I cannot pretend that it is ideal, we have got a problem of an age gap. There are people who, I, for the life of me, don't know what the answer is, if justice is to be meted out to all. If, however, we are prepared to pay to wealthy persons in Gibraltar very high pensions out of General Revenue and raise taxes accordingly, then perhaps, yes, under such an Utopian situation we can solve the problem. But to mete out justice to all, to give benefits to people who have contributed over a number of years and yet not give comensurate benefits to people who have not contributed at all, I cannot pretend that I know what the answer is. This is why, Sir, I was hoping that Members opposite would have taken the opportunity to discuss the matter with me following the invitation that I extended to them at the end of January. Perhaps by putting our heads together we may be able to solve the problem, but until very recently; even after these Bills came to the House, even after these Bills were published I have been thinking about this and I cannot pretend that I know what the answer is.

Looking ahead, Sir, I am getting someone out from the United Kingdom to advise on the introduction of Earnings Related Scheme, I will put the problem to that person. It may well be that they can find a way of helping us because we cannot find it here. However, Sir, I think that what this Bill proposes to do is to govern in the main Retirement Pension and Unemployment Benefits. It is at least an important step forward in bridging the gap for those who have been getting the benefits up till now. Therefore, Sir, I commend the Bill to the House.

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

The Bill was read a second time.

HON A J CANEPA:

Sir, I beg to give notice that the Committee Stage and Third Reading of this Bill should be taken on a subsequent day in this meeting of this House.

The Social Insurance (Amendment) Ordinance, 1973.

FIRST READING

The Minister for Labour and Social Security moved that a Bill for an Ordinance to amend the Social Insurance Ordinance (Chapter 145) be read a first time.

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

The Bill was read a first time.

SECOND READING

HON A J CANEPA:

Sir, I beg to move that this Bill be now read a second time. Sir, having dealt with the two preceding Bills I now turn to this one which, if anything, is the principal one, if only because it is the one which involves those aspects of Social Insurance which tend to be uppermost in people's minds, in particular old age pensions. The purpose of this Bill, Sir, is to bring about the increased rates of benefits and contributions of which I gave notice in my statement to the House at the end of January this year. The increases, Sir, are in the order of 150% for the long term benefits, that is Old Age Pension and Widows Benefits, and of 100% for other benefits, such as Maternity Grant and Death Grant.

However, Sir, since the flat rate of Supplementation under the Non-Contributory Social Insurance Benefits and Unemployment Insurance Ordinance remains unchanged, the actual percentage increase in total pensions will vary from case to case, but, at the basic rates will be slightly over 100% for Old Age and Widows Pension. For example a married couple who with supplementation will now draw Old Age Pension to a total of £3.50 will be entitled to £7.10 whilst the single person now drawing a total of £2.20 will be entitled to £4.45p.

Sir, unlike what has been done in previous reviews, when benefit increases have been subject to the payment of a minimum number of contributions at the increased rates the present increases will be effective forthwith, subject only to a condition that, as I explained when the previous Bill was being considered, during at least two years out of the preceding three years the beneficiary should have been ordinarily resident in Gibraltar or insured under the Ordinance. It is Clause 4, Sir, in the Bill which makes provisions for this condition. Sir, in order that the Social Insurance Fund should be able to bear the cost of the increased benefits it is necessary to increase the contributions payable and these are being increased under this Bill from 41p to 77p per week, an increase of about 88%, but with one important proviso, namely that the employer will be bearing a greater share of the increase than the employee. And taking into account the increased contributions under the Employment Injuries Insurance Ordinance, the employees' total contribution will go up by 75%: from 20p now currently being paid, to 35p a week; whilst the employer's share will go up by 100%:from 25p to 50p per week. It is, Sir, Clause 8 of the Bill which gives the new rates of contribution to which must be added the new rates under the Employment Injuries Ordinance, with which we have already dealt.

Whilst speaking on this latter Bill, Sir, earlier in the proceedings I mentioned that all the proposals made in this, and in the previous two Bills, have been put to the Social Insurance Advisory Committee and that they have recommended in their favour. They had also put forward the further recommendation that the option to re-enter insurance under this Ordinance, which it is intended to give to those employed persons now excluded from the Scheme, should be extended to the age of 55 for men, 50 for women, not just 50 for men and 45 for women as was originally proposed. This further recommendation, Sir, as I already mentioned yesterday, has been accepted and is incorporated in Clause 2 of the Bill now before the House. There, Sir, as briefly as reasonably possible, are the salient features of a Bill which I consider an important step forward in the development of our Social Security Scheme and which I therefore commend to the House.

MR SPEAKER:

Before I put the question to the House does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON J BOSSANO:

Mr Speaker, there are two major points which we on this side of the House would like to make in connection with this Bill. One is that our Insurance Scheme has not yet provided for the payment of a weekly sum of money while an employee is unable to work due to sickness. There is no provision, and there has never been any provision in our Social Insurance Scheme for a sickness benefit and it is a sad thing that this omission should be allowed to continue. We feel on this side of the House that the fact that the Government provides for all its employees something like six weeks full pay during sickness does not mean that it must neglect its responsibility for the rest of the community, to half of our labour force which is employed in the private sector, and where it is a matter for negotiations about conditions of employment between employers and the representatives of the employees whether any sickness benefit is paid or not. In this respect we lag behind not only the United Kingdom but the rest of Europe. It causes considerable hardship to people who depend on their wage packet if the head of the family, when through illness other than industrial injury, other than that caused by injury at work, the bread winner is unable to bring in his income to sustain the family. And it is a recognised principle in every modern state in the world that there should be a provision in the welfare system to insure the income of the family in those circumstances. This Bill does not intend to bring this into our insurance system and it is an omission that has been there, and it is an omission which we have got an obligation to eliminate. It is a matter for regret from this side of the House that this opportunity has not been taken to bring this in.

The other question is the question of the increase in benefits and the increase in contributions. It is our view that the level of pensions proposed in this Scheme, in this amendment, is totally inadequate to meet the basic means of a married couple or a single man with the present cost of living. The Transport and General Workers Union Pensioners Sub-Committee have also made representations to the Government in this respect and a question that arises, in particular, in respect of this scheme is whether the fund can afford to meet increases of this nature: whether it can afford to meet bigger increases. It was the need to establish how far the benefits could be increased, through the actuarial review, that has prevented and delayed the much needed improvement in basic social insurance payments and in particular in the Old Age Pension . It was delayed because of the actuarial review and the actuarial review, in fact, has shown that the fund is in a very, very bouyant state. And it is difficult to understand why the benefits cannot be increased much more

substantially when the estimates show quite clearly, quite apart from the actuarial review, the estimates show quite clearly that the surplus being achieved in the fund is itself increasing.

The actuarial review, which covered the period up to December, 1970, has shown an annual increase in the fund building up from £60,000 in 1966, to £311,000 in 1970. The fund, therefore, is meeting its commitments to pay benefits at present under the old rates and producing almost a third of a million pounds annual surplus. This surplus is going to be even bigger if the proposals contained in this Ordinance are accepted without change. The position of the fund at present is that a year ago the insurance fund was worth £2¼m, at the 31st of March, 1972 there were £2¼m in the fund. This year, 31st of March, 1973, there is no doubt that the figure will show that there is in excess of £2½m. The annual payment of benefits, in 1970 was a mere £46,000. There is, therefore, an enormous discrepancy between the amount of money in the fund, the amount of annual surplus being achieved . . . .

MR SPEAKER:

You cannot go into detail. It is a general principles and merits that we are going into. That is very pertinent in the Committee Stage, perhaps. With due respect, reference to the state of the fund is perfectly in order. Details is for the purposes of going into at a later stage, but it is the general principles and merits that we are discussing now.

HON J BOSSANO:

Mr Speaker, I am raising it . . . .

MR SPEAKER:

I am not preventing you in any manner or form, but I must say that we must not go into great detail at this stage because it is the general principles and merits that we are discussing. Reference can be made, of course, and that is completely and utterly acceptable.

HON J BOSSANO:

Mr Speaker, that you for your advice. I have raised it at this point rather than at the Committee Stage because it seemed to me to affect rather the whole Bill than a specific clause or benefit. It affects the principle in the sense that it is our view both the latest published figures showing the amount of money that there is in the fund and the trend of increase in the fund which is going up, suggests to us that something much more dramatic can be done in respect of increases in benefits without in any way endangering the stability of the fund.

MR SPEAKER:

I am not objecting to this general statement, but you have gone beyond that to go into the specific, and once you go into specific it is perhaps for the Committee Stage and not now.

HON J BOSSANO:

It is, therefore, something that we would wish the Government to consider, with a view to bringing in amendments at the Committee Stage, to improve the benefits therefore I will ask the Government. since we feel very strongly. that the

proposed do not go far enough. We have seen Mr Speaker, that these benefits were announced as far back as October or November of last year. Since then there have been quite dramatic increases in food prices, increases that nobo could predict at the time when the benefits were first suggested by Government. It is therefore clear that if the benefits were considered adequate then they cannot possibly be considered adequate now, and that it is equally clear that since there is no evidence to suggest that this present inflation in food prices is likely to come to a halt in the near future, this benefit will be totally meaningless by 1975 when Government next proposes to look at the matter. It is our view, therefore, that we need to do something now to ensure that the benefits provided from the beginning of July are an improvement on the figures first suggested last November and also are sufficient to prevent hardship between now and 1975. There is no doubt that for elderly persons depending primarily on the Social Insurance Scheme for their income, the bulk of expenditure goes on food. There is little left for anything else, and therefore, it is to the food price and to the food index that we must relate the adequacy of the benefits we pay them, and it is in the food index that the biggest increase has taken place. We feel very strongly, Mr Speaker, that we should not miss this opportunity to put matters on a much more adequate footing than is suggested by the benefits proposed here, which are the same as were proposed some six or seven months ago. We would ask the Government, therefore, in particular, to put the Committee Stage of this Bill before the Committee Stage of the Non-Contributory Social Insurance Benefits Bill, because if they feel that they cannot accept our amendments to this Bill to increase benefits because of any Constraint from the actuarial point of view, we would wish to attempt to make some provision through the Non-Contributory Scheme which will be found out of general revenue. We would ask the Government to take the Bills in that order so we would then be able to put amendments to the other Bills if the Government were unable to accept our amendments to this Bill.

HON M XIBERRAS:

Sir, there is the point of a larger pension to those persons of pensionable age who are not working, and the question of establishing a difference between the pensioner who has a job and the pensioner who has no job. One of the points I discussed as Minister for Labour with the Transport and General Workers Union Pensioners Committee was the desirability of having these two levels of benefits, and at the time they seemed to support the idea that there should be these two levels. Many, if not most Gibraltarians of pensionable age have a job, as the census figure would show, and, therefore, it would be not so expensive to pay those who do not have a job a higher benefit. It would be possible to raise I would imagine the benefits to something like £11/12 a week, to judge by the level of benefits which this Bill before the House now envisages for all pensioners. I appreciate that the decision is an important one in so far as certain tendencies might be emphasized in the future. For instance, one might tend to increase solely this pension, this new level of benefits, for pensioners who are not in employment and forget about the bulk who do have a job, but conversely there is also a decision to be taken as regards the desirability of having such a large proportion of the older members of the community in employment. I know that there are a lot of pros and cons to this, particularly in the employment situation of Gibraltar. If you increase this benefit I am talking about too much then pensioners would cease to work, and presumably this could have an effect on the labour force, though not a crucial one. On the other hand if we do not create this new benefit then a pensioner would have to work and would not enjoy a genuine retirement. My own thinking at present is that it would have been a good thing to have introduced this new benefit at a much higher level than even the improved benefit at present being considered by the House. I would ask the Minister whether he could inform the House as to whether he took this into consideration, what the difficulties were and whether these were insuperable or not, in his view.

Sir, there is also the question of extra contributions after retirement age resulting in a larger pension at the end of the day. This presents even more complicated critical problems but I also welcome an explanation from the Minister as to what these difficulties are in the main and whether he has made an effort to overcome them, or whether indeed he feels it is desirable to move in the direction of different levels of pension in the way I have hinted at.

So, Sir, our main concern on this side of the House is at the level of pensions with the absence of a sickness benefit, with the lack of a special level of benefit for pensioners who are not in employment and with the level of benefits themselves, as I say, depending on the state of the fund, which we consider to be very, very healthy. The improvement, I should say once again as I said on a previous occasion, are substantial: 150% and 100%, so we are not in any way saying that there is no improvement, but what we are questioning is whether the improvements are good enough bearing in mind the long, long period of waiting for the Actuarial Review to come, the necessary delay in the preparation of the Scheme, and the events that have taken place, or the increases in prices that have taken place in the period of six months during which the Scheme has been prepared. I would also be grateful if the Minister would give an indication as to what will the annual income and expenditure be over the next five years at the new rates or a comparable figure.

So, Sir, we on this side of the House will be introducing amendments which we hope the Government will be able to accept but which in any case serve as an indication of how we would like to see these benefits, how high we would like to see them.

MR SPEAKER:

I now call on the mover to reply.

HON A J CANEPA:

Mr Speaker, the Honourable Mr Bossano made two major points, firstly dealing with the question of sickness benefit, and secondly with the general level of benefits proposed under this Bill. It is the case, Sir, that there is no provision in our Social Insurance Scheme for the payment of Sickness Benefit, but I think it is important that I should draw his attention to the fact that it is precisely the payment of Sickness Benefit which entails the greatest expenditure in the United Kingdon with respect to the National Insurance Fund, and that is why, Sir, by comparison with Gibraltar, contributions in the United Kingdon are quite astronomic. It is mainly to finance a huge outgo in respect of this Benefit. Our Scheme, Sir, started with very modest proportions and I am not sure that it has been built up yet to anywhere near the level that it would require to meet such a Benefit. Contributions would have to go up much more substantially than they have done, Sir, and I am not at all confident that people in Gibraltar generally have been educated sufficiently on the question of Social Insurance to accept that.

Now, Sir, about the level of benefits being proposed under this Bill. The report of the Actuaries does mention that the fund is considered to be in a healthy state to meet the cost of benefits at the current rate prior to this review for the next 20 years or so, but I must point out to Members opposite that we are increasing the benefits by 150%, the long term benefit which account for our major expenditure, we are increasing these benefits by 150% whereas the contributions are only being increased by 75%. Therefore, Sir, it cannot, by any stretch of the imagination, be envisaged that at these levels of increased benefits the fund is going to continue to be healthy for another 20 years as the Actuaries have reported unless perhaps corrective measures are required to be taken in the future.

HON J BOSSANO:

On this point I would like the Honourable Minister to clarify something. Is it not a fact that the estimates of income and expenditure on which this adequacy for the next 20 years has been worked out, is based exclusively on contribution income which is about half the total income of the fund. There is no reference to income from investment.

HON J CANEPA:

It is, Sir, based on contribution income and the fact is that the adequacy of contributions is what constantly has to be referred to the Actuaries. The Actuaries do not pontificate on the benefits, the benefits are for us to decide, but what we must refer to them is the contribution. Are the contributions adequate to meet certain benefits? At the moment we are told that this is the case for another 20 years but we are going to be paying out a great deal more.

HON J BOSSANO:

Mr Speaker, what I wanted the Honourable Minister to clarify was - thank you for giving way a second time - is it not a fact that the income of the fund is twice the amount that the Actuaries took into account. The Actuaries based their calculations on the contribution income. This is only 50% of the total income. There is also an income based on the £3m that the fund has got in reserves. That is providing an annual income which is as much as the contribution income.

HON A J CANEPA:

Sir, my notice has just been brought to the fact that in the Report of the Actuaries, paragraph 24, on the adequacy of the contribution, they do state that the estimate indicates that on the assumptions made in this review the income from contributions will be adequate to meet the cost of benefits during the next 20 years, taking into account investment income. It has been taken into account. And of course the suspended payments to other Nationals must be taken into account.

Sir, a year ago the cost of living was 12/16% lower than what it is now and the maximum Old Age Pension payable was £3.50. I would, therefore, put it to the Opposition, Sir. Were the benefits considered adequate a year ago? W Were they considered adequate for an Old Age Pensioner and his wife to eke out any kind of existence if they did not have any other source of income? Obviously the answer is that that was not the case, and this brings me to the point, Sir, that the Honourable Mr Bossano referred to in respect of amendments. If we . . . .

HON M XIBERRAS:

If the Honourable Minister would give way once more. Sir. He has quoted the report of the Actuaries and I would be grateful if he would quote paragraph 24, the first sentence fully. He quoted it in part a moment ago and his reading of it obviously substantiated his point, whereas I believed that the reading of the sentence in full would show that the point of my Honourable Friend on my right about income to the fund other than from the contributions is a very important one. If he will allow me, I will read it: "The estimates indicate that on the assumptions made in this review the income of contributions should be adequate to meet the cost of benefit during the next 20 years and for some time thereafter, taking into account investment income. Estimates based on assumption with regard to the future working population of Gibraltar

must however be treated with reserve, and whatever is finally decided with regard to the former Spanish workers will naturally affect the relative strength of the fund." Now that is a separate point and that is why I myself have been making these points time and time again. What is going to happen to the Spanish workers? because I appreciate that that would have a bearing on the fund. Equally, the permanence of the Moroccan labour force and its composition as at present, but the point made by my Honourable friend on my right is still a crucial one, it is a very important one, that is that income into the fund from contributions is only half the total income of the fund. That is the point which the Minister perhaps could deal with.

HON A J CANEPA:

Sir, I will come back to the point, ~~this one~~ which is related to a point which the Honourable Mr Xiberras made right to the very end, whether I could forecast what was likely to happen over the next five years, what would be the income from the proposed contributions? What would be the outgo on benefits from the proposals contributions as well? I will come back to that in a moment. But I was dealing, Sir, with the adequacy in the level of benefits proposed. Sir, as I said, a year ago the position was much more serious and I do accept that the position over the next year year or eighteen months must be watched very carefully and very closely. I think what the Government has done, Sir, in another matter, on the question of the 50p award, shows eloquently the extent to which we do watch the position in respect of the cost of living, but I will say this, Sir, that one basic principle that we must bear in mind is that it is desirable in any future review to ensure that those who are young today, those who are engaged in employment today and are young, should bear a burden for the elderly of today, through their contribution, for the benefits which will be received by elderly persons today. In the same way those who will be elderly in the next generation should have their pensions subsidised to some extent through the contribution of those who will then be in employment. We will continue to watch the position very closely; if inflation continues at the present rate it may well be that commitments that I gave to review the scheme in 1975 may have to be reconsidered. It may have to be earlier than 1975, it may have to be made in 1974, but what I cannot accept, Sir, is what I must regrettably refer to again as "Instant Government". I cannot accept amendments which will attempt to bamboozle the Government into increasing supplementations which have to be met out of revenue, precisely because I do not consider that the Opposition, when they were in Government, had the courage to do that themselves. During the three years that they were in office admittedly they could not do anything about Social Insurance Benefits because they did not have the report of the Actuaries. There was, however, nothing to have stopped them from increasing Supplementation by another £2/3, which would have made another £160,000 or £200,000 a year and they should have raised taxes in order to meet that expenditure. If they were not prepared to do it then, they cannot expect this Government to meet that, so I have given them, Sir, fair warning in advance. I cannot accept that amendment.

Sir, whatever is said about the level of benefits under the proposed Bills, the fact of the matter remains that people in Gibraltar will be getting good value for their money. In the United Kingdom a Retirement Pension, which has to be earned, and to receive which the pensioner must give up regular employment, is £10.80 for a couple, and I consider that at the level of our contributions we are giving people good value for money by paying them £7.10p In the United Kingdom they pay more than double in National Insurance Contribution which meets expenditure on Retirement Pensions. 72p to get £10.80 for a couple, if the husband gives up regular employment: we would pay £7.10 regardless of whether they give up employment or not. It is good value for money by any stretch of the imagination.

Sir, coming now to the points that the Honourable Mr Xiberras raised. The main burden was the question of what I term as the two-tier system of pension. An Old Age Pensions, say, for those who are still in employment, and a higher pension - call it a Retirement Pension - for those who give up employment. He himself, Sir, did point to certain considerations which have to be borne in mind in reaching a decision on the matter. I considered this, Sir, back in October: I asked my Social Insurance Officer for his views on the matter, for a paper on the matter, and I also had my own views on the matter. Sir, there are a number of difficulties here, difficulties from the point of view of our labour force, our economy, administrative difficulties and difficulties on the basic principles of Social Insurance. The administrative difficulties ~~in the main, Sir~~ are the main ones - and I have got a paper here which has got six paragraphs dealing with the difficulties - but the most fundamental one to my mind is that Retirement Pensions, the higher level of benefits to people who give up regular employment, is something which must be very carefully watched because earnings affect entitlement and, therefore, adjustments are very numerous. At present, Sir, with an Old Age Pension this is normally made by way of periodic issues of a Pension Order Book with hardly any variation. But for Retirement Pensions there are any number of documents that have to be produced continually over a period of time in order to keep the earnings of the individual under scrutiny, because the moment that he takes up employment he is no longer entitled to a higher level of benefit. That is a very important administrative aspect. The other question, Sir, which the Honourable Mr Xiberras referred to was the question of our labour force. There can be no doubt that the payment at a higher level would militate against pensioners continuing in employment. Let me say, Sir, and I think the House is aware of the fact, that I do not like the idea of our elderly people being compelled to work because they cannot make ends meet. What I am concerned, Sir, to do on a shorter term basis is to ensure that people with an occupational Pension and with the Social Insurance Pension should at least be able to look to an old age that would be financially secure, and what this House ought to do is to exert moral pressures on employers to bring their occupational pensions in line with those paid by the Gibraltar Government and I, and I am sure the House will support any move taken by any Trade Union in Gibraltar to endeavour to get better pension for their members. This is the essence of the thing. There are people who are getting a miserable pension of £12 or £13 a month after working for forty years and this is scandalous, and that is the kind of moral pressure that ought to come from this House. That is the kind of message that ought to come. Not to decry what we are doing under our Social Insurance Scheme but, through pressure get other people to fall in line with the Gibraltar Government on the question of pensions as we are trying to get them to fall in line on other matters.

But it would be, Sir, I think difficult also to forecast what the likely effect would be on the Social Insurance Fund if in future more pensioners were likely to retire than at present and getting a higher level of benefit. It could well be that the present ratio could be inverted and thereby burdening the fund more so. It would militate against the problems which Gibraltar has in the labour and in the economic fields and this is something which must be borne in mind. Politically, Sir, for any Government, I think it could be dangerous to have two different rates of benefits. The Opposition, the Union, could well allege that there was a catch in it somewhere. Was it intended to defraud pensioners? Why pay at two different rates? Why not pay the higher rate to all pensioners regardless of whether they give up employment or not? And finally, Sir, on this point, and it is the one which is uppermost in my mind, benefits must be closely related to contributions, they should be the same for two persons who have contributed comensurately. I think it is ridiculous to suggest that two persons contributing the same over a lifetime of 40 years should at a given age, say of 65, be getting different levels of benefit. This runs counter to the principle of the Social Insurance, and on a long term basis under an Earnings Related Scheme, the concept of a two-tier system goes more against the principle of social insurance. I am very surprised, Sir, that in the United Kingdom they make the payment of a Retirement Pension conditional on a person having to give up employment. I think our pensioners are much

better off. They are getting £7.10 and, if please God they are willing and able to continue to work - and werk is the whole essence I think for a human being to keep himself occupied - if he is healthy, I say, then why should he not continue to work and why should he not have a good Old Age Pension and an occupational Pension perhaps from his previous employer to provide for a very secure old age.

This, Sir, is what we are concerned to do and that is why I have no hesitation in commending the Bill to the House.

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

The Bill was read a second time.

HON A J CANEPA:

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of this Bill should be taken at a subsequent day of this meeting of the House.

The Acquisition of Lands Ordinance, 1973.

FIRST READING

The Hon the Attorney-General moved that a Bill for an Ordinance to regulate the acquisition of land by the Crown for public purposes 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

The Hon ATTORNEY-GENERAL

Mr Speaker, Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, Members of this Honourable House would be astonished, I am sure, to hear that there are people so foolish as to believe that the law is static, that it is backward looking, that it makes a god of the past, that what it thinks was good enough for our great, great-grandfathers is good enough for us. Mr Speaker, Sir, that is not so. If we need proof of this, the Bill which I am bringing before the House is replacing legislation which is less than 130 years old.

When we introduced the new Constitution in 1969 there was provision therein restricting the conditions under which land could be taken for public purposes. There was also provision that any law which enables land to be taken for public purposes must contain provisions allowing that taking to be challenged in the Courts, both as to the amount of compensation to be paid and secondly as to whether in fact the land really was being taken for a public purpose. Our existing legislation does not make such provision. There is power admittedly to challenge the amount of compensation, but there is no power to challenge whether the land is being taken for a public purpose. If it is decided that the land should be taken the only right under the existing law is for the aggrieved holder of the land to appeal to the Secretary of State, and he merely appeals on an ad misericordiam basis. The present Bill allows a challenge, as it is bound to do by the Constitution, to the legality of the taking.

There was a previous draft prepared by my predecessor making provision for acquisition of land. It was considered and was found perhaps rather too cumbersome for convenient administration. The Bill before the House does I hope produce a reasonable, flexible scheme for the taking of land. There is a provision, as Members will have seen, for an original notification that land might be taken; then anybody objecting can come forward and there is an administrative enquiry in which if it is found that there are good reasons why the land should not be taken, the matter can be dropped. But if it is decided that the land is needed then there is an official notification that the land will be taken and an official hearing. On the question of the taking of land I think that this Honourable House will appreciate that although it is not always desirable, it is essential that the State must take precedence over the individual in certain cases. If it does need land then, provided it pays fair compensation and provided that there are reasonable grounds, certain grounds for taking it, then it must be allowed to do so. The individual must not be allowed to hold the State to ransom.

Members will have read this Bill. I think and I hope it is fairly straight forward. One Clause to which I would draw attention in particular - it is the Clause which is found in fact in all modern legislation aligned with the acquisition of land - it is Clause 25 which lays down the considerations which shall be taken into account by a Court when assessing compensation and considerations which shall not be taken into consideration by a Court. These are universally accepted as fair and proper.

Mr Speaker, I commend this Bill to this Honourable House.

MR SPEAKER:

Before I put the question to the House does any Honourable Member wish to speak on the general principles and merits of the Bill?

MR W M ISOLA:

Mr Speaker, Sir, this House welcomes the Acquisition of Lands Ordinance, 1973, and as Her Majesty's Learned Attorney-General has said, we must not look back but look forward. There are certain matters in this draft Bill before the House on which this side of the House would like to get some clarification from Her Majesty's Attorney-General. Of course it is vitally important for any Government, for instance, that should any land which is lying unused it should have the lever to get that ground to develop it for the best interest of the community. I note that in Section 2 "public purpose" is defined as "A purpose for Defence or National Security, for or in connection with any scheme or town planning, for and in connection with public health and for development or utilisation of any property for the public benefit and in the interest of public safety etc." There is however one little point which at present worries me a little. Let us assume, Mr Speaker, that there is some land which at present is owned by a private individual and Government decides to take that over for building a housing estate. The procedure as set out in the draft Bill is reasonable, with certain observations which I shall make at a later stage, and quite straightforward. But let us assume that after going through the procedure of acquiring the land the Government decides that this particular piece of land is no longer required by them for the purpose for which it set out to acquire it. What would, therefore, be the procedure? Does that mean that the Government would then give an option to the original vendor of this land? I note, for instance, that under the old Ordinance, the Land Acquisition Ordinance which this draft Bill intends to repeal that the only objection under Land Acquisition Ordinance to go to Court is on the question of the compensation and as Her Majesty's Attorney-General has quite rightly said, under the draft Bill before this House the individual can appeal to the Supreme Court on the question of the legality of the

acquisition, which before did not exist. Just on the question of compensation. But I am not terribly happy with, it is a matter of principle, section 20 which calls upon the individual to have to pay a deposit in Court as security for the cost of the Crown. I agree Mr Speaker, that the sum itself is not very high, but I feel that if the Government is coming along to acquire land for specific purposes, I think it is a little hard on the individual that on the principle of it, that when he should wish to dispute his claim in a Court of Law, he should be made to deposit money as security. Now as we all know Mr Speaker, any resident in Gibraltar who goes to a Court of Law as a plaintiff, does not require to deposit money for security for costs. And I think that on this particular thing, which perhaps might affect the individual far more than other things, I think it is a little hard that the individual in filing a case against the Crown - on this draft Bill - should be made to pay or deposit money for security of costs. And I note that in the previous or in the Ordinance which is at present in force no such provisions exists for a plaintiff disputing the compensation in the Supreme Court. And I would very much like Her Majesty's Attorney-General to look into this particular matter a little further. I am also somewhat worried Mr Speaker, and I agree that the draft Bill before this House is far less complicated than the previous Bill which we had, which we saw. But I am not terribly happy, generally speaking, with the element of time given to the individual and I refer Her Majesty's Attorney-General to the time as being not less than 21 days. Now, I am not very much concerned if the public purpose needs in the question of defence or national security. I am not very much interested in the time the Government should have to give in cases of Defence or of National Security, but I am somewhat concerned in cases where the Government requires it for the development or utilisation of any property for the public benefit, that a notice shall be deemed to have been served of one which is not less than 21 days notice. And especially as we may find the cases, I agree, rarely, but again one must guard against these contingencies of people being away from Gibraltar or not being found. I feel that three weeks notice can be a very short time. Now, again, just carrying on the principles of this Bill, Mr Speaker, I would like a little more clarification on the question of section 16. As section 16 deals Mr Speaker, when a party takes possession in urgent cases. But I feel that a certificate of urgency to take possession of such land is at this particular, since this actually deals basically speaking with the removal of a right of an individual, I think perhaps that the restrictions on what is a certificate of urgency should perhaps be a little more defined. Again as I have said before Mr Speaker, I am not concerned with a certificate of urgency issued by the Governor, in respect of Defence or of National Security. But I do feel that, for instance, for the development or utilisation of any property for the public benefit, I feel that under section 16 which is a pretty strong section, the question of certificates of urgency might be given a little more explanatory note of what the Governor can, on what conditions the Governor can give a certificate of urgency rather than going to the rigmarole of Section 5. There may be, Sir, after listening to Her Majesty's Attorney-General, maybe, we may be putting some amendments to this draft Bill, but perhaps it may not be necessary if Her Majesty's Attorney-General would explain the little points that I have asked on questions of clarification, but on the general principles of the Bill this side of the House welcomes it.

HON CHIEF MINISTER:

Sir, I am very pleased to hear that the Opposition accept the principles of the Bill and also I hope that they have found it much more manageable than the draft which had been prepared in their time; and which was in the process of being looked into by various authorities concerned. It is absolutely essential if we are going to make the best use of the limited land we have; and we can only expand outwards into the sea and no other way, that there

should be adequate machinery which will balance the private interest and the public interest and if there is to be any conflict I am sure that subject, this is the whole spirit of the Bill, subject to reasonable procedure and adequate compensation, that the public interest must prevail over private interest; and this is the spirit of the Bill which of course goes at the same parallel with the Development and Planning Ordinance, which was passed before this House and because they really go hand in hand. Now there are a number of points which have been raised by the Honourable Mr William Isola which I am sure the Attorney-General will deal with. But this is really a matter of detail on which we can listen and perhaps there might be an amendment On this question of a deposit, I will imagine the only thing it is made against, frivolous objection and not just for the purpose of security because the land is there and on the other hand some element of pre-payment in respect of what is going to happen - that it is brought to the notice of the objector that he may be liable for damages - may a deterrent for frivolous objection but really that is a matter of very small importance. But I think what is really important is, that though the Honourable Mr Isola has called the rigmarole of clause 5 is a very important - in fact it is an essential of the fairness of the Bill - that there should be provision here for giving notice prior to taking over property. Clause 16 is just an exception to that in respect of matters which may be of urgency and through which you could not go through the whole process. But any decision which is in the opinion of the Governor, meaning the Council of Ministers, it must be one of sufficient importance to determine such a resolution for reasons which one could not foresee for the moment. There could be the possibility of a fake transaction, to enhance the value of the land by a fake purchase, and then pretend that that was done without in any way knowing there was going to be acquisition. Any number of instances could happen. There was a point I did not follow, but which brought to my mind a thing which we may not have provided for here - in fact it is still a matter of importance in the United Kingdom - in relation to unoccupied properties. Here it might be unoccupied land which is of course continuing to be a loss to the community as a whole; both in terms of development and prosperity and also in terms of greatability and so on. Mr Speaker, you know there is a great controversy in respect of Centre Point and one or two other big properties which have been developed in London, and it is said that they are not being occupied in order to enhance the value; on the other hand the owners say "well you find me the tenant that will pay the rent that I think ought to be charged and I will occupy them". I don't think we shall reach that stage here where the building after the builder has gone out is going to be kept at least not for the purpose of enhancement of the asset, but perhaps it is a matter which one might consider if the practice were to develop in Gibraltar. Generally, Mr Speaker, this Bill is an attempt to carry out an important change in the Laws of Gibraltar which was well over due, in as simple a manner as possible. And this is a Bill which is not going to be taken at this session and apart from any explanation given by the Attorney-General in response to the remarks of our learned friend; if there are any ideas on this matter, as there is plenty of time, any ideas on this matter either by amendment or by suggestion, we would be very happy to look at it. This is a feature of permanent legislation which we would like to feel would not require; certainly we do not want to wait another 135 years before it is amended. But it would have some degree of permanence and it can only have that degree of permanence if any points which may have not been taken care of or omitted are drawn to our attention by the Opposition and we will make the Bill as workable as we wish it to be. Because though the amount of land that may be available for development is not that much, the machinery provided for it and the method of going about it is essential if we are going to be just to the community which will pay for the land and to the individual whose right must be respected.

HON M XIBERRAS:

Sir, as the Honourable the Chief Minister has said, when his Party took office there was already a draft of this Bill which essentially covered all the

points covered by the present Bill before the House. The previous administration had three Bills under consideration and drafted the Land Acquisition Ordinance, Town Planning Ordinance and the Development and Planning Ordinance.

HON CHIEF MINISTER:

I must correct myself. When I spoke of the Development and Planning Ordinance I should have said the Town Planning Ordinance.

HON M XIBERRAS:

And the whole concept that knits together these three Ordinances as they will become one day, and was one which is very much on the forefront of the minds of the previous Government and particularly the previous Chief Minister who spared no effort to see that the land in Gibraltar was put to the best possible use. I would have liked to get more indication from the Honourable and Learned the Chief Minister as to what purpose this instrument, this legal instrument is going to be put in the future. Because this Bill will stand as an Ordinance for the protection of the public interest and also be used for the furtherance and advancement of the public interest as well. It is really a sin to have land undeveloped in Gibraltar and it is a sin to see land put to a completely unproductive use. When land is so scarce as the Honourable and Learned the Chief Minister has said. Some sites may be used for schools, other for a more direct participation by the people of Gibraltar. And it does not take a very vivid imagination to see in a good number of areas of Gibraltar how the land is not used for the public benefits as much as it could be. I hope that the Government of the day will give an indication that it is prepared to further the public interest and not just to protect it against speculators, land grabbers and so on. I entirely agree with what the Honourable and Learned the Attorney-General and the Chief Minister had to say about the State and its interest being paramount when they clash with private interests. There are sufficient safeguards in the Bill to protect private interest, subject always to what my Honourable and Learned friend on my right, Mr William Isola, has had to say. And therefore, I do hope that it is not just a question of bringing up to date something which has lasted for 130 years, but it is an indication that the Government of Gibraltar be it of whatever shade - whichever Government it might be - is determined systematically to put the land of Gibraltar to the best possible use in the public interest. I remember, Sir, that attention was focussed on the need for a Land Acquisition Ordinance in the days of the withdrawal of Spanish labour and quite a bit after, when several individuals were not making the best use of the accommodation that they were providing for

Labour from abroad and it took this minor crisis to get some movement on this particular Bill at that time. I am very glad that out of that particular crisis something much more permanent and much broader has resulted which I have no doubt has produced a fair Bill and one which is necessary for any modern Government to have at its disposal.

There is one point which I hope will be clarified, either by the Honourable and Learned the Attorney General or by other Members of the Government at a later stage, and that is the question of responsibility for decisions connected with this legislation. There is an overlap between the Governor and Ministers, or there could be conceivably in a good number of cases, an overlap between the Governor and Ministerial responsibilities and whereas the previous Administration has found one way of resolving this overlap, or the difficulties that might arise out of this overlap, I wonder whether the present Administration has in fact found a different solution or whether it has seen the problem at all.

As I said Sir, I would be grateful for clarification from Honourable Members opposite at a later stage or perhaps the Attorney-General could explain.

This side of the House Sir, has no hesitation in supporting a Bill which it spawned if I may use the phrase, and which I am very glad has been brought to the House so that we can support it in its main principles and improve it if possible.

HON A W SERFATY:

Mr Speaker, from the point of view of the Development and Planning Commission, of course, we welcome this legislation which if widely used can be a very efficient tool in the hand of the Commission and the Government. I would like to strike a note of warning, however on this question of the compulsory acquisition of land which is lying idle, and that is this, that if this land can be used by the Government for the construction of schools etc, it is good that it should be compulsorily purchased, but there may be cases of lands which are of no interest to Government and which Government, however is keen should be developed. In these cases this is not the answer, there will have to be other answers which will have to come to this House, such as, for example, the payment of rates on land whether it is developed or not in land which is not developed. This is important, there may be changes in which instead of compulsory purchasing the land, in cases in which the land is of no use to Government, there should be some legislation which will discourage the continuation of these lands remaining vacant, and the answer to that, as I say, is some other kind and not compulsory acquisition, such as the payment of rates. I do hope that in the not too distant future some solution will be found to this and legislation passed.

HON J BOSSANO:

Mr Speaker, the principle that the community as a whole, the Government acting on behalf of the public has got the first call on any land is one which finds wholehearted

support from this side of the House. Primarily, what I personally would like from the Government would be further clarification of in particular, what precisely the relationship is between Ministry of Defence land and land to/used for the people of Gibraltar. /be This Bill is of a technical nature and, therefore, it is difficult to see how it relates with the question of acquiring MOD land whereas here we have a Bill which is concerned with acquiring land from private owners. We see that in fact Defence is one of the objects for which land can be acquired from private ownership under this Bill. Now, I would like to know how this commitment here relates to the other commitment the Goverment has to acquire MOD land for the use of civilians in Gibraltar and in particular, where, for example, the acquisition of land for Defence, how wide is this question of defence or national security is. There is in this law no defenition of defence. It seems to me that this Bill gives power to the Governor to acquire land from private ownership for the use of defence without defining defence, and to that extent appears to be somewhat in conflict with a desire to define and limit what are defence commitments so that MOD land which is not availble to civilians can be justified on security grounds. I would like clarification on this at a later stage.

Mr SPEAKER:

I will then call on the mover to reply.

HON ATTORNEY GENERAL

Mr Speaker, Sir, I will ifI may try and deal with the points raised one by one.

The first point raised by my friend the Honourable Mr William Isola as to whether the Government would give an option to the person from whom the land is required if it is decided in due course that the land is not wanted after all. This is a matter which could be considered for amendment, but I do see the difficulties in making a provision of this nature. You required the land, you have given him his pound of flesh, he may well have invested his money in some other way-I agree that that is not necessarily a reason for not giving him an option -but itnis certainly a matter to which I an prepared to give consideration.

On the question ofthe deposit, the first point which I would make is that it is not compulsory. First of all the Surveyor has to ask for a deposit and then ifhe does so, it is within the discretion of the Registrar,

whether he shall require the person asking him for the reference to make the deposit. In the circumstances I do not think that is unreasonable.

The next point made by/the Honourable Mr William Isola was of the shortage of time. 21 days, he says, is not enough. I would point out, however, that 21 days for the first stage, thereafter, there is a further stage in which notice isgiven that the land is going to be acquired, waiting for the reference to the court, the hearing of the court, and if the person is properly looking after his property in Gibraltar there can be little doubt that he will have somebody caring for it, who, if the necessary notice is delivered, can say: "look, Government are wishing to take the

land," I think 21 days is a fair period.

On the question of the certificate of urgency, I dont think, with great respect, that it would be possible to define the circumstances in which a certificate of urgency could be issued. It must be within the discretion of the authority concerned, the Government. Sometimes quite clearly there is desperate urgency. I would point out that there is still the original 21 days, then the notice of acquisition occurs, and then the certificate of urgency is issued and after 15 days Government can enter to take possession of the land.

That doesn't mean of course that they will not have to give it up if the owner applies to the court and the court says this is not a public purpose and so his rights are not being done away with. It is a necessary, essential, shield, if I could put it that way, that Government has in its armoury.

The Honourable Leader of the Opposition asked, whose would be the responsibility for decisions. It seems to me that if it is a non-defined domestic matter for which the land is required it would be the Governor's decision, but if it is land required for, perhaps a school, then the Minister would state that the land is so required. He would put up the case for the acquisition of the land.

The Honourable Mr Bossano asked for a definition of "Defence or National Security." I do not think we can really do that: it is an expression used in the Constitution which is not defined there. It would always be for the court to decide if somebody came forward and said "this doesn't fall within the ambit of the expression "defence," it is not for "national security" then the court would have to decide. I don't think we can get any closer or that it is advisable or even possible to define what is or what is not "national security". This of course does not allow Crown land Ministry of Defence land to be acquired. Any land held by the Ministry of Defence under the Crown which is wanted by the Gibraltar Government, that is of course a matter for negotiation. This is not directed towards, it cannot be used, for the taking of such land.

Mr Speaker, Sir, I would commend this Bill to this Honourable House.

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

HON ATTORNEY GENERAL:

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of this Bill will be taken at a subsequent meeting of this House.

The Assurance Companies (Amendment) Ordinance 1973.

FIRST READING

The Hon Attorney General moved that a Bill for an Ordinance to amend the Assurance Companies Ordinance be read a first time.

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

Hon Attorney General:

Mr Speaker, Sir, I have the honour to move that the Bill be now read a second time. I think it is an essential function of a Government to ensure, in so far as is possible, that members of the public are not encouraged or able to enter into financial commitments which are going to lead to disaster. It must ensure that companies are stable. I can imagine nothing more disastrous, and I am sure that Members of this Honourable House will agree, for a case to arise where a motorist is insured against third party risks, knocks down some civilian causing very great injuries and then that the civilian can recover nothing because the insurance company is purely a company of straw and has no financial resources. Just the same for a private person who takes out a life assurance policy. Throughout his life he pays in, pays in, pays in, and then when his policy matures he is expecting to live on the proceeds of what he has paid in, he finds that the company cannot pay. Again you have the case of your small businessman who insures the stock in his shop and then finds that there is a fire, everything is gone and he cannot get any redress. For this reason the present Ordinance provides that only authorised insurers can carry on business in Gibraltar. A certificate to an authorised insurer is issued by the Governor. There are, I think some four classes to whom he may issue his certificate. To a company who can satisfy him that it has certain

specified financial resources. Secondly to a company registered in another country which has legislation, satisfactory legislation, controlling insurance companies. Thirdly, to a member of the United Kingdom underwriting organisation, Lloyds highly reputable and in fact also to anybody who is carrying on insurance business at the time the original Ordinance came into force. But, there is one very odd provision in this Ordinance at the moment. It is that an agent who carries on or solicits business in, Gibraltar he can either do so for an authorised insurer, or if he is doing it for non authorised insurer, he must himself be authorised - in other words he would have to satisfy the Governor as to his financial stability. But this is virtually meaningless. An agent under any law is not responsible for the debts of his principal If the principal fails the person injured cannot turn to the agent. What use is it therefore, to provide that an agent should be authorised here if he is working for a firm who is not authorised. It is not going to save the Gibraltarian at all. He has got no redness; Sorry let me say one thing I have been unable to find any similar provision in any legislation of another country. I am not quite sure how this crept in to our law, but I do suggest that it is a provision which should be removed. There was a second provision put in that a company acting as an insurance broker, now, must be authorised. Perhaps I might explain that an insuran e broker is a person who is approached by an individual who says 'I want to insure my life, my house, my business, my car or whatever it may be and the insurance broker then considers which of the various insurance firms offering policies is the most satisfactory to effect this particular business. He is not acting as an agent of the firm, he is really; I would normally say, he isacting as an agent of the individual. But again there is no reason why such an insurance broker should be authorised. If the firm with whom he places the insurance is going to go/protected? And so, we have taken the rather firm line to say that no person can solicit insurance busness, or act as an agent unless he does so for an authorised insurer. This will as far as is possible ensure that members of the public are protected. You can't always do it, you get even authorised insurers crushing; if members will remember in the United Kingdom quite recently, there was a big, at least one big car insurance firm, which went bankrupt. I think it was the Vehice andGeneral but I am speaking off the cuff. It is arguable, I am putting the other side of the case, that if a Gibraltarian wishes to transact insurance business outside Gibraltar and takes the risk that the firm is not stable; well then he should be allowed to do so. I might explain the thing this way. You get a company, let us say, from Spain. If it insures in Gibraltar it is not carrying on business if the policy is issued from Spain it is not carrying on business in Gibraltar even though Gibraltar property is protected. Now it can advertise for business here, the policies issued in Spain, that is not touched by the present Ordinance. It will be touched by the amendment. And we think that this is right and proper that it should be so. The other small amendment to the existing Ordinance deals with companies which are incorporated outside Gibraltar and not registered here. Part IX of our

/bust, is not authorised, how is your Gibraltarian going to be

Companies Ordinance requires a company incorporated outside Gibraltar which establishes a place of business here and by establish a place of business I mean, opens up an office, requires it to comply with certan provision of the Companies Ordinance. A local company which merely carries on business here is not required to comply with the povisions of Part IX of the Companies Ordinance. Now, in the United Kingdom when they brought an insurance legislation in 1955 I think; they who had the same provisions as we had in their Companies Act, they made provision, that in the case of an insurance company if it carries on business, then it has got to comply with the provisions of Part IX; even if it doesn't establish a place of business, it must comply with those provisions. I think we should have that provision here. It is only right that the Registrar, the Controller of Companies, should keep a fatherly watchful eye on companies which can mean so much to the small individual man. Mr Speaker, Sir, I commend this Bill to this Honourable House.

MR SPEAKER:

Before I put the question to the House does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON R J. PELIZA:

Mr Speaker, the Opposition welcomes the Bill. I think it is /if even/in the past we have had no reason to change it, because on the whole I think there have been cases, certainly none that have come to my knowledge, of Insurance Companies in Gibraltar - whether local or otherwise - not honouring their commitments and therefore even if it was not necessary then, I think it is a very necessary protection particularly at this stage, when many more outsiders are in a position to start businessess in Gibraltar. It is obviously more difficult than ever now for the general public to be able to know to what extent the firm itself is reliable or not. So we do welcome the Bill. I think it is a necessary social need, in that, in the age that we live today, practically every man and every woman and even children are in one way or another insured. Therefore I think the Bill itself is good for the insured and the injured party, both sides, and also I think it gives foundation to otherLaws of Gibraltar such as the car licence which of course cannot be issued without an insurance certificate, but if the insurance certificate is just a piece of paper and nothing else, the law itselfis of little use. So therefore we do welcome the Bill and perhaps we should keep an eye as to the future. I know that in other places insurance companies are not as straight forward as the ones that we have had the pleasure of having in Gibraltar so far and we should keep an eye for any possibility of things happening which is difficult to bring to the public notice. It happens between individuals and firms. I know now because something is happening to me, not in Gibralar which I think can get initiated in these things on the wrong foot and I fully agree and I think the Opposition welcomes the Bill. We may have amendments when the time comes, I cannot think of any at this moment.

MR SPEAKER: then put the question which was resolved in the affirmative.

The Bill was read a second time.

HON ATTORNEY GENERAL:

Mr Speaker Sir, I beg to give notice that the Committee Stage and Third Reading of the Bill should be taken at a subsequent meeting of this Honourable House.

MR SPEAKER:

We will now recess until 3.00 pm this afternoon.

The Maintenance Orders (Reciprocal Enforcement) Ordinance, 1973.

FIRST READING

The Hon the Attorney General moved that a Bill for an Ordinance to make provison for the reciprocal enforcement of maintenance orders 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

THE HON ATTORNEY GENERAL:

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

As Honourable Members will be aware this comprehensive Bill is not a new provision in Gibraltar. It is merely replacing an existing provision which has been found, perhaps to be not quite so cmprehensive as is desirable. Since 1920 there has been provision in Gibraltar whereby we can enforce here Orders for maintenance made in England and Wales and certain other countries with whom an agreement has been concluded, where it has been found that they are prepared to enforce Gibraltar Orders made in their Country. It is I suppose the pattern of community of nations, growing civilisation, that countries will not allow persons to come within their borders and in so doing avoid obligations which have been imposed elsewhere. This

being so, if a Maintenance Order is made in Gibraltar against a person, whetherhe is a Gibraltarian, or Englishman, if that person then goes to the United Kingdom and fails to honour his commitments, then the Order can be transmitted from here to the United Kingdom and can be enforced there, and vice-versa. There is also a provision where, if the person let us say a Gibraltarian has left this country and gone to the United Kingdom before the order ismade here; the person seeking maintenance can obtain a provisional order here; it is then sent to the country where the person against whom the order is sought to be made is residing and the Courts there, having given the person a chance to show cause why the order should not be made; can then make the order and it will thereafter be enforced. Our present legislation is contained in the Maintenance Orders Ordinance - one is part VI of it and is drafted on almost exactly similar lines to the United Kingdom Act of 1920 which itself has been followed in other countries with whom we reciprocate. There is now a new Act in the United Kingdom and this Bill which comes before this House today is based very closely on the United Kingdom lines. As Honourable Members will appreciate it is a great advantage if countries are acting on a reciprocal basis to have the same law in force in their countries. Also if there is different provisions in force in different countries, then it can be very difficult to decide just now far one country is going to enforce orders made in other countries. Because they will not give any more than they themselves will receive. And so we come with this Bill; now there are very few new features but I should point them out to you. The first is that for some reason the 1920 United Kingdom Act didn't apply to Scotland. Now, a member of this Honourable House, who shall be nameless, when I asked him about this, said that Scotsmen are not the kind of people to avoid their responsibilities. That may be so. Anyhow, now the United Kingdom is a little bit wiser and Scotland is included in their Act. The second difference is now that affiliation orders are included - that is an order made in favour of a child against a person who is it's father but is not married to its mother, in fact it is sometimes called a Bastardy Order. This at the moment aannot be enforced. If one is made in Gibraltar it cannot be enforced in the United Kingdom and vice versa. There is in fact a roundabout way whereas if a Bastardy Order is made here and is not honoured, t en the agreed mother, on behalf of the child, can in fact make a further application for a Maintenance Order and that Order can be enforced. But it is a roundabout way and there is no reason why there should not be a straight forward enforcement of affiliation Orders made in a reciprocating country. The nextchange is that until now all orders sent from one country to another have to go through /Governor to the Secretary of State in the United Kingdom and is then sent to the Court. An order from the United Kingdom goes from the Court to the Secretary of State, comes to the Governor and is then sent to the Court. And this applies not merely for the original Order but to any subsequent correspondence or variations of that Order. The new Bill proposes that once the original Order has gone in its present channels, that is through the Governor to the Secretary of State, or vice versa.

/what one might call the responsible officer. From Gibraltar an order goes through the

and sent to a court, thereafter, further correspondence can be transmitted on a court to court basis. The last amendment of consequence is that it is convenient in some cases for an Order with a country with whom we reciprocate, let us say one of the Australian States, not to come from the Governor of that state/the Government of Gibraltar, but to go from the Governor of that State through the Secretary of State and then Gibraltar. The Secretary of State acts as the clearing house. It does speed up the process and that is a matter for which we are now making provision. This Bill is, I think, fair and reasonable, it enforces the rights of those, or helps to enforce the rights of those who have been wronged, or left without subsistance and it is a Bill which I can commend to this Honourable House.

/to

MR SPEAKER:

Before I put the question to the House does any Honourable Member wish to speak on the general principles and merits of the Bill?

HON W ISOLA:

Mr Speaker, the House welcomes the Maintenance Orders (Reciprocal Enforcement) Ordinance, 1973. It certainly is a step in the right direction where a parent or husband leaves Gibraltar and his wife would now have rights to enforce maintenance against him, which previously she did not have. I understand from Her Majesty's Attorney-General that this will now apply to Scotland. There is one thing actually on which perhaps Her Majestys Attorney-General might give us a little more information. As we see it on his side Her Majesty's Attorney-General has been talking about from country to country. But surely should there not be something in the Schedule of this Maintenance Orders (Reciprocal Enforcement) Ordinance, 1973, which states with which countries we are having reciprocal rights. Her Majesty's Attorney-General has mentioned Scotland as something new, but I think perhaps something in this Ordinance should state the countries so that if and when thisBill is passed we shall know to which countries this reciprocity applies. If subsequently other countries join this business then of course it can be added to the Schedule, but at present this side of the House is at a loss as to which countries we are talking about. Perhaps Her Majesty's Attorney-General, if he isin a position at this particular stage to say so, I think it woul very much help this side of the House and certainly members of the public who feel that they have a right to maintenance against husbands or wives, affiliation, to which countries this Ordinance refers. As Her Majesty's Attorney-General has said, this Bill is reasonable and is certainly a step in the right direction for those parties who before this Bill came before the House had only certain rights against their husbands or children etc, within this certain defined area in the United Kingdom and Wales etc.

MR SPEAKER:

If there is no other contributor I shall ask the mover to reply.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, Clause 3 of the Bill reads: "If the Governor is satisfied thatin the event of the benefits conferred by this Ordinance being applied to, or to partic - ular classes of maintenance ordersmade by the courts of any country or territory other than Gibraltar, similar benefits within that country or territory be applied to or to those classes of maintenance orders made by the courts of Gibraltar, he may, by Order in the Gazette, designate that country or territory as a reciprocating country for the purposes of this Ordinance." That is what we have done at the moment in the existing Maintenance Orders Ordinance. There is power for the Governor to wait and see which countries make similar legislation and then he makes the necessary Order. In due course, as soon as we are advised from the United Kingdom - because when they approached us originally on this, they approached many other countries - as soon as we know from them which countries have agreed then the Order will be published with the various countries mentioned therein.

HON MR W ISOLA:

Just for clarification, Mr Speaker. Am I right in saying, Mr Speaker, that what we are really d ing with this particularBill, Mr Speaker, is that we are getting the set-up ready but we do not know yet, at this particular moment of time that we are discussing this Bill, to who or to which countries this Bill will apply when it is passed. Am I right in saying that? We are setting the procedure/ subsequently, at a much later date, we would be told by the Foreign & Commonwealth Office to which countries this Bill will apply. Is that right?

/and then

HON ATTORNEY GENERAL:

It will apply straight away to the United Kingdom because we know that legislation has been passed to that effect there. At the same time as the Bill becomes law there will be an Order in the Gazette, the Governor having been satisfied, naming the United Kingdom. If at that time we have been informed that similar benefits exist in other countries, and the Governor is satisfied of that fact, then at that time other countries will be added, and from time to time, if the Governor is satisfied, more and more Orders will be made.

HON MR W ISOLA:

On a further point of clarification, Mr Speaker. Does this Bill, or this Act which appliesin England, does it apply to other countries vis a vis England at this particular moment? These Reciprocal Maintenance Orders, between Great Britain, shall we say, and France and Belgium, or at present it does not apply other than to Great Britain.

HON ATTORNEY GENERAL:

My belief is that as far as the United Kingdom is concerned it merely applies to other States in the Commonwealth. I do not believe that there is provision in the United Kingdom for an Affiliation Order or a Maintenance Order being enforced in, let us say, a country or a Community. I cannot say at this stage whether the United Kingdom Act has in fact been applied to other Commonwealth countries. My belief is this, and this is only a belief, that the existing countries have all said, yes, and the United Kingdom is waiting for their legislation to be in force before making the necessary Order.

HON W ISOLA:

I am much obliged for that explanation.

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

The Bill was read a second time.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, I beg to give notice that the Committee Stage and Third Reading of this Bill should be taken at the next meeting of this Honourable House.

The Trade Licensing (Amendment) Bill, 1973.

The Hon the Minister for Tourism, Trade and Economic Development moved the sustension of Standing Orders 28 and 29 in respect of the Trade Licensing (Amendment) Bill 1973.

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

FIRST READING

The Honourable the Minister for Tourism, Trade and Economic Development moved that a Bill for an Ordinance to amend the Trade Licensing Ordinance 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 MR SERFATY:

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

The House will recall that at a meeting of the 30 January, 1973, a Select Committee composed of the Honourable Mr Featherstone, the Honourable Mr Zammit, the Honourable Mr Peter Isola, the Honourable Mr J Bossano and myself, were appointed to consider the Trade Licensing Ordinance 1972, and to formulate proposals to replace this Ordinance when it expired on the 31st May, 1973. The Committee met on five occasions but there remains a lot of work to be done before the Select Committee can submit proposals to this House and it will definitely not be possible to do so by the 21st May. This Bill extends the validity of the Trade Licensing Ordinance to the 30th November, 1973.and this is considered by all members of the Select Committee to be a reasonable extension which will allow the Committee to conclude their deliberations and submit their report to this House. The Honourable Mr Peter Isola and the Honourable Mr J Bossano have certain reservations on this matter about which they will no doubt inform the House during the debate.

Sir, I commend thisBill to the House.

MR SPEAKER:

Before I put the question to the Ho se does any honourable member wish to speak on the general principles and merits of this Bill?

HON MR XIBERRAS:

Sir, let me explain first of all why the Opposition has agreed to the suspension of Standing Orders in respct of this Bill, but has objected to all three readings and committee stage of other Bills being taken at this particular meeting. In this particular case we feel that there is a need to get this Bill at least discussed and normally extended had not other things happened in the course of the sittings of the Select Committee. We have also voted in favour of the first reading because we wish to have an opportunity of presenting our views on matters quite serious which have come to light whilst the Select Committee on this Bill has been sitting.

Sir, this Bill, as the House well knows, has not been the best piece of legislation to come before this House. The Opposition had numerous amendments to propose to the Bill and the most important of these was, that the Bill should

be introduced for a limited period. There was a Select /the Committee appointed to look into/Bill, as the House knows, to see whether they could come up with something rather more satisfactory. The Select Committee, as reports indicate has been working very hard at the job but it is toolong and complicated a task for the House to expect them to come with a final solution before the date came for the expiry of the provisional Bill. So there can be no question at all that the members of the Opposition sitting in that Select Commitee, +have contributed in great measure to the thinking of this Committee have contributed in good faith to the formulation of legislation of a more satisfactory nature, and in the normal course of things, as I hinted earlier, the Opposition wouldhave had no objection to the extension of this Bill. It is true that for the duration of this Bill which now comes to an end, it could be said that allbusinesses in Gibraltar were trading illegally , since the Bill requires registration, consideration by a committee, and the committee to consider applications under the Ordinance was not appointed for a very long time. In fact only recently, within the last three weeks, has the committee been appointed. And if the Ordinance was not a satisfactory piece of legislation, the efforts of the administration of the Government to implement it have been less than satisfactory still in the view of the Opposition.

Members of the Opposition in the Select Committee pressed the Government representatives on the Committee, in particular the Chairman, to have this committee appointed so the whole position could be regularised. But it was only three weeks ago that the Committee was appointed. Sir, the appointment of this committee has raised very serious matters because two members of the committee, it is understood, were to be independent members, there being representation also in the committee from the Chamber of Commerce and of the consumers generally, the Trades Council wants to send along nominees. This committee is absolutely central to the Ordinance, the Trade Licensing Ordinance. It acts as an authority for the granting oflicences, and the granting of licenses is a most serious thing involving money, involving trade, involving very important aspects of the life of individuals and the future of businesses. And throughout the discussion on the original Bill the Opposition was at pains to make absolutely certain that the Licensing Authority was as fair as this House could possibly make it, and there were amendments and counter amendments and discussions about the Licensing Authority, about the committee. Imagine our surprise, therefore, Sir, when the two independent appointees's Mr S Levy and Mr J Cardona, are announced. The former happens to be an office holder of the Chamber of Commerce.

MR SPEAKER:

I must call the speaker's attention to one thing. We are speaking on the general principles of the Bill, to give an extension of live to an existing ordinance. We must not go into either the merits of appointments at this stage, and we must not try and do the work of the Select committee. Here again it is for the purposes of discussing the general principles and.....

deciding whether you should go for or against the Bill to extend the existing Ordinance. It is completely right to refer to the reasons why you feel that it should not be extended, but we must not go into the merits of the appointments, if a distinction is seen. Otherwise, I will go further in explanation.

HON M XIBERRAS:

Sir, I have made it absolutely clear that I feel that this Bill stands or falls, by the committee which is empowered to recommend on licences. Since the committee has to do with very important aspects of individuals in businesses, it is absolutely crucial to the Ordinance that this committee should be, in so far as this House can make it, an impartial one. The House did discuss the composition of this committee. I am not for a moment suggesting that this House appoint persons, but I am saying that the composition, in the general terms, of this committee is a matter for this House, is a matter for legislation, and is playing false to what this House said, to actually name individuals who do not conform with the general ideas set out in legislation by this House. And if this body, this committee, is to be the mainstay of an extended Ordinance, then such an Ordinance is unacceptable to the Opposition and we would argue against its extension and vote against its extension. It is for this reason, Sir, that I feel that I must dwell on the two appointments.

I was talking, Sir, of the first appointment, Mr S. Levy, who is an office holder of the Chamber of Commerce and who would make the number of office holder of the Chamber of Commerce in this committee up to three. Well, only two were envisaged by this House. That an office holder of the Chamber of Commerce should be brought in as an independent member of this committee, when the House was at pains to point out there should be a balance because the representatives of consumers and the representative of trades, is to ignore that this House has had to say on the matter; to ignore assurances given to this House and to ignore the law itself.

Sir, of the two appointments this is the one we object to more. The second appointment - the Honourable and Learned the Chief Minister may laugh - but the second appointment is not in general terms acceptable to us either because that person is also deeply involved in business. Let me at once dispel any idea in the mind of the Honourable the Learned the Chief Minister that the appointment of Mr John Cardona, an ex-committee member of the Integration with Britain Party, is in any way a paliative to the Opposition because we are not in favour, nor were we when we were in power to get nominees of the Party particularly in such an important position.

MR SPEAKER

We are now parting from the general principles.

HON XIBERRAS

Let me also say, Sir, that in this House the matter of Consumer Association Representation was raised and let the House be under no illusion that Mr John Cardona is there as a representative of the Consumer Association, because he is not, and I have this from the Consumers Association itself. Therefore, Sir,

We must object to this unbalancing of the committee, to the loss of its impartiality.

MR SPEAKER

Order. I must bring you to order. You can object to the extension of the life of the Ordinance for these reasons, but you cannot object to the composition of the committee here and now in the discussion of the Bill now before the House.

HON XIBERRAS

I thank you for your guidance, the two things are quite intertwined in my own mind and in the public mind. One thing, Sir, goes with the other. It is like having a court with a biased judge. How can one accept a court if one knows that the judge is going to be biased. Sir, the Opposition cannot accept an extension of this Bill because the Government has chosen to ignore the representations made after the appointment of these two gentlemen to the committee, the representations made in the Select Committee, to the Chairman of the Select Committe.

We must question the good faith of the Government in having the Select Committee as well. If they are not prepared to listen in the question of appointment so crucial to the future of the Ordinance, then surely they are not going to be impartial and have goodfaith in the discussion about what form the legislation should take in the future. Therefore, Sir, unless the Honourable and Learned the Chief Minister has any suggestion as to how the committee might be composed in the future, both the gentlemen mentioned having been asked to resign from this committee, then the Opposition cannot vote in favour of an extension. Moreover, Sir, to be greatly concerned about the passing of a Bill in this House which gives power, a lot of power, to a committee that whether the Opposition likes it or not, is going to have the responsiblity of judging certain very important claims. If this Bill, which from the beginning has been one of the dicy ones, one of those about which the House could not be happy, and Members on both sides of the House express this thought, if this Bill is to command public respect, and if this committee is to have the authority that it deserves, then its composition should be as set out by this House. It would be a great error of judgement for the Government, to pysh on with this Bill, against the wishes of the Opposition, using/theHonourable and Learned the Chief Minister and the gentlemen on the other side who have been involved in discussions in the Select Committee, to give careful consideration to what I have had to say, to what no doubt other members on this side of the House will have to say. I have made no mention of other factors, Sir, and I have tried to put the case as objectively as possible, referring to the debate in this House, and I ask this House to consider carefully what I have said.

/its majority in this House) for the purpose I ask, therefore, both

MR SPEAKER

Are there any other members who wish to speak on the general principles and merits of the Bill?

HON J BOSSANO:

Mr Speaker, in the normal course of events a Bill like this, that seekd to extend the life of the Trade Licensing Ordinances until the Select Committee, which is at present considering what can be produced in its place which is better than the existing law, finishes deliberations would not have met with any opposition on this side of this House.

Unfortunately, events are far from normal. As far as we are concerned we do not like the Trade Licensing Ordinance and we made this quite clear. We would have been p epared to support a Bill to continue the life of this Ordinance if we had felt that the Ordinance was being implemented as we had been given to understand in this House that it would have been implemented. The only thing that has been done with this Ordinance so far has been to appoint this committee.. Nobody has yet been issued with a Licence because the Licensing Committee was only appointed a matter of a couple of weeks ago. We understand from the information that we have had in the Select Committee that applications have been received but have not been processed. The matter was raised in the Select Committee, Mr Speaker, and it was a decision of the Chairman that the composition of, the Trade Licensing Committee was outside the terms of reference of the Select Committee of this House and therefore members of the House in that Committee were not entitled to ask for, or receive, explanations about the composition of this committee. Now, I normally try, Mr Speaker, to keep personal invective out of anything I have to say, but in this particular instance personalities cannot be kept out of the picture because personalities in Gibraltar represent certain roles, certain functions in our society, and we cannot speak about a person without identifying him in particular sector of the community and a particular interest in the community. When we put forward our amendments to the original Trade Licensing Bill we made it quite clear that we objected to the Licensing Authority being the Honourable the Financial and Development Secretary. Not because we wanted to cast any aspersions on his impartiality, but because we wanted the system to appear impartial and fair to the people who are going to be granted or refused licences. We therefore, said: the proper way to have a licensing system, if you wish to have a licensing system, is to have a committee which represents a cross section of the community. And, therefore, the original Bill was amended and instead of a licensing authority we had a Trade Licensing Committee, which would have two individuals in it nominated by the Chamber of Commerce, two individuals **in** it nominated by the Gibraltar Trades Council and two other individuals who would be independent and impartial.

Now, if one of those independent and impartial individuals had been Jose Netto, the President of the Transport and General Workers Union, then I would have objected on the grounds that he could not be considered an impartial and independent member, a though I can vouch for the honesty and integrity of Mr Netto. Now, I do not know Mr Levy as well as I know Mr Netto but I can say that.....

HON CHIEF MINISTER:

If the member can give way. I think we are getting to the stage where personalities are being used in relation to a matter of which we have already given some indication. I do not mind

If we go on like this, like a patio squabble.....

MR SPEAKER:

It is relevant if the names are banded exclusively for the purpose of putting forward an example, which is, I think, what the speaker is trying to do and nothing else. To that extent it is completely and utterly permissible and that is why I have not interrupted, but of course is relevant to that extent and no other. It is relevant to the extend that a case is being made, in principle, to vote against a Bill which is before the House.

HON J BOSSANO:

Mr Speaker, this is precisely the point which I want to make. If Mr Netto had been appointed my objection to Mr Netto would not have been a reflection or any lack of trust on his impartiality, but the fact that as the Resident Officer of the Transport and General Workers Union he could not be considered an impartial and independent person. Therefore, when I object to the presence of Mr Levy on this committee I am objecting to him, not because I am intending to say here that he is incapable of being impartial or I want to cast any aspersions on his character, but because as treasurer of the Chamber of Commerce he cannot possibly be considered an independent and impartial person, but as an additional representative of the Gibraltar Chamber of Commerce. It seems to me inconceivable to expect the Gibraltar Trades Council to be content with two representatives when the Chamber of Commerce has got three. It, therefore, seems to me that it is very shortsighted on the part of the Government to have refused to give any explanations of this in the Select Committee which would have prevented the matter being debated here. The explanations were asked for there, Mr Speaker, and at a subsequent meeting it was refused as it had been in the first one. It was made quite clear by myself to the Chairman of the Select Committee that I would only.....

MR SPEAKER:

This is something we must not do. We must not report by way of debate in this House on the work of the Select Committee. The Select Committee will make its own report and if need be there might or might not be a minority report, that is another matter. But the thing is not relevant here. And it is perhaps and I am sticking my neck out slightly, when I say that definitely a Select Committee is always tied down to its terms of reference and cannot go beyond that.

HON J BOSSANO:

Thank you, Mr Speaker, for your ruling.

The position, therefore, Mr Speaker, as far as we are concerned is that we cannot support the continued existence of the Trade Licensing Ordinance with the present composition of the Trade Licensing Committee because we feel it is a negation of the

Principle we were trying to establish originally that the committee should notonly be impartial but be seen to be impartial by applicants for licences. This committee will not be seen to be impartial and the fact that the other supposed independant and impartial person on that committee happens to be the man who was electoral agent ofthe Integration with Britain Party does not in any way satisfy us or changes our attitude. We had expected that the Government would consult the Consumer Association and ask them who they would like as their representative of consumers. This in fact had not happened, Mr, Speaker, we have got two men there and we do not know why they are there, on what basis they were selected or how they are expected to operate inside that committee. We cannot see any point in there being a Trade Licensing Ordinance which is obstensibly to control the expansion of trade in Gibraltar in the interests ofthe community as a whole if we are going to start with a committee which is going to be seen to be far from impartial. If we are going to start with a committee that is going to have to cope with sectional interests and divisions within themselves, it seems to us that it is far better not to have licensing or any control of any description than to attempt to carry out a system of licensing using a committee that is certainly seen by me, and will undoubtedly be seen by many others, as biased from the beginning. It is most important that if the Government is operating in good faith it should work towards making this good faith obvious to all, and it is not obvious to this side of the House.

MR SPEAKER:

If there are no other contributions I will ask the mover to...

HON CHIEF MINISTER:

I was going to wait until I had heard the other member of the Select Committee in case there was something new to say, Mr Speaker, but in view of the fact that the two speakers who have already taken the floor on the other side have said very much the same thing, I think I can well anticipate very few new arguments.

I would like to make a few remarks to put matters in their proper perspective, because I think, with the greatest respect, that the Honourable Members opposite have made a great mistake in this matter. I think there are two very important aspects of this which I think are responsible for the attitude taken by the Opposition. In the first place because in particular the Leader of the Opposition still lives under the delusion that he is in Government, still lives under delusion that with his minority he can govern the majority and this is why he says "we are not going to have a law with our consent and have the people put there by the Government, and that the Government is going to exercise its majority." That is precisely what we are doing here all the time, exercising the right of the majority as decided on the 23rd of June, and this delusion comes up

all the time. You hear Members opposite saying, "the Leader of the Opposition," referring to me. They are still living in the glorious days, pre 23rd June, they have not lost that delusion yet. The defeat was so sudden, all the meals ready to celebrate got cold, and they still have not realised that they are in the Opposition. I hope that they will continue to do that because if it helps them to live in a world of delusion, goodluck to them. We are governing.

The other great mistake is that they have messed up, if I may say so, mixed up in their deluded minds the question of the Ordinance now and what may come out from the Select Committee. This is the position which I would particularly commend to Honourable Members opposite in the Select Committee. By all means if it is thought that there has been, within the law as I shall explain. We may disagree, but at least let us think that we act honourably on both sides and we feel that we do what is best. I think the great mistake is that they are mixing up the work of the Select Committee, what will come out of the Select Committee for the future, including if they want amendments to the composition of the Licensing Authority, including that. Instead of amending that for the future, they want to govern this order, by this law under the Select Committee which was appointed subsequent to the passing of the law. This is a very great mistake and no government can possibly allow itself to be governed by the Opposition in this way.

I may be very poor, Mr Devincenzi, but I know a little more than you do about this or about anything else that comes to this House, so will you please keep your mouth shut.

MR SPEAKER:

Order

HON CHIEF MINISTER:

Keep your mouth shut.

MR SPEAKER:

Order

HON CHIEF MINISTER:

When you learn to read properly without using your fingers...

MR SPEAKER:

Order. Will the Chief Minister give way. Order. Will the Chief Minister please give way.

I occasionally have to say this and I am pleased to be able to say, not as often as I used to before. The person holding the floor has got the right to be heard uninterruptedly. That is the rule that I always apply very severely

in this House from the very start and on which I will not allow any relaxation. So I will ask Members not to either barrack or to interfere with the Speaker once he is pursuing his speech.

HON CHIEF MINISTER:

Thank you Mr Speaker.

I was saying that the great difference is that the Select Committee is entrusted to suggest amendments to the law, but this is the law now, and the appointments made were made under the law as it stands. If the law has to continue, it has to continue as it stands now, and the committee appointed under the powers of the law as it stands now.

It is all very well to say that the Chairman would not listen. The Chairman's terms of reference in the Select Committee were limited. As I understand it, it was suggested that perhaps the Leader of the Opposition might take up with me the question of the appointments but no such approach has been done. Now, a lot of reference has been made to the independence and the unbias and so on. In a small community there are always conflicting interests and there is always the matter of people having to put themselves in a situation of honour. It happens with the Justice of the Peace and if we go by the mood suggested by the other side one could say that it was very unfair that a Justice of the Peace should be judging a trader if he is a trader himself, or had something like that, because the word was used. They are going to be biased. This is a very serious allegation. They may say that they may inevitably be biased because of this or ther other, but to say that they are going to be biased when they are put in a committee, to me, is a very tall order because everybody may well be biased, but you cannot presume that a person is going to be biased and putan objection against it on that. Under the terms of the Ordinance there is no question of independence, and so on, it doesn't say that. Honourable Members opposite should read the Ordinance, it says: There is hereby established a Trade Licensing Committee, hereinafter referred to as "the committee", which shall consist of the Financial and Development Secretary, who shall be the Chairman, and six other members appointed by the Government, two of whom shall be appointed in consultation with the Chamber and two on the Trades Council." In the course of the debate the Honourable Major Peliza raised the question of the Consumer Association, and I said then that I did not think it would be proper to put that into the law because, as far as I understood it and, I say this not in any way to give offence to people who are doing a good job of work, they are self appointed and they are nota recognised body which has been appointed by a general meeting. They are self appointed people doing very good work and I gave an undertaking that there would certainly be a representative of consumers. I said that and that is precisely why one of the gentlemen appointed was so appointed. Certainly this was the intention and I will show on the evidence that that was the whole purpose

and intentions throughout. The Trade Licensing Ordinance as I saw it then was a difficult Ordinance and I felt very much, and for this I assume full responsibility, that to have a representative of consumers, you would have to have a representative of consumers with an element of experience in this matter. A representative of consumers with experience and it is for that reason that the Consumer Association were written to. I will talk about the delay in appointing the committee at the subsequent time, but the Consumer Association was written to on the 9th of March and they were told: "I have been directed to inform you that it is proposed to appoint Mr John Cardona to be a member of the above mentioned committee - that is the Trade Licensing Committee - as a representative of consumers. I should be grateful if you would obtain this consent to this apointment." This was written to the Consumer Association because I think he was one of the initiators of the Consumer Association. I said it had to be somebody with experience in this because it was a very difficult committee and this is what happened

After a long time on the 6th of April, which is nearly a month later, the Consumer Association said: "After reading your letter of the 9th of March, I was instructed by my Association to find out the terms of reference , powers, etc of the Trade Licensing Committee". This was clarified by telephone. Then they refer to the composition of the two independants and they said "Mr John Cardona being one of the two independants, if this is the case we fail to understand why you should involve us in obtaining the consent of Mr John Cardona's appointment which is of an independent personal character." First of all the law does not say that they are independant, they themselves said it, and a letter was written to in reply very quickly after. After setting out correctly the composition according to the law the letter continued: "Mr John Cardona's nomination was put forward because he has been a pioneer of consumer opinion and is also a prominent member of your committee, I should be grateful for your early reply". 13th of April and it was not until the 27th of April that they said: "Thank you for your letter" etc etc "from this is clear thatno nomination isintended to be made in consultation with the Consumer Association. It is clear that Mr Cardona's appointment will be on a personal basis and we wish to record the protest" and so on. "Will have a direct bearing on consumers, we must again emphasise that should Government require representatives to serve on the Trade Licensing we are willing to nominate a personof our own choice". Well, that is not what they have done with the Port Advisory Committee. I did not undertake and, you can look at Hansards, I did not undertake to appoint a representative of the Consumer Association at the time the matter was before the House, I undertook to appoint a representative of consumers and that is what we have done and there is no question about it.

With regard to the other appointment - I am saying this for satisfaction not because it has any bearing, because the law must continue, the law will I hope pass in order that the law remains in force - but I wish just to give this explanation because I believe Honourable Members opposite have been completely misled in their own minds as to the attitude they have taken in this matter. The other appointment was not on the basis of a representative of the Chamber of Commerce, and Members opposite may believe it or may not believe it, but it was because there was another aspect in my mind which I thought was relevant in considering applications and that was the question of the occupation of premises. I felt that a person who is a Valuation Officer who is giving evidence every day in court cases of this nature would be a helpful addition to the Committee. I do not expect Members opposite to approve all the appointments, no more than I approved of the appointment that they used to make when they were in office. That wasn't in my province and, therefore, I did not do anything because I could do nothing about it. This is the function of Government and this is what Government has done. If Honourable Members opposite think that the composition of the committee should be spelt out in a different way for the future - the Licensing Committee and make more safeguards, and give them more time to consider all aspects of the matter than the time when we had to rush this rather, I entirely agree with the Leader of the Opposition, unsatisfactory legislation. To do that I can only say here that I would not find myself completely committed, or committed in any way, on the new Ordinance. Therefore, I wouldkeep a completely open mind as to the future in respect of that and I would certainly not try to over-rule any majority deficient taken in the Select Committee regarding the composition of the Trade Licensing Ordinance for the future. That I am quite happy to give, but that has no bearing, and no Government could accept the situation whereby a law would be passed, with the consent of the Opposition, upon condition that certain people should be removed from a committee which had been properly appointed. It would be most unfair on those people who were prepared to serve in the committee and it would be a derogation of the Government function. It was, I think, my predecessor, my one and only predecessor, who used to say that the function of Government was to govern and that is what we propose to do.

HON MAJOR PELIZA:

Mr Speaker, I think that if the Honourable and Learned the Chief Minister had started with less of a temper and a less excited mind he would have been in a much more cool position to give more logical answers to the questions raised by the Opposition. Unfortunately he was very excited and I think his arguments from that very moment show it right through, making irrelevant accusations about, first of all, the attitude my Honourable friend the Leader of the Opposition in this debate andother debates, which I thought was completely irrelevant, and also the insinuations that we were being personal in disputing the composition of the committee. I think that we are discussing a very important piece of

legislation because it has been from time immemorial the right of any Gibraltarian to trade freely in his land. For the first time this is not going to be so, and a decision is going to be taken, unfortunately, perhaps there is no other way so far, by one committee. The composition, of that committee therefore is vital, it is absolutely vital. If we hear undertakings being given in this House by the Chief Minister as to the composition of the committee itself, not literally spelling out the Associations that would nominate members, he gave an undertaking that they would be, more or less, nominated by those - well the fact that the Consumer Association was written to proves that his intention was to have a member of the Consumer Association appointed by the Consumer Association. What was the point, therefore, of writing to the Consumers Association if this was not going to be the case. That, therefore, was the spirit in which the Opposition accepted the point when we were discussing this matter. Nothing to do with the honour to be individuals. I think that no one has any doubts about any individual member serving in that committee appointed by the Chief Minister: no question about it, that is not in dispute. The important thing is that the

composition of the Committee must be of a nature that will serve its purpose and appear to be serving its purpose. At the moment this is not so, no one in Gibraltar will have any faith on the findings of that committee, which is after all a quasi-judicial committee. That being the case, therefore, and this undertaking having been broken even before the deliberations of the Select Committee came to a conclusion, it does place the position of this side of the House inevitably to oppose an extension of a law which clearly is depriving rights of individuals in Gibraltar which they enjoyed before the law was passed. This situation cannot be accepted, and any further undertaking, from the Chief Minister on this particular law, obviously, cannot be accepted by the Opposition when they already been broken. I would say to the Chief Minister that the answer now is to scrap the law, let it lapse and come back with a new piece of legislation. He can meet the Leader of the Opposition and start discussing once more how the composition of this very important committee can be established. I think it has gone beyond the point where this can go back to a Select Committee. Clearly it cannot. Again, when we are saying this, we are in no way suggesting that the Chief Minister had any personal intentions of biasing the committee one way or another, or that the committee itself will be biased by the individuals that have been appointed to it. That is not the point again. There might have been an error of judgement on his part; he says he has done it in good faith. We accept that, perhaps, he did it in good faith, but whether it was done in good faith or whether it wasn't done in good faith, the fact remains that it does not appear to be an unbiased committee to serve that purpose and this/our big objection, and I say the 'big' because the Ordinance is not so important, what is important is the committee and this is why the committee has been the only point of discussion here today. This is why itseems that the Opposition were personal when in fact we were being absolutely impersonal. The individual was not in any way in question, it was the functions of the individuals in our society as members of other Associations or in their own professional capacity, that was all. Whether there was a balance in the committee or whether the committee was inbalanced. And since I will repeat this again because there is really no point in belabouring the argument any more - and since unfortunately this does not appear to be what was agreed here when the Ordinace was passed, the Opposition have no alternative but to vote against it.

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HON P J ISOLA

I have more or less been invited to say something on this. I should explain that having had two speakers on this side of the House putting the Oppositon case absolutely clearly before the Chief Minister spoke, I believe -Ido not think, and we have been told time and again that the Goverment doesn't welcome a whole line of people speaking in line, and we also dont like to speak one after another without heaking some answer from somebody on the Government side, to the points that have been raised. The points that have been raised have been points of substance and the Opposition, there is no question about it, have taken this step as a matter of great principle, in so far as this Ordinace is concerened.

Mr Speaker, Sir, the Select Committee on Trade Licensing, as has been said, has been sitting now for, I think it is, four months and has been meeting fairly regularly, and to a certain extent discussions were going well. I think the House, I may put it that way, was not dividing within the Select Committe, on the familiar lines that it divides in this chamber, and this shows that there was discussion and so forth. The question of the appointment of the Liecensing Committee arose within the Select Committee because we in the Select Committee are anxious to know how the law would carry on and how it is being applied. And it came to our notice that of course in actual proof and in fact the law was not being applied at all, and it was only after a meeting of the committee on the 30th of April, I think it was, let me get my dates right. I think it was after a meeting of the 26th of April of the Select Committee of the 30th, I am not sure which, at one of these meetings, the committee asked for somebody to come along from the Government Secretariat, from the Department, I think it was going to be the Hon Financial and Development Secretary, to explain the reasons as to why the Trade Licensing Committee had not yet been appointed on the day before the committee met to receive such an explanation, the Trade Licensing Committee was appointed. A day or two before. This is factually correct, Mr Speaker, the Committee was appointed on the 2nd of May. Yes, that is so, at the meeting of the 30th of April I am obliged to for the Chief Minister for that on the 30th of April the committee agreed that somebody should come along at the next meeting of the committee which was to be on the 8th of May, to get an explanation and in between these two meetings the Trade Licensing Committee was appointed & nobody came from the Government Secretariat to explain to the Select Committee, the reasons why the Trade Licensing Committee had not been appointed, even though the Ordinance had been in force for over four months. And it was when the composition of the Licensing Committee was discussed in the Select Committee that the trouble began Mr Speaker. It is a matter of great regret for this side of the House, that we were not able to obtain from the Chairman of the Select Committee who happens to be the mover of this Bill, and in fact the person responsible for the passage of the Bill, we were not able to get an explanation as to the reason of the composition. . .

MR SPEAKER:

You must not make a report as to what has been happening in the Select Committee.

HON P. J. ISOLA:

Mr Speaker I am very sorry, but I would like to put quite clearly the events that have led the Opposition to oppose the extension of the Bill. Another matter that concerns us on this point, Mr Speaker, and that surprised us is that, of course, the Governor as far as the Constitution is concerned, as I understand the position, the Governor, in so far as defined domestic matter are concerned, the Governor is the responsible Minister and under the Trade Licensing Ordinance, Section 23, it is the Governor who appoints the members to the committee. If the Governor is the Minister the responsible minister it should have been my friend the Minister for Trade who made the appointments. We were very suprised that he did not know why they had been made, in the Select Committee, and he still has not told us and I hope in reply will tell us why he didn't make them. And if he did not make them and it was the Governor who made them. . . .

MR SPEAKER:

Mr Isola I must stop you, you are departing completely and utterly from the point at issue. The composition of the committee is relevant to the objective principle to the extension of the Ordinance and nothing else.

HON P.J. ISOLA:

Mr Speaker, the point I am trying to make out, that I want to explain is that because the Committee nominations have not been satisfactorily explained, and this goes to the root of the whole thing in the Select Committee or in this House, because in our view - the 6 are subsidiary matters, in my view anyone - the Ordinance lapsing at this stage will not damage the interests that the Trade Licensing Ordinance seeks to protect because in actual fact, the Trade Licensing Committee has not even met and the Ordinance is about to expire because we know that the way the particular ordinance was drafted and finalised in this House is such that it would take not five months but twenty four months before all the licence applications can be processed in the manner envisaged by this Ordinance. It is because of these things that we know that no practical harm will come from allowing the Ordinance to lapse and will allow the Select Committee to work on a more congenial basis, that we feel ourselves able to vote against the continuation of this bill to mark our very great protest and dissatisfaction with the interpretation that the Government has given to section 23 of the Ordinance.

Mr Speaker, the Honourable and Learned the Chief Minister, in addressing the House said: " you are going to talk about justices they are men of honour and you didn't say they are biased." Well, if the Honourable and Learned Chief Minister will cast his mind back precisely to the Committee stage of this trade Licensing Ordinance when the Government proposed that appeals and the Licensing Committee should be to the Licensing Justices and precisely that point was taken in the House and precisely that point was accepted by the Government. An amendment was accepted which made the appeal to the Stipendiary Magistrate and that was accepted by the Government. It is precisely because in the field of trade it so happens, because life is like that in Gibraltar and in many other countries, that one must be very careful in who you choose to judge in these cases because ofthe vested interests involved.

Mr Speaker, you would not obviously pick a lawyer to be in the Licensing Committee; you would not pick an Estate Agent to be in the Licensing Committee; you would not pick a Broker to be in the Licensing Committee, because these are precisely the sectors of the professional community that are intimately connected and have vested interests in the working of the Ordinance. This to me is obvious. But, Mr Speaker, on this particular section what was envisaged in this House, and what was accepted by the Government and the Opposition, was that there were two clear interests that had to have representation in the Trade Licensing Committee. And these two clear interests were the employer and the employee the Trade and the Trade Union and therefore specific provision was made to ensure adequate representations to the Chamber by two members, and to ensure adequate representations to the Chamber of Commerce by two members. And to ensure adequte representations to the Gibraltar Trades Council, by two persons And what was then said in this House was that we should also have somebody representative of the interests of consumers.

The Chief Minister was right when he said it was not expected that the Consumers Association would have the right to nominate, this is true, but it was accepted that it would be somebody representative of the interest of consumers. And it was accepted that there should be another person who should as far as possible be independent.

Mr Speaker, this was done, I think, in good faith by both sides of the House and accepted. Straight away one nomination had to fall to the ground because he is one of the four office bearers of the Chamber of Commerce. They have appointed two of them, I think it is the Secretary and the President, and now the Treasurer come on. Now can that be a fulfilment of the undertaking given by that side of the House on a matter which was discussed in this House. We even took a leaf by the Justices, as the people to appeal to, and put in the Stipendiary Magistrate. How can the Government possibly accept that the Opposition believes that they are acting in good faith when they are appointing a third officer of the Chamber of Commerce contrary to the principle of Section 23 and contrary to the Principles that were accepted in this House by the Government and the Opposition after many hours of argument. That by itself, Mr Speaker, argues that we cannot support a continuation of an Ordinance which we know anyway, is not being activated / which we know from what we have received in evidence and I am sure the Minister for Trade can confirm when he is replying, will take more than five months to process applications and it is a long thing. The other person that was appointed, Mr Speaker, in my mind, could not be justified unless he had, if he was going to be the representative of the consumers, unless he had at least the active support of the Consumers Association, which is an Association that is set up which is generally recognised to be representing consumers. The reason why I say this particular person/could not be accepted is that he is identified very much as a member of the Integration with Britain Party; an election agent for the Integration With Britain Party. Anybody looking at the Committee would say "Oh! that chap is the Integration Party nomination." So, unless his appointment could be justified with backing of an association representative of the consumers, I don't believe again that that would produce the sort of independent minded person that both sides of the House thought should be the two that holdthe balance between the Union and the Chamber of Commerce.

Mr Speaker, the Government can say what they like about the Opposition, the Government can give any assurance that they like in the matter, but this particular appointment, this particular composition of the Trade Licensing Committee is so blatantly opposed, so against the spirit of the discussions that were held in this House, by both sides of the House, that the Opposition cannot be a party to carrying on an Ordinance which is obviously not going to be put into effect in the way that was it intended by both sides of the House that it should be put

into effect and it seems to me that if an Ordinance of this nature, which was brought to this House, committed to a Select Committee precisely because the Government wanted to carry the Opposition with them, wanted to get something which was generally good for Gibralar, it is a matter for very sad regret for the Opposition that we have to oppose continuation because of a breach of that spirit for cooperation which the Government professed to have when they pushed this Bill into law in December, 1972, and obviously the opposition will certainly have to consider, as I have just been reminded our own position in the Select Committee if this law is continued as at present set up, having regard to the fact that we do not really consider it to be necessary in the interest of Gibraltar or of Trade.

HON MR FEATHERSTONE:

Sir, out of all that I have heard from the other side only one small point has impressed me, when we are thinking of the Bill we are attemtpting to pass here today. That was by the Honourable Major Peliza when he said "before, Gibraltarians could trade and there were no restrictions whatsoever, and now, whether it is a good thing or not, there are restrictions on it". Before, Sir, we had the Trade Restriction Ordinance and under this of course Gibraltarians had full rights to do anything they wished in trade and non Gibraltarians did not have those rights. Now, Sir, when we went into Europe we could not of course continue to give that absolute privilege to the Gibraltarians, we had to at least widen it to our brothers in Europe. This was the idea of the Trade Licensing Ordinance. We admitted at the time that this was perhaps not the best Ordinance and we were quite happy to have a Select Committee to look into it and to improve it. As has been said, Sir, there was not enough time up to May the 31st to get all the work that was necessary to be done, So we are left with two alternatives, Sir. We can, as the Honourable Mr Peter Isola has said, I think, let the Bill lapse, therefore the Opposition wouldbe a party for a free for all. No protection to any Gibraltarian, any European nationals: a free for anybody, because if you let it lapse there is nothing. Or we could continue with this Bill, which admittedly so, is not the best of Bills: let it run for another six months. It has run for five months; nobody has had any great disadvantage in the last six months, Sir, surely there is not going to be all this tremendous change that, even if it did take place could not be put right with a new Bill. Let us continue with the present Bill. Perhaps it is not as good as it should be but it is at least something and through the efforts, I am sure, the good efforts of the two Opposition Members on the Select Committee who I must admit have been working very well with the Government Members, we can then produce a first class Bill. And if in producing that Bill we say we dont like a Trade Licensing Committee made under these terms, fair enough, in the new Bill we can put chapter and verse how it will be done. But we are not here, I am sure, at this moment when we are asking, can we continue this Bill for six months? to go into long deliberations on each and every clause of the Bill we have already passed.

Otherwise we might as well take any single thing and say "Oh! we cannot accept that Bill because there it says that you have got to give three months notice and we do not agree to the three months, and, therefore, we cannot agree to its prolongation." This is really Sir, the Opposition wasting the House's time to, as I would say in Spanish, "sacar la espina," to try and get their oor in on something which they do not like but which is in my opinion completely irrelevant to the Bill we are passing now. What we are asking, Sir, is to continue with at least some measure of protection for European nationals rather than to have nothing in its place, a complete free for all, in which some things might occur which afterwards could not be put right at all.

HON J CARUANA:

Mr Speaker, one can appreciate what the Honourable Minister for Education had to say a moment ago if it was not for the fact that in the first instance the point in question is not one of whether the Government has the majority in this issue or not, it is not a policy matter which we are deciding at this stage. It is something that concerns the livelihood of many people in Gibraltar, and this is what is being discussed. So, therefore for the Chief Minister and Members of the Government to bring out that the Government is here to govern and leave it at that, I think, is the height of imposition. I think I can remember the Chief Minister himself being as adamant and as sure on the second reading of the Income Tax Bill. I wonder if he is so sure now.

HON CHIEF MINISTER:

Yes.

HON J CARUANA:

I am glad to hear it.

Apart from all the reasons given by this side of the House for opposing an extension of the Bill, I think no more legitimate reason can be given than the fact that for the last five months the whole question of Trade Licences, and the law which governs the licences, had been made a mockery of. People do not know where they stand; people are not even bothering to apply for a licence; people are changing businesses at this moment, buying businesses at this moment and Members on the Opposite side are very much aware that this is going/on at the moment. They are also aware that they have had hundreds of applications standing in files in trays, waiting to be sorted out. Therefore, one has to consider whether the whole machinery set up to process these licences is going to be a machinery beneficial to Gibraltar. Here is the only relevant point raised by the Honourable Minister for Education, and that is in respect of the Trade Restriction Ordinance. Perhaps this is what should come out of the Select Committee, but I am not going to discuss what are the merits of the Trade Restriction Ordinance, or the variation of the Trade Restriction Ordinance which will protect the EEC countries. But the fact is that

the law as it stands today is not enforceable, it is not being enforced, it is not possible to enforce it at this stage, it will not be possible to enforce it within the next six months, so, therefore there is absolutely no need at this stage to prolong the existing Ordinance. If necessary let the Government bring an amendment to the existing Trade Restriction Ordinance quickly to the House precisely to protect European Common Market members. Only for that reason, not the whole rigmarole, the whole falacy, the falseness of Gibraltarians and people who have been residing in Gibraltar who are British subjects and of other nationalities, within the Common Market who thismoment are being put in a position of uncertainty as to their business trend in the immediate future. Mr Speaker, it is for that reason only that I personally, apart from all the arguments given on the composition of the Committee on which I do not wish to deal with, except on one minor point, and that is the point raised: "Why, should the Consumer Association be consulted on the appointment of an independant consumer." And the Members opposite said: "Well, why should they be consulted." Well it is very simple, Mr Speaker, because precisely in this instance the pioneer and one of the principal persons responsible for starting the Consumer Association, and he did a very good job and I am sure he still feels for the consumer, although technically a consumer in substance has become in the trade business a supplier of trade, so it contradicts the whole principle of what the Chief Minister is trying to justify. Therefore, I am only bringing this in because it is completely inconsistent with the argument put by the Chief Minister. But we know the way the Government works and we know that the Government are going to get their way. This we accept. They have to get their way becasue they have the majority, but my goodness, Mr Speaker, it is going very much contrary to the grain of this House and to all democratic principles in Gibraltar.

HON J B DEVINCENZI

Mr Speaker, I rise not to answer anything which has been said opposite for the simple reason that nothing has been said so far. An additional reason is, Mr Speaker, that I know the Honourable and Learned the Chief Minister loves to hear me.

Mr Speaker, I wouldn't like to apologise to you if I did jump the gun before, but I do have a very good master opposite.

Mr Speaker, I think the Honourable and Gallant Major Bob Peliza did say that he was not for the moment insinuating that there were any bad motives, or malice, in the composition of this Committe, especially the two appointments that we have been talking about. Mr Speaker, I will say in all sincerity that I for one think there has been some political maneouvering in these appointments. I do say that there has been some political maneouvering and I repeat that, that is.....

MR SPEAKER:

That is not at all relevant to the Question. The composition of the committee may be relevant in so far as the attitude to be taken by the Opposition to vote for the continuation of the Ordinance. The motivations for the appointment are not at all relevant.

HON L DEVINZENCI:

Mr Speaker, if necessary, I will withdraw the words but the thoughts are there. Mr Speaker, I would ask the mover of this Bill, when he stands up to speak, to say whether he can truly say that even if there has not been any malice whatsoever, and no advantages are meant to be de rived from this, whether he can honestly say that to the general public whether it can really be said that to no one would it appear that this Committee is as impartial as it is supposed to be. The appointments, because of the very nature of these two gentlemen, as has been expounded by my colleagues here, in a small place like Gibraltar is bound to give ideas to many, many people that these two appointments are bound to give considerable weight to those members of the Chamber of Commerce as distinct from those of the Trade Council. And I would ask the mover to say whether it is not true that in the minds of the general public this is bound to appear so. Finally, Mr Speaker although the Government are bound because of their majority, to win this one, I doubt very much whether the two members who have been now enrolled might not consider resigning from the Select Committee. It is their option.

MR SPEAKER:

I now call on the mover, if there are no other contributors.

HON A W SERFATY:

Mr Speaker, yesterday I said that I was a Chartered Engineer and I think a couple of other things, but I am certainly not a clairvoyant, so I really cannot say what the people will think of the composition of this committee, and I'll tell the House what I think of this committee and I think it is a perfectly honest to goodness committee. I have had a lot of trouble, as the House only too well know, with our efforts to get a Port Advisory Committee going, and in my capacity as Minister for Trade with the Price Control Committee. Honestly, I am beginning to get sick and tired of this so much balancing, honestly, and I think that the Opposition are getting infected with this same kind of disease. Of division, of a Committee dividing into two parts. Here we have two representati es of the Chamber of Commerce, two representatives of the Gibraltar Trades Council, and two gentlemen, a businessman, if you like, and employee of a business, a broker if you like. What is wrong with this? And let me tell you one thing, I certainly do not agree with what the Honourable Leader of the Opposition said that the composition of the Trade Licensing Committee is vital to the work of the Select Committee. I really, honestly, do not think so. We have been given a job in the Select Committee of looking at this Trade Licensing Ordinance.

HON M. XIBERRAS:

Sir, the Honourable Minister will give way, what I said was that the composition of the committee was crucial to the Ordinance, the spirits in which the Government had approached the nomination in the committee was vital to the future of the Select Committee. They are two different things.

HON AW SERFATY:

Well, he may have said, and I do not doubt his word, that it was vital to the Ordinance, but we in the Select Committee are busy trying to look for another Ordinance, so we are really not/worried at what is going to happen to the Ordinance that /too we want to repeal. I would have liked, and much as I thank both the Honourable Mr Bossano and the Honourable Mr Peter Isola have done a good job of the Select Committee. Now apparently they are trying to say that they will not carry on with their good work for Gibraltar. This is up to them and I hope they will think very carefully what they do in the Select Committee.

I said in the Select Committee that this question of the composition of the Trade Licensing Committee was not in the terms of reference, and I maintain it is not. I said that what the Committee should do is to look at Section 23 of the Ordinance, and see whether we can suggest a better composition of the Trade Licensing Committee, if we are going to have one. But to suddenly stop, as has virtually happened, the work of the Select Committee because of this question of the composition of the Trade Licence Committee, I think, is most unfair to the House.

I do hope that these gentlemen will carry on their work in the Select Committee because there is a lot of work to do. I said when the Bill was passed that I did not like it and I was the prime mover behind it. None of us liked the Bill, likedthe present Ordinance, but what I think would be fatal is to allow this Ordinance to lapse without something taking its place and I am sure the two Members of the Select Committee opposite, in their heart of hearts, feel that it would be absolutely silly to allow the Ordinance to lapse without something taking its place otherwise we would have nothing.

We have done away with the Trade Restriction Ordinance, they want to do away with the Trade Licensing Ordinance, so we might as well go home. We on this side of the House

believe that the people of Gibraltar, including the Trader, need the protection which we are committed to give and which we shall give today.

Mr Speaker then put the question and the following Honourable Members voted in favour:

The Government:

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 T. Abecasis
The Hon Lt. Col. J. L. Hoare
The Hon H. J. Zammit
The Hon J. R. Havers
The Hon A. Mackay

The following Honourable Members voted against:

The Opposition:

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

The Motion was accordingly carried.

The Bill was read a second time.

The Hon A. W. Serfaty moved that the Committee Stage and Third Reading of the Bill be taken at another day of this meeting.

The Honourable the Attorney General moved that the House should resolve itself into Committee to consider the following Bills clause by clause:

The European Communities (Enforcement of Community Judgements) Bill, 1973,
The Miscellaneous Amendments 1973,
The Employment Injuries Insurance (Amendment) Bill 1973,
The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment), (No2) Bill, 1973,
The Social Insurance (Amendment) Bill, 1973,
The Group Practice Medical Scheme Bill, 1973,
The Income Tax (Amendment) Bill, 1973, and
The Trade Licensing (Amendment) Bill, 1973.

HOUSE IN COMMITTEE

HON M. XIBERRAS:

Since we have reached this stage in the proceedings I was wondering what the arrangements were with regards to tea, and more important perhaps, until what time we are going to sit today. It does seem to me that the time during which the House sits, does not sit, ceases

to sit, are getting increasingly unpredictable. It has moved in a spirit of compromise of 6.30, or afternoons one day, mornings the next, or the other way round, and now, Sir, we are. . .

MR SPEAKER:

The point has been made and perhaps I could say a few words. . .

HON M. XIBERRAS:

Not only about that Sir but, could I just finish this one. And that is now we being unpredictable as to the time we finish. We don't know really ifwe are going to be here until 8.30, 3 o'clock in the morning, or 6.15.

MR SPEAKER:

I think the point has been made, and in answer may I say that the only sufferers, in so far as tea is concerned, are Mr Clerk and Mr Speaker! Tea is provided for Members, who I am sure will find the time and the opportunity to come in and out. In so far as the sittings of the House is concerned, I have established the fact from the very start since I became Speaker to seek the pleasure of the Chief Minister as to his intention, I then propose a recess according to his wishes and if the recess is objected to then of course it is up to the House to move what they wish to do. I don't think I am giving any secrets away when I say that in so far as the Chief Minister's wishes

is concerned it is his intention to sit today until round about 6.30, at which time I intended to recess the House, unless other matters arise. I have an indication that this will be the order of the day for this present sitting at least. I hope I have put the position clear.

HON M KIBERRAS:

The Chief Minister intends to stop today at 6.15 at 6.30 and then go on tomorrow again at 10.30, 10. 30 in the morning, and there will be no break for tea now.

MR SPEAKER

I thought that it was unfair on the House, if we were going to sit until 6.30, to recess for half-an-hour because it will be half an hour less of work and, therefore, I did consult, in fairness to Mr Clerk as to whether his stamina was the same as mine, and it seems to be, so we will sit without recessing for tea. As I say facilities have been made so that Members can have their tea in the meantime.

HON M KIBERRAS:

Sir, I appreciate entirely, I am very much aware of the position that both yourself, Sir, in your chair, and the Clerk of the House in his. What concerns me more is the way in which the pattern of this House works. It is being altered from meeting to meeting. . . .

MR SPEAKER

Now, we mustn't. May I say this. We will not, under any circumstances, have a debate on this one, we mustn't. I will make it very clear, because I have done so all alone. The prerogatives of when the House sits is exclusively that of the Chief Minister, to the extent that he has got the majority in the House and he can move the sitting of the House. This has been so all along. The Opposition of course have got the right to protest and to air their feelings in the matter. The Speaker is the servant of the House, and I will sit according to the wishes of the House which must be expressed by the majority.

HON M KIBERRAS:

Sir, I am only too aware that this is a matter for the Chief Minister, but my suggestion is a simple one. Could we break perhapsfor 20 minutes, half an hour, for tea at this particular point ?

HON CHIEF MINISTER

I am not prepared to sit later than 6.30.

MR SPEAKER

If that is so, it is not at the expense, in other words, we can recess without prejudice to the position in any manner or form. But as I say it is again the Chief Minister's right to express his views and I will not take a decision on a recess now in the circumstances until I have heard what the Chief Minister has to say.

HON CHIEF MINISTER

Well, I think, Mr Speaker, it is a matter of relative privileges in this House. Honourable Members Opposite have the privilege to put as manyquestions as they like, and we have to work through it and the Civil Service and so on in order to deal with them in the time available. Theychose to put motions and so on. That is their privileges we are happy to deal with them it is also the privilege of the Leader of the House to see that the business is dealt with as expeditiously as possible and I cannot see how we could do that with this knid of agenda, and this kind of proliferation of speeches by meeting at 6 o'clock in the evening until a reasonable time. We are not prepared to have marathon meetings until 1 o'clock in the morning as before, I said many times. The pattern, I hope, is quite clear, but so long as the agenda is a big one we shall be sitting from 10.30 to 1 and from 3 to 6.30 (cries of shame)

MR SPEAKER

Order. Will the Chief Minister express a view on the question of having a short recess now.

HON CHIEF MINISTER

I don't mind. If we are going to finish at 6.3 I shall be happy.

MR SPEAKER

Then we will recess until approximately 5.?0.
The House recessed at

The European Community (Enforcemnt of Community Judgemnt) Bill, 1973.

Clauses 1 to 6 were agreed to and stood part of the Bill.
The long Title was agreed to and stood part of the Bill.

The Miscellaneous Amendments Bill, 1973.
Clauses 1 to 6 were agreed to and stood part of the Bill.
The long Title was agreed to and stood part of the Bill.

The Employment Injuries Insurance (Amendment) Bill, 1973

Clauses 1 to 15 were agreed to and stood part of the question.

CLAUSE 16

HON J BOSSANO

Sir, in respect of the Second Schedule

MR SPEAKER

We are not talking about the Schedules yet.....I beg your pardon, clause 16 amends the Schedule

HON J BOSSANO:

I raised this matter earlier, Mr Speaker, in the Second Reading of this Bill, and I think that it is possible that the Honourable Minister for Labour and Social Security thought I was referring to the question of Disablement Pensions, which comes in the Fourth Schedule, Section 8, rather than here. I was thinking, of this, the Injuries Benefit because, although it is relevant in the case of Disablement Pension to recognise that the Disablement Pensions is intended primarily to maintain the earning capacity of the individual who is suffering from the effect of an industrial accident, that is a person may have a job in which he is earning a certain amount of money and as a result of the disability which remains after he has recovered from industrial injury, he has to take a different job where he may be earning less money that he was earning before. I think that the Disablement Pension is intended to compensate him for this loss in earning capacity which will remain for the rest of his life.

Now, the rates of Disablement Pension are in fact at the top level of £5.60 and is the same as the rate of Injury Benefit. But the point is, of course, that in the case of Injuries Benefit it is a limited benefit which is available for 182 days, and during these 182 days the individual who is in receipt of the Injuries Benefit is not likely to have any other sourcesof income. This is a point that is recognised for example in social insurance in the United Kingdom where we have a much higher level of benefit if the man is incapacitated as a result of industrial injuries, than if he is incapacitated as a result of sickness. And the reason why the rate for Industrial Injuries Benefit is higher is because it is recognised thatif a man is unable to work through an injury that has taken place at his place of work, there is a greater obligation to ensure that he is still able to take home to support his family, something that is close to the pay packet that he was earning at work.

Sir, the sum of 80p a day, or £5.60 a week, which is given here for an adult male plus £1.40 for another dependant, a married man would be getting £7 a week while he is unable to work because he has been injured at his place of employment seems to me to bear no relation to the wage structure that we have in Gibraltar today, where we have got a minimum wage which was originally fixed in the negotiations last October for industrial workers at £14, the Government, as the Honourable Minister for Labour and Social Security pointed earlier, is concerned at the real earning capacity and has shown his concern by bringing forward the 50p increase in the basic wage to the 1st of April. So that it recognises that the original

figure for the £14 in terms of today's purchasing power is insufficient and I think this ought to be recognised as well by this particular Ordinance so that we bring the level of Injuries Benefit, even if we do not want to touch the other benefits, we bring the level of injuries benefit up to a more realistic comparison with the sort of wages a man can earn while he is working and fit. And I think it is important to do this because we have an obligation to people who do work. Generally speaking, the more dangerous the job is, the more unskilled and the lower the wage level. We have particular obligation to low paid workers who are doing dangerous work, in a construction industry for example, which is a case where accidents are very frequent and men are just out of work while they are getting medical treatment and they have to depend on this /low sum withwhich to support themselves. Many of the men in the construction industry have got very high overheads to meet in terms of paying lodgings and so on, and it is very, very difficult to survive on the sort of money that we are giving to worker who are depending on Injuries Benefit. I would have liked this particular point to have been recognised by making the Injuries Benefit higher than the other benefits that are provided for /this Ordinance. I think that to do this would not in fact endanger the stability of the Employment Injuries Fund. The Employment Injuries Fund is not of course in as strong a position to meet increases as the Social Insurance Fund is, but it is at the moment valued at about £150, 000. I think an increase of Injuries Benefit, which is not a long commitment because itis only payable for a limited period, 182 days, would meet an obligation on the part of Governmet to people who are doing dangerous, work where they may be injured, would meet that obligation, the moral obligation, and would not impose a burden that the Fund could not meet, because the limited aspect of the thing means that even if there was an unusual number of applicants in any period, it would not represent a continuing commitment as would, for example, the rates of Disablement Pension or Disablement Gratuity, where, if there was an accident and a number of people had to be paid the same diablement Pension, these pensions would be payable for the rest of the individual lives. This means that the Fund would have a continous drain on it. The Injuries Benefit is payable for a limited period and the object of it is to protect the standard of living of the working man while he is unable to do his job because of an injury at work. I do not think the sum here goes anywhere near providing this sort of protection, I think this is recognised in the Social Welfare Legislation in other countries and particularly it is so in the United Kingdom where the rates of Injuries Benefit is much higher than the rate of Sickness Benefit, Old Age Pension and so on, which are all closely related, and I would have liked the Government to have been cognisant of this particular aspect of Employment of Injuries Insurance, and to have shown it by taking this opportunity where the level of all the rates are going to be upped, by making the increase in Injuries Benefit Higher. I would have thought that the fund could quite easily meet, for example, an additional £1 or £1.40 in respect of adults and a proportionate increase in respect of dependants.

HON A J CANEPA

Sir, thereare two things here. In the same way as we are concerned

to try and get employers to pay reasonable pension to their former employees, we are also concerned to try and bring employers into line in the payment of sick pay and injury payment. What will happen, Sir, as a result of these increased benefits, ironically enough, is that those employers who now pay their employees sick pay ... will benefit from these increasesbecause they will only pay the difference in that case. That is what happens, mainly, with the official employers, they make up the difference to whatever level of basic wage or salary the employee is getting. Sir, in the private sector the problem of course is slightly more difficult, and one has been concerned, and I am glad to say that I have been able to be of assistance to the Transport and General Workers Union and the Master Builders Association, to quote one example, ~~one has been concerned~~ to try and get injury payments and sick pay brought into the private sector as well. This, Sir, is something which we must continue to have uppermost in our minds.

What is interesting also, Sir, to note is that even at the present level of injury benefit, hardly a case arises where an individual claims Supplementry Benefits as a result of need, as a result of being laid off work temporarily. ~~We get very few cases of people applying for Supplementary Benefits.~~ Sir, the maximum that a person who is injured, can get in Injuries Benefit for his family and himself, is £8.12p under the proposed increases. He is till able to apply for Supplementary Benefits. Should he have more than two children, should he have for instance, four children, he could get about £11, I think it is, or £11.50 Supplementary Benefit. In which case he also qualifies, I think, I am not absolutely certain of this, if Supplementary Benefits are made up only, I am not sure to what extent, but I think he does qualify for some relief on rents and of course free medicine.

But it is an ironic situation that apparently need does not seem to exist to the extent that one would expect, judging from what in fact transpires. The other thing, Sir, ~~of course is that a temporarily better off person, wether~~ (STET) is whether ~~a person who is temporarily injured should be better off~~ (STET) than one who is permanently 100% disabled, is another matter which has got to be weighed up and again the two things are relative. That has to be borne in mind as well.

HON J BOSSANO:

I think, Mr Speaker, that the existence of Supplementary Benefits as a safety net to make up for the deficiency in our Social Welfare system is of course a good thing. We would not wish to have a situation where there was no safety net, but it is something that must be well known to the Honourable Minister that the people are very reluctant to make applications in respect of Supplementary Benefits/are in fact administered. There is no information available, as he knows, in his department and people are told that there is an administrative scheme, that they have to fill up a form and make an application, divulge how much money they have got saved up, what they have got and what they have not got, and people are reluctant to make an application for something which is seen by them, by the applicant by the people in need, as being a case of

/particulary because nobody is quite sure how Supplementary Benefits

going to apply for charity. It is an unfortunate thing but it is an undeniable fact, both in Gibraltar and in other places, that the people who are most likely to benefit from Supplementary Benefits do not make use of their rights because they are inhibited by certain notions that one could wish to dispel, but which are not dispelled. This has been found to be so, for example, in the United Kingdom with other attempts at providing welfare payments out of general revenue, where people feel that they are not claiming something as of right. It is for this reason, for example, Mr Speaker, that in respect of the Social Insurance Ordinance we have brought out in the Second Reading of the Bill the position of individuals who are in receipt of pensions already, at lower rates, or people who are over the age of 65 and who will not be able to join the scheme to obtain a pension, the argument has also been used there, that these people, if their need is great, can make use of the Supplementary Benefit Scheme. They can but we know that they do not like doing it and it is our function in this House to reflect what the people want. That is why the people put us here and if people do not like applying for Supplementary Benefits because they feel, that it is something that they do not have the right to because they have to make certain declarations, they have to allow the department to make certain investigation as to their means, and therefore, they feel that it is a handout that they are getting from the State, rather than a right they are demanding, then we have to find ways and means of devising legislation and schemes which overcome these obstacles. What we want to achieve is to provide a minimum standard of living for individuals in our community below which nobody should live. We should have a minimum standard below which it is unacceptable to allow anybody to drop and nobody can say that £8.12 as a maximum, for a married couple and two children in Gibraltar, because the bread winner has had an accident at work and is unable to work, and a sum that in any case is only going to be available for a mere 182 days, is liberal by any extent. Nobody can expect a married couple with two kids to be able to survive on £8.12 in Gibraltar. I think it is most important that in particular in the case of injuries at work where a man is earning his living and exposing himself to risk, that the compensation should be adequate and closely related to the amount of money that he earns while working.

HON M XIBERRAS:

Sir, may I just add for the Minister's consideration, and in support of what the Honourable Mr Bossano has had to say on this, that whereas persons who may be injured at work and go for Supplementary Benefit, would receive as a maximum the entitlement from Supplementary Benefits, Injuries Benefit would accrue to them irrespective of what money, for instance, they had saved up and what money they might get from another source. Although Supplementary Benefit establishes a minimum income from all sources, Injuries Benefit establishes as of right an income because the person has had an accident at work and this income from Injuries Benefit is over and above anything else that he may have earned, quite legitimately from another source including savings. So it is not quite the same thing to say that the man would not go hungry because he can claim Supplementary Benefits, as to say that the law recognises that if you have had an injury at work and you are out of work, then this money comes to you as Injury Benefit for that reason, over and above whatever your wife might be making, whatever your family might be making, and so on.

The other argument which I would put for the consideration of the Minister is that whereas one is aware that good employers in the private sector do give the full whack to a man, a full week's wage when he is injured, other employers do not. And the existence of a suitable Injuries Benefit will encourage the bad employer to give more to his employee who has been injured, whereas with Supplementary Benefits the bad employer will tend to pass on the responsibility to the Department of Labour and Social Security and just let it rest there. So what the injured person can receive from Supplementary Benefits does not encourage good employer practice as much as having adequate level of Injuries Benefit.

The third consideration is the one on public funds. If persons apply for Supplementary Benefits then we are paying them directly out of Government money, if you pay them out of this particular fund then other employee and employers have made a direct contribution to the fund. On these three accounts, plus all other arguments which my Honourable friend has put forward, we would ask the minister to reconsider this particular section with a view to increasing the benefits.

HON A. J. CAMPA:

Sir, I think the points which have been made by the Honourable Members opposite are valid ones. I am prepared to give this matter of Injuries Benefit closer consideration, try to assess exactly the extent of the problem, and perhaps, if it is considered that amendments are required at a later stage, I do not think it would be very difficult to introduce a small Bill in the House. But a point that the Honourable Mr Xiberras did make is one which I would like to develop a little bit further. The level of Injuries Benefit is not entirely intended, and I don't think that any Social Insurance scheme is ever entirely intended to enable a family to stand on its own two feet solely on that. As the Honourable Mr Xiberras said, the breadwinner in the family, the husband maybe, may have suffered injury, and yet there may be other income coming into the family. Now, in that case injury benefit would seem in the nature of supplement. On the other hand in the case of Sypplementary Benefits, it is established that if it is a family of two, as is the casein the Bill being considered, if it is established that they have no other sources of income then they would get, I think, something like £9 a week, which bearing in mind that they would not have to pay rent, they would have free medicine and so on, perhaps they could be considered to be somewhere near the minimum level of subsistence. But that family have no other income. In the case of a family getting Injuries Benefit they mayhave, if they do not have other income, if there is hardship they apply for Supplementary Benefit and the difference is made up to what we may call subsistence level. But as I say I am prepared to look more closely into the question of Injuries Benefit, perhaps try to find out the extent to which as a result of agreements that are being signed in the private sector with good employers, try to assess what is the extent of the problem, how many people are not covered by sick pay as result of injury in the private sector. Try to assess what the problem is and if it is considered to be a serious one perhaps this schedule could be amended later on.

HON M XIBERRAS:

Sir, we are grateful for this attitude from the Minister, I look forward to hearing from him in the future.

Just for the records, Sir, what I was saying was that with Injuries Benefits you are recognising that the man who has been injured at work deserves, for his own sake, a certain amount of money which comes to him irrespective of what the rest of the family is making, whereas with Supplementary Benefits you do take into account the general financial position of the family and you do not recognise that the man is entitled to something near his wage because he has been injured at work. I don't think we disagree on this point at all.

Sir, as regards finding out from the good employers and their contracts whether there is provision for sickness, I would agree the Minister not to look at them but to concentrate rather on the bad employers whom he will find rather more difficult to find. I think that the way to bring these matters to light is to increase the benefit, because the good employer will in any case do his work and recover the money which he pays out to his employees, from the Labour Department. The bad employer will just lie low and say nothing to the employee if the bad employer know that they can recoup a considerable amount of money then he will pay out to his injured employee.

HON J CANEPA:

What I propose to do here is to approach the Transport and General Workers Union. I am sure I will get their full support in investigating exactly what is the extent of the problem Good or bad employers may or may not mislead me, I think the Union can give me the other side of the picture and I will get in touch with them and endeavour to work something out.

HON J BOSSANO:

Mr Speaker, I think one consideration in the level of the benefits is of course that it is easier for an employer to make up the wage packet if the gap that he has to bridge between the amount provided by the insurance and the normal earnings of the man is say £2, rather than £4 or £5.

Clause 16. Was agreed and stood part of the Bill.

Clause 17 and 18 were agreed and stood part of the Bill.

Clause 19

HON M XIBERRAS:

Clause 19 includes the fifth Schedule.

Sir, I hope the Government is in no doubt as to what we had to say, generally, about the level of benefits. We could not possibly have amendments to all the various clauses in this Bill, or indeed in the two other Bills on Insurance before the House. We need a considerable amount of time, a considerable amount of research and a considerable amount of information before we could produce amendments to all these list of figures, and to the consequence of them.

The fact that the Opposition is voting in favour of this particular clause 19 which contains Disablement Gratuity rates, does not in any way run contrary to what we had to say about the general level of benefits in the Second Reading.

Clause 19 was agreed to and stood part of the Bill

Clause 20 was agreed to and stood part of the Bill.

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

The Group Practice Medical Scheme Bill, 1973.

Clause 1

MR SPEAKER:

I think I am in duty bound to say at this stage that we are taking now the Bills, not in the order in which they appear in the order paper. If there are no objections it is perfectly in order to do so, but I must call the attention of the House to that fact. This is a Bill which of course had its Second Reading yesterday, and it is completely in order to be dealt with today.

HON J BOSSANO:

Mr Speaker, the point that I made earlier in respect of the order was the question of taking the Non-Contributory Social Insurance Bill after the Social Insurance Bill.

MR SPEAKER:

But the Non-Contributory Social Insurance Bill cannot be taken today, because it was read for a Second Time today, and there was objection to the Committee Stage and Third Reading being heard. What I am asking is whether it is perfectly in order to take the Group Practice Medical Scheme Bill now.

HON J BOSSANO:

Yes, but I thought it might be relevant to point out, you know, that we would prefer on this side, when it comes to taking the others, if the Social Insurance (Amendment) Bill were taken before the Non-Contributory Social Insurance Bill.

MR SPEAKER:

Perhaps this is the time to bargain.

HON CHIEF MINISTER:

Well, we'll look into that before we come to the House.

MR SPEAKER:

Right, then we can proceed. We are taking now the Group Practice Bill.

Clauses 1 and 2 were agreed to and stood part of the Bill.

Clause 3

MR SPEAKER:

I would like to state that since the Hon Mr Caruana gave notice of his amendment to Clause 3, he has amended the notice, so that he won't have to do it subsequently, by the addition of (2) after the figure "three" in the first line.

HON MR CARUANA:

Thank you very much, Mr Speaker. I beg to move, Mr Speaker, that Clause 3 (2) be amended by the deletion of all the words contained within the brackets therein.

MR SPEAKER: then proposed the question.

HON MR CARUANA:

Mr Speaker, this amendment is a consequential amendment to the main amendment which I propose to move later under Clause 4 and the substance and the principle really is related to the main amendment under clause 4, so I don't know how this will go, because perhaps the Government might choose to accept or to refuse to vote in favour of the main amendment. Therefore, if they don't accept the amendment which comes afterwards then this amendment doesn't apply, I cannot see how the Government can accept this amendment, at this stage, without considering the principle of the body of the amendment, or how they could refuse, at this stage, this amendment without considering and hearing the case for the main amendment.

MR SPEAKER:

Well, it would be in order for the Hon Member to leave in abeyance the amendment so that the Clause should stand part of the Bill, as it appears in the Bill, and that subsequent to the main amendment being dealt with, and in the light of what happens to it then, a general amendment consequential on the one you will pass, can be made to cover the different parts of the Bill.

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

Clause 4.

HON MR CARUANA:

Mr Speaker, I would like to move in Clause 4 (2).....

MR SPEAKER:

May I ask whether this is also a consequential amendment.

HON MR CARUANA:

No Sir, this is in fact the substance of the whole amendment. I move the deletion of all the words after the words.... I beg your pardon, Mr Speaker, Clause 4 (1), I went one further down, be amended as follows: delete the words "is insured under the Employment Injuries Insurance Ordinance" and substitute by the words "is a resident of Gibraltar."

MR SPEAKER: then proposed the question.

HON MR CARUANA:

Mr Speaker, I would like to explain precisely what we intend to do here. Clause 4 (1) says: "there shall be registered as members of the scheme," that is the new Group Practice Medical Scheme, "every person who isinsured under the Employment Injuries Insurance Ordinance," and by your amendment, Mr Speaker, what we are proposing to do is that the full Scheme should apply to every person/resident in Gibraltar, because, Mr Speaker, as it has been said earlier on in the proceddings, we disagree entirely that a Group Practice Scheme should be introduced intro Gibraltar which should only apply to those persons who pay Employment Injuries Insurance contributions. We say this, Mr Speaker, precisely because the entire cost of the Scheme, and of Medical Services in general, is met out of monies raised from all tax payers. In other words out of the proceeds of taxation and this is just as true of the amounts credited to the service from the contributions. These contributions should not in any way be a payment for the service. As it stands now only the people who pay the contributions get the service, and we are trying to introduce this amendment by saying that these people who pay this insurance stamp are very small contributors generally to the Medical Scheme, and that those who pay general taxes in Gibraltar, and under our amendment, be he employee, employer or self-employed should benefit also from the Scheme. The taxes which these people pay, the general taxes, as well as the stamp, should go to finance the Scheme, but always bearing in mind that the larger extent of the scheme is met mostly from General Revenue, or central taxation. Therefore, we consider it, not only in principle but also in practice, as I shall explain as I go on, that this in principle is the wrong thing. It might be expedient for the Government to do so. The Bill hasbeen described as timid and we are trying to add backbone to it. In fact what we are suggesting is that this bill should become a mini-National Health Service, with certain exemptions. The exemptions are, for instance, as we have said already, that there is nothing in this Bill which says what the benefits are going to be, though the bill says that the benefit shall be made known by Regulations, and already the Minister has given some indication that the benefits to be received as a consequence of this Bill includes

/normally

certain aspect of Medical Services but not the whole. For example, the Minister has ommitted to mention in the House what is going to happen with hospital fees and surgical fees. Is that part of the medical system going to be left outside this scheme? From what we have heard so far it appears that this will be the case. Persons inside the Scheme, or outside the Scheme, will still have to go to the hospital and pay for their hospital beds, and pay for their things, according to means. So what we are introducing is, what we have called before, a multi-structure medical service in Gibraltar. What we are trying to do is to do away with this sectarian medical service idea, so that all registered residents in Gibraltar are entitled, as of right. Everyone has the obligation under this bill to pay and to enjoy the benefits asof right, and the individual the, after having paid and after having the right to enjoy the benefit, the individual himself can later, as is the case in the United Kingdom voluntarily not use the service because he might feel he might get a better service from an insurance or from a private doctor. But the obligation and the right should be there, otherwise the people who try to administer the Scheme will find themselves in tremendous difficulties with people feeling, as in education, that by paying you can get a better service elsewhere, and that perhaps by paying threepence contribution a week, and only 20pence when you go to the clinic, that you are getting an inferior service within the medical scheme. This we know will not be the case because the kind of system, the kind of service that is intended to be given is intended to be nothing but of the best, so, therefore, everybody should be given from the start the idea that they have this right and this obligation to belong to the service. Only then shall they have the option to use or not to use the service.

We also find, Mr Speaker, by including the resident population what are we doing? Are we bringing such a lot of other people into the scheme? Well, we don't believe so, the Minister has already indicated that they expect, they have calculated that about 15,000 persons will be registered within the scheme. £15000....?

HON MR XIBERRAS:

Sir, I think it is important to make this absolutely clear because we have been saying from this side, repeating what the Minister has said: 15000. It is 15000. 15-1,5 and how many noughts? three noughts.

HON MR CARUANA:

15000!

Well, I think that we have got our English correct. The Minister I think said, and I haven't misunderstood him, I am sure we were on the same wavelength, has indicated that about 15,000 insured persons will be entitled to enjoy

this scheme. We would like to go further into these figures, using the figures available to us from the Gibraltar Census of 1970, and as my Hon Friend Mr Bossano has indicated before, and he's gone a little deeper into this, we find that there are 5,500 young persons in the Census; 3000 persons over the age of 65; and then we find a labour force of 8,500 male employees and 2,500 female employees; making up a total of 19,500 persons who could possibly, under this Scheme, be entitled or considered entitled to come under the Scheme. This labour force in fact does not include the professional employees, and so on and so forth, this is a different calculation altogether. The balance between the 19,500 persons that I have enumerated and the 24,000 residents in Gibraltar, the balance between these two figures, are women not working, self employed and possibly employers. So already the figure should be somewhere between from our calculations if we are to compromise on this figure, since it might be difficult to arrive exactly as to who is paying insurance within the labour force in Gibraltar, female male and dependants, and one would not only consider a youngster a dependant. But what about the old mother? she is also dependant and she doesn't work, she resides with the family, and she is also as entitled to this Scheme and I think she would come under the dependant clause. So, already the compromise is between 15,000 and 19,500, something in the region of a compromise, an average of 17,000 persons, as against 24,000 total population in Gibraltar. So the difference between this we are trying to fill in by allowing everybody to join, all residents in Gibraltar to join the Scheme, is possibly another 7,000 persons who will be entitled to join. It does not say that those 7,000 persons are going to be benefit, or are going to use the scheme, but as of right, and as a principle, should not only pay but be entitled to the benefit as well.

We find this argument rather convincing and it will be a great pity if this were not to be the case on the grounds that we cannot change the Scheme, as the Minister has explained before, because already the Scheme is supposed to start on the 1st July, that the contracts with the doctor have already been drawn and that this will upset the whole thing. Well, we cannot accept that kind of argument at this stage. If anything, what we are proposing will complement and add on to the remuneration and the workload of the doctors coming to Gibraltar, under the scheme. So those doctors will not come into the scheme and be deprived of something that they have been told about, but in fact will find themselves with extra responsibilities and will also be able to earn more, because one of the fears perhaps of the scheme as it stands is that if we keep the sectarian view of different categories of persons - those insured, those not insured who cannot afford a doctor, and those who can afford doctors, and those persons in the Ministry of Defence - if we have all these choices, the likelihood is Mr Speaker, is that the scheme might collapse altogether; it might not work if it is not strengthened. This is the big danger. That the five doctors in the scheme will not have enough work. This is also a great possibility

but if for example the Government were to find themselves, by allowing everybody in Gibraltar to use the scheme, and there is a slightly larger number of persons coming to enjoy the Scheme and using the Medical Services, if for example the Government should find themselves in that very happy position because it would be a very happy position if every body were to respond, and this was not the case in the United Kingdom for a very long time - then it would be up to the Government to rise to the challenge and meet that extra load by engaging extra doctors within that system. Because then it would be proving that the system works. Everything that we are proposing, Mr,Speaker is in fact logical, and not only logical but constructive this is the main substance of this amendment.

As I have said before, Mr Speaker, the Minister metioned this before, that the Doctors' contracts are totally unrelated to an increasin the number of persons who would be entitled to enrol with them, because I am sure that there is no set ceiling to the number of patients which one can have in the scheme. Though perhaps an average figure might have been used with these doctors. Perhaps one might even argue, when reading official articles by informed persons on theNational Health Service and Group Practices in the United Kingdom, that even today the idea of having 3,500 patients per doctor is far too much work for those doctors and allow them to do their work properly. A more logical figure used in professional medical magazines is 2,500 or thereabouts, and it is only in extremely difficult regions of the United Kingdom, and vastly populated areas in the United Kingdom with tremendous social problems, such as slums, colour, and everything that private doctors find themselves overworked and with more than 3,000 persons on their panels.

So, Mr Speaker, I therefore propose to the House that clause 4(1) be amended.

HON A.P. MONTEGRIFFO:

Mr Speaker, I think the House well knows that one of themost difficult tasks is to get up and have to say 'No' particularly when I agree with the feelings and the principles enunciated by the Honourable Member opposite. But this is not a question of expense or as to whether we charge three pence or if we do not charge anything at all. It is irrelevant to the substance of the problem, and the substance of the problem has been very well put by the Honourable Members opposite. If at the present moment I am talking of 15,000 and the Honourable Members opposite are talking about 17,000 under the scheme, and it may well be said so at the beginning, how can that be reconciled first with the suggestion that we should bring more people and thereby doctors taking a greater load and then ideally that we should have a panel of 2,500 patients. It is impossible because if you were to bring the whole population and ideally it would be much more convenient for Government because administratively it could resolve a lot of very complicated and unpleasant problems which fall on me up to a certain extent under clause 4(2). I accept that, it is unpleasant for me but the problem is the availability of doctors. We have been very lucky in being able to obtain the services of three doctors from outside. But even if we had been able to bring more I would have resisted it for the very simple reason that in three years' time, or perhaps earlier, we have to go to look forward to the return to Gibraltar of those ten Gibraltarian doctors who are studying in Britain. It could have

/and I said

been much simpler, as I explained at the Second Reading, if it /all had been possible for our local doctors to have joined the Group Practice. I think they could have shown not only public spirit but really humane intentions in an approach to solve a very, grave problem which has upset the whole of the population of Gibraltar. So, much as I would like to say from the word go "everybody" is insured, I am afraid I am placed in the impossible position of not being able to do so precisely because of the availability of doctors. Otherwise nothing could have given me more pleasure than to do so and I can assure you I would not have needed the prompting of the Opposition. It stands to reason, it is common sense to have done it, but I cannot because of the explanation I have given. I am sorry, of course, that because all the other amendments are consequential to this one, I appreciate that the whole of the amendments proposed by the Opposition hinge on this one. And of course if this one falls, the rest will fall. I am sorry that this will be so.

There is some logic in their madness under Clause 4 (2) and this is precisely to meet the points raised by the Honourable Members opposite. And that is that if we see that despite the potential 15,000/17,000 who are supposed to come under the Scheme, if this group do not fully make use of the service, we can of course, under discretionary powers under the Regulations, which could be prescribed under 4 (2) carry on bringing more people. One thing I am determined to do and that is that no senior citizen or old age pensioner, a lady of 60 or a gentleman over 65 will be left out of the scheme, whether they have been paying insurance or not or for any other reason. They will also be brought into the Scheme. We may be placing perhaps too much load already, on what I feel is a heavy load, on five doctors. I wish I knew the answer , the answer I can give to the House, is that I wish local doctors would join instead of some of them trying to wreck it.

HON J BOSSANO:

Mr Speaker, we appreciate on this side the difficulties that the Honourable Minister for Medical Services has highlighted for us, and we are trying to be helpful and constructive in making the Group Practice Medical Scheme as good as it is possible to make it right from the outset. I think the Honourable Minister appreciates the spirit in which we are approaching this. Now, in order to enable us to make constructive suggestions, of course, we have to try and understand how the need for doctors and the adequacy of the finance has been computed, and, in particular, this figure of 15,000 would appear to reflect both the number of individuals who will be required by law to register under the Clause we are proposing to amend, ie the 11,000 employees showed in the census, plus a number of dependants. Now, the dependants would appear to be sufficient to raise the figure beyond the 15,000 that the Minister has mentioned, because as my Honourable friend Mr Caruana has pointed out, there are 5,500 individuals under the age of 15 who would be in full time education and who would therefore be dependants of adults. They would not be able to join the scheme under this clause, which requires those who are registered under the Employment Injuries Insurance Ordinance to become registered for the purpose of the Group Practice Medical Scheme. So we have 5,500 residents of Gibraltar who would be dependants; that leaves 9,500 out of the original 15,000. There are in fact 11,000 employees shown in

the Census, so it is difficult to understand where the line is going to be drawn. Presumably all those people who are employees, we have seen in fact, in considering the amendment to the Employment Injuries Ordinance, that since 1968 all individuals who are in full time employment are required to take out an insurance against industrial injuries and that therefore they would also be required, under this clause, to join the scheme as well. The figure of 15,000 seems to us to be a low estimate of the number of people who would be covered by the Scheme. In addition there are 2,000 female residents over the age of 60 and 1,000 male residents over the age of 65. These 3,000 people would obviously need to be allowed access to the Scheme and we have had an indication that clause 4 (2), where a reference is made to other persons, has been introduced precisely to allow these other individuals, who are not in employment and who are not juveniles, to be covered by the Scheme. So, it seems that with a labour force of 11,000 with 5,500 juveniles and with 3,000 persons over retired age, it is inevitable that the total should rise to over 19,000. It is inescapable that the 19,000 should be covered, even if the law remains as it is now. And if the number of doctors that have been recruited have been recruited on the basis that only 15,000 will be making use of the scheme, then the Minister may find himself in difficulties when the thing starts working. Perhaps we can have some clarification on the composition of the 15,000.

HON A P MONTEGRIFFO:

Sir, I am very bad at figures and even with a computer I would not do it. I can do addition and badly at that, I was working on figures which were given to me by the relevant department. They were cautious in the sense that they could not say or guarantee that the figures were exact. But I think that the Honourable Member is labouring under a misapprehension. The 5,500 children he is talking about, a proportion of those would be dependants of those who come under the Insurance Scheme. But in any caseif he is right he is only going to make it worse by pressing me not only to insure the figures he thinks that this scheme would generate 18,000 or 19,000 but going further and insuring another 4,000/ 5,000. If with 19,000 I am going to be in the soup, with 24,000 I am going to be sunk.

HON MAJOR R J PELIZA:

Mr Speaker, that is the whole point, he is going to be in the soup and we are trying to get him out of that.
If I understand the Minister rightly, and I hope we are still in time to change his mind and that what he has said already, before hearing further arguments, is not definite because this is a matter of great importance to Gibraltar. I know that few people have got more interest and dedication than himself to the cause of good health in Gibraltar, so I do hope that he is still keeping his mind open. Otherwise we are really wasting our time in putting forward arguments. If I understood him rightly the problem is a very simple one, yet a difficult one to overcome recruiting sufficient doctors. I don't know what the numbers are one, two, three, perhaps you could tell me. I beg your pardon.....

HON A P MONTEGRIFFO:

I would say with three more.

HON R J PELIZA:

Now, this is a question of recruiting two or three more doctors and because of that Gibraltar is not going to have the foundation of a good National Health Service, at least the beginning of one. This to me is very sad indeed. Now, to pass the blame on to the local doctors I think is slightly unfair, they have a prof ession, they have their views, and they are certainly not the Government. We heard from the Chief Minister a few moments ago that the Government is going to govern and in this case it seems as if the professional doctors of Gibraltar are going to govern as to whether or not we are going to have a National Health Service. Not even the Opposition, in this case, but a number of professional men in Gibraltar. I think this is the wrong attitude to accept. We have got to find a solution. If it is a question of recruiting three more doctors how can we recruit them. It is a simple question like that. Oviously there must be an attraction to bring them here. If it means having to change the structure of pay of the doctors for the sake ofhaving a good health service in Gibraltar, I suggest to the Minister that he must fight for this. And we certainly, on this side of the House, will give him our full support, if his colleagues don't. I don't know to what extent his colleagues have got this question of a National Health Service at heart, but if they have it they should give it the same support that we are prepared to give you. If you have the support of the Chief Minister, as he says, where is the difficulty in recruiting three doctors or two doctors. Surely the Government should be able to find two doctors. If they are incapable of finding two doctors they are then not capable of governing Gibraltar. (laughter). Well, it is not a laughing matter at all, it is a very serious matter it is a matter of life and death. Yes, it is really and truly a matter of life and death and we have the cheek of the Chief Minister laughing his face off here today. (laughter)

MR SPEAKER:

Order.

HON R J PE IZA:

And more laughter from the Government. This is a very serious matter. It is all very well for those who can pay and get good medical attention, but it is not the same for the lower class who cannot afford to pay, to see a good doctor. And beyond that I think, it is thw whole structure, the whole outlook, of this society to seeing that better provision is made for medical treatment in our town.

Surely the Minister is not going to give up becuase he cannot find tow doctors. I suggest therefore that the Minister does not rush into this half-cock, because that is what it is, half-cock ill. We asked you a few minutes earlier to leave this over for the next meeting and in the meantime we could have worked together and found a way. If it is a question of giving extra allowances, for a number of doctors, we are prepared to agree every supplementary th t they bring to this House. You have now an assurance from this side of the House that you will get our support. What you have got to do now is to win the support of the Chief Minister and your colleagues and we will

have a National Health Service in Gibraltar. (laughter)

MR SPEAKER:

Order.

HON R.J. PELIZA:

And again more laughter. What is the argument against that, not laughter, let us hear the argument. Let us hear the argument why this is impossible. I therefore suggest to the Minister himself who is ultimately responsible and his responsibility is very great indeed because the lives of a number of Gibraltarians are very much in his hands, and this is a fact, a good health service in Gibraltar can prevent lots of deaths and can improve the life-span of the people of Gibraltar. So perhaps he has the most reponsible position in Gibraltar and certainly in a way to a large extent on the Government of Gibraltar today. I hope that he will listen to his conscience very carefully and does not allow himself to be put off from carrying out his great improvement which we have produced in 24 hours. My good friend here has done it in a very very

short time, to amend a Bill, because you were not prepared, the Minister was not prepared to postpone his Bill until the next meeting. He has worked overtime to produce this and all we are told now is: no, we cannot accept it because we cannot recruit another two doctors. I will, therefore, plead with the Minister and the Chief Minister not to laugh at this matter, to give it his serious consideration, put it off for another month, or whatever time, a couple of weeks, and lets try and see if we cannot recruit a couple of doctors.

The other problem he said, was that we have about five Gibraltarians at the moment, or ten Gibraltarians, at the moment on scholarship training to become doctors and that it will take about five years before they come and that that is going to create a problem. Does he mean to say that because we have spent £5,000 or £10,000 in educating a number of Gibraltarians, some of whom may never return for all we know, we are definitely now going to postpone our Scheme for another five years until they are ready. Is that the attitude, is that the desire, the strong and the genuine desire to introduce a national service in Gibraltar. I cannot believe it. It is childish, to say the least, it is a childish argument. Perhaps he has nothing else to say, perhaps he is defending the attitude of his colleagues and not his desires. Well, I think that in this case he must show courage, as I told him earlier. To put his duties before his loyalty, because his duty in this case is greater than his loyalty to his colleagues, and to do something, and the first thing I ask him to do is to support the amendment, and if you cannot support the amendment at this stage at least postpone the Committee Stage of this Bill until the next meeting of the House.

HON MR MONTEGRIFFO:

Mr Speaker, first of all I would say that I need no "Courage," I don't drink! I take common sense. But I find it very, very strange and very sad indeed that we should twist things completely and take them out of a context and out of focus. Who has ever said that my colleagues in the Government were not prepared to pay doctors or to bring more doctors. This is what we have been doing during the last seven months and since I have been provoked into being a little bit more militant than I intended to be, let me say that in two years of office the hospital was understaffed with doctors, and it is only since I have come into the picture that I have, for seven months, tried to remedy the situation. To postpone this for two or three months will only/harm to the Health and Medical Service that the people of Gibraltar deserve. Why don't we wait another month and bring two more doctors? We have tried. The salaries that these doctors will get will amount to practically £5,000/6,000. Is that a bad salary? In fact I accepted it in the capitalist society that I live in but I do not accept that the principle should be the law of supply and demand, or that because you have got the knowledge that God has given you to exploit it because you are a doctor and demand £5,000 or £6,000. I accept it

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because we are forced by this capitalistic society to accept that situation, but certainly I do not share those principles and do not believe in them We have advertised and we have been to Britain and we were able to get just three. We may be lucky with those three if one of them doesn't drop out. Despite all the salary, despite all the conditions, some of which are basically better than in Britain, it is not so easy. Doctors are not in a queue, there is or a shortage of doctors in Britain. I think we can call ourselves lucky. If I could get two doctors nothing precludes the start of the Scheme and coming with an amendment here before July if you can get two more doctors.

I have tried my best, maybe my best is not good enough , but by God we have workd very, very hard, through the Ministry of Health, the London County Council and the Medical Officer of Health there, who helped us considerably, with the Clinical assistance of St Mary's Hospital, in trying to recruit and bringing doctors of some standing. We have done our best. This is not a question of money, I said so from the very beginning in my opening speech. It is not a question of expense. My colleagues are not refusing any expenditure whatsoever, but twist the whole matter and poison the atmosphere of something we should be debating in a low key, trying to do ones best for everybody. Honestly, sometimes one gives up and becomes disheartened. Is it worthwhile doing anything or saying something in this House that is not twisted for some reason? I mean, it doesn't help neither us nor the Opposition or the people. We are just destroying ourselves unnecessarily.

I am saying that if I can get two more doctors, and I would give credit to the Opposition if they can get two doctors for me, I have done what I can, and all my executives, I would have no hesitation coming here to this House, having a special meeting if necessary, to bring in an amendment that would cover the whole of the population of Gibraltar. I think I cannot be more sincere and more honest than that. I am not against , I am not adverse to doing that, but as far as I am concerned, and as far as the people who selected the doctors, one of whom is a very high powered man whom we know, and Gibraltar is very grateful to Doctor Oscar Craig who I think we all know, our Consultant Radiologist, Head of the Clinical Service in St Mary's Hospital. He was the one who was present but we couldn't get any more. If the Opposition is prepared to produce two doctors that are acceptable to my experts we would go and insure the whole of the population, nothing would please me more because, by jove, I had had enough kicks from the doctors in Gibraltar for doing this. Nothing could please me more than to be able to say, now we have got five doctors and the whole of the population, whether you like it or not, is insured. Nothing would please me more. It would be the greatest day in my life, but we cannot get them.

HON MAJOR PELIZA:

Mr Speaker, I am very glad to hear that he is prepared, if we can find the two doctors, to get this amendment accepted. This is great but we are moving now.....I mean, either you accept the amendment, if we can find the two doctors, or you don't.

HON MR MONTEGRIFFO:

All I am saying is that if you produce two doctors I would come back to this House before the 1st of July and say: right, the whole of the population is insured. I will accept the amendment, if I get the two doctors. I cannot accept it before we find the doctors.

HON MR PELIZA:

I am very happy to hear that. That means that you accept the principle of the amendment and the only thing that is putting it off now is the shortage of two doctors. Well, that is fine, to me quite honestly it seems so simple now. The question is - don't please, Chief Minister, I don't believe that what I am saying should be any reason for laughter.

HON CHIEF MINISTER:

Will you give way?

HON MAJOR PELIZA:

Of course I will.

HON CHIEF MINISTER:

Because you are childish. Everything has been explained to before, you get terribly excited, you forget what you have heard, and you go off the deep end.

HON MAJOR PELIZA:

With respect, there was no such thing before this. This amendment has been introduced by this side of the House and it is only now that he has said that he will accept the amendment, and not before.

MR SPEAKER:

Order. I will not have Members speaking across the House, Members will address the chair.

Order. I will not have Members speaking across the House, I have said it twice running now. If there is no other contributor I will ask the mover to reply.

HON MAJOR PELIZA:

I would like to finish this point. Mr Speaker, Perhaps we can come to some agreement over this, because I think it is very important. We are not just, as the Minister suggests, trying to create division and despondency. Either we keep quiet and we let things go as they are, which I don't think would be in the interest of Gibraltar, or we speak up, as we should in this House, this is what the purpose of these meetings are, when it comes to the crunch and when there is no movement from the Government, and we try and find a solution. The solution is finding two doctors, and this has been understood, and to me that cannot be an insurmountable problem for the sake of having a National Health Service in Gibraltar. What I am going to suggest is that if he is prepared to introduce amendments like the one we have proposed today, if he is, why then I suggest, and I am sure my colleague here would be just too pleased, to get together with him and see how and what can be done to bring those two doctors to Gibraltar. Perhaps if it means a complete restructuring of the allowances and what have you for the doctors in Gibraltar, it can be done and I hope that the Minister will accept this. I am sure my Honourable friend the Leader of the Opposition will have a few words to say in a moment on this. I am just making suggestions, we are in the Committee Stage and I think it should be possible on this very important issue for both sides of this House to get together and try and introduce a National Health Service in Gibraltar.

HON CHIEF MINISTER:

Mr Speaker, I would like to say that there has been at no time any restraint on the Minister by myself and by any of our colleagues, no restraint whatsoever, in the Scheme that he has thought best to bring before the House. Never! I don't interfere in the departmental functions of my Ministers and they are perfectly free to bring to the House whatever they feel proper. The Minister knows too well that if he had been able to recruit more doctors he would have had whatever he thoughtwas best. But what is a twist, and nothing more than a twist, is that after two years and ten months in office they have done nothing about it and when we bring something, in order to belittle us, they say: "come along, we will help you to do it better." What did you do in two years and ten months about the National /Health Service? Nothing! Now that we are going on, on a really practical way, you want to say: "you are not doing enough." We had this with the Insurance, and we have it with everything. They still suffer under that delusion that they are in Government. They must really get out of it if they are going to be their age.

HON MAJOR PELIZA:

With all due respect, Mr Speaker, the Chief Minister, has been inaccurate, I think, for about the fifth time today, in that in fact we did a lot for the National Health Service and the Minister himself quoted from the report of the expert that we arranged to come to Gibraltar to look into the

whole scheme. Had we been in office, which unfortunately we were not, had we been in office, today, instead of having the sort of Bill that the Minister has produced, with which we partly agree, there would have been one more on the lines of the amendments that we are proposing. So I am afraid that the Chief Minister, once again, has got to eat his words. He is really getting fat in that respect. He should go on a diet.

MR SPEAKER:

I believe that we have.....yes?

HON ATTORNEY GENERAL:

Mr Chairman, Sir, I would point out to Members of the Opposition that at the moment there exists in this Bill the power for the classes of persons to enjoy the benefits of the scheme to be increased. Now, clause 4 (2) "there may be registered as members of the scheme, such other person as may be prescribed by regulations," and I think the Honourable and Learned Minister said.....yes, yes, learned. (laughter). The Honourable Minister said that persons at the moment enjoying the benefits of the District Medical Service, they are going to be covered by regulation. We can as it stands increase, as our resources of doctors increase, we can increase under the present Bill without any amendment the people who enjoy benefits.

HON MR XIBERRAS:

Sir, I appreciate the points that have been bandied around. I feel that my Honourable and Gallant friend on my left, /the question is being very thoughtful because/of a National Health Service is something to which he was giving a considerable amount of attention.

MR SPEAKER:

Yes, but you must not start again. That is precisely what I was going to say.

HON MR XIBERRAS:

Sir, if I may make a comment.

MR SPEAKER:

No, you may not, until I have finished, please.

HON MR XIBERRAS:

Oh I see.

MR SPEAKER:

We are not going to start again. We are now dealing specifically with an amendment to a Clause - not even to the whole clause - an amendment to the clause. I have been very liberal, I think you will all agree, and I have allowed a fair amount of latitude because we are in Committee. I am of the definite opinion that no further useful purpose will be served by saying much more unless the Member will assure me that what he has to say is something which has not been dealt with in the previous contributions.

HON MR XIBBERAS:

Sir, I am just prefacing my contribution to the debate on this particular Clause with an explanation of why tempers have got rather heated. I think the debate was just reaching a fruitful sort of climax, if I may put it that way. I understand Members on both sides getting rather excited about this because in fact the nature of the Ordinance hinges on this particular amendment. Whether or not we had the beginnings of a National Health Service, which is a big step in any context, hinges on the recruitment of two doctors.

This has been said before, Sir, and I would like to bring the House back to the spirit in which it was discussing things at the very beginning. The final contribution made by the Honourable and Learned the Attorney-General has a certain degree of sense, if I may say so, without in the least attempting to be patronising. If I can focus the problem, could I put it the other way. Not how many people are going to be included but how many people are going to be excluded. And is it worthwhile making this exclusion, and are the problems which the Minister says makes this exclusion inevitable, bring enough really to warrant this exclusion. What would follow as regards the general scheme were those people to be excluded. Sir, may I submit as my contribution to this, that a great deal would follow from this because, for as long as people have two ways of seeing a doctor, the Minister will have some opposition to his Scheme, not only from people who choose between one way of seeing a doctor and another way of seeing a doctor, but also if I may say so.....

MR SPEAKER:

We are departing from the point at issue which is an amendment to include the majority, or the whole of Gibraltar, in the National Health Service Scheme, not the general principles of the Bill. I must bring you back to that one.

HON MR XIBERRAS:

Sir, what I am trying to say is that if he excludes these people, who numerically might be small, because he cannot get two doctors, the effect might be that he would not come to terms with the GP's. The Minister has already hinted in

the course of his speech as to what the general attitude of the GP's might be and this is why earlier I used the word 'timid' of the Bill hoping that one could take this step once and for all and confront the situation with the general practitioner. This is my contribution to the amendment. I believe my Honourable friend on my right has one or two points to make in connection with the difficulty or lack of difficulty of recruiting doctors and what Dr Shaw had to say. I ask the House to bear with this, Sir, because this is crucial to the Bill.

MR SPEAKER:

I will then call on the mover to reply.

HON MR CARUANA:

Mr Speaker, in starting this amendment, and there were seven of them,

to improve the medical services in Gibraltar in a spirit of constructiveness we, as usual, were swayed by the tactics of the Honourable and Learned Chief Minister into the "patio" type of politics that he was criticising earlier on, by laughing at serious matters such as this. Then he turns round and accuses this side of starting the whole thing. In this case, Mr Speaker, even without this amendment this side will vote in favour of the Bill, because however minute it would be an improvement. But what we are trying to do is in fact to try and fill in a hole which I am sure the Minister himself wishes, and I am sure all the Members on the other side wish to see included, but for some reason or another they have not quite taken the jump from the deep-end. I am sure they must have argued the money themselves: why not include everybody? I am sure they must have argued this and I am sure that finally the crunch came to finance. Well, Mr Speaker, I was engaged in the discussion with the fifth doctor and his engagement was purely a financial one, Mr Speaker.

HON MR MONTEGRIFFO

Mr Speaker, this bears explanation. This is most important it did not come on the ground of finance, it came on the grounds that at the beginning we thought and, the advice we got was that five doctors could do the Group Practice and the district which the other doctors had refused on three occasions to do. In December, 1972 he came to me and said: "£3,400 or next Monday you haven't a doctor for the District." And then, Sir, because we had already paid for the district to four doctors, We had to take him in. We had to find arguments to accommodate, to justify him. To bring this is new limited, Mr Speaker, this is the limit!

for the Group Practice Medical Scheme to include the District.

HON MR CARUANA:

Mr Speaker, I would like to remind the Members opposite that I am not prepared to give way any further in my contribution. Mr Speaker, be that as it may, and he and I know better what happened, the whole argument was to convince the Treasury of the fifth position. How can the Minister explain now that he interviewed seventeen applicants....

MR SPEAKER:

I am afraid I will not have any deviation from the point at issue which is a reply to an amendment to a particular Clause and I will be very, very strict on that. If there are any points you would like to makeon that one you are completely entitled to do so.

HON MR CARUANA:

Mr Speaker, the whole Service is precisely.....

MR SPEAKER:

No, not the whole Service, that is the general principle and

Merits of the Bill. We are discussing a particular amendment to a particular clause.

HON CARUANA:

Mr Speaker, the whole question, as I see it, including the whole of Gibraltar into the Scheme, arises from an explanation given by the Minister of the impossibility to recruit doctors.

MR SPEAKER:

You could have commented on that when you moved the amendment, not on the reply.

HON CARUANA:

Well, Mr Speaker, fair enough, I bow, to your ruling. I would like to say in fact that it is a pity that this is going to miss because the Government has precisely not taken heed of the professional and expert advice which was given to them by the expert, which our side when in Government, applied for from ODA. This gentleman, with your leave, Mr Speaker, since the other side has referred to the report, the Shaw report, said the following: "It is suggested, therefore, that the ultimate aim should be establish a Group Practice in the Town, comprising some 6 to 8 doctors." So, therefore, Mr Speaker, to go for 4 is going half way, and to interview 17 and only take two, because three were already here in Gibraltar, I think gives the lie to the argument that the doctors were not there, because 17 people were interviewed for the position We never had the magnitude of the problem that is being experienced. But I inherited 25 years of AACR hospital ruling.

Mr Speaker in all the time that I spent at the hospital..

MR SPEAKER:

No, no order. We must keep to the point. We must not depart.

HON CARUANA:

Mr Speaker, I am provoked to make these asides because the other side haven't got the manners to keep quiet.

MR SPEAKER:

One mustn't be influenced by the comments. It is for me to call the attention when I feel it proper.

HON CARUANA:

Mr Speaker, neither will I agree in fact with my Honourable and Gallant friend that in a very short time I have produced this idea. Far be it from it. In fact I produced the amendment this morning, but the idea, Mr Speaker, went back to 1970.

Mr Speaker, I said in 1970, and it is all in Hansard, at estimates time in this House, and how quickly it is forgotten. Firstly there is the Health Centre. When I took over. . . .

MR SPEAKER

You must not go back now to all the Medical Schemes in Gibraltar. We are speaking on a specific amendment to a specific Clause. We are not talking about the general principles of the Health Service. I will not call your attention again, I must do it because we are debating one particular clause. We have had one and a half hours on it, which is fair enough, and unless I believe that what you are saying is relevant to the point, I will have to ask you to discontinue your contribution.

HON CARUANA:

I bow to your ruling, Mr Speaker. I must bow to it obviously but I feel rather constrained that I havent had the liberty to expandon the arguments which have been placed from the other side.

MR SPEAKER:

Any accusations that I am curtailing the right of anyone to do what is proper in the circumstances. You are entitled to speak on the amendment, you are entitled to reply, and that is all that I am entitled to allow you to do. I will not have any constraint in stopping and I will not accept any accusations of curtailing the rights of a Member.

HON MR CARUANA:

Mr Speaker, the fact is that the Government is running away from the problem by not accepting this amendment. They are in fact denying between 5,00 to 7,000 persons in Gibralta to benefit from the amendments we are proposing. A service and benefit to which, as I have said before, they are financially contributing in the general taxes and they are going to be deprived of it. I wonder whether infact the Government, because this is a question of policy now, this is wherein fact-not the other instance and earlier on the Government majority is deciding, and we have to bow in this instance the Government policy, on a matter of substantial basic Government policy. And by this, in fact, they arepatching up a medical Service. There is a great danger that it will fail as it stands and he is not strengthening this by refusing our amendments. People will possibly refuse to go to the Service for the reasons which I have explained before. I have already in fact, Mr Speaker before coming into this House discussing this matter, offered to help the Minister in any question which might eventually help to bring about the improving of the medical system and especially where the aim will be to introduce the National Health Service to Gibraltar any unifying our Service with the United Kingdom.

MR SPEAKER:

You are talking of general principles again. [illegible]

Mr Speaker then put the question.

The Following Honourable Members voted in favour:
The Opposition:

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

The following Honourable Members voted against:
The Government:

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 J. Zammitt
The Hon J. Havers
The Hon A. Mackay

The motion was accordingly defeated.

HON J. CARUANA:

I think, Mr Speaker, and related to the rest of the thing, I will withdraw all other clauses except 4(2), and I would like to move the following amendment: That in Clause (2) delete all the words after "regulations" in the second line thereof . Mr Speaker, if I may speak on this amendment, the Minister has already indicated how he himself finds this part of it repugnant, because this part of the registration of persons in here, other than persons who may be registered and prescribed by regulations, we have an inclusion which gives the Minister for Medical and Health Service absolute discretion to allow or disallow persons to join the Scheme. We ourselves find this distasteful and we would have thought that prescribing by regulations would have been sufficient since it would be the Minister himself who would make up the regulations as they turn up.

HON A.P. MONTEGRIFFO:

I find this argument contrary to the argument that the opposition has been using before. I accept that I do not like it myself. It places quite a lot of responsibility on me, which after all 'me' means the Government. But if we are going to prescribe by regulations, and you define what is prescribed in the regulations you may be leaving people out at a particular moment, which precisely because of the dicciculty of not having the whole of Gibraltar insured because of not having the availability of doctors let us pinpoint that because I cannot produce more, I am not Almighty God. Because of that, Sir, I think it leads to flexibility by allowing the Minister for Medical and Health Services at any given moment to carry on allowing more people as he thinks fit, in relation and in the context of how the Scheme develops.

HON M. XIBERRAS:

Sir, has the Minister accepted the amendment?

I think the Honourable and Learned Attorney-General refered to this clause earlier on when we were debating the first part: 4(1). I think what he said was that through this subclause it was possible, slowly, to extend the Scheme. But as it stands this subclause appears to be directed, not towards the inclusion at a later stage of the category of persons, but of almost individuals or very small groups who may have been inadvertently omitted from the Scheme. The amendment proposed by my Honourable friend on my right, that of not just refraining the Minister and taking away from him the responsibilities which he himself admits he is rather loath to exercise, but it could be possible by theintroduction of regulations conditional on this subject, tomake the Bill open out into the future and allow the Minister

the opportunity of defining, at a later stage, not the individual but the category of persons which he might find it possible to include within the Scheme if he so desires and if he is able to find the doctors. In other words, if the suggestion put by my Honourable friend is accepted then the Minister could draft regulations, perhaps he might even consider bringing them to this House for discussion, and he could bring a whole category of persons, perhaps even everybody who has been omitted from this Bill, under the Scheme if he can find, with the help of the Opposition, the doctors. That is to my mind a very fair compromise solution which would in part be acceptable to the Oppositon, particularly if it were accompanied by an undertaking from the Minister thathe would endeavour, by all means possible, even another immediate trip to the United Kingdom, to try to recruit two more doctors, and immediately reconsider in regulations bringing in other people through this particular door.

We commend the amendment to the House and to the Minister on these grounds. That by accepting regulations he is doing a number of thing and not least affording himself an opportunity of meting the wishes of the Opposition, and I am sure his own wishes of enlarging the Scheme, as his position, vis a vis Doctors get stronger.

HON ATTORNEY GENERAL

Mr Speaker, Sir, I may be misunderstanding the Honourable Leader of the Opposition. As the Clause stands at the moment there are two ways of additional persons getting into the scheme. There is the general provision that they may be included by regulation. That is what, as/has been explained, is going to be done in the case of the persons entitled under the District Medical Service, but, there is bound to be what one might call the hard-luck case, where the Minister must be given some discretion. That is what it does. He, I think, I might be allowed to say this, it humane man, you cannot cover every case by regulation and so he is given the expression. Accept this amendment, and he has got no discretion at all.

HON XIBERRAS:

Sir, What I am arguing is that his humanity might beextended to the point where he might think it fit to include other categories of persons under this clause and to enlarge a Scheme systematically according to the regulations.

HON ISOLA:

Mr Speaker, I was in fact going to invite the Honourable and Learned Attorney-General, to comment on this proposed amendment and I am very surprised to hear thatthe only solution taht can be put forward by the Government to any difficulties the Minister might find himself in, in getting the odd chap in is by giving him an absolute discretion to apply a law to any individual without giving any standard as to what way he should apply it I think this House should be very wary of giving a Minister an absolute discretion to decide who comes in on the

ticket and who does not. A minister who has been elected who is a politician it is quite extraordinary, to my mind this sort of section, should have been drafted and brought to this House. We have a category of persons which come under this, something like 15,000 insured persons.

We have the Governor able to make regulation including classes of persons. I would like to know what is the hard case that requires personal Ministerial intervention.

Mr Speaker, I think the House should be very reluctant to accept measures of this nature, especially from this Government, because we have the "hand of friendship" business, where it is stuck out, quickly brought back, and hit then you are hit on the head. It is relevant to this amendment, Mr Speaker, with respect. We have the case of the Minister for Medical Services telling us he cannot extend the scheme and finding himself in conflict with all the general practitioners in Gibraltar/reminiscent of the Minister for Education with 104 teachers.

/rather

MR SPEAKER:

Order. We will keep to the point.

HON MR ISOLA:

I bow to your ruling, but we do have this sort of situation: "Please come and talk to us, please come and co-operate." When you don't, my goodness! down come the bricks. If only I could bring somebody from England, well, he may be right he may have reasons, any Minister might have reasons for this, but obviously a Minister is a human person, like anybody else, and is moved by emotions, and is it/ Mr Speaker, that this House should vote in a law which defines classes of people who can benefit from the Scheme, allows the Governor, that is the Minister with the help of the Honourable and Learned the Attorney-General, to define categories of people who can come in, but just leave him this right to dispense favours, to deal with the odd case. Perhaps, we could be told what are the odd cases likely to arise. Perhaps, on reflection, it might have been better for the Government to have accepted the amendment to clause 4 (1). This would not have required Ministerial favours. But certainly, Sir, I think it would beavery sorry day for this House if we allowed a Minister, in his absolute discretion: cannot be questioned by anybody, not even the Chief Minister, under the law. Not even the Chief Minister, and the Chief Minister has already given us/assurance that he doesn't interfere with his Ministers. It is up to his absolute discretion, whether it is in the Group Practice Medical Scheme, whether it is in the Employment Injuries Ordinance, or whatever it is. That, surely, the Honourable and Learned the Attorney-General must agree is bad law. That people must wait for a Minister to make a decision in their individual case before they have rights under the law.

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Mr Speaker, I think that the least the Government can do in their opposition of other amendments, the least they can do is to say: "Well, we are going to have 15,000 in under the Employment Injuries Insurance Scheme, we are giving ourselves latitude to extend it by categories through regulations, and if we can get two more doctors from somewhere, we are hoping to extend it to the rest of Gibraltar."

I think they have given themselves enough latitude without asking for special powers for a Minister to deal with the individual case, which can land in - in fact I am helping him although perhaps he has not realised it - would land in a terrible situation if he had to say to somebody "You no, but, you yes." Then a letter in the press, or a question in the House: "Why did you refuse so and so and gave it to so and so." Have these constant screamers in in the House.

I hope the Government will agree that this amendment is an amendment that it sounds, quite apart from the general principles of the Bill, but it is an amendment that should be followed as a general principle in legislation that is brought before this House.

HON ATTORNEY-GENERAL:

Mr Chairman, I expect many Members of this House have read a book called 'David Copperfield', If so, they will remember there was a character called Mr Wilkins Micauber, and Mr Wilkins Micauber, as Members will remember, is always waiting for something to turn up. The Honourable Member opposite seems to me to be the inverted Micauber; he is always waiting for something to turn down. He must know that in many Ordinances in force in Gibraltar, in force anywhere, there is a discretionary power given to, perhaps the Minister, Government Servant, in the case of the Immigration Ordinance the Principal Immigration Officer; it is the safety valve. Obviously there will be criticism from time to time, and jolly healthy that there should be criticism. This will keep him on his toes. He is the last man who doesn't want to be kept on his toes. There is nothing sinister about this, it is, as I say, a perfectly normal provision.

HON MR ISOLA:

Mr Speaker, may I ask the Honourable and Learned the Attorney-General to point to one Ordinance, just one, in which a Minister of this House has such a discretion.

HON M XIBERRAS:

Mr Speaker, before the Honourable and Learned the Attorney-General answers that point could he say that perhaps there are constitutional implications to this, and the Opposition is in favour of the word 'Minister' being used in that sense, so long as his discretion is subject to regulations.

MR SPEAKER:

Perhaps the mover?

HON M . XIBERRAS:

Sir, will the Honourable and Learned the Attorney-General please answer?

HON ATTORNEY GENERAL:

Yes, I haven't got admittedly at the moment with me all the Laws of Gibraltar, but I am quite prepared to go through them if necessary, and answer the question.

HON MR BOSSANO:

Mr Speaker, I would like to add my voice in support of the arguments put forward in favour of the amendment, that at the risk of being classified as the second Mr Micauber by the Honourable and Learned the Attorney-General. The Honourable and Learned Attorney-General has I think, on a number of occassions, put his foot in it in this House and he has done so because he doesn't seem to appreciate that although a Civil Servant may not be answerable to an electorate for what he does.....

MR SPEAKER:

Order, order, I will not have the department of a Member questioned at the Committee Stage on a specific amendment to a clause. That is what you are trying to do. If it is not, you can go on and then I will stop you again if I feel you are.

HON MR J BOSSANO:

What I am trying to do is to enlighten the Honourable and Learned Member, because I think that the fact that he himself is not an elected member of this House may make it more difficult for him to appreciate the vulnerability of an elected person who is given absolute discretion to dispense favours. A Civil Servant, Mr Speaker, can always make the elected member responsible for his transactions, but the elected member has to face the public when it comes round to having to ask people to vote for him.

Mr Speaker, the House of Assembly tends to labour under a number of constraints, one of which/emanate from the Chair, they come from other places in the House. The position, is, Mr Speaker, that we feel most strongly that this is a crucial question of principles. I think it is in the interest of the Minister himself, as an individual, not to be placed in this vulnerable position where he has got an absolute right to say 'yes' or 'no' to an applicant to join the Scheme, without the applicant having in law recourse to appeal to anybody else. We haveobjected in other debates to this same sort of situation being created for other people, and I will not refer inany greater detail to those other debates,

/none

Sir, I am sure members do not need any prompting to remember what is involved. It is too near us to have forgotten it already. The position is, Mr Speaker, that we feel, on this side of the House, that since we have an elected House of Assembly, and since we believe in parliamentary democracy, then as much as is consistant with efficient government should be done by the House, where the public can make its views felt by lobbying individual Members and making sure that what concerns them is put forward. This is why, Mr Speaker, in respect of other Ordinances before, in respect /Ordinances that were brought to the House last November, we objected to things being done by regulations.

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This goes even further than doing things by regulations. We certainly do not like, for example, Mr Speaker, that we members of this House, should have to approve a Bill which imposes certain obligations and doesn't at the same time spell out the benefits. But we appreciate that if the Scheme is going to be started in a very short time, and if the Minister concerned has got a great work load, it may be impossible to do it any other way. We appreciate a constraint on democracy by imposing a tax on people of £3 without telling , in the law what their rights are, /leaving it up to the Minister to make regulations telling them what they are going to get in exchange for those £3. We have already accepted that, although we do not like it, but we cannot accept, Mr Speaker, that we give one member of the Government or even all the Government, or even the Chief Minister somewhere along the line behind the Government, the right to decide who should be allowed to join and who shouldn't be allowed to join, even if we assume that such a right is not going to be used other than for the highest motive. It is wrong to give that sort of power and we must oppose it. Therefore, I would ask the Government to weigh the arguments that are being put , which are not being put lightly, but being put in full seriousness, fully conscious of the deep implications for a commitment to democracy, that giving his sort of power implies. We would ask them to give full weight to our arguments and to accept the amendment that is being put forward.

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HON M. XIBERRAS:

I doubt if this is constitution advancement, because I honestly cannot recall, perhaps other Members of the House will think back over the legislation for which they are responsible, and I am talking even of defined domestic matters. I have at the back of my mind one particular Ordinance in which the Minister had some sort of discretionary power, but only that vague recollection of one Ordinance. I am talking of defined domestic matters. I remember also there was a time when giving this sort of discretion powers to a Minister was a matter in which the last administration were very much interested, and I can only remember thisone example, and very vaguely, but usually it is the Head of Department, a vestige of Colonial days, I might add,

but still it is the Head of Department, who normally is put down in the Ordinance as exercising the discretionary powers. There is the Director of Labour and Social Security, the Director of Education, and so on. And I believe the constitutional doctrine is that individual Ministers, according to our Constitution, regrettably, have no individual responsibility and that responsibility in fact rests with Council of Ministers collectively. I should be delighted to accept a movement forward from that position if the Honourable and Learned the Attorney-General is prepared to say that this is not in fact against the spirit of our laws, such as they are nowadays, if there isanother example. But what I would not like is that this should be accepted unwittingly by the House and the Honourable and Learned the Attorney-General should come back and say: "I am sorry, but this is not the practice with other laws." So, the question as to whether there is another law in which the Minister has this sort of power is a very relevant and important question and I emphasize, Sir, that the brunt of what the Opposition has been saying is not so much that they object/the word 'Minister', which the last Government was trying to introduce into a number of Ordinances and we found some objection to this, constitutionally, but to the restraint of the Minister by regulation and giving the Minister, if such he is to be - and we would mark this with constitutional jubilation or as an advance - but to afford the Minister some protection against appeal against his arbitrary decision. Perhaps the Honourable and Learned the Attorney-General might consider what has been said and if he enunciates today in the House that it is possible to have, constitutionally, the Minister exercising this sort of power then we might start looking through other ordin nces because this is the sort of constitutional advancement which I would welcome.

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HON A. MONTEGRIFFO:

Mr Speaker, let me say that I am very grateful for the concern the Opposition has shown regarding the problem. I want to land myself with, if the amendment is not accepted, but I would rather, in true democratic spirit, allow this House to sit in judgement on my judgement, than deprive one single person, one single family being able to join at any given moment the Group Practice if they are suffering hardship because they cannot get other medical attention. But, as I am not thirsty for power and I realise the difficulties I am placing on myself, though I may now be accused of lack f courage, I am prepared, if they feel that the Director of Medical & Health Services should be the arbitor, I would be very happy, but than I do not want to be accused of shirking my responsibility or not having courage. I would be quite prepared to accept if the Opposition is prepared to base an amendment saying that instead of the Minister it should be the Director of Medical & Health Services. I am quite happy.

HON M. XIBERRAS:

If the Honourable Member would give way. There are two separate points, one I have directed to the Honourable and Learned the Attorney-General, I have made it quite clear that we would prefer to see the Minister there. I would prefer to see "minister" in many ordinances where the Head of the Department, the Director, is mentioned as having these powers. This would signify the constitutional advancement and the doctrine of Ministerial responsibility would be advanced. That is point one. Point two is that whether it is a Director or whether it is a Minister, and we would prefer Minister, we are not in this particular case willing to vote in favour of absolute discretion because it is going to be difficult to justify decisions of the Minister in this particular case. We have had in fact from the Minister during the course of this meeting an example of where he used his discretion in a manner which alarmed the House very much, and he stands by his decision. Indeed he had a code, in fact a law, by which to guide himself.

Apparently he referred to neither, or referred to both and forgot about them quite promptly, or perhaps he thought that he should do otherwise, than what the law demanded of him and the regulation indicated. Now, in these circumstances we are not very keen in giving the Minister an absolute discretion.

HON MR ISOLA:

Mr Speaker, I would like to know what is the case, the sort of case, that requires special Ministerial interference. It seems to me that we have 15,000 insured persons, we have the categories which could be done by regulation, the people on supplementary benefits, old age pensioners, our senior citizens, people with an income under £1,000 a year, if you like. Where is the need demonstrated for individual patronage, because that is what it would turn out to be, Mr Speaker. I accept completely the sincerity of the Minister when he says: "I would rather be questioned in this House than leave out one family, who should have gone in." Well, we subscribe to these high motives, these high intentions, but we question and we ask: please tell us any circumstances in which this could arise, having regard to the nature of the Ordinance, the nature of the service given, and having regard to the fact that you have got all your insured persons here, you could bring then by categories every other conceivable hard case. If there is a need, as the Honourable and Learned the Attorney-General says there may be a need, if there is a need in particular Ordinances for bestowing these powers on a Minister or a Head of Department, what we say is that this Ordinance, by its very nature, certainly is not one of that type of Ordinance.

MR SPEAKER:

I believe that the point has been laboured long enough to enable Members to take a decision and I will call on the mover to the amendment to reply.

HON MR CARUANA:

Mr Speaker, Charles Dickens also wrote other books, amongst which was The Tale of Two Cities, and in this case the Government reminds me of, I believe it was, Madam Defarge, who like the Government is waiting at, every conceivable moment to give the absolute chop to all oppositions suggestions.

Mr Speaker, I commend the amendment to the House that the Minister for Medical and Health Services should not be given absolute discretion to allow this,

Mr Speaker then put the question, the following Hon Members voting in favour:

The Hon M Xiberras
The Hon R J Peliza
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 Zammitt
The Hon J K Havers
The Hon A Mackay

The motion was accordingly defeated.

Clause 4 stood part of the Bill

CLAUSE 5.

HON J CARUANA:

Mr Speaker, in view of the fact that clause 4 (1) has been defeated in the previous motion, I would like to withdraw the other amendments standing in my name, since they are consequential on that amendment.

Clauses 5 to 10 were agreed to and stood part of the Bill.

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

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

MR SPEAKER:
I believe that we have now come to the stage were we can recess until tomorrow morning at 10.30

The Committee recessed at

Date

The Committee resumed at

The Non-Contributory Social Insurance Benefits and Unemployment Insurance (Amendment) (No 2) Ordinance.

Clause 1.

HON AJ CANEPA:

Sir, I have given notice of an amendment to Clause 1.

I beg to move that Clause 1 of the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No 2) Bill, 1973, be replaced by a new clause as follows:

i. this Ordinance may be cited as the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No 2) Ordinance 1973, and subject to the provisions of subsection (2) shall come into force on the 2nd day of July 1973.

ii. for the purpose solely of entitlement to the rates of Retirement Pensions specified in the Second Schedule of this Ordinance, this Ordinance shall come into force on the 3rd July, 1973.

Sir, what the amendment really does is to add a subsection (2), and this is being done purely for administrative convenience. Retirement Pensions are paid retrospectively, with a week being reckoned from a Tuesday of one week to the following Monday. Now, Sir, the 2nd of July is a Monday, and therefore, were no amendments to be made in respect of Retirement Pensions, including the question of bringing them into force on the 3rd July, 1973, then the computation of the first payment of Retirement Pensions at the increased rates would have to be done for the first week on the basis of six days at the old rate and one day, July, 2nd, at the new rate. That would lead to very serious administrative inconvenience. So, Sir, the purpose of the amendment - 3rd July 1973 - is to make sure that the new rates come into force for a whole week.

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

Clause 1, as amended, stood part of the Bill

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

CLAUSE 3

HON M. XIBERRAS:

Sir, on Clause 3: "Supplement to Social Insurance Benefits," the Honourable Minister for Labour and Social Security made a point earlier in the meeting in respect of the performance of the last Government, and he said, if I remember rightly, that the lastGovernment could always have introduced supplementations to increase pensions whilst we were waiting for the Actuarial Review I thought that point was a most unfair one, bearing in mind another point the Minister m de, and that is that one had to take into account the principle that contributors would expect to get a benefit commensurate with their contributions, and he gave this as a reason why he would not be able to bring into the scheme immediately persons who had not paid any sort of contribution. I would like to remind the Minister that had implementation been introduced at that stage,in the knowledge that the fund was perfectly healthy, and that once the Actuarial review was carried out, the contributions paid into the fund could be used to good effect, it would have been not very fair, or in keeping with his own statements, to have relied on contributions from the exchequer to bring about an immediate increase for all persons. I though that particular remark was somewhat out of character. But had we had an opportunity, after the discussions had taken place on the Second Reading, of considering more in detail the amendments that we have suggested we might have put forward, nor the consequential amendment thereto, which would be numerous, we might in this Clause have had something to say about the inclusion of persons into the Scheme even though they had paid no contributions I refer to the personswho either opted out of the Scheme or were not entitled to the scheme. I would refer the Minister to correspondence which I believe is still in his department on the subject and once again exhort him to do his utmost to overcome this particular difficulty, because there is going to be a sense of grievance amongst those people who had been left out because the law, in their time, just did not exist to cover them or because, as I have said before, the benefits did not appear at that time to be worthy of being contributed for. I would ask him not to give too much weight to the argument that he raised, which is only oflimited validity, and the implication is that people who had contributed towards a pension or benefit would resent the fact that other people would get a pension without any contribution, or with a lesser number of contribution than themselves. I know that the Honourable Member on his left, with whom I discussed the matter, feels strongly about this and he has raised the point with me in connection with the level of Supplementary Benefits on occasion. What we expected from this side of the House was a once and for all exercise in which you would try to incude everybody. I think no one would resent these rather unfortunate persons being included in the Scheme and an effort being made to include them. The Minister himself said that one generation has to pay for the pensions of another, at least subsidise - I believe was the word used by the Minister - subsidise the

pensions of another generation and what we are advocating is simply that this principle be extended to cover these persons I have referred to earlier. I can assure the Minister that even in my time, when I put this particular question to the Sub-committee of the Transport and General Workers Union as to whether they would consider it unfair, they said 'no' and they were prepared to support any - I had this from Mr Netto and about 15 members present then - any move to include these persons in the Scheme. Perhaps, now that we are at Committee Stage we can clarify our points of view on this one, because I feel that this is perhaps the major gap in the Scheme.

HON AJ CANEPA:

One finds it very difficult at times to know exactly to what extent people are prepared to shoulder a burden in order to make life easier, in order to extend benefits to others. I have got a memorandum here, Sir, with me from the Transport and General Worksers Union, which I don't think one should debate in this House, certainly not at the moment, in which they suggest that employers contributions be increased but in which there is no word about employees contributions, not a word at all. I was at pains when I met the Pensioners Sub-Committee of the Transport and General Workers Union in two meetings, to know to what extent they were prepared to support an increase in contributionsby employees as well, with a proviso of course that the employer should bear the greater burden, and this is something which we have done. But it is very difficult sometimes to pin people down. It is very difficult sometimes to know to what extent they support one's proposals, even though they will be for the benefit of their own members. It is very easy for the Leader of the Opposition to say that Mr Netto supported his idea. It is not so easy for me to say the same thing when up until now the people concerned have not expressed any willingness to shoulder the extra burden of the 15 pence that they are being asked to pay more in contributions. I am very concerned, Sir, to try to extend the umbrella as far as possible. I have gone some way in this revision to try and bring as many people as possible into the Scheme and I continue to work on it, even after this revision has become law, I am not content to sit back and wait for another revision and hope that between now and then I can bring other people within the umbrella. I have some ideas myself, I am not sure the extent to which they are practicable but I am working on it. I will also get support from outside, but quite apart from getting advice from people more versed on this matter than myself, I have some ideas myself, and I hope to be widening the umbrella all the time and maybe in time, as the Honourable the Leader of the Opposition mentioned yesterday, the numbers who are left out of the umbrella may be so small, that perhaps a once and for all exercise could be carried out at a future date. But I can give the

House this assurance; that I am not going to sit back and rest on the laurels of this revision, I will continue to work at this and if I can find a way of bringing more people into the Scheme, or if I can find a way of extending benefits, pensions, to other people who through no fault of their own may not have contributed, I will do so before the next review ~~I will do so~~ in the interim period, ~~and~~ That assurance I can give, Sir.

HON M SIBERRAS:

Sir, the object of this debate is to include these persons, Sir, may I make a suggestion to the Minister which he might consider following up. My Honourable friend on my left made a very important point which has to my mind a direct bearing with these persons which might normally be included in a non contributory capacity.

My Honourable Freind on my left said that "in talking about the state on the Fund the Minister haf not given enough emphasis to the income of the Funds from investments." I appreciate after the Minister has shown me the figures for the contribution side of the Fund, that considering the benefits, being paid out that the Fund would became a little short in a number of years, I think it was in 1980 or so. On the other side we have income form investments. We have too a situation which the Moroccan labour force continues to yield a considerable amount of income and does not make corresponding claims on the Fund. We have, also, the situation of the Spanish workers and the offer which still is somewhere between London and Madrid. And we have also the income as I said from the Exchequer which could be increased. Now, if the Fund as a whole is as healthy as it appears to be and if it is very likely that the Fund will not deteriorate; taken as a whole over a period of time and considering that we are talking about this particular generation of pensioners. Would it not be an idea to use the money in the Reserve, in the /is General Revenue Balance which/not unhealthy, towards providing pensions for these people and then perhaps come to an agreement to pay back out of the Fund any monies that me beroughly speaking surplus to the amount to which the Fund is committed. Now, if this could be done the once and for all exercise might be carried out immediately. It may be a question of a hundred thousand pounds out of the General Revenue Balance.

MR SPEAKER

You are now begining to speak on the general principles of the Bill itself and not on the section. We have covered this ground at the Second Reading.

HON M XUBERRAS:

Sir, I entirely agree we have covered the ground and I am just putting this into somewhat more detail because of theimportance of this. Now if provisions in subsequent years could be made, so that the General Revenue Balance will not be depleted /of over a period/years and if contributions could gradually be increased, then one could deal with this problem rathermore quickly than I feel the Minister is going to be able to do, unless he goes for something along the lines I have suggested. I will welcome the Minister's comments on this general approach.

HON A J CANEPA:

I think I referred to the same thing when we were discussing the state of the Fund during the second reading of the Bill and quite honestly there isnt a great deal that I can add to that. I did, as the Leader of the Opposition has mentioned, show him the figures projected into the future, that show the position rather more clearly. It should be borne in mind that there are certain reservations with respect to the Fund-he him-self has reffrred to them-and I have given an undertaking to continue to explore every avenue, every possibility, of bringing more and more people within the Scheme and I take note of this point and I will try to work on it.

HON J BOSSANO:

There was something that I would like to have clarified by the Honourable Minister; this is a question of the Supplementation.

MR SPEAKER:

In Clause 3:

HON BOSSANO:

Clause 3 yes, you know there is a reference there to supplementation. I would like to know how this supplementat on relates to the original benefits paid, thatis, you know I feel that there is an omission here towhich I nade reference when we were discussing the general principles of the Bill. And this is a fact that by linking upthe Non-Contributory Social Insurance to the Contributory Insurance, we find that since in the main Ordinance there is a scale of benefits related to the number of contributions in respect of the other Bill, the Social Insurance Bill, we find that because this is so, a person may be unable to qualify for a particular benefit say, for example, Old age Pension, because of an insufficiency of contributions. Now, when that happens the person is also debarred from the supplementation and I feel this is an anomaly that needs to be removed, because at least we ought to provide the non-contributory sum to a person who cannot qualify because of an insufficiency of stamps. In view of the fact thatthis is not a payment that comes from contributions but from General Revenue, perhaps the Minister could explain whether this particular change in the law relating to the orginal Ordinace goes anywhere towards removing this anomaly and also whether people who are on reduced rates of Social Insurance Benefit get the full supplementation level or not.

HON A J CANEPA:

Sir, the payment of supplementation is at a flat rate regardless of the actual amount being received from the Social Insurance Fund in respect of an Old Age Pension. You may have an individual or a couple now getting £1 from the Social Insurance Fund and £1.10 from supplementati n. In the same way, yoou may have a couple getting less than £1,-having barely a sufficient number of contributionsto qualify for an Old Age Pension getting as little as say 10 or 20 pence, and nevertheless getting the same amount of supplementation. It might help, Sir, if I give very quickly some background as to how supplementation came in. At the inception of the Scheme in 1955, wages were extremely low and supplementation was introduced, I think to compensate the local pensioner, for a higher coast of living than his alien counterpart; in the same way as I think, that at the time, local workers used to get I think it was 30 shillings more. ~~were a sort of~~ a residential allowance compared to those who were coming to work in Gibraltar from outside. This was the purpose of supplementation at the time in 1955, and As benefits have increased supplementation has remained constant throughout and today ofcourse it doesnt have the same weighting as it used

to have; if we talk about a pension of £1, than obviously £1.10 seventeen or eighteen year ago for supplementation meant a great deal. Today when we are talking of a higher level of pension in the region of £7, the £1 supplementation doesn't have the weighting that it used to have, it can no longer compensate to the same extent as it used to. I ~~refer about~~ referred people who do not have the necessary number of contributions. Sir, in the past again, I think people were able-because they were too old and they couldn't attain the 500 contributions opt for those transitional retirement pensions which are becoming an extinguishing benefit. But other than these transitional provisions today, and in the last ten years or so no one is able to qualify for an Old Age Pension unless they do have the minimum of 500 contributions, if they dont they do not qualify for an Old Age Pension and therefore they cannot qualify for supplementation.

HON J BOSSANO

Mr Speaker, the point that I wanted to make, is that this being so and since we have had previous debates centering around, you know, the anomaly that has existed in the past where with the £500 level, certain people were left out, people were given the option of joining the Scheme and perhaps they didn't exercise that option because they didnt realise the importance of making necessary provisions for old age; there are cases where we have got widows suffering from lack of foresight by thier husbands when they were alive. This sort of situation is the fragemented situation that we have now in Social Insurance. It appears from the point that have been/forward by the Government/ that there is a great difficulty in allowing these people who are left out of the scheme to join the shceme, because they feel it is unfair on the people who/ contributed the full lot of contributions, to allow people to come in who are either too old now to make the full contribution or else their husbands didn't use the option at the time and the widow can do nothing about it now. The Government feelsthat this would be unfair on the people who have exercised such options and who have made the full contributions. It is a view certainly that I dont share and I think the Government is mistaken in thinking that the people who have contributed would in any way resent the opportunity being extended to others now. But that being the case it seems that we have got a vehicle here which perhaps originally was not intended for this; originally it was set up for something different. We find that the vehicle really no longer has a function in doing what it was originally intended to do, but given that this piece of legislation does exist and given that there is this opportunity, it seems to me that there is a chance now to do just a tiny bit to help those people who are left out of our Social Insurance Scheme, which is going to be a diminshing number, because we have now taken care to ensure that all those entering employment do take out insurance to cover themselves. We had done this in 1968 and therefore the numbers involved as in the case of transitional retirement pensions,are going to be a dwindling number of people. So it doesn't involve putting a commitment,putting a burden on the General Revenue which is where themoney has to be found which is going to be increasing over the years. The sum that will be required will be very small, because the number of people involved is very small, it will be very small because the benefits involved will be are very small, the supplementation, and it is a total figure

that will itself be decreasing over the years. And I think that since we have this Bill before the House it would not be amiss /links to amend the requirements that/the payment of supplementation to entitlement to the ordinary Insurance, so that we make it available not only to the people who are getting say 10 pence from the Social Insurance, but even to those people who are not getting anything at all.

HON A J CANEPA:

Sir, the numbers involved are not all that small, certainly are not ~~that small~~ to the extent ~~that~~ the number of retirement pensions ~~are so small~~ which ~~are~~ only about 100 ~~now~~. There are about 1,500 people outside the Scheme. The option that we are now extending Sir, could bring in about 1,000. It will be interesting to see Sir, how many will actually come in. I am not a betting man— my Honourable and Learned Friend the Attorney-General is, I don't know whether he would hazard a bet with me, but I am willing to bet ~~with~~ him privately that the number will be suprisingly small. People are not awake to the responsibilites that they have to provide for a secure old age. Perhaps the Hon ourable Mr Bossano is not aware of the extent ~~that~~ people know that supplementary benefits or "welfare" as they call it, are always there. He would be surprised. I do not think, Sir, in spite of the facilities that we are giving to people to come back to the Scheme without the payment of arrears if they so wish I am ~~unfortunately confident~~ that ~~however~~ near the number that should come in will take the opportunity. And therefore after this review is over I am sure that we will still have a very substantial number of people outside insurance.

HON J J BOSSANO:

Mr Speaker, on the figures that the Honourable Minister has quoted he said that there are some 1,500 people outside the Scheme, 1,000 of whom would be able to exercise the option that is now being offered, presumably because they are under 55 and could join the Scheme and the other five hundred if they were allowed to obtain the 70 pence supplementation-which is all I am asking they should be given-would cost Government some- thing in the region of £450 a week and these £450 a week would /a be decreasing sum. This doesnt seem to me an unduly high burden for the finances of Gibraltar to have to bear. And certainly if the Government think that those peole who have been given this very attractive opportunity of joining the Scheme now at 55 are not going to exercise their option, then I would say that there is every reason to make it com- pulsory, just like we make it compulosry for people who enter employment for the first time to join the Insurance. There is no reason why we couldn't make it compulsory for all who are under 55 to enter insurance.

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

Clause 4.

HON A J CANEPA:

Sir, I haven't given notice of this amendment because it was purely as a result of a typing error I think I have got it here in writing. On clause 4, Sir, I beg to move that it be amended by the insertion of the words "ordinarily" before the word "resident" in line 17 of the proposed new subsection (1) of section 8 of the principal Ordinance.

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

HON J BOSSANO:

In respect of Clause 4, I would like some clarification where it refers to the necessary qualification for entitlement and it states that the rates specified in Table I(a) and Part 1(a) are applicable to a person who has paid contributions for two years out of the last three and so, under residential qualifications, the Section that has just been amended. And I would like to know whether in fact this, as it is drafted at the moment, covers adequately the widow of such a person and the guardian of such a person or whether we need to say at the rate specified in the case of a person etc, or the widow of such a person, or the guardian of such a person.

HON AJ CANEPA:

Sir Clause 4 refers to Unemployment Benefit and therefore it cannot possibly apply to a guardian or widow or other dependant.

HON J BOSSANO:

Mr Speaker, it says; the rates specified in Part 1A, and Part 1A does include Widows Benefit and Guardians Allowance. This is why I am asking.

HON AJ CANEPA:

This clause, Sir, provides for an increase in Unemployment Benefit from £2 to £4 and that is subject to the condition, residence or, insurance as laid down in the rest of the Clause.

HON ATTORNEY-GENERAL:

I think you have been mistaken and looked at the wrong Part 1A. It is right at the end, the last page.

MR SPEAKER:

Does that answer the question?

HON J BOSSANO:

There is a Part 1A that comes earlier which has got supplementation for Old Age Pension, Widows Benefits and so on. It is not covered by this section is that right? There is in fact no qualification as to having paid 104 contributions.

HON CHIEF MINISTER:

It is Part 1A of the Third Schedule. The other one is of the Second Schedule.

HON AJ CANEPA:

Sir, this Clause is dealing with Part 1A of the Third Schedule and I am afraid, Sir, that the Third Schedule is referred to at the bottom of page 151, and the table is on page 152 dealing with Unemployment Benefit, and I think that what is happening, Sir, that the Honourable Member opposite is going back. We are now going into territory covered under the previous Clause.

MR SPEAKER:

Yes indeed, there is a Part 1A in one Schedule and one in the other Schedule.

Clause 4 as amended stood part of the Bill.

Clause 5 stood part of the Bill.

Clause 6 stood part of the Bill.

Clause 7

HON J. BOSSANO:

I beg to move the following amendment to Clause 7 Mr Speaker, That 7(2) Part 1A be amended by increasing the figure appearing in the Third Column thereof and that weekly basic rate in 1B of 0.70pto£1.70 and in 2(a) and (b) of 0.70pto£1.70

Mr Speaker then proposed the question.

HON J. BOSSANO:

The purpose of the amendment is to increase the level of supplementation for Old Age Pension and Widows Benefit by £1. We feel on this side of the House, as we made clear during the debate on the general principles of the Bill covering Social Insurance both Contributory and Non Contributory, that the level at which it was envisaged Benefits should be fixed in July of this year, last year, that this level has now been overtaken by events and that there is a need for an upward adjustment.

We have of course already debated at some length the view that is held by this side of the House and which I believe has been made known to the Honourable Minister for Labour and Social Security by the Trade Unions, that they would prefer a two tier system with a retirement pension being payable in addition to the Old Age Pension on retirement. But, if as is the case there is a difference of policy here, between Government and our Side of the House, it is clear that this is a matter which will have to be left at that point until there is a change of Government. So what we are concerned with therefore is keeping what we consider to be an unsatisfactory system but of insuring that at least, eventhough the system is unsatisfactory, at least the level of benefits bears some relation to today's cost of living. The amendment which seeks to increase by £1 the level of supplementation, both for people in receipt of an Old Age Pension whether married or single and people in receipt of Widows Pension and Widowed Mothers allowance, this increase of £1 may appear quite large in relation to the existing supplementation. But of course as t e Honourable Minister for Labour and Social Security has pointed out, one has to relate it to the total level of pension available under the Insurance to appreciate whether it is in fact a very large increase or not. And the increase in fact is not large, it is a modest one, because what it will produce, if it is accepted, is an aggregate for Old Age Pension for a married couple of £8.10 as opposed to the original aggregate envisaged of £7.10. Now if one looks at what has been happending in the Food Index and if one looks at the attitude the Government has taken to wages, we can see that just like there was a justification for bringing in a 50 pence increase for workers, because of the rise in the Cost of Living, there would logically be a justification for an increase of 50 pence for the Old Age Pensioner. The increase of the £1 that is suggested by this amendment in fact represents an equivalent to that 50 pence increase for our senior citizens and the need to provide an additional 50 pence, because there is no doubt whatsoever on present information that they shall need that in the course of the next twelve months. So one is to bring the level of the pension that was envisaged last November into relation with what has happened to prices since November, that is part of the objective, that the pound increase is designed to bring about and the other one is to provide something a little extra which will enable them to meet the increase in costs that they are likely to face between now and the next time pensions are reviewed. The reason for putting it in, in the Non Contributory Social Insurance Scheme is primarily because that is the order in which the Bills have come before the House. There is only one advantage to my mind to having it here rather than in the Social Insurance and that is, that by having it in the supplementation, as the House was informed a short while ago by the Honourable Minister for Labour and Social Security, individuals who are getting less than the maximum pension will also benefit from this. Whereas if we give £1 in the Social Insurance

Scheme to people getting the full pension, then people getting less than full pension will get proportionately reduced benefit. Therefore by putting it here, it means as the Honourable Minister has pointed out, just like a person getting only 10 pence from the Contributory Scheme will get the full level of supplementation then by increasing the supplementation by £1 we would make it available to a greater number of people and we would make it available to those people who are most likely to need it. So there is an argument for including it here, but, Mr Speaker, if the Government were to give an indication that they would consider an amendment to increase the level of pensions by something of this order, when we come to consider the Contributory Scheme, and if they felt that they would not wish to increase the amount of General Revenue that has to be devoted to the running of the Non Contributory Scheme, then I would have no objection to withdrawing my amendment, in view of the fact, that the same objective could be achieved through the Social Insurance and that I think when we come to look at the Social Insurance and debate the matter we will see that the Social Insurance Fund has got ample reserves to meet an increase of this order, which is in fact very small, and will represent a very small addition to the cost of the benefits now being paid.

HON LJ CANEPA:

Sir, in drawing up these proposals, which were not drawn up last July but last January, I have been very careful to assess and to analyse the rate of inflation. I have endeavoured to project this into the future to try to ensure that the value, that the purchasing power of these benefits at the time of the next review will be more than comensurate with what the benefits were in 1968. Sir, the Honourable Mr Bossano is basing himself solely on the Food Group of the Index of Retail Prices. I accept that in the case of Old Age Pensioners the weighting, the proportion of their income that is spent on food, may be higher, it probably is higher, than what it is for an average family with youngsters. I can accept that but whilst I would not say that one must guide oneself entirely by the Index of Retail Prices, neither can I accept that one should guide oneself by the Food Group only. The answer probably lies somewhere in between, and projecting it into the future and working from January, 1968 as a base line, I am confident that at the time of the next review the purchasing power of these benefits will be as high, if not higher, than what they were in 1968. I will watch the situation very closely. If inflation continues at an alarming rate, I will endeavour to bring forward the date of the next review to ensure that these persons do not suffer hardship. The other thing, Sir, is that what appears to be a very simple innocent little amendment entails somewhere

somewhere over £60,000 out of Revenue and I do not wish to anticipate the debate which we shall be having later in these proceedings on Income Tax. But for an Opposition that is pressing us to cut on Income Tax, to suggest, Sir, that we should pay £60,000 from Revenue through this amendment, really is not on, Sir.

HON R J PELIZA:

I can see the anxiety on the part of the Minister of arriving at something which is financially feasible and also the way he sees it just to the extent that the beneficiaries did not contribute as much as those under the other schemes. And if his desire to find a solution, which he says he has been trying very hard and unable to do so so far. I think the first one is;would it be unjust to try and bring these people as near as possible as those who are paying the full contributions? Well, if we were dealing in this matter in connection with an ordinary insurance company, where necessarily the finances of it have got to be self supporting and based on the profit motive I would say yes. It is absolutely right and there is no possibility of giving way on that one. But this is not so. This kind of insurance is a Social Insurance and not the usual private insurance. Therefore I think it is improper from the social point of view to take into account the contributions that these people made in the past. Since obviously it was impossible for them even if they had wanted, or had the sources to make more contributions. It was just impossible and therefore from there we come to the provision now, to the stage where we say"are we going to allow this wrong to continue for ever in the name of justice?" Well I am sure the Honourable Minister has read the Merchant of Venice and he knows perfectly well that justice must firstly be tempered with mercy. And I think mercy must come into this one, we have got to look into this, and we have got to decide that this is not a question of profit or having the Funds inflated by the money coming in. We have got to put the Fund to the best possible use and if in the process of doing so we have got to put right a social wrong, then it has got to be done. And I suggest to the Minister that in this respect he looks at it from that point of view and he will be right. Now what we are asking for is just a mere £1. I don't know the arithmetic, we haven't got the figures, but it would be interesting to find out to what extent this is going to deplete the Fund, which is very healthy, so I don't think it can, Revenue Funds or whatever Funds they are coming from. I think that there is an obligation, an overall social obligation in Gibraltar, to look after these people. Believe me I am not saying this here today, I think my Honourable friend knows that I have always had this in my bonnet, if you want to put it that way. What I am saying now publicly I have said privately when I was in Government time and again. I know for certain that had we been in Government we would have done it, without any shadow of a doubt we would have done it and it is no use saying that we were not prepared to find the money to do it because we always were. Mr Speaker, I am just answering one point. Again from that premise I think the Minister can rest assured that we are not trying to make political capital out of this discussion. We are trying to help old folks of Gibraltar who I think deserve it and I would suggest to the Minister careful consideration to

amendment which is done with full sincerity and honesty for a social good and thus not allow himself to be prevented from going ahead by the mere number of thousands of pounds which I am sure cannot be all that much which will also be in a diminishing number, so I would suggest that he does that.

The amount we are asking for is very small. I have also noticed and I haven't spoken to my colleagues on this one, that a guardian for instance gets 25p increase, presumably because before he was getting more. Now, the other point is and I think the Minister must agree I cannot believe that the rates of the increase in the cost of food will not have gone well beyond the level that he has foreseen - it is clear and I do not think it is going to be possible to stop it. This is very clearly seen all over the world, it can be read in any newspaper so I doubt whether his prediction will be right. But one point I would like to make, with the amount of money that these old people are getting the senior citizens are getting, it is ludicrous to bring other items from the index other than food, because they haven't got money to buy a sandwich today. So I would suggest that if he is bringing into his arithmetic other items, such as clothing other luxuries, I would concentrate strictly on food and therefore if he goes back now and take away the other items that obviously he put into account when he was looking into the future, and I think he shouldn't - if he does that, he will see that his calculation obviously needs reconsideration. I would therefore honestly ask the Minister to look into this. He would be doing a very good turn to these old folks if he could give them the extra bit that we are asking for.

HON A.J. CUTTS:

The money involved is not peanuts, it is a considerable sum of money. We are already paying out of Revenue in supplementation some £55,000. It is an increasing sum of money from year to year - it is a commitment that we cannot shirk. The number of pensioners has been increasing since 1966 by 100 a year - there are now 1,200 old age pensioners. That is why, Sir, I said the figure was over £60,000. 1,200 pensioners at £1 a week works out at £62,400 per annum - that is a fact. It is an increasing commitment because in a years time there are likely to be another 100 pensioners a year after that another 100 pensioners and so on. This is an increasing commitment for the future; the numbers will not decrease as the Honourable Major Peliza has said. The numbers will continue to increase and if anything more rapidly.

MR SPEAKER:

I will now ask the mover to reply on the amendment. You have moved an amendment; you have got the right to the last word.

HON J. BOSSANO:

Mr Speaker, I am very sorry to see the line that has been taken by the Honourable Minister for Labour and Social Security. When I opened the debate on this amendment I was at pains to make it quite clear to the Government side, that what I was seeking was benefits for people in need and that I will not be dogmatic in saying it had to be done in his way. I could see something beneficial about putting the additional pound that I think Old Age Pensioners should be given. I could see a beneficial effect coming from putting it here, because as I explained it would affect all people who are in

receipt of a pension however small. But I was also at pains to explain to the Government that if they /the were worried about/effect this would have on Revenue; which is a point that the Honourable Minister for Labour and Social Securtiy has brought out; that We are not talking about peanuts here, we are talking /a about/colosal sum which is going to be increasing because apparently in the year 2,000 the whole of Gibraltar will consist of senior citizens. It seems a remarkable projection to make, to say that we are going to be increasing the number of people over he age of 65 in Gibraltar by 100 every year indefinitely. Statistics show Mr Speaker, that the proportion of people in different age groups changes very slowly. It s what is known as he population pyramid for the benefit of the Honourable Minister of Education and the population pyramid does show a small upward adjustment; but not of the dramatic nature and 10% per annum suggested by the Honourable Minister for Labour and Social Security. Because at that rate, as I say, by the year 2000 virtually the whole population of Gibraltar would be over 65, which is totally untenable. In any case I dont think there is any danger of the presant Labour Minister or the presant Government still being in power

in the year 2000 as I suggest they leave that problem for whatever Government is there then. Coming back to the amendment, Mr Speaker, and to other amendments that I have raised before in connection with the concern that I feel for our senior citizens. I suggested for example when we were discussing the Financial Procedure Bill that out of revenue we should create a fund.

MR SPEAKER:

Let us come to this amendment.

HON J. BOSSANO:

Yes, Mr Speaker, that amendment in fact was intended to provide on a continuing basis protection against the inflation, which is what I am seeking to achieve again here. And I shall not give up in this struggle to get the Government to be less stingy to the people who deserve it most. Every time I get an opportunity to bring in an amendment, I shall do it. I have done it before and it has been rejected and it appears that the Government not only is going to reject that it should be done here, but will not even be willing to consider that they should do it. In the next Bill, where the sum will have to come from an Insurance Fund, which can well meet such an increase which is very healthy which the Minister knows can meet this increase. He has not in fact given any indication that he would be willing to consider it in the next Bill, which is all that I ask for; had he given such an indication I would have withdrawn this amendment, Mr Speaker. He has not given such an indication and by default I must assume he intends to oppose that as well. Now I think this is shocking when all that one is asking for is an additional £1 for a married couple, or a single senior citizen living on an Old Age Pension. The amount of increase was envisaged as far back as October or November. The increase in food prices that has taken place since January of this year could not possibly have been envisaged at the time when these figures were first suggested in this House by the Honourable Minister for Labour and Social Security. Because there is never in our history a record of a rise in the price of food of the magnitute we have experienced in the first five months of this year. It would have been impossible for the Minister last November, when deciding on the rates.....

MR SPEAKER:

No.

HON MR BOSSANO:

It would have been impossible for him in November to anticipate how much money would be needed, because he would have had information based on historical trends in food prices. He couldn't possibly have projected from past ex erie ce of rises in the rice of food what has happened in the first five months and therefore I would like him not to miss this opportunity to make amends, amends which are very necessary. The latest figure on the Food Index shows almost 50% increase since July 1970. If we go back to January 1968, when the original rates were fixed, then clearly already the price of food has gone up by almost 75: since January, 1968. It is inconceivable to say, that one can look with confidence to the next review in 1975 and not expect the whole 100% to have been swallowed up. And it is not enough, even if one were satisfied that this figure would not be exceeded, it isn't enough to say well by 1975 people will still be getting a pension that is as small as they were etting in January, 1968. Because what we want, Mr Speaker, is not just to afford protection to the real purchasing power of the pensions, but to bring gradual improvements, therefore we must give them a little bit more at least, than the amount they need to be able to live as badly off as they were living five years ago. I earnestly ask the Government to c nsider either accepting this amendment at this stage, or else to be more liberal and broadminded when we come to consider the amendment I shall certainly move again when we come to the Social Insurance. Because I am not going to let go all this without a struggle, Mr Speaker. I think it is most important, yesterday, Mr Speaker, I was thinking of moving an amendment on the question of Injuries Benefit, but I didn't do it because it appeared to me that the Government would not consider it. I then found out that the Government was willing to consider it, but of course it could not be to blame because I had not taken the precaution of proposing such an amendment. It seems that the Government is only prepared to consider amendments that I do not actually table in the House.

Mr Speaker then put the question, the following Hon Members voting in favour:

The Hon M Xiberras	The Hon R J Peliza
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 J L Hoare	The Hon H J Zammitt
The Hon J K Havers	The Hon A Mackay

The motion was accordingly defeated.

Clause 7 stood part of the Bill. Clause 8 stood part of the Bill.

CLAUSE 9.

HON AJ BOSSANO:

I beg to move that clause 9 (2) be amended:

(1) by increasing the figure '2.40', wherever it appears in Part 1(A) in column 2 (Weekly Basic Rate) to 3.40;

(2) by increasing the figure '0.50' wherever it appears in Part 1(A), in column 4 - (Increase for Children not exceeding 4 - in number per child (where applicable) to 0.75;

(3) by deleting the words "not exceeding four in number" where the same appear in Part 1(A) in column 4.

HON J. BOSSANO:

Thank you, Mr Speaker. The purpose of the amendment, again, is an increase of £1 and of course it is because the level of benefits evisaged here are in our view insufficient in both the relation they bear to wage rates and the relation they bear to the needs of a man who has to support a family and who is unable to obtain work. It is of course, particularly important in this relation, to remember that here we are dealing with a benefit that is available for a limited period, a benefit that is available for thirteen weeks. So here we do not have as a constraint the problem of having an on going commitment and an increasing one. The Unemployment Benefit is payable only for thirteen weeks so that an increase of £1 in Unemployment Benefit represents an increase of £13 for every unemployed person because it is payable for thirteen weeks, so the sums are insignificant. We also know, from questions that we have asked earlier in this meeting, Mr Speaker, and the answer given by the Honourable Minister for Labour and Social Security, that there are only some 30 persons registered as unemployed, and as registration is one of the qualifying conditions for the payment of Unemployment Benefit, although the information that I have is that there are more than thirty persons unemployed in Gibraltar at present, only those people who are actually registered would qualify for Unemployment Benefit. So we have in fact, on the present figures that have been made available to this House, 30 persons affected and the increase envisaged of £1 per week over a period of 13 weeks because after the 13 weeks entitlement to Unemployment Benefit lapses. So here I think the Honourable Minister for Labour and Social Security would have a very hard task in convincing the House that we are not talking about peanuts because we are not talking about peanuts here, we are talking about £30 per 13 weeks. The need to increase this level is not only that the sums involved here are totally unrelated to today's wages and living costs but that in fact they are not well related either to other benefits provided under our social welfare system. The level envisaged in the Ordinance without the amendment is £2.40 for a single person and £4 for a married couple without children. Now it is proposed to bring this up to £5 for a married couple and £3.40 for a single person. This can hardly be considered overgenerous and I would like, if I may, Mr Speaker, to anticipate a possible argument by the Honourable Minister for Labour and Social Security that we run the risk of encouraging unemployment, because from other arguments that have been used in the House this is something that I would not be surprised to hear from the Government side. I think there isn't the slightest danger of us running into the problem that we may encourage people not to take up work by giving them a fiver a week on which a man has to support himself and his wife.

The other amendment, is the increase of the allowance for each child from 50 to 75 pence would mean that with six children the unemployed person would have an income in the region of £9. The number of the families in this category is not large. If we look at the census there are few families with six children, and in any case out of the
/30 total/unemployed the number with six children must be very small. I think that even members of the Government who are in this position don't run an immediate risk of becoming unemployed. So, Mr Speaker, we are doing something here to bring our benefits up to a more realistic level for unemployed persons, but / level that cannot, by any stretch

the

/such that people would be living in such comfortable circumstances as

of the imagination, be considered/a result of the benefit envisaged by the amendment that they would prefer to live like that rather than take employment. Even if the amendment is accepted the sums involved and payable make it very difficult for a person to support a family. The important thing of course is, that although there is as we have noted in other cases, always the recourse of Supplementary Benefits, it is a fact that people feel that in the case of Supplemetary Benefit they are asking for something that they are not entitled to: they are asking for charity and they do not like/which they can claim, which is related to their contributions record, /something which belongs to them, something which they have put in themselves. This is a psychological fact which is there and has to be recognised when we are drafting our social welfare legislation. Mr Speaker, we cannot in any society draft legislation and ignore the realities of life and the constraint which make this workable. It is for this reason that even though for those people who are getting, for example, Supplementary Benefits in addition to the Unemployment Benefit, there may be no immediate increase in the sense that they would get less Supplementary Benefits if they were getting Supplementary Benefits, if they were getting more Unemployment Benefit, even if this is the case for those people who are getting Supplementary Benefits the point is that most people would prefer to get it as a right rather than charity. And those who dont . . . .

/doing it. It is a fact that when they have an Ins. Benefit

/which is related to their work they feel they are getting.

MR SPEAKER:

We are not debating whether it is right to have Supplementary Benefits. We are debating whether it should be increased to a larger sum.

HON J BOSSANO

The reason, Mr Speaker, why I am putting this argument is that I am trying to forestall all the possible objection from the other side, but I take your point, Mr Speaker.

The third element in the amendment is that one cannot see why the payment of additional benefits in Unemployment rates should be limited to the first four children. There seems to be no sound reason why no payment should be made for the fifth, sixth and seventh child, etc. Again the number of people likely to be in this category and unemployed are very, verysmall, if anything it may be cases where one has a problem family with many children. Therethe community has undoubtedly got an obligation todo its utmost to protect individuals who are already starting off with great disadvantages and certainly not to be meagre about the benefits they provide in order to save a few pounds here nad there. I commend the amendment to the House, Mr Speaker.

HON A J CANEPA:

Sir, I am not by nature inflexible, nor am I inflexible in the attitude that I take to the responsibilities which I have to discharge. Where I am not able to accept an amendment from

other side of the House it is because on this side of the House we have constraint which the Oppostition does not have. Yesterday, Sir, discussing the question of Injury Benefit, I undertook to bring later on a short Bill that will give effect to what the Honourable Mr Bossano wanted to achieve. The approach that I took to the question of Injury Benefits is the same as the approach that I take to the question of Unemployment Benefits, and, therefore, I am happy to accept his amendment. The only thing, Sir, is that the figures that are given here are rather more convenient to work with than the ones that he has proposed, just an increase of £1, ~~and~~ I would like to move an amendment myself which will make things a little ~~bit~~ easier. For instance, instead of amending the figures from £2.40 to £3.40 we can go a little bit further and move it up to £3.60 which makes it even easier. It therefore means, Sir....

ME SPEAKER:

It, therefore means as I would like, in writing, an amendment to the amendment!! (laughter)

HON CHIEF MINISTER:

We haven't got the other amendment to amend.

HON A J CANEPA:

That is the thing. If I could have the other amendment in writing, Sir, then it would be very much easier for me to know what is involved.

HON CHIEF MINISTER:

MR SPEAKER:

Oh, no, he mustn't touch that one. I am going to suggest something else. The original amendment by the Hounourable Mr Bossano can be withdrawn and a new one can be proposed by him incorproating the agreement of the House. It is the same, but otherwise you are going to take two votes. All that has to be proposed is that the amendment moved by the Honourable Mr Bossano should be amended by the substitution of certain figures by other figures.

HON A J CANEPA:

Sir, you want it in writing?

MR SPEAKER:

I want your amendment in writing, but you dont have to copy

all the other amendments.

HON CHIEF MINISTER:

Procedurally, Mr Speaker, it would be helpful if future copies of amendments of this nature could be made and a copy given to the Chair and one to the other side. We should do the same also.

HON M. XIBERRAS:

Sir, it would be useful if the Usher might not have to go all the way round in his perambulations.

MR SPEAKER:

I shall give instructions that from now on the necessary papers, with carbons should be ready for the purpose of writing amendments. Of course the Usher has my leave to pass between me and the Clerk if that is going to save time and trouble.

I will now read the amendment to the amendment as proposed by the Honourable the Minister for Labour and Social Security. He moves:

(1) That the figure of £3.40 in the amendment of the Honourable Mr. Bossano be substituted by the figures £3.60 and that the figure of 0.75 be substituted by the figure 72.

(2) that clause 9(ii) to be further amended by substituting the figure of £1.80 for £1.60 wherever it appears.

Having the agreement of the House I will now put the amendment as amended so that a vote can be taken on it.

Mr Speaker then put the question which was: that clause 9(ii) be amended by increasing the figure of £2.40 wherever it appears in part 1A column 2-weekly-basic rates-to the figure of £3.60.

(2) by decreasing the figure of 0.75 to the figure 0.72 - wherever it appears - in part 1A, column 4 of increase for children not exceeding four in number per child where applicable;

(3) by deleting the words "not exceeding four in number" where the same appears in part 1A column 4; and

(4) that clause 9(i) be further amended by substituting the figure of £1.80 for £1.60 wherever it appears, which was resolved in the affirmative, and clause 9, as amended stood part of the Bill.

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

The Social Insurance (Amendment) Ordinance (Chapter 145) Clause 1.

HON A.J. CANEPA:

I beg to move that clause 1 of the Social Insurance (Amendment)

Bill, 1973, be replaced by a new clause as follows:-

(i) this Ordinance may be cited as the Social Insurance (Amendment) Ordinance, 1973, and subject to the provisions of subsections (2) and (3) shall come into force on the 2nd July, 1973.

(ii) for the purpose solely of enabling the option described in Section 3A (as set out in section 2 of this Ordinance) to be exercised this Ordinance shall come into force on publication in the Gazette.

(iii) for the purpose solely of entitlement to the higher rates of Widow's Benefits and to old age pensions specified in Part 1(A) and iii(A) of the Second Schedule of this Ordinance, this Ordinance shall come into force on the 3rd of July, 1973.

Mr Speaker then proposed the question. There being no response. Mr Speaker put the question which was resolved in the affirmative and Clause 1, as amended stood part of the Bill.

Clause 2 to 8 were agreed to and stood part of the Bill.

HON J. BOSSANO:

I beg to move that clause 9 (iii) of the Bill be amended by the deletion of the figures "3.75" appearing in sub paragraph (1) (b) and (c) and 3 (b) of part iii(A) and the substitution of the figures "4.75" in their place.

Mr Speaker then proposed the question.

HON J. BOSSANO:

Mr Speaker the amendment seeks to increase Old Age Pension, Widows Pension and Widowed Mother Allowance by paying an additional £1 above the figures envisaged in the Ordinance before the House. The arguments in favour of such a move are the ones that the House has already considered. I would like the Government to pursue its new found flexibility and to reconsider the position now which is probably the last chance that we shall have to do something to help these particular categories of persons. I am primarily concerned, in fact, Mr Speaker, about the Old Age Pension, but I have put in an amendment which brings about the same improvement in the other two allowances because I am assuming that it is part of the structure of the Insurance Benefits that these allowances should be in line with each other, but I feel that theparticular need is to persons in receipt of Old Age Pensions. If we take for example, Mr Speaker, the question of Widow's pension, there are two points to bemade: one is that the Widow's Pension is payable, to a Widow who is under the age of 60 and, therefore, in a position in the normal course of events to earn a living, to go out to work. The other point, Sir, is that this is not always the case with

Senior Citizens. When a widow reaches the age of 60 she loses her entitlement to Widows Pension and becomes entitled to Old Age Pension. Her entitlement to Old Age Pension in fact requires a higher level of contribution, a longer contribution record than her entitlement to Widow's Pension, so that if the Government feels it can go some way to meeting this amendment, but not the whole way, then, Mr Speaker, I would be willing toaccept an amendment which would bring in the increased rate exclusively for 3(b), that is, for the case of individuals in receipt of Old Age Pensions.

There is therefore, I would say, first of all the case to consider, given that an additional £1 if necessary, can the Fund meet such an increase; and secondly is it necessary to give the additional £1 to the three categories which are at present equated in the same band at £3.75.

Mr Speaker, I think that if the Government feels that the cost of all three would be too high, but that by limitingit exclusively to individuals in recipt of Old Age Pension it might be possible for them to accept it then I think this side of the House would rather have that than nothing at all. Rather than have the amendment rejected I would suggest that they should amend the amendment by deleting the applicability of the new rate to these two categories.

As far as meeting the increase, either in one particular case or for all, the important consideration here is not the question of the General Revenue but the question of the position of the Social Insurance Fund. And if we look at the Social Insurance Fund, Mr Speaker, we find that the Fund is increasing by something in the region of £1/3m a year at the moment. If we look at the figures in the Estimates of Revenue and Expenditure we find that the Fund was worth £2¼ at the 31st March 1972 and this compares with the figures given in the Acturial Report which was £1,800,000. So there has been, since December, 1970, when the Acturial Review was based, an increase of £½ m. If we look at the relationship between the contribution and payment, and the figures, that have been quoted by the Honourable Minister for Labour and Social Security when we were discussing earlier on in the proceedings the principles of the Bill, we find that at the Old rate the contribution would have been sufficient to meet the commitments of the Fund till 1991. The contributions alone, Mr Speaker, but of course the size of the Fund itself producing an ever increasing investment income, an investmentincome that is running at the level of something like £120,000 a year, which is as much again as the contribution income. And sincein fact the contribution income is at present providing a very substantial surplus, that surplus, plus the surplus from the investment income which is not being touched at all, is increasing the size of the Fund so that we have a compound growth rate for income. Because not only was the Fund worth £2¼m pounds at the 31st March, 1972, but that we will find when the figures come out that it was worth over £2½ m in March, 1973, and that instead of £2½m it will be worth something like £3m in March 1974. The reason why the Fund is escalating is because such a small propotion of the income is being used at present to pay out benefits. This trend, in fact will not be in any way changed, it will not be changed in any significant manner by the proposed new benefits and new contributions. Because, although it is true that the level of benefits shows a slightly greater increase than the level of contribution there will still be a gap which although perhaps smaller in percentage terms, will in terms of money be greater between contribution income and. . .

MR SPEAKER:

No we must not discuss the state of the Fund. I haven't stopped you until now because it is completely in order to explain the position of the fund to justify the increases that you are advocating, but we must not go into a general discussion on the state of the Fund itself. You follow the subtle difference? I have not interrupted you before because the state of the Fund itself is very relevant to the point at issue, but let us not slowly but surly depart from the point.

HON J. BOSSANO:

Thank you, Mr Speaker, The point that I was trying to make just now was in fact that not only is the fund very healthy but the healthiness of the Fund will not be impaired by the benefits envisaged. That is that because new rates of benefits are going to be introduced at the same time as new rates of contribution and because there is already a very substantial gap between contribution income and expenditure this gap may be smaller in percentage terms because there is a slight difference percentage increase of payments as opposed to contribution but in actual money terms, the gap between the two will be greater therefore we are likely to see the Fund getting healthier when these benefits are introduced rather than smaller. Instead of seeing the Fund growing by a £1/3m with the Ordinance as it stands without the amendments, we are likely to see it increasing by something like £½m. So that the disparity between the income and the expenditure is if anything going to enlarge.

The amendments that I propose will at the most bring about a change which will bring the growth of the Fund closer to what has been happening up to now. It will not in any way make the Fund grow less rapidly than it has done up to now. If the amendment is accepted and there is, say, a £1 increase in the Old Age Pension Level, what we are likely to see is that, where for example at the moment we have disbursements for Old Age Pensions in the region of £40,000, and with the proposed rates in the Ordinance we are likely to have disbursements in the region of £85,000 with this amendment we may have something like £10/15,000 more a year in disbursements, which is not going to be recuperated by an increase in contribution. This side of the House is not suggesting that contributions should be increased because we feel that the increased contribution income that would result from the proposed rates will be more than enough to meet this additional expenditure of something like £10/15,000 a year on Old Age Pensions, and still enable the Fund to increase at the rate at which it has been accustomed to increase, which is something like a £1/3 million. Therefore, I think Government need not have any fear that the Fund will be in any way less strong than itwas in 1970 when the Acturial Review was completed. Because in fact the figures that were made available to the actuaries will compare very closely, will follow very closely, the figures that are likely to result even if we go to the extent of giving an additional £1 to the Old Age Pensioner. And since the projections were made on the assumptions of the figures made in 1970 it would be inconceivable that there could besaid to be any danger here that the calculation of the Acturial Review should be thrownout of gear as a result of the small adjustment that is being made here. Therefore, the significant thing of this is, on the one hand that we are making here a very small additional sum available which is

needed because of cost of living trends, which will be a signal to our Senior Citizens about the concern of this House feels about the standard of living and their needs. It will be like saying to our senior citizens: we are so concerned about your livelihood that we are willing to keep an eye on your standard of living all the time and to make adjustment which we find we can do without in any way being imprudent in the obligation that we have to keep the Fund in a healthy state and I think this should be the message that would come, Mr Speaker,. . .

MR SPEAKER:

The point has been made, I think.

HON J BOSSANO:

This would be the message that would come, from both sides of the House if the Government would go in line with the flexibility and accept this amendment as well.

HON A J CANEPA:

Sir, I am of course fully sympathetic to the sentiments that the Honourable Mr Bossano has expressed. I think he will accept that I share them fully. But, of course, when we talk about helping this category of persons, in particular our Senior Citizens, I think he means obviously helping them further because I trust, and I hope, that what has been done in this House since we started sitting on Tuesday is fully indicative of the social aspects of the policies which the Government is following. Sir, of course it would be popular for me to increase Old Age Pensions even further, that would be easy to do, but perhaps it is the easy way out and perhaps, in years to come, in the same way as some of my colleagues here have been accused of being imprudent I could be accused of being imprudent. I have an overall responsibility, Mr Chairman, to ensure the continuing good health of this Fund. It is not my Fund, it is not the Government's Fund, it is the Fund of those individuals who have contributed to it and that Fund must be protected. It is so, Sir, as the Honourable Mr Bossano says, that the Actuaries have indicated that at the present level of benefit the outgo in expenditure is not expected to exceed contribution income until 1992. But, our calculation show, Sir, that with the increased benefits proposed in this Bill before the House the outgo on expenditure will begin to exceed contribution income in 1980, that is seven years from now. And then, Sir, we begin to be dependent on income from investments unless corrective measures are taken to increase contributions considerably.

Sir, it must be borne in mind that the income from investments is as high as it has been because of a considerable amount of money in the Fund which by all accounts is earmarked, eventually, if that day ever comes, to meet a commitment and rights which people acquired when they were working in Gibraltar prior to 1969. If I say, Sir, that in 1970, whereas the outgo

on Old Age Pensions alone, which was £34,000, would have become £92,000 but for suspended payments to the people concerned, — if I say that, Sir, I think I will give a very clear indication of the size of that commitment and that is why, Sir, the Actuaries do say that whatever is done finally with regard to this problem will very naturally affect the strength of the Fund and that is why one must have a certain degree of caution.

The last thing that I want to do, Sir, is to deprive our Old Age Pensioners of the benefits to which they are entitled, but again, I do not want to bring about a situation when in 1980 or 1982, not in the year 2,000, the Fund will be in an unhealthy state and, please God, I hope to be in politics then, and I don't want anybody to point an accusing finger at me and say: "in order toseek popularity from Senior Citizens you were imprudent, you did not raise contributions sufficiently, you took the easy way out under pressure from the Opposition". And that is why, Sir, I must stick to the Bill as it is drafted; it goes a very long way towards helping these people, Sir, and I think that if the Fund continues in future years to show an equal degree of health - if our calculations are wrong, then obviously there will be money there to come back to on a future occasion and may be do even more. But I dont think, Sir, that our figures are wrong; there must be a certain degree of caution tempered by the desire that we all share of helping these people to the utmost.

HON. M XIBERRAS:

Sir, the Honourable Ministerfor Labour and Social Security has been sympathetic to amendments but his present outburst doesn't seem to fit in with the sympathy that he has for the amendment on this side. Whilst not trying to prolong the question of the state of the Fund, I must say that we have not had up to now an indication as to how the Minister for Labour and Social Security feels about the Actuarial Report itself. The indicaion that he has given now is that he agrees with the suggestion in the Actuarial Report, if it is to be found there, that income from investments is going to be needed after 1980 to make up for the deficit that will result in the Fund if one pays benefits solely out of contribution income. But is he not aware that he might be accused also of hoarding money in the Fund? It is all very well to be absolutely prudent and make absolutely certain that the money people have invested in this Fund is safe, the Fund is strong enough to pay the commitments that the Government has entered into. But equally the Government has the responsibility to look up the present generation of pensioners / We have waited a long time for the Acturial Report; we on the other side of the House have waited for three years for the Acturial Report, and even then it was late. And I have stated in this House before that it was impossible, as I was advised, to do anything about these benefits until we received the report of the actuaries. And the cardinal point in this debate about social insurance is the state of the Fund, and it seems to me that the Minister and the Government have accepted the Actuarial Report and has not questioned certain implications contained in the report, such as the one I have referred to, that investment income of the Fund

/and the prudence of the Minister, or his concern about his political popularity is not going) to matter very much to the present generation of pensioners).

can only be used to cushion off any deficits th t here might be from paying benefits solely out of contribution income. Now, considering that/the Minister himself is aware that despite his improvements, which are considerable, the rates of benefits are not high enough, is it not time that the Minister should question the foundation of the Acturial Report.

/investment in income is increasing as my honourable friend has said and considering that

MR SPEAKER:

We are departing from the subject.

HON M XIBERRAS:

May I rephrase that, Sir, should not the Minister have questioned the Acturial Report and come to this House with rather more to pull out of the hat at the last moment than he appears to be wiling to do at present.

Sir, I dont think that the argument that he has raised about prudence holds water, and may I illustrate my argument by reference to the Minister's phrase if corrective measures were not taken before 1980. Now, is it a fact that he is assessing the capabilities of the Fund and the benefits to be paid now by looking ahead to 1980? And did he not himself tell the House that at present the people of Gibraltar were no educated to pay more as a contribution to their future well being? And would he not agree that in the next seven years the people of Gibraltar, by his standard will be a bit more educated, and be willing to pay rather more for their benefits, and that any inbalance in the fund might be redressed in that time? And is the gap.. . .

MR SPEAKER:

If the Honourable gentleman will give way.

HON A J CANEPA:

When I spoke of corrective measures, Sir, I had in mind the introduction of an Earnings Related Scheme, in which obviously the benefits payable under the sheme are directly related to the contributions. Then there is no difficulty, Sir, in adjusting contributions - they adjust themselves by the nature of the scheme. They adjust themselves over a period of the time and there is a direct correlation. That is, Sir, what I had in mind when I spoke of corrective measures.

HON M XIBERRAS:

Sir, by corrective measure the Minister means a change in the scheme - I mean I dont know when the sheme will come about or whatever it is going to come about - but arguing from the state of theFund now, the minimal increases which have been suggested by my friend

can be borne by the Fund and this is the point at present, that a Fund can bear those increases, I am not concerned with the Minister's popularity, I am not concerned with anything except the state of the Fund. This side of the House would not like to see imprudent measures taken, but the Acturial Report which refers back to 1970, surely indicate, and the figures given in the Estimate of Revenue and Expentiture indicate that everything is going very well with the Fund. It is getting stronger and stronger.

Will the Minister not reconsider, therefore, or at last answer the question whether the Fund can take it or cannot take it. Can the Fund take £10,000 a year more on pensions when we are dealing with an income of some £175,00 in contributions

HON A J CANEPA:

£60,000 per year.

HON M XIBERRAS:

From what?

HON A J CANEPA:

From the Fund.

HON J BOSSANO:

Over £1....

HON A J CANEPA:

Sir, 1,200 pensioners by £1: 52 weeks in the year: £60,000.

HON J J BOSSANO:

The figures that the Honourable Minister made available to me previously was that the pension he was hoping to pay of £3.75 was going to cost £86,000 a year. If £3.75 costs £86,000 when he gives it I, don't see why £1 costs £60,000 when I give it. Perhaps he could explain the anomaly.

HON A J CANEPA:

Sir, there are 1,200 pensioner. If you give them another £1 a week by 52 weeks in a year, it is child's play to work out that it is £60,000.

HON J BOSSANO:

But, Sir, is the figure of £86,000 for these 1,200 pensioners correct? Surely, there is a sliding scale and not the whole

of the 1,200 pensioners are. . . .

MR SPEAKER:

Perhaps we are talking at cross purposes. The figure £3.75 must not be taken into full consideration it is the difference between the figures that is being paid now and the figures £3.75 that make up the £60,000. Is that correct?

Do you follow my argument? The Government has brought in a piece of legislation which is/ to increase the amount payable at present to £3.75. Is that correct? That is going to cost you say £60,000.

/going

HON A J CANEPA:

An additional of £1 to all Old Age Pensioners, Sir.

MR SPEAKER:

No, no no. I am trying to clarify the matter. The difference between what is being paid now and what it is proposed to be paid as proposed by Government is what?

HON A J CANEPA:

I don't have the figures ~~reading ft had~~ readily at hand.

MR SPEAKER:

You are thinking that the full amount of £3.75 is . . . .

HON A J CANEPA:

I think he spoke of a sliding scale. Well, there isn't a sliding scale. I understand that there are in fact over 500 different rates of pensions. Over 500.

HON J BOSSANO:

Mr Speaker, Sir, the point is that at present rates, the cost to the Fund, according to the information published in the Acturial Review, is £34,000 which is more/£1 to a pensioner. With the Government proposals we have a doubling of pensions, we have been told, so that the cost goes up from £34,000 to £86,000, persumably because there will be the doubling of pensions and the increase in the number of recipents to which the Honourable * and Social Security has made previous reference. Now, if a level of a £7 pension costs £86,000 I cannot see how a level

/than

*Minister for Labour

or an £8 pension can possibly cost £140,000.

HON A J CANEPA:

But there is of course the difficulty in the Honourable Mr Bossano's amendment of what do to do with that £1? We slide along 500 different scales? According to what formula?

HON M XI BERRAS:

Sir, now I think we are talking. Looking at the level of what should be done with Mr Bossano's £1: how one should treat it. Then, as I say, we are talking. The main point before the House is, can the Fund afford an increase over and above what the Minister proposes? If the Minister is saying that the Fund cannot afford an increase of £1 then can it afford an increase of 60 pence? What has to be defended, I would suggest is that as much money as the Fund will allow, reasonably, is being paid out, and that is why I bring the Minister back to the question of investment income from the Fund, which he has accepted I believe too readily, from the Actuaries.

HON A J CANEPA:

Sir, the latest figure for 1972 in the cost of Old Age Pension is £51,000. Together with the other benefits, Sir, the figure comes up to near £70,000. Now Sir, we have got to increase the cost of Old Age Pension by 150% which brings the figure to £125,000; we also then have to increase the other benefits which are being doubled, - the difference between the other benefits and the cost of Old Age Pension, is an additional £18,000 - that has to be doubled. That makes it £36,000 and £125,000 for Old Age Pensions Sir, and we are then in the region of £160,000 on expenditure in 1972, with an addition of about 100 pensioners every year.

Now, Sir, it does not take five minutes, at a quarter to one today, to work out what the Fund can or cannot sustain further. We have been working on this for months, and on the basis of the Actuaries' report and on the basis of ~~my advisers~~ advice from my officials, we have drawn up these proposals.

Could we move 10p one way or another? I don't know, but it seems to me working to a reasonable formula of 150% increase in the long term benefits, this is what the Fund can afford, confidently, looking ~~after~~ to the next six, seven, or eight years.

HON J BOSSANO:

Mr Speaker, Sir, I am afraid that the figures that the Minister has just quoted do not quite fit in with the figures that he has made available to me earlier. Can he tell the House, perhaps what he expects will be the position as regards contribution income and expenditure if we do not do anything to improve these rates? Does he expect contribution income to show an excess over expenditure, and is it not the case that it will do so up to 1980? And isit not the case Mr Speaker, that there will, in addition, be investment income which is going up every year? And that in fact

the fund in 1972 is worth over £2½m which as he himself has said, Mr Speaker, does not belong to the Government. These are £2½m that belong to people who have contributed that money, who have now reached an age when they are entitled to end their days in a modest quiet way without suffering hardship, and it may be that the Minister is able to come to the House in 1980 and say: "I am glad to say that the Fund is now worth £5 million and that I can afford to give more....."

MR SPEAKER:

That is ground we have already gone over. I think that unless some contributing factor can be brought the amendment will have to be put to the vote now.

HON M XIBERRAS:

The only point is, Sir, that there are other possible amendments to be brought in depending on what the Minister answers and an Amendment of 50p, because the Minister must give an indication as to how the investment income of the Fund.....

MR SPEAKER:

As Chairman, and not as Speaker of this committee, I have no doubt in my mind that the Minister has made his point very clear. I will repeat the words, and I stand to be corrected, because I have to chair this meeting, and this is a meeting of the Committee and not of the House. The Minister for Labour and Social Security has said that after careful study - whether the studies are right or wrong, I am not prejudging the issue in any manner. I am just repeating what I feel he has said - that after careful study they have come to the conclusion that the increases they have brought along are the ones that can be borne by the Fund. That is the analysis of the debate to date as far as the Government is concerned. Whether it is justified or not is another matter. I am just answering your question, because you have said that he does not seem to have made his point clear.

HON M XIBERRAS:

Sir, we appreciate that the matter has been debated for a considerable length of time and I think in this House even our more experienced members are rather green at allowing us to sieze upon the vital point on any question before the House and allow the House time at, the right moment, to discuss that crucial matter. Therefore, Sir, on occasions I feel that we come back to points.

MR SPEAKER:

May I say that my remarks have been instigated by what the Honourable the Leader of the Opposition has just said, that the Minister had not made his position clear, and that is all I am saying; that in so far chairing the meeting is concerned, I have to assist the House by my expressing what I feel has been said. Nothing else.

HON M XIBERRAS:

Sir, certainly to the satisfaction of the Opposition, it has

not been said. Nor has it been said directly, Sir, because we are referring . . . .

MR SPEAKER:

It is not a ruling in any manner or form.

HON M. XIBERRAS:

Sir, I appreciate that, but I am stating, Mr Speaker, that you have expressed the opinion that the Minister had made his position clear. We beg to differ with that opinion we feel that the document to which the Minister has made reference, which is the Acturial Review contains a very important point aboutinvestment income, and its relation to the ability of the Fundto pay certain benefits over a period of time, Now, that is crucial to this debate. The matter was raised earlier on by my Honourable Friend on my right and so far we have not had, to the satisfaction of the Opposition, a clear cut explanation as to what weight the Minister has given of the Acturial Report, which is based on certain imponderables. Thereis the imponderable on the Moroccan Labour force, there is/imponderable of the Spanish Labour force. . . . the

MR SPEAKER:

No, no, that I will rule certainly out of order. If the House wishes to debate the Acturial Report they are quite free to do so, but not now, on that I am very clear.

HON M. XIBERRAS:

Sir, I am sure Members of this House want to give as much money out of that fund as possible. We on this side of House are not convinced that this is being done, that the benefits are as high as they could be, despite the increases, and we are trying to show the Minister why we feel this is so. This is why we are trying to draw him out on this question, because obviously on this hinges the whole level of benefits to be agreed by the House.

HON J. BOSSANO:

Mr Speaker, if I may point to something that the Minister for Labour and Social Security said. . . .

MR SPEAKER:

No. Unless the Minister wishes to say something, what I will do now is to ask you, as the mover of the amendment, to reply.

HON J. BOSSANO:

Well, I would like him. . . .

MR SPEAKER:

But, of course, if you want to instigate the Minister to say something, in a reasonable time, you are free to do so.

HON J. BOSSANO:

Thank you, Mr Speaker, I understood him to say that contribution income would be sufficient to meet expenditure on benefits up to 1980, and I also understood him to say that he was proposing to review the situation again in 1975. It would seem to me that the only justification that there could be for refusing to increase the benefits any further - and I want to make it quite clear that we are happy that he is increasing the benefits as much as he is, it is just that we feel that there is a need for a little bit more. To my mind, Mr Speaker, the only justification he would have to say to this amendment, but seek to give a little bit more.

MR SPEAKER:

No, with all the due respect to the Honourable Member all that has been said already.

HON J. BOSSANO:

Well, Mr Speaker, I would like to point out the one thing that I think could justify rejection of the amendment. . . .

MR SPEAKER:

That you will be entitled to do when you reply now. I was asking whether there was anything that you want to instigate the Minister to say. Ask a question so that you then have grounds to reply.

HON J. BOSSANO:

That is what I propose to do, Mr Speaker. The one point is, if as a result of this amendment theFund could not, by virtue of its contribution income alone, meet this commitment up to 1975? If this were the case then, to my mind, there would be some justice in his argument that he might be imprudent in giving the increase. I would, therefore, like him to state whether he thinks this is the case, because to me it is incompatible with all his other figures.

HON A.J. CANEPA:

Sir, I confirm again that from the estimates that we have, it is anticipated that at the proposed level of benefits the outgo on expenditure will exceed the contribution income by 1980. At the proposed level of benefits in 1975, it is anticipated that the outgo on expenditure would still be below contribution income by about £80,000, and therefore, Sir, any further improvement

in these levels of benefits now could be, in the near future in 1975, or 1976, ~~are~~ putting the situation somewhat dicey.

I will confirm that again, Sir, on the present level of benefits by 1980, we ~~will~~ then be entirely relying on investment income, and we have an increasing commitment for very many years to come, ~~after that~~ when contribution income will not meet expenditure by a long way.

MR SPEAKER:

Well I will now definitely close the debate by asking the mover to reply.

HON M XIBERRAS:

Sir, it is the intention of the Opposition to move an amendment reducing the figure in the Honourable Mr Bossano's amendment from £4.75 to £4.25. Should I do this now, or should I wait until Mr Bossano has replied.

MR SPEAKER:

Once Mr Bossano has replied to the right to move any amendment has been lost.

HON M XIBERRAS:

Well I would now propose the question moved by the Honourable the Leader of the Opposition which is that the amendment moved by the Honourable Mr Bossano be itself amended by deleting the figure "£4.75" mentioned therein and substituting it by the figure "£4.25".

Sir, may I say, in support of the amendment that in view of the argument raised by the Givernment, cutting down on the possible commitments of the Fund would obviously take strength away from the arguments used by the Government whilst at the same time affording pensioners some 50p advantage, which in the figure of £4.25 is quite a considerable increase. I haven't worked out the percentage. If the fund can afford such an increase there is no justification for voting against this amendment.

MR SPEAKER:

Then put the question and on a vote being taken the following Honourable Members voted in favour:

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

The following Hon Members voted against:

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

The amendment to the Amendment was accordingly defeated.

Mr. Speaker then invited the mover of the original amendment to reply.

HON J. BOSSANO:

Mr Speaker. I hope thatthe decision of the Government not to accept a reduction in the £1 indicates that they have just had a last minute change of mind in the subject and they intend to accept the £1.

Had they accepted the 50p, on the Honourable Mr Canepa's figures, the cost to the Fund would have been £30,000 a year. With the £1 that they now seem to be willing to accept, it will be £60,000, but of course even with the £60,000, we have learned, Mr Speaker, that it will not cause the expenditure on benefits to be in excess of contribution income until 1975. That is, in 1975 contribution income will still be exceeding expenditure by £80,000. Since the Minister has already said that he intends to review the situation by 1975 at the latest, the corrective measures which he feels might need to be taken can be taken by then, because there is no question, on his own figures of an increase of this nature and even less had the 50p amendment been accepted that the money needed to meet this commitment will exceed the contribution income. Then, of course, there is a question of £120/150,000 annual investment income which is not being touched. It is totally incomprehensive, Mr Speaker, how the income that has come from the investment of money that people have contributed to the Fund throughout their working life can be considered to belong to anybody else other than to the people who have contributed. It is their investment income that we are talking about, and since it is their income, we have no right to withold it from them. So it is not a catastrophy to make use of their investment income. It is quite clear from the Minister's own figures, that even if they accept the £1 rather than the 50p, the Fund will not be endangered in any way by 1975. If there is any question of an excess of expenditure over contribution income being considered a danger by the Government, which apparently it is, this will not take place until 1976 at the earliest, by which time there will have been a review or a new Government.

MR SPEAKER:

I now put the question which is that clause 9(3) be amended by the deletion of the figure £3.75 appearing in sub paragraph (1)(b) and (c) and in (3) (b) of part IIIA and the substitution for this of the figure of £4.75 in the said places.

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

The Opposition:

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

The following Honourable Members voted against:

The Government:

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 J. Abecasis
The Hon Lt. Col J.L. Hoare
The Hon H.J. Zammitt
The Hon J.R. Havers
The Hon A. Mackay

The amendment was accordingly defeated and Clause 9 stood part of the Bill. The Long Title was agreed to and stood part of the Bill.

HON M XIBERRAS:

I wonder if this is a good point at which to say a word of thanks, obviously to the Minister for taking such an interest but particularly a word of thanks to the Civil Service for whom the preparations of a review of this nature is a Magnum Opus, if I may put it that way, a big job which one does not do all the time. As far as the Opposition is concerned and I am sure Government will agree, we are most grateful for the work done. And obviously the beneficiaries of this review would also join us in this were it possible.

HON A J CANEPA:

Sir I would like to associate myself with those kind words from the Honourable Leader of the Opposition and former Minister for Labour and Social Security, to members of my department, not only for the work that has been done, but for the work which will have to be done between now and the implementation of these increased rates in July. I am sure that I am speaking on behalf of them as well when I offer my sincere thanks.

The House recessed until 3 pm.

The Income Tax (Amendment) Ordinance (Cap 76) Clauses 1 to 3 were agreed to and stood part of the Bill.

CLAUSE 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move the following amendment to the Bill, That there be substituted for Clause 4 of the Bill a new clause as follows:-

"4 Section 7 (1) of the principal Ordinance is amended as follows:-

(1) In paragraph (d) thereof by the insertion immediately after the word "armed forces of any" appearing therein of the word "other";

(ii) In sub paragraph (t) thereof by the deletion of the sign and figure "£16" wherever they appear and by the substitution therefor by the sign and figures "£30"; and

(iii) by the addition immediately after paragraph (x) thereof of a new paragraph as follows -

"(y) a family allowance."

Mr Speaker, Sir, the first of the three parts of this amendment

is not new, it simply repeats the provision in the Bill that where income is earned by members of the Forces in a private capacity in Gibraltar that income shall be taxable.

The object of paragraph (ii) is to increase the amount of interest that can be earned in the Savings Bank without attracting income tax. The amendment increases from £15 to £30 the exemption to tax on interest in the case of an individual and from £15 to £30, again, for each spouse in the case of married couples.

It is hoped, Sir that these increased allowanceswill provide a useful incentive to further savings, this being something in which I know that the Honourable Mr Bossano often shares my interests.

The object of paragraph (iii) is to exempt from liability to income tax, family allowances received in respect of second and subsequent children.

Sir, with regard to this object I think it would be proper if at this stage I indicate broadly the nature of further amendments to the Bill that Government will be proposing and which, taken together with this amendment, produce a package in respect of tax allowances for children. In addition as is done here to exempting Family Allowances from liability to Income Tax the Government will be proposing, as an amendment to Clause 8, an amendment to increase the allowances against tax in respect of the first child. It is also proposed later in these proceedings in a new clause, to introduce an amendment designed to repeal section 23 (a).....

MR SPEAKER:

Is it your intention to refer to all the amendments to the....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

With your leave, Sir, I was explaining that the amendm nt here.....

MR SPEAKER:

I beg your pardon. I wasn't following.....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am explaining Sir, that the amendment that is here proposed in Clause 4 to free family allowances from liability to income tax should be recognised here and now to be part of a three prong deal of which the other two parts will follow later, and I come to the point where we shall be proposing later an amendment to repeal section 23 (a) of the Principle Ordinance.

That section requires that for second and subsequent children,

£60 each shall be added back to assessable income if family allowance have been claimed. However, in order to maintain the principle that family allowances shall continue to be progressively recovered by the revenue as gross income increases, that same amendment will also introduce a new provision whereby, for specified levels of the principle income, an individual shall pay specified additional tax in respect of each child for which he claims the family allowance.

Sir, the combined effect of these proposals, compared to the provisions of the Bill as it stands, is to give relief to the married man with children in the lower and the middle income group. So, Sir, with your leave I have the honour to move the amendment to clause 4, as stated in its three parts or else Sir, if the House prefers, the amendment at little (iii) might be held over in the same way as though it were a consequential amendment on these further amendments which will follow under Cluase 8 and thereafter. I am sorry, Sir, that this has been complicated perhaps if the house prefers we could leave over that part of the amendment, (iii).

HON P ISOLA:

Mr Speaker, Sir, assuming that the invitation by the Financial and Development Secretary means what it says, "if the House prefers," and assuming that when he is talking of the House so referring, presumably he is speaking of the people on this side of the house who are seeing these vast numbers of amendments for the first time now, if we may tell him on this side of the house what we would prefer: what we would prefer would be a recess of approximately an hour in order to enable the Opposition to consider the amendments that have been bunged infront of our desk, amounting to one, two, three, four, five, six, seven, eight, nine pages bearing in mind the invitation of the Chief Minister to the Opposition at the last meeting of the House when the Income Tax Bill went through its Second Reading asking us that if we had any amendment to make they should give the Government due notice, a reasonable request which because of the nature of the legislation of the Opposition complied with notices as far back as the 30th of April, I don't think it can be - I am dealing with the invitation, Mr Speaker.

MR SPEAKER:

No, the invitation is exclusively as to whether the third amendment to Clause 4 should be taken now or later. Please go on, but I will not allow a debate.

HON P ISOLA:

The invitation that is given out, of more time, you will no doubt appreciate is useless if during that time the House is sitting considering other amendments. We think, that if the Government had produced an Income Tax Bill a month ago, asking for it to be put through at committee stage and Third Reading that same day or two days later, and brings in ten pages of an amendment to his own Bill, we think it is not unreasonable for the opposition to ask the Government to recess for half an hour or an hour at least, to enable the opposition

to look at and understand them. The alternative Mr Speaker, may well be /lengthier for/ debate and will result I am sure in far longer discussion than what in our view is a reasonable request of taking up an invitation by the Financial Secretary which is extended, as I presume it was meant to extend, to this side of the House, the sincerity of which will be tested on, whether our request to recess for an hour is accepted or not be the Government.

HON CHIEF MINISTER:

Mr Speaker, Sir, in the first place the Government has been receiving representations from many sources and has had to look into all of them and see to what extent a concensus of them could be met. I do not think that so much time as asked for is required to this because, although they have to take this shape they are really all reasonably simple. They may not go as far as the amendment of the Opposition, but if their intention is explained briefly by the Financial and Development Secretary I do not think they will require all that time to look into them.

However, if after that there is a need for some consideration, I think that perhaps a recess of half an hour should be sufficient.

We do not want to deprive the Opposition from considering this, they have had the Bill for a month after the Second Reading was agreed and I think that if the Financial Secretary will now perhaps make a general statement of the purport of the whole of the "package", as he has called, perhaps we could have a half-an-hour recess, not an hour's recess. We have a lot of things to do, unfortunately we cannot have a lenghty debate tonight beyond the normal hours for other reasons, apart from the convenience of the working of the House. We could perhaps have a half-an-hour on this I think it would benefit the other side of the House, we want them to understand the amendments and we want them to consider them. It would, I feel help the other side of the House if the whole thing was presented, and the whole thinking behind the amendment was explained by the Financial Secretary: Then we could have a short recess. But we are not going to have half an hour's discussing on whether we should recess for an hour or half an hour.

MR SPEAKER:

No, no, no.

HON M XIBERRAS:

Sir, the Honourable and Learned the Chief Minister has made a suggestion, which is not a suggestion. As far as the Opposition is concerned, Sir, this is practically a new Bill.

MR SPEAKER:

We are not going to debate that now. I have given the speaker

opportunity and I think the position is clear now. In answer to Mr Isola, the Honourable the Chief Minister has said that if it is the pleasure of the House the Financial and Develpment Secretary will explain now the amendments and what they mean; then we can recess for half an hour. All I wish to know is whether this is acceptable to the House.

HON M XIBERRAS:

Sir, compared to what was going to be done, half an hour is half and hour better, but as far as theOppostion is concerned it is not satisfied with less than one hour.

HON CHIEF MINISTER:

In that case I am prepared, subject to their agreeing to adjourn this debate until tomorrow morning at 10.30 and let us get on with the rest of the business of the House. They will then have all the time in the world overnight to look at them.

HONM SIBERRAS:

The Honurable the Chief Minister has one eye on the clock I can see that.

Sir, the difference between half an hour now, and one hour now, is hardly consequential. We could very well carry on with the business of the House today.

MR SPEAKER:

Right, perhaps the Financial and Developent Secretary will explain the different amendements to be proposed to the Bill.

HON P ISOLA:

I hope, Mr Speaker, that following that, we will be able to discuss them.

MR SPEAKER:

You can have a debate now.

HON P J ISOLA:

Mr Speaker, then is it in order for him to discuss them, because it seems to us that the Financial Secretary gets up and puts a whole broad picture it should be possible for the House to be able to . . . . .

HON CHIEF MINISTER:

I am sorry, I withdraw, adjourn now.

MR SPEAKER:

Then we can have a recess now to enable the Opposition to study the proposed amendments and we will resume at approximately 3.50.

The House recessed.

The House resumed.

MR SPEAKER:

I will remind the House that we are now at Clause 4 of the Bill and the Honourable the Financial and Development Secretary was commending the amendments to the House.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I ask your guidance on whether it is still desirable for me to run through the Government's proposed amendments as a whole, or whether after this recess that would not be necessary.

MR SPEAK R:

That will not be necessary now.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Then Sir, with the explanation I gave earlier I have the honour tomove the following amendments to Clasue 4 of the Bill. That there be substituted for Clause 4 of the Bill a new clause as follows-

"4. Section 7 (1) of the principal Ordinance is amended as follows:-

(i) in paragraph (d) thereof by the insertion immediately after the words "armed forces of any" appearing therein of the word "other";

(ii) in subparagraph (t) thereof by the deletion of the sign and figures"£15" where so ever they appear and by the substitution therefor of the sign and figure "£30"; and

(iii) by the addition immediately after paragraph (x) thereof of a new paragraph as follows:-

"(y) family allowance".

As I explained, Sir, perhaps I might repeat very shortly. The object of this amendment to Clause 4 is two-fold. The first is to raise from £15 to £30 the amount of Saving's Bank interest that is allowable as an allowance to income tax, and secondly, to provide that family allowances shall not be subject to income tax. Sir, I commend the amendment.

MR SPEAKER:

Well, I now propose the question which is that the amendment to Clause 4 of the Bill, as moved by the Honourable the Financial and Development Secretary be made.

HON J BOSSANO:

Mr Speaker, the Honourable Financial and Development Secretary made reference to the fact that he would find support from this side of the House in respect of this small incentive contained in subparagraph (ii) of this amendment, this small incentive to saving which it is intended to provide by increasing the tax exempt interest from £15 to £30. This is indeed the case. We feel that the incentive is not likely to bring about any dramatic result, but any move in this direction which encourages saving, and provides adequate reward saving, will meet with the approval of this side.

As regards the last part of the amendment, sub-paragraph (iii) and the reference there to family allowance; as the Honourable the Financial and Development Secretary intimated earlier this is closely connected with the proposals contained in this other amendment to alter, in a very fundamental and dramatic way, the whole system of arriving at the taxation of family allowances, and a claw-back system which operates at different levels of income. Having seen this for the first time just over half an hour ago, and having looked at it for half an hour through the kindness of the Honourable and Learned the Chief Minister, I find it impossible to assess, with any great deal of confidence, the precise impact of these measures, Mr Speaker, but from the little I have been able to do with it in the time that has been made available to the Opposition, it would appear to me not to be as progressive in its effect as the amendment that my Honourable Friend, Mr Caruana, will be moving in respect of family allowance. This is because the amendment we were proposing had a progressive effect in reverse, as it were in that because it gave the same benefit to everybody, and because the present system gives more benefit to the people at the top, because it is related to a marginal tax rate the people at the bottom, by getting the same as the people at the top, would benefit more because, the gap that would be breached for them would be bigger.

With this particular system it is really impossible to assess how it will affect different income groups without doing a computation for income tax liability for each of the Bands given there. It is really an excessively difficult job to be able to do in half an hour and we in the Opposition would have liked, Mr Speaker, to have been able to support the Government in this if we had been satisfied that what they were proposing in this amendment in respect of family allowance, went at least as far as our amendment does or improved on it. We cannot satisfy ourselves that this is the case and we therefore cannot support the amendments.

HON CHIEF MINISTER:

If the speaker will give way. Would it not be better, since we are now dealing only with Clause 4, to have a discussion on the merits of that when we come to it and then perhaps Members opposite can make up their minds finally, whether they think it is good or not, rather than anticipate, because in fact there has not been any presentation of that.

HON M XIBERRAS:

Sir, I think we are going to get ourselves into a more undemocratic system than the Budget. We have the budget session.

Sir, from what we have seen of this first set of amendments proposed by the Government, which we were given half an hour to discuss. A pity you could not have given them to us when you had somebody in the House to listen to the arguments of the House. The most important matter, perhaps, on the Agenda of the House, and we look around and we find four gentlemen, one usher, one policeman, and two members of the press.

MR SPEAKER:

Order, we are now dealing exclusively with amendments to Clause 4 and we will just deal with that particular matter and nothing else.

HON M XIBERRAS:

Therefore, Sir, even with the limited time available to the Opposition, we have formed what we think it a sound judgement of the proposals presented by the Government. As we understand it the major proposals is that in respect of family allowances, and, since, Sir, ...

MR SPEAKER:

You cannot discuss thatnow I am afraid I must be very strict on this one. I did ask the wishes of the House and the Financial and Development Secretary was not allowed to make a general statement on all the amendments. The amendment of family allowance is purely consequential on another amendment which will be coming up, of course, and then it will be completely and utterly right to touch on it. Short of stating that they disagree with this particular amendments, due to your position at a later stage, we must not go into the merits of the amendments to be brought at a later stage, if you follow my reasoning.

HON M XIBERRAS:

Sir, I was addressing myself to the last of those small

/amend ment

amendments, the consequential amendment to which we were referring which is consequential to the most important/wh ch the Government is producing. And it is because it is consequential on the most important amendment which the Government is producing that the Opposition cannot possible agree to this consequential amendment before putting forward its own proposals on the subject matter of the Government's main amendment, namely family allowances. Sir, therefore, it is our intention to move an amendment to this Government's amendm nt of its own Bill for the exclusion of subclause (iii) in this set of amendments at present before the House. Nonetheless, Sir, I would like to put forward our views on the merits or demerits of the other two amendments at the same time.

MR SPEAKER:

We will consider now the amendment to the amendment. Once that has been dealt with, we still have the principle question before the House, which is the other amendments on which all Members are entitled to say whatever they feel.

HON M. XIBERRAS:

Sir, I have the honour to move the amendment the further amended by the deletion therefrom in subparagraph (iii).

HON CHIEF MINISTER:

Mr Speaker, Sir, on a matter purely of procedure. Would it not be better if the subsection were to be calledout, one by one, and then they could vote against, rather than more amendments on this one. Surely an amendment must have something new, not just a negative of something which is before the House. If these are read out one by one, and if the Opposition vote against them - it is a matter of procedure, I dont mind what the result is - but as a matter of procedure if the amendments are called in order then exactly the same result will be achieved if they vote against that one.

HON M. XIBERRAS:

May I point out, Sir, that the amendment has been introduced by the Government as one amendment.

MR SPEAKER:

The way the amendment of the original clause has been presented there is no other way of dealing with it but in the way it is being done now. If there had been several amendments, of course we would have taken them separately.

I now propose the question, as moved by the Honourable the Leader of the Opposition, which is that the amendment moved by the Honourable Financial and Development Secretary be further amended by the deletion therefrom of subparagraph (iii).

HON M. XIBERRAS:

Sir, may I say in support of that amendment that by attempting to exclude this third subclause from the Government's amendment it is the Opposition's intention to leave it an open question as to whether the amendment which is going to be proposed by the Opposition in respect of the family allowances issuperior, or more favourable, or more beneficial, than the Government's amendment in respect of family allowances.

May I say, Sir that if the amendment is defeated that it will show that the Government has already ruled out the possibility of accepting the Opposition's amendment on family allowance without hearing what the Opposition has to say on this particular amendment.

HON CHIEF MINISTER:

Mr Speaker, with respect. That is less than gracious because the Financial Secretary at the beginning said that he would be quite willing to leave that one pending because it was a consequential amendment and, so that therefore we could have a thorough debate on the other one. That was thrown by the board, now an amendment is moved, and it is said "if you go against my amendment to debate this subparagraph you will be voting against our proposals in advance". So will they be voting against our proposals in advance without listening to it, so where are we. Is this really the best way of going about our business?

HON M. XIBERRAS:

Sir, may I say thatthis side of the House is very well aware of when it should be gracious and when it should retaliate in like manner. If the Chief Minister attempt to be despotic with this side of the House then we shall retaliate in like manner. We mean no offence at all to the Honourable the Financial and Development Secretary.

Sir, therefore, it is for this reason for the lack of time given to us, for consideration of this that we have stuck to this rigid procedure. This is why we are putting the question to the Government at this stage, as to whether they are willing to consider, /family allowances, or whether they are, by defeating our amendment to the exclusion of paragraph (iii) going to rule our amendments out of hand without listening to what we have to say on them.

/within this procedure the merits of our amendments on..

Mr Speaker then put the question and, on a vote being taken the following Honourable Members voted in favour

The Opposition:

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

The follwing Honourable Members voted against:

The Government:

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

The amendment to the amendment was accordingly defeated and subparagraph (iii) to Clause 4 stood part of the Bill.

HON J. BOSSANO:

Mr Speaker, the section in this amendment, as it stands, with the inclusion of this paragraph in respect of family allowance. . . .

MR SPEAKER:

No, I am afraid that paragraph (iii) is now read. We have now taken the decision on paragraph (iii).

HON J. BOSSANO:

Oh, yes. We have taken a decision on paragraph (iii). We can talk about it because it is there, Mr Speaker, I take it?

MR SPEAKER:

No, we have taken a decision on paragraph (iii). You can speak generally about the clause itself, but we must not debate again and question the decsion of the House which has already been taken on this particular item. It can be referred to as it forms part and parcel of the clause and the amendment to the clause.

HON J. BOSSANO:

Thank you, Mr Speaker. The principal here, which affects both subsections (ii) and (iii) is the exemtion from tax, which is what this section of the principal Ordinance deal with, the exemption from tax of certain proportion of assessable income and the definition to the proportion of tax involved by relating it to its origin. One of the problems, Mr Speaker, with this sort of legislation isthe inevitability of producing greater benefits as one goes up the income scale. In the case of income from savings it is in fact an unfortunate fact of life that individuals who are likely to be paying the bottom range of marginal rates of tax, are not likely to have much in the way of savings or of investment income, and this being so there does not appear to be a great case to be made on social grounds for the fact that the benefits derived from such provisions is unequal in its effect being related to individual income. However, in the case of family allowances it is something that affects the whole of the population that is in receipt of family allowance and it is something that gives different benefits to different groups. We therefore feel that we would like to associate ourselves with this amendment, exclusively with the parts of the amendment that we have not ourselves attempted to amend and primarily with the second section which deals with something that is intended to provide some sort of encouragement to savings. I think, Mr Speaker, that we feel not only that it is a very necessary thing in our community as in other parts of the world, to encourage savings, but in particular because of a very low rate of interest that is paid by the Government's own Savings Bank because of this very low rate of interest the least that one can do is to make a proportion of that interest tax free.

This is particularly so because the interest level is something that compares most unfavourably with other investment media. It is something that has /Savings been recognised, for example, by the Post Office/Bank in UK were there have been, in the last two years or so, very substantial movements to bring interest rates level there in line with other investment media and to make the exemption limits for interest from the Savings Bank up to a more realistic level in line with the interest rates. We welcome the act that the Government is conscious of the need to encourage investments. We would like it also to be conscious of the morality of providing an interest rate for people who cannot perhaps get good advice on where the best income is to be obtained, and also the importance of drawing funds into Government Savings media, because it is money that the Government can then invest in Gibraltar for the good of the whole community, instead of a very large proportion of the investment media that are now available in Gibraltar drawing money away from Gibraltar, away from our economy, as happens because of the very large differential that there is in the yield being offered by privately owned media.

HON CHIEF MINISTER:

Mr Speaker I would like to make three points on that. First of all the increase in the allowance, which I am happy to say was originally inserted many years ago at my instance, is of great value to persons in the middle class and lower income groups, who have small savings from a gratuity this will help a widow who has a gratuity and her other earnings from paying income tax. The other one is that under the law as it stands now the rates /Office of interest at the Post/Savings Bank have to be fixed somewhere else. We have taken the matter up with London to see whether we can offer a more realistic interest to the small investor who really use the Post Office from which they can get their money at short notice.

HON J. CARUANA:

Mr Speaker, with reference to Section 7(1), and the various subsections therein. Since the Government has chosen to defeat our amendment to the third Section, and since it is going to be applied one can assume that this /not will add on to other sections concerning families and children before the House. What is in fact the real effect of not taxing Family Allowances? Ans since a family allowance is in the region of £26 p. a. the total benefit, on its own, to the ordinary person is an allowance in the region of £1.30 per annum. On its own this might be perfectly alright so long as it is backed up by something better, but if there is nothing else to help the family man, then I think that the attempt of the Government in this instance to try to give the impression that they are helping a family with this kind of allowance is, I think, a bit ridiculous, since I have already said the tax benefit of not paying on a £26 allowance is a mere £1.30 for the whole year. This brings it to something like 5p

per week or there abouts. Apart from the very few financial benefit that this non-taxable Family Allowance brings, it makes the que tion of tax assessments rather untidy. For that reason I personally do not like this Section.

We must not leave this House, as I said before, with the idea that the amendment in this Section is giving any great reward whatsoever to the lower income groups. I am saying this even though I have glanced at the other Section. When we come to them we shall add on to them, but that I am saying has already taken into account a quick perusal of the benefits which are supposed to be derived from later Sections. Mr Speaker, £1.30 per annum on tax is a bit too little I think in this day and age especially for the people in the middle income group.

HON M. XIBERRAS:

Sir, the Honourable the Financial and Development Secretary and my Honourable Friend Mr Caruana are perfectly right that Family Allowances are not taxable until we cometo another Section of the Bill when they do become taxable once again. So, subject to no progress being made with this Bill, I would agree with both gentlemen that Family Allwances are not in fact taxable but subject to progressbeing made I must disagree with them both and say that the Family Allowances in fact will become taxable before this meeting is out, if the Government has its way.

Mr Speaker then put the question and on a vote being taken the following Honourable Members voted in favour:-

The Government:

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

The Following Honourable Members abstained.

The Opposition:

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

Clauses 5 to 7 were agreed to and stood part of the Bill.

Clause 8

HON J. CARUANA:

Mr Speaker, I beg to move that Clause 8 of the Bill be amended as follows;-
"(1)By renumbering subclauses (iii),and (v) as subclauses (iv),(v) and (vi) and by the insertion of the new subclause (iii) to read as follows:
(iii) by the deletion of the figures"£300" appearing in subsection (2) thereof and by the substitution therefor of the figures"£450".
(2) by the addition of new subclause (vii) to read as follows:
(vii) by the addition of new subsection to be numbered (1) as follows:
(ii) Notwithstanding the provisions of this section an individual who in accordance with the provisions of this section is entitled to claim deductions from tax in respect of the second child and

subsequent children may in lieu of claiming a deduction to which he may be entitled under this section in respect of the said second child and subsequent children claim a refund tax of £12 per annum in respect of each of his said children."

Mr Speaker, I am very pleased to see that in fact the Government has in some way attempted to do exactly the same as we are doing with our amendment to this Section, and I am even more pleased to hear that it will be better than ours, because Mr Speaker, when the Spanish Labour was withdraen in 1969, we found ourselves with a tremendous shortage of manpower and one of the things that our Government in 1970, after taking into account the manpower situation was in fact to give incentives to women to work. At that time there was a significantly small number of women, working; and since then the number has increased to nearly 2500 Gibraltarian working women. The Women of Gibraltar play a very important rôle in the manpower situation, and at the time for this incentive to be given to married women and we would not like married women to lose, as they would have lost had the original Government proposals been successful at the last meeting. I am not sure what Members opposite mean by 'no' but the allowance for a married woman on the old proposals stayed at £300 even with the new amendments, and that for a single working woman was increased to £450. So, therefor, the married working woman was not better off than the single working woman and we hope that this amendment will put this right and I am very pleased to see that the Government has noticed this and are increasing the allowance from £300 to £450 in respect of earned income of the working woman. For this reason I commend this amendment to the House.

/number of women, something in the region of 499 Gibraltarians..

/specially in these days. I remember pressing very hard

The other part of the amendment which we are proposing - Section 11 - is that which concerns children. I hope Mr Speaker, thatthe part which we have just voted on Family Allowances will not be an indication that the Government is going to reject and not vote in favour of our amendment for the tax refund for children, because one gets the impression that this is precisely what is going to happen. Perhaps the Government will consider thatby not having a Family Allowance at £26 per annum, they are helping those families with children. This will not be the case. In fact what we are proposing is that the £100 per annum for the first child, and then for the second and subsequent children he will not have an allowance, but instead, at the end of the day, when his tax is assessed he will be given £12 deduction from his total tax money. The significance of this is precisely the point which has often been used in this House and especially by the Honourable Minister for Education and the Honourable Minister for Labour in their debate in this House last month. They said that they would think of nothing better to do because to have increased children's allowance from £40 to £100, and so on and so forth, would in fact benefit those in the higher income group. In fact the Minister for Labour himself, admitted at the time that it would be very difficult to improve on the Bill that we had in front of us because they had thought about it for a very long time. It may be impossible, Sir, to improve: I think it is not going to be easy to do so. Anyway we have found a formula to do so and we are putting it here to the House today.

/married man with 2 children will be able to claim his original.

The main aspect of this, as I have said, Mr Speaker, as based on the principle that at the moment a man earning

£3,000 a year is likely to get £12 benefit from the allowance of his second child, but the man at the bottom of the scale is likely to get something in the region of £2 or £3. What we are doing in this instance is to give £12 to every single child irrespective of income. In this case, because we are doing it this way, it means that the lower paid persons are receiving, proportionately, a bigger allowance than the person in the higher brackets, and this is the whole basis of this amendment. The allowance is kept exactly the same for the top, they do not benefit any more than they do now, and the persons in the lower income group, benefit by about 300/400% when compared with what they get now, by getting a tax refund of £12 for every child after the first child.

Mr Speaker, I think it is rather a new thing and I am sure that Treasuries are not very keen on giving money away but we commend this amendment because we have found it to be, and I am sure everybody will agree, the most equitable way of relieving the family man. And the word equitable was used in many occasions at the last meeting by Members opposite, especially by the Honourable and Learned the Chief Minister and the Honourable Minister for Labour, who kept on saying that their tax proposals were the most equitable way of relieving the thing. Well we found it not to be so. In fact, the Government by their proposals have admitted that it was not equitable and what we are trying to do is in fact what the Government said they were supposed to be doing. So, we are bringing this equilibrium of fair play into the taxes with respect to the family man.

Mr Speaker I commend this motion to the House.

MR SPEAKER:

I will now propose the question which is that Clause 8 of the Bill be amended as proposed by the Honourable Mr Joseph Caruana.

HON CHIEF MINISTER:

Mr Speaker, I only wish to speak on the first amendment and I would like to invite the Honourable mover to withdraw it because otherwise we shall have to vote against it and then vote in favour of ours which is much more liberal in the sense that he has increased the amount of £300 to £450 but has kept the limitations of 4/5th of the income of the wife, whereas our proposal is "whichever is the less". It has the advantage now of putting the wife in exactly the same position as the husband that is a working person a bit for womans lib, in a way, in that the husband gets £450 as an allowance, without any limitation, and so does the wife. On that one I would perhaps invite the Honourable Member, not that he should not get credit for his attempt in that line but it seems to me an awkward way of voting against in order to later vote in favour. With regard to the other I shall leave it for the moment to the Financial and Development Secretary.

MR SPEAKER:

I think that for the sake of good order I should find out

whether it is acceptable to the Opposition to have the amendment amended in such a way that the first part is whithdrawn so that we have the operative part that you want to discuss.

HON M'XIBERRAS:

Sir, it would be acceptable, except that we would be able to speak, I understand, on the Government's version of our amendment

MR SPEAKER:

Most certainly. Perhaps an amendment to the amendment should be proposed deleting the first paragraph of the amendment proposed by the Honurable Mr Caruana.

HON CHIEF MINISTER:

I would rather the Honourable Member opposite did it. I do not want in any way to be a party to defeating his proposal. If he withdraws his amendment we dont have to deal with it and we can then deal with the other one.

MR SPEAKER:

No, he cannot withdraw it, he must amend it.

HON CHIEF MINISTER:

Cannot he withdraw the proposed amendment?

MR SPEAKER:

No because his amendment incorporates the second part.

HON CHIEF MINISTER:

Oh, I see.

MR SPEAKER:

There is no need to write it down, I will propose the question in the name of the Honurable Mr Caruana, which is that his amendment be further amended by the deletion therefrom of paragraph 1.

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

MR SPEAKER:

I will now remind the House that the question before it reads

as follows -

"That Clause 8 of the Bill be amended as follows:
by the addition of a new subclause (vii) to read as follows

(vii) by the addition of a new subsection to be numbered (11)
as follows:-

(11) Notwithstanding the provisions of this section an individual who in accordance with the provisions of this section is entitled to claim deductions from tax in respect of his second child and subsequent children may in lieu of claiming the deduction to which he may be entitled under this section in respect of the said second child and subsequent children claim a refund of tax of £12 per annum in respect of each of his said children".

HON CHIEF MINISTER:

Mr Speaker, before the Financial Secretary deals with that aspect I would like to say one or two general remarks. First of all it has been a bit unfortunate that we have to deal with one when there is another amendment which will have to be taken later on. But what I would like to say in general terms is that whether we agree with it or not, the spirit behind proposals that the Government will bring is the same and, to the credit of the Honourable Member who moved this amendment of relieving to some extent the burden of money that on which tax is payable in respect of family allowance.

We think that our proposals are good if not better in some respects to the proposal of the Honourable Member. The point is - we are advised that this is rather difficult and the Financial Secretary will be referring to that - but I would like to say that it is in no way a negative attitude to an amendment from the other side, but another way, as advised by the people concerned with Income Tax of trying to meet that equitable andfair approach to the matter. It has not been taken lightly and it has required, as Honourable Members can well imagine when they look at the schedule that there must have been many Schedules to be looked at, and the consequences of the various aspects considered. Let us at least agree that we are at idem on an attempt to relieve certain people from paying an element of tax on family allowance. Let us at least accept that that is the is the spirit in both proposals but that we are going about it in different ways. This, of course, without in any way anticipating our proposals as far as we are concerned, is added on to another proposal that we have. I don't think it is only a question of looking at the claw back on family allowances in the list here and comparing it with this one alone. It has to be looked at together because it is part and parcel of the same deal. It has to be looked at together with the increase of £25 for the first child. It is all one in our thinking and it is all done to try and achieve exactly the same relief, let us put it, not exactly the same result, that would be very difficult. Thw whole exercise is intended to see how far we could go towards meeting the intention of the Honourable mover with regard to this question in another way, which was how we were advised it would be done.

HON M. XIBERRAS:

Sir, the House will no doubt note the change in the attitude of the Honourable and Learned the Chief Minister. I have

learned to, if I may use the latin term "Timere dahaos et dona ferentes" - "Fearing the greeks even when they bring gifts". And, therefore, Sir, rather than.....

HON CHIEF MINISTER:

Sir, the Honourable the Leader of the Opposition has got the quotation wrong, it is "Timeo danao dona ferente." !

HON M XIBERRAS:

Well, since it is I who is speaking, indeed, Sir, "Timeo", very much!

Sir, we are very appreciative of the kind words of the Chief Minister and we contrast them with what he had to say when in a flury of exhortation in a tremendous socialistic spirit he announced his tax measures to the House, a more crowded House than today may I say, at the time of the Budget. At that stage, the Honourable the Minister for Labour was asked by me on several occasions whether he would not consider the question of giving an advantage to the working woman. I was told no, it was already there, and we have countered and said, but we need an extra advantage. The Honourable Minister said, no, it is already there. The Honourable Minister for Labour also said that we could not do what, it turns out, the Honourable and Learned the Chief Minister is doing today, about Family Allowances because this would mean giving a greater advantage to people at the top than at the bottom. On that day, Sir, it seemed as if the tax measures of the Government prepared we are told by the Honourable Mr Featherstone, where the "dernier cri", the last cry, in these matters and there was no latitude at all for bringing about improvement of one kind or another. I asked the Honourable and Learned the Chief Minister whether if he gave us some latitude, would we be able to propose some amendments, and the Honourable and Learned the Chief Minister shook his head vigorously in a negative sense.

I am very glad, therefore, that at least they have seen their way to better their unbetterable proposals no doubt the representations which he mentioned had been made earlier by a good section of the community, including the Opposition, have had some effect on his thinking and what appeared impossible at one stage appears possible or at least expedient today. But rather than the words, used by the Honourable and Learned the Chief Minister kind as they are we would like to hear some-thing concrete in a comparative sense as to how the proposals of the Government complicated and rather clumsy as they are, would help the various sectors of the community and.....

MR SPEAKER:

We are not speaking on the general principles of the Bill again.

HON M XIBERRAS:

Contrast these with the amendments before the House. I am sure this will interest the man in the street. The Government has a set of proposals, the Opposition has a set of proposals and should.....

MR SPEAKER:

What I am trying to rule is that we are now dealing with one particular item in this set of proposals, exclusively.

HON M XIBERRAS:

Sir, I am quite prepared to keep things in water-tight compartments, if that is the ruling of the Chair, but I feel that it is important.....

MR SPEAKER:

One can generalise a little but, I think it is my duty to bring back the speaker when I feel he has wondered away from the question, and that is all I am doing.

HON M XIBERRAS:

I think, Sir, the crux of the matter is that in talking about a pretty revolutionary and very beneficial amendment, introduced by my Honourable friend Mr Caruana, the Honourable and Learned the Chief Minister has limited himself to saying a few kind words and has not said one word about why it is that he will not presumably support this amendment. He has not spoken about the disadvantage of it he has not talked about the ease of implementation, or otherwise, of it, he has not even ventured a comparison, with his own amendment, even though he referred to them. I would commend to the Honourable and Learned the Chief Minister and to this House, how easy it would be to work this particular amendment of a tax refund of £12 all the way through. Psychologically, how welcome it would be for the public to know that they are getting something back, something quite definite, and they do not have to go through the labyrinth /of Family Allowances that are not taxable at one stage and taxable at another stage, so that at the end of the road the taxpayer doesn't know whether he should or should not be called taxpayer in this particular respect. Would it not be much easier, or at least let us have reasons why it is not considered to be easier, more clear cut, more advantageous, to have tax refund of £12.

/which is proposed by the Government side

Surely the Government cannot say that we are not benefiting the lower paid more than the higher paid, even to a greater extent

than the Government's amendment. For a man at the lower end of the scale £12 is a very substantial sum, whereas for the man at the top end of the scale £12 is less of a sum. And surely the Government is not going to allow this opportunity of introducing something like a positive feature into the Income Tax laws, a positive feature or a definite refund; is not going to allow this opportunity to be without at least saying why they are not going to take it up. I therefore, call on the Honourable and Learned the Chief Minister, or on the Honourable Mr Featherstone, or the Honourable the Financial and Development Secretary, to explain why the amendment proposed by my Honourable Friend Mr Caruana is not acceptable.

HON CHIEF MINISTER:

Before the Honourable the Financial and Development Secretary does that, and that was precisely what I said, I would like to remind the Honourable Leader of the Opposition how wrong he is in what he said about my attitude at the time to the Income Tax proposal, because I said then that we had been studying the matter for weeks in order to bring the most equitable results, I remember from my time in Opposition, when the last Income Tax Bill was brought here, that in the cause of the debate I urged them to do something precisely for those with incomes of less than £1,000 and it was refused by the then Chief Minister who said he couldn't interfere because he didn't know how it was going to affect the yield that was expected. That was when the Income Tax Bill was increased last time. I put it forward then and because that was not listened to and because it was our thinking, we put it in our manifesto, which was later supported by the electorate.

I did not say that this was the only answer to the problem at all, but I said: let us look at the principle now. I was going to suggest, Mr Speaker, because this is a matter of great importance, that the Committee Stage of this Bill should be left until Monday when Honourable Members can make concrete suggestions if they then want. I do not undertake to agree with them, but I think it is much better that they should give thought to it between now and Monday and bring back any proposals. But let it be quite clear that the proposal must not impinge too far in the middle group of people with income of more than £1,500 or £2,000 because then we are going to affect the principles of the Bill, that is the point. We have come here for £250,000 and there is no doubt that we have got to get it, more or less but we are not completely dogmatic about a little relief here or there if it is warranted. And if after looking at it we think that perhaps there is a better idea without doing damage because we have found, in the various exercises that we have carried out that an attempt to relief a very little at the top means very much bigger relief below, where the people must pay for it - I mean at the top of the lower income group. I left the thing open and the Honourable Leader of the Opposition was then saying: "if we have a leeway between £10,000 and £12,000, that would help us". I can assure the Honourable Leader of the Opposition and Members opposite that the relief that we are bringing today goes three times over the amount of leeway that

was then asking for. Yes, it was quite clear, you were asking for £10/12,000, and our present proposals go well into the £3,000 in the various aspects.

All I want to say is that I did not show myself at all dogmatic about this and I left it open. And because I left it open and because we wanted to relief and because we have not found the correct answer, though we had done a lot of homework and said that this was the best we could produce, now that we have looked at the matter we are also accused. Something wrong with this! "Temeo danao dona ferentes" - "Fear the Greeks when they come with presents". There must be a catch in it somewhere. Well, I can assure Members that the only catch is in the fact that the money will not be produced, but we are very happy to be able to do it within the context of trying to do the fairest possible and meet to same extent the spirit behind the proposals of the Opposition, in some respect, in others we may not be able to do so and the spirit in other representationsthat we have received. We do not claim, as the previous Government perfection. We are just as human as anybody else.

HON M. XIBERRAS:

Sir, the Honourable and Learned the Chief Minister has quoted from the latter part of his speech, that was after he had said that the Bill had to go through all its readings and indeed after he had out of the goodness of his heart, allowed us a weekend to study the proposals, produced amendments, and to calculate to the best of our ability the yield on various levels, and so on. This was the degree of the magnanimity of the Chief Minister.

However, he has very ably not answered the point that I put to him, and that is, what indeed are the disadvantages of the proposals put by my Honourable Friend Mr Caruana. That would interest us rather more and I am sure, Sir, that the Honourable and Learned the Chief Minister will have a further opportunity to being magnanimous when other amendments put forward by the Opposition come to be considered by the House.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, may I say very briefly why I could not recommend to the Government the particular proposal put forward by the Honourable Mr Caruana. If you look at the wording of this amendment you will read in the second last line: "shall claim the refund of tax of £12 per anum." But, Sir, I thought and it has been confirmed this afternoon that I thought that ordinary words are not to be read as they seem. A refund of tax means giving back tax which has been paid; the intention here is to go beyond that and give a flat sum of £12 if I am not misunderstanding it a flat sum of £12 to a person who has not paid tax at all, orhas paid less tax than £12 in the year. This, if I understand it right, and this is how I understood the Honourable and Learned Mr Isola in the First place when he spoke very interestingly on televisio , and it is how I have

about this

understood it to emerge this afternoon. I do not say, Sir, this is the system of negative income tax, and I do not say for one moment that it does not have great merits. Am I wrong in my understanding of the amendment? No? Then this is the system of negative income tax over which head have been scratched in Government in the United Kingdom for ten years or more and they haven't come round to doingthis yet. It is quite a considerable step to take, Mr Chairman, because you get the situation where you would want to use this system, if you start upon it, you get it in various circumstances. All the time, there as here we are trying as far as we are able to leave families out of the income tax net. But you take a step to do that for example and you lift different people at the same time out of the Tax net and the benefit to one family of being lifted out of the tax net is £10 or £15, and the benefits to another family at the same time of being lifted by the same measures out of the tax net, is something different. Then you start asking yourself are you being fair; shouldn't you be giving something back to treat everybody alike. So, this is the same system that we are talking about here, Sir. I do not say that the system is not without a great merit, but I do maintain that is a system that we would have to think very careful about before we would embark upon it. It is for this reason that the Government has not felt able to accept this revolutionary measure at this stage, however Sir, I endorse entirely all that the Chief Minister said earlier, we all have the same object in view and we have been trying in our own way, to achieve as far as we can, the same object as Honourable members opposite, and I think that will come about when we reach the point of our amendment which alters what I may call the clawback mechanism. Sir, we certainly, from that point shall give examples of the effect of our proposals on income tax as it would have been under the Bill without these amendments.

HON P ISOLA:

Mr Speaker, is not the Honourable Financial Secretary's objection to this particular amendment twofold. One because it is revolutionary - having regard to the philosofy of the Government perhaps it is an understandable objection, and the other one is that it is not fair, or might not be fair. This is my understanding these two objections, and of course it is his first experience of it. One would hope that if he can be shown that the proposed amendment is fair as between the different income groups, the Government even though reluctantly would be prepared to accept it despite its revolutionary aspect. Mr Speaker, it is revolutionary in the sense that it is, as the Honourable Financial and Development Secretary has quite rightly said, a negative form of tax, but we have found, in looking at a way in which the allowances for children, given as they are at the moment in the ordinance, how they could be worked to result in fairness so that the benefit coming from the giving of these allowances for individual children could be enjoyed proportionarely in accordance with the income of every particular person. We didn't want to take away anything from anybody who already had it, and we have found that the tax benefit to a person with a family of an incme of over £3,000 a year the tax benefit was £12 in respect of each child, whereas the tax benefit as my

honourable friend Mr Caruana has explained, of a person with say £1300 or £1400 a year income in respect of the allowance given for his children could be something as low as £2 or £2.50. What this Section seeks to do, and in our view does, is to give a tax benefit of £12 to every parent in respect of his second and subsequent children. To these people in the higher income group this will result in less tax benefit but no less than they had before, but to those in the lower/group it will in effect mean quite a substantial tax benefit in respect of subsequent children and we thought that this was the right way to do it because it is precisely the larger sized family that finds it difficult to produce a larger amount of tax at any given time. By giving them this tax refund of £12 in respect of each child we are giving them, what, I am sure everybody in Gibraltar would agree is fair, the largest amount of benefit that we can give them without upsetting the principle of £100 for each subsequent child. So, the fairness of this Section, Mr Speaker, sorts itself out quite easily and quite simply depending on the income of the person claiming. If you are a low income you had a larger benefit, because if your tax bill with a low income is say £30 in one year, and you've got two children, it means you only pay £6 in tax. If you are in a larger group, and you have to pay £1000 in tax to the Government, and you had three children, well, you get £36, which makes very little difference to you but it is a benefit. If you are paying £60 tax to the Government and you have three children, you get £36 back. Your tax bill is reduced by £24. It is quite obvious that the people who pay the highest amount of tax are the people who are best off, and get less benefit from this, and the people who are paying the least amount of tax are the people who get most benefit. We do not think that on the interpretation of this Section, if a person is not paying tax he can come to the Government and get money back. This is only in respect of a refund in respect of tax actually paid by the individual.

Mr Speaker, I certainly would challenge any Member of the Government to say how this works unfairly - lets forget the revolutionary aspect for one moment - how this works unfairly against any single income group that they can think of. And if it can be shown that this works unfairly against any single income group, then of course we would think about it. But the fact that it is a revolutionary method of dealing with income tax is something that should not worry us too much. After all only yesterday we were giving a Minister of the Government full rein to do whatever he liked in any particular thing and this was not thought revolutionary. Whats revolutionary about this, Mr Speaker.

MR SPEAKER:

Right then I will put the question which is. . . .

HON J. BOSSANO:

Mr Speaker, I would like to support the amendment put forward

by my Honourable Friend Mr Caruana. It is difficult to speak in support of this amendment without at the same time making some reference to the amendment thatthe Government intends to propose because I think thatwhat concerns us in the House at the moment is which of the two methods of arriving at relieving individuals with more than one child from additional tax payment is better. We have heard an argument by the Honourable the Financial and Development Secretary that it was the intention to give a refund of tax to those who had not in fact paid any tax because presumably their income was below the threshold level. Now, quiteapart from whether that was or was not the intention, I also understood him say that as the amendment is worded it would not produce its effect because a refund is only a paying back of something that has been paid, and consequently, it would not have the effect of being a negative income tax for people below the threshold level because the wording does not allow this to take place. That being so it would seem that the objection to it, on the grounds that it would do something which it fails to do, can hardly hold any water.

The advantages of the proposal that my Honourable Friend is putting before the House are manyfold. There is the simplicity of the system where all that is required is a normal tax computation on the normal basis and then one just reduces the gross tax bill by £12 in respect of every child after the first one. That is all that is required to do in order to arrive at ones tax liability. I would have thought this was an easier thing to do, both for officers of the Income Tax Department and for Taxpayers themselves and I think it is an important consideration, Mr Speaker. I think it is a worthwhile exercise to attempt to make our income tax laws, and indeed all our laws, as easy as possible even if this might give some rise to unemployment amongst certain professions that spend a lot of their time explaining the law to others. I think that if people can understand the laws for themselves it is a desirable thing, we are at the risk of creating unemployment in these professions and after all we have increased unemployment Benefits, so they need not be too worried by that prospect. Mr Speaker, it is important that people should beable to compute their own tax bill as far as possible and find out what they have to pay, instead of having to go and ask for explanations because they cannot understand how the system works. This has got an advantage that it is a straight forward thing to understand and to work out. One works out ones tax bill, then knocks off £12 for every child after the first one and arrives at the net tax liability.

Another advantage is the fact that it is progresive in a very dramatic way, because by giving everybody the same advantage it means that, for example, for the man at the bottom of the income scale, the man who is paying the 5% marginal rate of tax, this would mean ifwe take for example the existing level of allowances they stand in the Ordinance without amendment, we have got £750 for a married couple, and then £100 for the first child and £100 for the second child which is then reduced as a result of the clawback effect associated to family allowances. So we have got something like £18 a week as a threshold for a married couple with two kids. On £24 a week a man is within the

band proposed by the Government for 5% assuming that it is going to stay like, it is something of course which may be improved upon because the Government may see the logic of our arguments for helping the people at the bottom of the income scale and accept some of our amendments in that respect. But assuming no change, it means a man on £24 a week is paying 5% on £6. Now there, the effect of an additional child being born in that family is that the man's tax bill is reduced by £2, Mr Speaker. By giving him the opportunity to reduce his tax bill by £12 he gets a gain of £10. A £10 reduction in his tax bill. A tax bill which at 5% on £300 would be £15, would be reduced by £12 instead of by £2. So that what we are doing is, we are moving the threshold at which tax is paid, in quite dramatic steps, but only for people on very small incomes because a married couple with three kids on less than £25 a week in Gibraltar today finds it very difficult to survive. So there are revolutionary aspects to this thing, but they are only revolutionary because revolutionary measures are needed to help people in that category. As far as I can see, Mr Speaker, the alternative proposed by the Government doesn't do this. The alternative proposed by the Government doesn't give this benefit of an immediate reduction of an additional £10 for the man on less than £25 a week if the family size increases from 2 to 3. As far as I have been able to work out in the short time in which we have had to look at this, the advantage is about half of ours, something like £4.75. I would like Members on the Government side to say whether they are proposing to give a smaller advantage to the working family man on £25 a week than we had hoped they would give, because they feel they cannot afford any more, or whether they think, mistakenly, that they are giving a bigger advantage or whether I am mistaken in my computations, which is quite possible because I have said I have not had time to deal with it in detail, and in fact the advantage that their proposals give is greater than the ones that my Honourable colleague is proposing. But it is difficult, Mr Speaker, to say we are convinced that our amendment is better unless we have the arguments in respect of why it isn't better. As far as we can see it is a better amendment than theirs, it has simplicity, it is easier to understand, the effects are quite dramatic at the bottom, and they reduce as one goes up the income scale in an automatic way. I think, Mr Speaker, before we actually take a vote on the matter, further clarification of why the Government does not like this amendment would be welcome to our side.

HON M FEATHERSTONE:

Sir, the Honourable Mr Bossano just said that this Bill was simplicity. It is so simple, Sir, that it appears that they have overlooked two fundamental points. Firstly they've overlooked to repeal the section 23A, which is the claw back of £60, and secondly they've overlooked the administration that this would create which would probably make it far from simple. Sir, it has been said that this method is revolutionary. It has also been said that in Britain for many years people have been looking into this question of negative income tax. I will not say at this juncture, Sir, whether negative income tax is a good thing or a bad thing. I don't know enough about it yet and even the experts in Britain don't seem to know enough about it, but if indeed one were to start a system of negative

income tax one would not start with one little tiny point such as a family allowance, one would start from a proper basis, so I think to some extent I am not happy to give way Mr Bossano. . .

MR SPEAKER:

Order, order.

HON M FEATHERSTONE:

Sir, I will ignore the remark that was made from the other side.

As I was saying, Sir, it is amazing isn't it, Sir, that when somebody from this side is speaking all the humour on the other side the laughing is quite OK, but when the Honourable and Gallant Major Peliza is speaking and anybody on this side smiles he gets into frightfully bad temper. It is really astonishing. We can have all their catcalls and cackles, and cacophony and stupidities, that is quite OK it only shows their childishness.

As I was saying if we are going to go into a system of negative taxation and it may be a very good system I think one should go into it on a proper basis not on a little bit of haphazard basis as is done here. The whole point that the Opposition is missing, Sir, and they have only themselves to blame for it, is that they were not willing to look at our proposals as a package deal and see the final effect they were much more desirous of taking it one by one. They were given the opportunity to wait until tomorrow morning, and they weren't even willing to accept that.

On a point of clarification, Sir, I may not be very good at Greek, I don't know about when the Romans came bearing gifts, but I would never say "le dernier cri", as the Honourable Mr Xiberras puts it, but the one thing I did say about our Tax Bill was that our approach to taxation is, we think, the fairest form of taxation one can have. We didn't say: this Bill has to be the last word, we were willing to make adjustments etc., and we have been willing to look into these adjustments suggested by the Honourable Mr Caruana after quite a lot of work, but unfortunately, perhaps not as well worded as it might have been, because he does talk of refund of tax. We were left to wonder to some extent if a person who paid no tax should get a refund. If he were willing to go without putting the deductions of his tax form allowed it appears they've left out the £60 claw back. The £60 claw back put through by them when they were in Government. We have found another method, Sir, which at the end of the day works out, if anything, possibly better than the suggestion of the Honourable Mr Caruana. So that I don't think, firstly that we are doing any harm to anyone by rejecting this, and I am sure that if they are willing to look at all our amendments and realise the implications they will find that we are getting something as good or even better, and meeting the claims that have been put forward by various bodies who have come forward with ideas.

One keeps hearing this talk about the person who in only earning about a £1,000 yet we did hear the Honourable Mr Isola on television that the poor mans salary is £37 a week, so perhaps they should worry a little more bout those people that they are talking about. Well, we did worry about them, we've worried about the whole structure all the way through. Therefore Sir, I would suggest they would be better advised to accept either the withdraw. of this amendment and get on to the Government Amendments, or to accept with ~~fool means~~ good mien the fact that the Government must vote against the Honourable Mr Caruana's amendment.

MR SPEAKER:

This amendment has been belaboured long enough and I will now call on the mover to reply.

HON MAJOR R J PELIZA:

Mr Chairman, there are one or two explanations that I certainly wouldlike to have. I don't think they have been forthcoming and I think they are very relevant. At the same time I may be able to give a chance to the Honourable Mr. Featherstone to have another annoying laugh since he enjoys it all that much when I stand up and speak.

The point is that we heard the Honourable Financial and Development Secretary who the Chief Minister said would give an explanation of the reasons why their amendment was better than ours, and I was really awaiting to hear something substancial on that, but all we hear is that what the Opposition is proposing is an innovation something new; it might be very good but we can't say, we find here more or less the same argument being put forward by the Honourable Mr Featherstone. Both of them showing fear; thats all , fear of trying something new. Why be afraid why fearwhen Hassan is here. I would say th t exactly that is what I am saying, that was your own motto, or your own cry, at election time. You don't seem to have so much confidence any more.

MR SPEAKER:

We must not go into electioneering methods now.

HON MAJOR R J PELIZA:

No, I know, Mr Speaker, but what I am trying to say is that here we are hoping to get so e explanation, which I think the public

also wants, and we don't hear it. All they say is, we are afraid of touching that. But afraid in what way? What are the reasons? Are there any financial implications? Is the proposition that we are making going to cost more money? This is what we want to Know? And can the Government afford it, or not? This is the main point and we have heard not one word on that. All we hear from the Chief Minister is: we had pressure put on us and we come here in the spirit of giving something that you want. What spirit? I say it is the "Treasury" spirit. Give with one hand and take it away with the other. This is the kind of proposal that we have got here today. Of course we cannot discuss it in full because we are only allowed to talk on one amendment, this one, and this will be proved later on to the other amendment proposed by the Government. To suggest for a moment that we have been given sufficient time to analyse what they are trying to put in this amendment. I think, is most unfair. To suggest an adjournment until tommorow was not intended to give an opportunity to the Opposition to look into the amendment, but to deprive the public from hearing what we were goin to say in this House that was the whole idea. . .

HON CHIEF MINISTER:

Rubbish!

MR SPEAKER:

Order, order.

HON MAJOR R J PELIZA:

Otherwise, there was. . . .

MR SPEAKER:

Order order, order. I will not allow speakers to depart from the point at issue. We are in committee and debating exclusively an amendment to a particular Clause and I am going to be very severe. We have had about an hour and twenty minutes on this amendment; I think that anything useful that has had to be said has been said, and unless a new contribution can be made to the amendment I will call on the mover to reply.

HON MAJOR R J PELIZA:

Mr Speaker, all I would like is to ask whether we could have an explanation, a real explanation, of why - not just fear of putting it through, fear of what - why be afraid of introducing something which seems to us, at least, unless it is explained

differently, a much more equitable way of relieving the families in Gibraltar who need it most.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, may I say in reply first to the Honourable and Gallant Member that he gives no recognition whatsoever to what I andmy Honourable Friend Mr Featherstone would regard as a statement of an objection to a proposal, an objection of principle. The Honourable and Gallant Member does not seem to recognise such a statement.

May I also ask for clarification because unless I am very dense I have heard two explanation, two different explanations of the proposals come acress the House. May I Sir, seek clarification by asking this, and I will quote now five income brackets for the married man with three children, and I will quote the tax under the Bill as follows:

£1,550 - tax £63; £1,450 - tax £48; £1,350 - tax £33;
£1,250 - tax £18; £1,150 - tax £11; and £1,050 - tax £10.

Now, am I right in understanding that under the proposal in these cases £24 in each case would be payable back to the family? No. So, the family on £1,450 would get £24; the family on £1350 would get £24; the family on £1250 which only pays £18 would get £18; the family on £1050, £21 a week. The family on £21 a
/to week which is only called upon under the Bill/pay £6 would get £6. I want to bring this out, Sir, because this does show one aspect of the effect of the proposals.

HON M XIBERRAS:

Perhaps, Sir, it may be seen in another light if we started from the bottom, the family with £1050 would pay nothing, the family on £1150 would pay nothing; and the family on £1200 would pay nothing and the family on £1350 would begin to pay something. That is the way to look at it, not the theoretical relief that one is affording. It is the practical relief to these families which the House should be interested in. The effect of our proposal is that a family with three children, who under the Government Proposal, for one reason or another, were going to pay £24, would pay nothing. Now, that is the positive way of looking at it, and since that again appears not to be what the Honourable Financial and Development Secretary has said is obviously clearly not a valid objection, if our purpose is the same, to give the least to these families and our proposals give obviously more relief than their proposals, again we cannot accept and we cannot even see why the Government is refusing to accept this proposal. The Honourable Financial and Development Secretary spoke of an objection of principle, and the Honourable Mr Featherstone also spoke of an objection of principle and of negative taxation. I wonder whether the definition of negative taxation on the Government side are the same. Negative taxation, as I understand it, is giving money when none has been paid in, or is due to be paid in. Our porposals do not say that, our proposals say: under certain conditions you will not pay money which ordinarily you would have paid. So that if the family

with three children because of its income group was going to pay £11, we would not give that family £13 for nothing, as it were, we would not collect the £11. That is not negative taxation, and, therefore, we fail to see what is this big bogey, this hobgoblin, which is haunting Honourable Members opposite. We are not that revolutionary, we are prepared to allow Honourable Gentlemen opposite sometime to come to terms with negative taxation. We are not proposing such a thing. What we are saying is, if he is entitled to it under our proposals give him back what he was supposed to pay. Let him claim for it and give it back, but if he is not supposed to pay don't give him back the money. Therefore, the objection of principle is demolished, or is there another objection of principle against our proposal. Certainly that of negative taxation does not hold, and because of the importance of the amendment and because ostensibly the purpose of both sides is to relieve these families, we would ask Honourable Members opposite to bring forward another objection to our proposals which will hold water. And if it is resonable, then obviously we will accept it. But what we are loath to do is allow this proposal to go

through without valid arguments, or to fall without valid arguments being advanced against it by the other side. Honourable Members have an opportunity of speaking now, otherwise we will just say that it is cussedness, that they do not wish to adopt our proposals.

MR

Sir, we are getting things a little bit clearer now. But let us assume we go to the bracket of €1,460, where under the present Bill as stands at the moment, without any amendment from either side of the House, he would have been paying about €50. How much would that family.....

Mr Speaker, what I am trying to elicit from the other side is how much would a family with two children with an income of €1460, who according to our calculations under the Bill as it stands now would pay €50 how much they reckon that such a family would pay under their proposals.

HON J CARUANA:

€58.

HON A MONTEGRIFFO:

We are better off.

HON M XIBERRAS:

I do not understand the reasoning of the Honourable member's argument. He says; then they would be better off.

HON A MONTEGRIFFO:

I am sorry, our proposals, as I see them, in that particular bracket, which is one that I have got, ours would be better of. At least on that one.

HON M XIBERRAS:

Even accepting - he has not given me any evidence for me to do so - but even accepting that, we are talking about the principle of it. If the Honourable Member wishes to say €13 instead of €12, then we are perfectly willing to consider it. If he wishes to give a further allowance for the first child, or a payback as we would have it, for the first time, then we are certainly willing to accept that . It is the principle of it. Whilst I am on my feet, Sir, isn't it simple to deduct from the total tax bill a certain

number of £ rather than refer to Tables. It is as easy as pie to adjust, Sir. I fail to see what Mr Featherstone is saying about the administration of it.

HON M K FEATHERSTONE:

On a point of clarification, could I be given on an income of £1426 what allowances are granted under your scheme? What allowances?

HON J CARUANA:

In respect of all the allowances?

HON M K FEATHERSTONE:

A man with two children.

HON J CARUANA:

A man with three children? It is £100 for the first child, and then £12 off at the end from his bill.

HON M K FEATHERSTONE:

No, if I may, Sir, it is the allowances. I would say his allowances would be £450 personal for himself; £300 for his wife; £100 for his first child, nothing for his second child, but a £60 clawback, because of 23(a), which they are not suggesting should be repealed.

HON M XIBERRAS:

If the Honourable Member will allow me. He has a point about the clawback. I thank him, and I am quite willing to write down an amendment straight away and say the clawback should be removed. At least we would not say that the family allowance is not taxable at one stage but taxable at another. It is established that there is a claw back in the Government system, which there appeared not be be at the beginning. That is a petty way of looking at it, Sir, if I may say so. The Government itself is moving a repeal of that section, and we are quite willing to accept that Government amendment.

MR SPEAKER:

I will now definitely ask the mover to reply. One must not forget that there is a similar amendment being brought by the Government which should give a chance to everyone

to have another say. Perhaps, in order to get on with the business of the House I will ask the mover to reply so if he so wishess.

HON M FEATHERSTONE:

Sir, if I may give two figures just out of interest.

MR SPEAKER:

If these two figures are of interest but are not going to start another debate, by all meanse.

HON M FEATHERSTONE:

Well then, we will then come to the figures later.

HON J CARUANA:

Mr Speaker, the reasons we have heard from the Government side appears to contradict what they said at the beginning * from the way that it is working now that they havent even looked at it before, which I think is most unfair since they have had it for a week. The way they are treating the thing now, they are giving the inpresion that they havent given thought to this. At least with all due respect to the Financial and Development Secretary, other members of the Government. The question of a clawback Mr Speaker, makes no difference at the top of the bracket of income tax, because the question of the clawback is in fact "in lieu of" according to the law, so it becomes an arithmetical calculation by the person whether he applies for the clawback orhe applies to family allowance or children allowance, so that it suits the person at the time whether he pays more with one or more with the others. That makes the argument of the Honourable Minister for Education void. Besides, if the clawback were to operate at a lower level all it would mean would be that instead of getting an allowance of £12 per child after the second child it would bring it down to £9. A figure with which I would still be happy. I would like to get in fact an undertaking from the Government side, when they get on with various amendments they have put, to give this side of the House categorical gurantee the compound amendments which they are proposing, produce the same result and benefits as those which we have put forwatd. I am sure they will not be able to give us that guarantee. In fact, on the question of the person with two children with an ncome of £1300, all the compound benefits and

*that they had given very considerable thoughts to our amendment. It appears.

allowances which are included in the Governmment amendment, will be that as against the £31.50 which this married man with two children at £1300 pays, he will pay £1.80 less bringing his total tax payable to £28.70, what we are suggesting is in fact that £31.50 comes down to £19.50 because he would get an allowance for the second child.

Mr Speaker, the arguments put forward by the Government as an excuse or as a reason not to vote in favour of this amendment are not valid. To say on this question of the refund that this is going to give people money even though they do not pay tax, is, I thi", a bit naive because the wording says: 'refund of tax'. Very clearly 'refund of tax'. So the person who does not pay any tax does not get any refund. It is as simple as that, Mr Speaker, and I commend this amendment to the House.

Mr Speaker then put the question, and on a vote being taken the following Honourable Members voted in favour:

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

The following Honourable Members voted against:-

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

LT. COL.

The amendment was accordingly defeated.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I now beg to move the following amendment to the Bill.

MR SPEAKER:

May I perhaps say at this stage, before it is too late, that you could, to facilitate matters, propose it in two sections, because as I understand it the first part is acceptable to the Oppos ition and the second part will be subject to debate. Am I correct? So, perhaps even though before it is proposed it is in order. So I am stopping you now so that you know how far to go and we can take it in two amendments to the Section and not one.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, my first proposed amendment is that Clause 8 of the Bill be amended by the insertion therein immediately after paragraph (ii) of two new paragraphs (iii) and (iv) as follows with the existing paragraph (iii) being deleted and existing

paragraphs (iv) and (v) being renumbered (v) and (vi): (iii) by the repeal of subsection(2) thereof and by the substitution therefor of a new subsection as follows -

"(2) If the totalincome of the claimant includes any earned income ofhis wife the deduction to be allowed under subsection (1) shall be increased by the amount of that earned income or £450 whichever is the less.

For the purpose of this subsection "earned income" means only income arising in respect of any gains or profits derived by the wife from any trade, business, profession, vocation or employment carried on or exercised by her either as an individual or in the case of partnership as a partner acting personally therein."

HON P J ISCI .

Mr Chairman, as far as I can see it, the Opposition will in fact now vote for the whole of that Clause 8. There is nothing of dispute there now. We are not going to move an amendment to go back to ours. Clause 8, as I remember it is a rehash of the existing Clauses,with minor amendments made in it.

HON CHIEF MINISTER:

They are not minor amendments, we consider them to be amendments of importance, such as the increase in the allowance for the first child at £125. I know that they will not be resisted because they are beneficial, even though they may not have been in the same way as the others were but....

HON P J ISOLA:

We will not be moving any amendments, as I understand, to this Clause (8) so it could all be taken in one go.

MR SPEAKER:

You are sure? Will you not object to any subsequent amendment to Clause (8) if they are here.

HON P J ISOLA:

Mr Speaker, everything is Clause (8) there is a separate amendment but I presume that is not Claus (8), the insertion in the Bill

of two new Clauses?

MR SPEAKER:

No, that is clause 11.

HON P J ISOLA:

That will give rise to discussion.

MR SPEAKER:

Then perhaps the Honourable Member will proceed as he was doing. Do not start, whatever you do, from the beginning again, but continue from where you stopped.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Thank you Mr Chairman.

" (iv) By the deletion of subsection (3) thereof and by the substitution therefor of a new subsection as follows -

'(3) Save as otherwise herein after provided, an individual who proves to the satisfaction of the Commissioner that he maintained during the year of assessment an unmarried child who was either under the age of sixteen years at the commencement of the year of assessment or who was during that year receiving full time instruction at any university, college, school or other educatuonal establishment or who was during the year of assessment under articles or indentures with a view to qualifying in a trade or profession, shall be entitled to claim a deduction of £125 in respect of the first such child and £100 in respect of each succeeding such child from the amount of his assessable income provided that:-

(a) no deduction shall be allowed in respect of any child whose total income in his own right, exclusive of any income to which the child is entitled as the holder of a scholarship, bursary or other education endowment exceeds £125 in the case of a first child and £100 in the case of each succeeding child;

(b) where but for this proviso, two or more persons would be entitled to claim a deduction in respect of the same child relief may be apportioned by the Commissioner on such basis as appears to him to be fair and reasonable in the circumstances of the case, provided that the aggregate of the deduction does not exceed £125 if such child is the first child and £100 if such child is other than a first child in respect of the same child for any year of assessment,

(c) where a child suffers from specific bodily or mental disability and by reason thereof is rendered incapable of attending and receiving full time education at a normal school for primary orsecondary education, the deduction which may be claimed under this paragraph shall be £300 and provisoes (a) and (b) shall in such case have effect as this the sum of £300 where substituted for the sums specified therein;

(d) where a child receiving full-time instruction at any university, college, school or other educational establishment in the United Kingdom or the Republic of Ireland, or was during the year of assessment under articles or indentures in the United Kingdom or the Republic of Ireland with a view to qualifying in a trade or profession andthe individual entitled to claim a deduction under this subsection is ordinarily resident in Gibraltar, and is not entitled to a similar allowance of deduction in any other country in respect of such child, the deduction which may be claimed in respect of any such child shall be £300 and provisos (a) and (b) to this subsection shall in any such case have effect as if the sum of £300 were substituted for the sum specified therein:
(e) where a child suffers from some specified bodily or mental disability which requires that he should receive full-time instruction at an approved establishment in the United Kingdom orthe Republic of Ireland specialising in the Education of children suffering from such disability, proviso (d) to this subsection shall in such case have effect as if the sum of £400 were substituted for the sum of £300.'"

MR SPEAKER:

Is there anything that the mover wishes to say on the amendment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I am sure I need say nothing on the first part of this amendment. We welcome the proposed amendment from the other side of the House, and we just went one better on that because having, as we have, eliminated earned income relief in other cases, we thought there was little merit in that remaining in the case of the wife, and so now, we are proposing that the income of the wife, up to a sum of £450, shall be wholly free from tax. I am sure there is no more to be said on that Sir.

The second part of the amendment simply increases from £100 to £125 the allowance against tax in respect of the first child. Since our proposals extend benefits to families in respect of second and subsequent children, and since we are exempting family allowances from liability to tax, and at the same time in the same package we are making this proposal to increase the allowance for the first child to £125, which has a direct bearing in the package, the third leg of which, concerned with the claw back machinary, will come later. Sir, I commend the amendment.

MR SPEAKER:

I now propose the question, which is that Clause 8 of the Bill be amended as moved by the Hon the Financial and Development Secretary.

HON M. XIBERRAS:

Sir, as the Hon Financial & Development Secretary has said the two governing thoughts that are not present when the Government introduced this Income Tax Bill, barely a month ago were put forward by the Opposition at the Budget meeting and we are very glad that we have been of service to the community in making the Government reconsider their position.

In respect of the first amendment the proposals are practically identical and we are now very glad that for the extra thought that has been given by the Government in this respect.

In respect of the second lot of amendments, these afford some relief for families and this was the point that we made at the budget session. We are obviously not happy that our own amendment has been defeated by the Government, because we thought them superior and more beneficial to the community, but we are glad that we have been able to prevail upon the Government to accept the principle, and that is, that the larger families should be relieved of the burden of the taxation which has been moved by the Government.

HON CHIEF MINISTER:

Mr Speaker Sir, I would like to say first of all that when you brought in the proposals in the last session I did say that we welcomed suggestions, that we had worked very hard on this, and that we welcomed suggestions, as I read before from Hansard, where we could make some relief, so long as the general principle remained because we were committed to the amount of moneys required, more or less as I said, in order to meet the commitment of the Government. The point made about the family allowances was one which had exercised our minds, and I think it fair to say that we have also taken into account representations from other bodies who had brought to our attention the harsher parts of the budget, insofar as lower income group were concerned, which we had already of our own volition done as much as possible to relief, despite the fact that we tried in 1970 to relief and the then Government refused and we were committed under the manifesto to do so and we did it. We went a little further and now we have gone a little further still. I hope that when the next proposals are considered they will be seen, in most cases, to be more beneficial than the proposal of the opposition.

Let us hope, Sir, that at the end of the day we shall have a Bill which meets the requirement of the Government in taxation, which is always unpopular, but at the same time meet the general view expressed, which we have always had

in mind and, we allowed ourselves a little leeway, in order to be able to sound opinion, to listen to it, and go as far as possible in meeting these views. I think that subsequent amendments will show how far we have gone. The fact that we have not accepted the proposals from the opposite side of the House does not mean that they are not as good and certainly intended to be better. In this respect I make the point that a lot was said on the last amendment about how simple it was to administer the other proposals In fact those who had to administer it are the ones who advised against it.

HON M. FEATHERSTONE:

Sir, if I may make one very small remark on this. There is one very basic feature in this amendment Sir, as I am sure the Opposition appreciate, income tax was first introduced by this party, we've never shirked it , but when introducing it we followed a principle that you should get certain allowances for certain reasons. A man on marrying got an allowance because he had a wife; when he had children he had allowances. Now, Sir, up till last year a child was always allowed £100 - I won't say it was £100 but you got the full allowance for the child - and it was the last Government Sir, that put in a system of clawing back some of that money, this was this Section 23A we have mentioned. They clawed back £60 of/it for tax purposes. We never liked that, Sir, and we have evolved a system where you get a full allowance for a child all the way, the clawing back is going to disappear. This is one of the most important features of this amendment. We have made a very slight differentiation between the first child and all the other children, this is £25, and basically, Sir, it is on the line that with other children you do get, what we are now going to consider, a supplement to your income. This supplement varying, depending on your income, the family allowance. But the first child does not qualify and this is the reason why we have given, to fit in with the figuring we wanted, £125 for the first child, every other child after that is £100 complete. This is the most simple thing for any person to work out. If he is married and has three children, he just says: I deduct for myself £450, for my wife £300 for my first child £125 and each child after that £100. He doesn't have to worry about £60 being clawed back or anything like that. This is a very important feature in the Bill and I do hope the Opposition appreciate and understand it.

/that £100. on the one hand, Sir, they gave you £100 and with the other hand they took back £60 of

HON J BOSSANO:

Mr Speaker, I feel I have to enlighten the Hon Member opposite because otherwise I fear, in view of his dislike of the claw back principle, the Government will be defeated when they come to the vote on their next amendment which seeks to claw back 100% of the family allowance.

HON M. FEATHERSTONE:

I do thank the Hon Mr Bossano for giving way. I have never said I dislike the claw back principle, I dislike the claw back on the allowance you give a child under the income tax as such. When we come to the other part then the whole new principle will be evolved.

HON J BOSSANO:

Well, Mr Speaker, the existing Section 23, which in fact the Opposition has not overlooked, the claw back of the £60 principle is only applicable to those individuals who claim family allowance. If a man does not claim family allowance, then the child's allowance is a £100 and there is no claw back. So there is no difference, as far as I can tell, between what exists now, what we propose should continue and what the Government proposes with its next amendment. No doubt we can have an opportunity of clarifying that when we come to that amendment.

In respect of this particular amendment, I think when we have time to look into the matter in detail, we shall see exactly how it affects different/ family compositions. We welcome anything that helps individuals who are having a very difficult time in Gibraltar at the moment, that is individuals in the £25 to £30 income range, and who have families of two or three children. We think our system was easier to understand, the improvements were quite dramatic because every addition to the family implies the £12 reduction in the tax bill, but seeing that the Government could not bring themselves to accept the amendment we have proposed, we ourselves will not, because of that, attempt to belittle what is being done or in any way not to support it. Even if it is less than we would have like, it is better than nothing.

/income groups and different

MR SPEAKER: then put the question, which was resolved in the affirmative.

Clause 8, as amended stood part of the Bill.

CLAUSE 9

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, Sir, before we come to clause 10, I wonder, Sir, whether permission might be granted to move an amendment which would be implaced here, because it repeals Section 23A of the principal Ordinance. It would also serve to put forward the third leg of the package that I have twice before described.

MR SPEAKER:

It has not been done by an amendment to Clause 11 of the Bill?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, we have thought that a new Clause would be appropriate.

MR SPEAKER:

Well, if a new Clause is going to be inserted, unless it is the wish of the House, it has got to be taken.

HON CHIEF MINISTER:

Mr Chairman, under Standing Order 34(7). It is within your discretion for the better running of the business of the House.

MR SPEAKER:

You were referring me to Order?

HON CHIEF MINISTER:

Order 34(7) at page 13.

MR SPEAKER:

That is right. "Any new clause shall be considered after the clauses of the Bill have been disposed of and before consideration of any Schedule to the Bill, provided that a proposed new clause may be considered at an earlier stage with the consent of the Chairman and provided further that a new clause proposed in substitution for a clause which has been disagreed to, may be considered immediately after such disagreement." Before I give my consent I have to know one thing which I think is very relevant. If it is exclusively a new clause, which does not affect any other amendments which may come subsequently to it, I will give my consent, but if it is going to deprive Members of their right to oppose the new clause, in the light of what may transpire at a later stage when a further clause is being considered, then of course I will not give my consent.

HON CHIEF MINISTER:

Yes, I think it is clear, Mr Speaker, but if you see the second list of amendments which we will be coming to

MR SPEAKER:

I accept that what is being asked to be done now is a consequential amendment, but consequential on something happening at a later stage, and not on something on which the wishes of the House have already been expressed upon. That is what I am trying to say.

HON CHIEF MINISTER:

It is a renumbering of Clauses in order to be able to give way to the new clause which is part of the package.

MR SPEAKER:

Which is not going to be dealt until we come to Clause 11.

HON CHIEF MINISTER:

No, no. Clause 11 would then be clause 12.

MR SPEAKER:

No, no, no, which is being done now prior to the consideration of the amendments proposed to Clause 11. Therefore, I cannot give my consent. In other words if the consequential amendment were to give effect to something which has already been considered by the House. I would not have any objection to a new Clause being taken now instead of at the end of the Bill. Is the reasoning followed, otherwise.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I should have been proposing the insertion of two clauses, one is purely consequential on something that has gone before. The second is closely related to what has gone before and completes a three-prong proposal as it were. This three-pronged proposal affecting family allowance, and the claw back system, is not directly related at all to the subject of Clause 11.

MR SPEAKER:

What is it related to then?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, the package which I have described, if you will forgive the word, contains the Government's main amendment to the Bill, taking the form of the various improvements affecting family allowance. Clause 11 of the Bill deals with the band and the tax rates in the Schedule which the Government's amendment do not touch upon at all.

MR SPEAKER:

Yes, but there is notice by a Member of the Opposition to an amendment to Clause 11 which could be affected by what is being asked to be done now. Is that correct. I still feel that to take a new Clause now for a consequential amendment would be in order now if it were to give effect to something that the House had expressed its willingness

to do now. I think it is proper that it could be taken at its right stage, or subsequent to Clause 11.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Thank you, Mr Chairman. May I however take a very simple one and put that out of the way?

MR SPEAKER:

Yes.

HON FINANCIAL & DEVELOPMENT SECRETARY

Sir, I beg to move that there be inserted in the bill a new Clause 4 and the existing Clauses 4 to 9 be renumbered as Clauses 5 to 10 of section 6. Amendment 4 as a side heading. Section 6(1) of the principal Ordinance is amended by the deletion of the paragraphs (g) thereof. Sir, the effect of this is simply that previously we have added family allowances to the list of exemptions and here, by this proposed Clause, we would delete it from the list of incomes chargeable to income tax.

MR SPEAKER:

So that you want the new Clause 4 inserted immediately after Clause 3. Am I right there?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Yes, Sir.

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

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

CLAUSE 11.

HON J BOSSANO:

I beg to move the following amendment: "That clause 11 of the Bill be amended by.....

HON M. FEATHERSTONE:

Did we accept that Clauses 4 to 9 be renumbered Clauses 5 to 10? Because we now have to Clauses 10

MR SPEAKER:

No, we are calling the old clauses now, because we have not renumbered them.

HON M. FEATHERSTONE:

Thank you.

HON J BOSSANO:

Thank you Mr Speaker. That Clause 11 of the Bill be amended (1) by the deletion of the figures "300" appearing therein, and by the substitution thereof of the figures "500:" (2) by the deletion of the figure "400" appearing therein and by the substitution thereof of the figure "500;" and (3) by the deletion of the figure "15%" appearing therein and the substitution thereof of the figure "10%."

MR SPEAKER:

You can commend the amendment now, then I will propose the question.

HON J BOSSANO:

Mr Speaker, these three amendments are closely interralated in that what they propose is in fact to return the bottom part of the tax structure to its preceding stage before the Government measures were brought to the House last month. Orginally the first band of 5% was applied to the first £500 of taxable income. In the amending Ordinance it was proposed that this should be reduced to £300 and we are proposing, in this amendment, that it should be returned once again to the £500 at which it originally stood. In addition we are proposing that the second band should also be £500, this represents a reduction of the second band from £750 to £500 instead of the £400 proposed by the Government. The third proposal is to retain the original 10% marginal rate of taxation on this second band of £500. Thismeans that a marginal rate of 5p in the £ would be payable, if this amendment were accepted, on something like £10 a week of taxable income, and then 10p in the £ would be payable on the next £10 a week of taxable income, approximately. The figure would be slightly less than £10 a week because of the fact that with 52 weeks in a year of course the total is £520, but an approximate and easily understandable figure is £10 a week. So that we have tax rates moving up in bands of approximately £10 a week and having a uniform structure.

The effect of this amendment would be to produce a change in the proposed tax measures which would mean that at the bottom of the income scale the bulk of working people, on about £30 a week with one income earner, would not be paying more tax than they were paying previous to the measures introduced by the Government. In addition, of course, there would be a diminution in the proposed tax bill for others above this level. But there would still be an increase in respect of the tax payable under the system that was in operation until the end of the financial year 1972/73, so that it means that we have at the bottom no tax increase and then a tax increase for others, but not

of the same magnitude as was proposed by the Government.

We have had no counter proposals in this respect from the Government and until they make their views known to the House one doesn't know whether it is because they think there was no way ofimproving the amendment, or because they intend to vote against it, Mr Speaker. One hopes that is is the former and not the latter that is responsible for their silence so far. One important consideration in this matter is that we need to look at wages income structure in Gibraltar and ability to pay tax. The burden of taxation, the relation of what is left after tax, and the needs of a family man. That is one important consideration Another important consideration, Mr Speaker, is the present tax yield, both from personal taxation and from company taxation, and in this respect we have had some information made available to this side of the House as a result of questions that were put in an earlier part of the meeting and in supplementary. When those questions were debated in the House, the matter of the level of collection was brought out and the degree to which it was possible to increase revenue from direct taxation by better collection. This is a most important consideration because it is patently unfair that people who have already been paying for a number of years should be asked to pay even more before we have exhausted the possibility of ensuring that all those who have the liability to pay should pay. And therefore, from what we have been able to do with the figures that have been made available to us, we are convinced that there is a margin available to the Government for improving the collection, which will no doubt be evidenced in the revenue figures and which we don't know to what extent has already been taken into account in computing the expected tax yield. We are convinced that there is sufficient room for the expansion of collection which will come about with more manpower, now, in the Income Tax Department, which we saw was the case when we came to debate the Estimates, and we found that there were going to be more resources devoted to the collection of tax. This in itself should produce an improved revenue position, and that additional flexibility should be used at this stage to help those at the bottom of the income scale. We see, Mr Speaker, that this amendment is intended primarily to help the individual in the £1500 income bracket, a family man with £1500 or less to live on, but nevertheless it will afford some relief throughout the income scale and particularly in the middle income group where the new measures represent quite a dramatic increase in tax liability. We would welcome, now that we are in Committee Stage, information from the Government side as to what extent they feel they can move along with this proposal. Whether they think they can go the whole way, and if not, why not. Whether since the original proposals have been drafted and since they have had more up-to-date information on the income tax position and the revenue for the year 1972/73, and in view, Mr Speaker, of the figures that were made available to the House, where we found that in the year 1972/73, there had been a concentration of the work of the department on arrears and

that current collection had dropped below normal because of this. Whether in fact it does not imply that in the year 1973/74, where more work is going to be concentrated on current collection, we cannot in fact expect quite a dramatic improvement in respect of collecting the amount due in 1972/73 and /that therefore there is this room available to the Government to help those at the bottom of the income scales particularly.

/1973/74 and

MR SPEAKER:

I now propose the question which is that Clause 11 of the Bill be amended by:(1) the deletion of the figures "300" appearing therein and by the substitution therefore of the figure "500";
(2) by the deletion of the figure "400" appearing therein and by the substitution therefor of the figure "500": and
(3) by the deletion of the figure "15%" appearing therein and by the substitution therefor of the figures "10%".

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, the Chief Minister as well as myself said at the time of the budget that of course none of us, no Government, likes to raise taxes and we are well aware that in some cases the effect of the new tax measures have been quite sharp. Certainly it has been sharp by the standard we've known in Gibraltar, but, Sir, we were faced as we said before, with the revenue requirement for the coming year. Now in this session of the House we have referred to the altered out turn as we now see it for 1972/73 on the current account and the question may be asked;does that not help us to give some easement on the income tax proposal for 1973/74.

Well, Sir, I said before, I must again say, it is not so. We did decide, because of the commitments that we had the very heavy commitments that we had to meet in 1973/74, we did decide in presenting the budget that the deficit in 1972/73, including theBiennial Review awards that were attributable to the nine months in 1973, that that deficit should be charged straight and entirely to the General Revenue Balance. £285,000 it was, and that happened. Had we known that that deficit would have been smaller than £285,000, then we should have charged the smaller amount to the General Revenue Balance. I think no one could suggest that we could charge the entire debt to the 1972/73 General Revenue Balance and an additional sum to meet our commitments in 1973/74.

Now, the other matter that was mentioned in this session was the out-turn on the Improvement and Development Fund, and there too, although we did not actually spend money that we had expected to spend before the 31st March, as I explained, we shall have to spend that money very soon, and again it does not make more funds available.

Thirdly there is the prospects, as we see it, we have been looking at the estimates and collection of income tax itself. Income tax is one of the items I mentioned earlier on which we did not quite reach our revised estimates in 1972/73. Certainly we intend in the Revenue Department to go all out to collect the revenue that is due, because this is obviously right and fair that it should be so and that there should not be a need for more taxation on those who do pay because there are a lot of people who are dilatory about paying. We shall certainly do that, but again we have made there the best estimate we could, and I said this at the time of the budget and I'll say it again, that the people who are best qualified to assess the income tax yield, in fact the people who alone are qualified to estimate the income tax yield, are those who are working in the Revenue Department, and I am confident that in having pitched the Revenue Estimates 1973/74 at £1,050,000 we have no margin there to be given back.

Now, Sir, the new Schedule that has been proposed by the Hon Mr Bossano's amendment is a very attractive one of course. Unfortunately it just would be very expensive indeed, on our calculationsit would cost in a full year about £120,000. In this year, for which we did not of course estimate a full year's yield at the new rate because the assessments have got to go out, this year we reckon it will cost £70,000.

We have made a proposal, since the Bill, which will cost us in this year certainly well over £70,000 against the £250,000. In a full year very much more, in a full substantially more but certainly £30,000 and I am afraid therefore that my advice to this Government would be that at this stage we can't afford to accept the amendment.

HON J BOSSANO:

The Hon Financial & Development Secretary has told us what the amendment would cost in a full year, and in this year. Could he also tell the House what the yield from the Government measures are expected to be in a full year, because it appears therefore that the £250,000 is not the yield for a full year. Is this the case?

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, that is quite right, the additional revenue from the propossed measures is the revenue that we estimate that we can collect in the financial year 1973/74.

HON J BOSSANO:

Mr Speaker, is it that the Hon Financial & Development Secretary can only calculate what the amendment would cost in a full year and not what his measures produce in a full year?

HON FINANCIAL & DEVELOPMENT SECRETARY:

No, Sir, not at all. £250,000 in 1973/74. Well, if everything stayed the same and it were 12 months ongoing on that, it would be £380,000, or something like that.

HON J BOSSANO:

Mr Speaker, one appreciates, on this side of the House, that the Income Tax Department are the best people who are qualified to make these calculations. Of course, they are not necessarily qualified, they are not the best people necessarily technically qualified, but they are certainly best qualified by virtue of their accessibility to information which they cannot divulge to anybody. And many of our calculations are of necessity approximations because of the limited information that we have and which we have to try and draw out of Government a little bit at a time. The £380,000 in a full year appears to be primarily, Mr Speaker, the effect on individual income, on personal income, and this of course compares with a yield of £119,000 in 1971/72 for a full year. So that in fact we are talking here about a 300% increase in relation to 1971/72. The Hon Financial & Development Secretary is right in saying that by Gibraltar standards this is a tremendous increase. I think it will be a tremendous increase by the standards of every other nation in the world. I don't think there are many nations in the world where income tax goes up by 300% in one budget.
But the fact is, Mr Speaker, that in 1972/73, we learned that the yield from income tax on personal income was something like £50,000 less than in the preceding year. That backlog of £50,000 will of course appear during the year 1973/74. It is bound to, because incomes have gone up - we know that from the employment surveys - and, therefore, quite apart from anything else, tax yield will go up.
If we had tax yield going down in 1972/73, as compared with the preceding year, it is because people have not yet paid their tax bills, and when their tax bills are paid, even though they reflect tax due on 1972/73, they will appear in the revenue figures of 1973/74, and they will produce more bouyant revenue figures than would otherwise be the case. Of course it is very convenient that on the revenue side the backlog turns up in 1973/74 and on the expenditure side unpaid wage claims turn up in 1972/73, but overall, of course, the main thing is that the Government has got a commitment to meet certain expenditure, it has to find a certain amount of revenue to meet the expenditure, and this side of the House would not want to attempt in any way to say that the Government has not got the right. The Government has not only got the right but an obligation to find the money to meet the commitments that it has entered into for the welfare of the whole community. We would only wish, from this side of the House, to help the Government to do this in as

equitable manner as it is possible to do. And the amendments that we have here aim, as indeed the other amendments by my Hon Friend are aimed at helping primarily individuals at the bottom of the income tax scale. If this is going to cost £120,000 or £70,000 we are told in the current year, out of a total of £250,000, then this means that we are expecting to get something like 25% of the total increase in taxation from the bottom. One would want to see whether in fact, seeing how small the yeild is at present from company taxation, whether in fact a clamping down, shall we say, on payment of arrears on company tax would not produce quite dramatic results. Because the figures we've had from the Hon Financial & Development Secretary of something like £300,000 in company tax for 1972/73, covering both assessments in respect of that year and assessments in respect of preceding years, and divided equally between the two, brings us to, as an approximation it may not be quite accurate, but as an approximation it brings us to something like £10,0000 from company tax for 1972/73. This means that at the level of company tax, which is about 1/3rd it suggests that companies in Gibraltar, all taken together, have gross profits in the region of £½m and it is difficult to believe that this represents an accurate picture of the potential pool of revenue from company taxation. I wonder if the Hon Financial & Development Secretary is entirely satisfied that everything that can be done to increase revenue from that direction is being done and that, therefore, there is no alternative open to him but to advice Government that they do have to make use of the income of individuals at the bottom of the incmme scale, however reluctant they may be to do it.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, just one or two points at this stage I would like to refer to, because a rather striking statement was made by my Hon Friend Mr Bossano, that yield from income tax in 1971/72 having been £119,000, I think he said, surely we have an increase in income tax of 300%. But of course when I have been talking about yields I've been talking about total yields from persons and from companies. And of course the £119,000 was the yield from individuals in 1971/72, but at the same time there was, as I said earlier, there was larger amount than that. There was in fact £338,000 from companies, so I hope no one will be misled into thinking/I have no more to say at this stage, Sir. "Is the Financial & Development Secretary satisfied that we shall need this amount of money?" Well, I think we are so satisfied.

/that we are... income tax, I mean that is really not like that. I think

MR SPEAKER:

I would like to say that it is my intention to recess the House at a quarter to seven, unless I am told that before seven it is possible to finish this particular amendment, and then of course I am prepared to go on to seven.

HON M IBERRAS:

Mr Speaker, I don't anticipate that we will finish with this amendment before seven. As can be seen this is the most important amendment presented by the Opposition and, therefore, we would like to have it fully discussed for a good number of considerations which have a bearing on this which have not been advanced yet by the Opposition.

HON CHIEF MINISTER:

There is just one point I would like to make, which I think should also put something that the Hon Mr Bossano has said in its proper context, when he said that if this is going to cost us £70,000 or £120,000 in a full year, the amendment, it therefore means that the amendment which he has put forward, which is intended to relieve the people in the lower income groups, are going to pay all that money. Well no, that is precisely the difficulty we have had in trying to play about and meet to some extent the banding proposals of the Opposition in a small way, and that is the difficulty that any relief you put there, and that is why we have done it in another way, goes down all the way down to the people with the higher income groups who have the advantage. We dont want to give them the advantage because we feel that if any relief has got to be given out of the money that we require it must be given to those in the lower income groups. Then the more you play about with those bands, the more you see, however much you want to help the lower income groups in that respect, we have helped in another way, the jump comes much more dramatic to the others. That is the difficulty we have had all the time because there is not a standard rate payable. That is the whole difficulty of the matter, that any advantage you give there must go all along the line and eventually it helps the chap who is paying at 30 %, 35% and 40% whom we do not want to help at the expense of money which could be used towards benefitting the other classes who need it more.

HON P J ISOLA:

Mr Speaker, I think that the problem here is that the Government and the Opposition have different interpretations of what the lower income group is. I think, without giving any offence, that the Government are thinking of the lower income groups as it existed some years ago, and not the lower income group that is a fact today. In other words, in our view, a married couple earning £25 a week is in the lower income group, it is not a middle income group, and in our amendments we are seeking to relieve this situation. The question of talking about the higher income groups getting benefits and so forth, of course is a red herring in this context, as it is being put, and I am asked

why, and I will give the reason why. The position before this particular Section was amended was that you had to have a taxable income of £3,500 before you got to the top rate of 30%. Under this Bill that has been more than halved you have to have a taxable income of £1,700 only to get to the top rate, and then you would have the super tax provision and so forth which are not relevant for these discussions, which are also new. It is not a case of the Government coming along now and saying: we feel we can give you £30,000 in a full year. It is a case of a Government who a month ago came and said: we are grabbing £620,000 in tax and now said, we will only give you £30,000. £30,000 viewed against that background, is peanuts, Mr Speaker.

The point the Opposition has been trying to make, and we have been successful fortunately in prevailing upon the Government to raise the married woman's earned income account to £450, we notice that they are going to make concessions they have made some already in respect of the first child, and they are going to make some more concessions in respect of other children for the larger family whom we felt were not provided for at all in the measures that were presented to this House a month ago, and we welcome that. But these amendments go to the root and the heart of the matter, as to whether it is right for the Government to flay the Gibraltar population with the taxes that they do under this section. It is not £250,000 that the Hon Financial and Development Secretary thinks this will raise, it is really £380,000 in one full year. So that it is still worse, still harsher than we thought in March, and before the Government, in our view, can push these extreme measures through, they must justify it. And justify it because, Mr Speaker, they have doubled the rate of tax, they have doubled it by the banding structure they have produced by which they have squeezed £3,500 into £1,700 by which a person, a married couple are paying 30p in the £ by the time they've got the £2400. A chap who is earning £2000 a married couple without children for example, is in the 30% tax range.....I beg your pardon reaches the 30%, after that he is on 30%. Before he had to be over £4,500 to get to that stage. This is the measure of the harshness of the taxes and it is no use saying we have collared the rich, this is true they have but they've collared a whole lot of people all the way down the line. When we talk of an amendment they say, yes, but that will still benefit the chap at the top. We know it is going to give him some benefit, but just because we are going to give him some benefit to the chap on the top it is not going to stop us from relieving the hardship of the chap at the bottom, and this is what these measures are meant to do.

Mr Speaker, under the old law you paid 5% on £500 of taxable income and the 10% on £700. Under the proposed Government legislation only £300 pay 5% and the next £400 pay 15%, so that the chappie who before only got to 10% after £1200 of taxable income, by the time he is earning £700 he is already paying 15%. By the time he is getting taxable income of £700

he is paying 15%. So that a married couple with wife working, for example, by the time the husband is earning £1400 a year he is paying 15% in tax and has been paying in respect of £400 taxable income, whereas before he'd only just left the 5%, because it was £500 at 5%. Now it is £300 at 5% and then £400 at 15%.

This is quite a substantial rise for the man at the bottom and these are the people we want to alleviate, and if because as a result of alleviating them some others are going to get marginal benefits higher up, we are prepared to accept that position. We are not going to be harsh to the lower income groups just in order to knock the man at the top. This is not sensible.

Mr Speaker, the other point that is very, very relevant, is whether the Government needs all this money. The Hon Financial Secretary in introducing or in opposing this amendment, has referred to the financial position of the Government.

MR SPEAKER:

We are not going into that one.

HON P ISOLA:

Mr Speaker, with the greatest of respect . The argument that has been used by the Financial Secretary is that all the money the Government can give is £30,000, and this has been the objection to the amendment, because I don't suppose the Government would wish to tax people just for the sake of taxing them.

MR SPEAKER:

To that extent you are entitled to comment, but you are not entitled to review the .....

HON P ISOLA:

Mr Speaker, I assure you I will not do a review of the financial position because that has been done in another debute, but I just want to make one observation: the deficit of £284,000 that the Financial Secretary mentioned, which was only a deficit because Government insisted in putting £200,000 (interruption) yes, insisted in putting £200,000 into the the Improvement and Development Fund because they said there was going to be a deficit by the 31st March 1973, and the Hon and Gallant Col Hoare, I remember him saying six months ago: we will have to pay for the refuse destructor, yes, before the end of March.

MR SPEAKER:

That is precisely what I am not prepared to allow.

HON P ISOLA:

Mr Speaker, I bow to your ruling, but the only point I wish to make is that it is only because we put that £200,000 into the Improvement and Development Fund which we now find is, instead of being in deficit by £41,000 is in surplus to the extent of £400,000. We know that those £200,000 need never have been put into that fund, but it was only because it was put into that fund that there was a deficit.

So, Mr Speaker, with respect this is an argument that in my view cannot be used because we are talking of one year's working. We are not trying to meet every liability of this Government to their return, until their return, (laughter) I beg your pardon, Mr Speaker until the next election We are only thinking of one particular year. We were asked.....

MR SPEAKER:

Order. May I ask whether you intend to be long?

HON P ISOLA:

No, Mr Speaker, I shall meet your deadline of 7 o'clock.

MR SPEAKER:

No, no, order. No, no my deadline was not seven o'clock, my deadline was seven o'clock if you were going to take the amendment. My deadline was for a quarter to seven if we are not going to take the amendment. I will give you five minutes grace.

HON P ISOLA:

Mr Speaker, it may be that by the time I finish the Government will agree. Or at least agree to go some way to.....

MR SPEAKER:

In all seriousness, I am asking you that if you intend to speak for the next half hour then we will recess. If you are going to finish within the next five minutes.....

HON P ISOLA:

Well, I will try and finish, Mr Speaker. We are talking about the financial position of Gibraltar. We raised taxes for example in electricity to the extent of £70,000 and we find that the Municipal Services Account for the year ending 31st March 1973 in fact showed a surplus of £80,000 which was sufficient to meet the electricity increase. What the Opposition is saying, is, it may well be that the Government can show a need to raise this amount of money in 1974/75, it may well be that the Government has to come back to us, but what we say is that it is not fair and it is not right to burden this year's tax payers with the highest....

MR SPEAKER:

I must stop you, Mr Isola. We are debating, not the general raising of income tax but the amendment of certain allowances to a particular Section.

HON P ISOLA:

I should have qualified that, Mr Speaker. It is not fair for the Government to burden this years income tax payers with the severely harsh measures that they have introduced unnecessarily, because even on their old figures they estimate a surplus for 1973/74 in the approved estimate of £339,000 of which they propose to put £200,000 in to the Improvement and Development Fund, which will probably be sitting there next year and we will discuss the same thing again. But that is part from the fact. It is not fair, in our view, and I think this view must be shared by the Government, it is not fair to get such a large amount from the lower income groups, or lower middle income group as they have emerged in Gibraltar during the last two years, and I would urge the Government that if they feel that they can't go along with the three amendments that my Honourable Friend has put forward because it would deprive them of £120,000 in one year, which they do not need on their own figures, but if they feel they cannot be deprived of this amount then we on this side would urge them to consider meeting some of the amendments. There are three, at least leave the poor suffering Gibraltar who has to pay now for the second £400 of his taxable income at 15% at least leave him with 10% but not double the band, in other words, before he had to get £1200 taxable income, now with £700 taxable income you are going to make him pay, not the full whack but more still, 15% instead of 10% on over half that amount, as against 10% before and 5% for the first £500.

Mr Speaker, I ask the Government to consider carefully between now and tomorrow morning, when we shall have to come back again, consider carefully whether they really feel they are being fair on the Gibraltarian population in insisting on these heavy taxes that they have put

forward under this particular Section of the Bill.

Thank you, Mr Speaker.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, could I be permitted one moment, on a point of clarification about something I said a little while ago which has twice been referred to. And it is the figures that I quoted for the yield we expect from these measures in 1973/74, £250,000, as compared with what the yield would be in a full year, which I said would be of the order of £380,000. I do want to emphasise that we cannot achieve that yield in 1973/74 on two counts. First that we shall not be able to get a year's receipt at the new tax rate, and secondly because in 1973/74 we are collecting on assessable income in the previous year, during only 9 months of which we had the Biennial Review increases.

MR SPEAKER:

We will now recess until tomorrow morning at 10.30

The House recessed.

The House resumed at 10.30 am.

MR SPEAKER:

I will remind the House that we are still in Committee and that we are considering the amendments proposed by the Hon Mr Bossano to Clause 11 of the Bill.

Do I take it there are no contributors to the debate.

HON MAJOR R J [illegible]ELIZA:

Well, Mr Speaker, I was expecting a member of the Government and perhaps put a few counter arguments, if they have any, to the explanations given by my Hon Friends on this side of the House, but since obviously they have nothing to say, I think I can contribute something to the debate.

One of the interesting features of this debate on income tax, since the beginning, since in fact the budget was introduced, is that the more we dig into it the more money we find and since the whole question of the amendment being presented to the House is hinged on that very important matter of reserves, I find it necessary to refer to the

statement made by the Hon Financial Secretary on the question of the yield of the new taxation. I was very pleased to hear that it wasn't a mere sum of nearly a £¼ m but that it would far exceed that to £386.000. A very handsome sum of money indeed. The argument is, and I go further, there is of course a lot of more money awaiting to be collected the sum of which we do not know, but it would be very interesting,in fact, if the Hon Financial & Development Secretary could also give us an indication of the amount that still remains to be collected because obviously that ismoney that is available in practical terms. It is part of our reserves and there is no getting away from that. Those £386,000 are there today, they cannot be used, but they are there today. If the Hon Financial & Development Secretary thinks that they are not there today the only argument he can use is to say that we are not going to collect them. If he says we are not going to collect them, then something is wrong with the collection system and he should move very fact and put that right.

But in practical terms we have £386,000 to play around with. If that is the case then it is an absolutely mystery why it is necessary to raise the amount of taxation to the level that is being proposed by the Government and I think it is perfectly reasonable and very responsible, for reasons that I will explain later, for the Opposition to try and convince the Government that they are going the wrong way about taxing Gibraltar at this stage on this particular item. The Chief Minister said that it was impossible to find means of evening out the load or the burden of taxation. I think it is very easy to do that. It is even easier than finding two doctors, if I may say so. It is just a question of increasing or decreasing the percentage of tax at different levels, or of revising the banding in a different way, but the load or the burden on the lower income group can be relieved to a large extent as is being suggested by the Opposition. The suggestion of my Hon Friend is clearly for that purpose. The social good of this is very clear and even the economic good is very clear. We are in fact taking money away from people who would be spending that money in our economy quite unnecessarily. That money is not necessary to keep the economy ofGibraltar, or the Government of Gibraltar, running since for that purpose we have a reserve. Let us suppose, that the suggestion being made, to constructive suggestions being made, and there is no need for the Opposition to make constructive suggestion, the Opposition as the Chief Minister very rightly said is not here to govern, it is here to oppose. That is the role of the Opposition. But we are going further than that, we are trying very hard, not just to oppose, but even to be constructive and help Government to produce good Government in Gibraltar. Not to take over the Government,that was never our intention. We shall take over Government at the general election, but not here. It is not our purpose, not our intention and we have never said that.

But there is one point about the Government - though. The Government isnot just a Government and rules like a steamroller, the very essence of democracy is to bear in mind the minority, and if we are the minority in this House the first obligation of the Government is to listen very carefully to what we have to say, and not to be adamant in their views and come here with set ideas, with closed doors. That is not the function of the House, anyway, and it is not good democracy. I really plead to the Government to listen to our argument, which are absolutely watertight and sound. There is no need for this taxation because we have a lot of money available; £386,000 from this taxation which far exceeds the amount required, plus the amount of money which has not been collected, which is there. I will repeat this: if the Government thinks that they are not going to get this money then they have got to put right their system of collection. Something is very wrong in the administration then, and they've got to move very fast. If the Hon Financial & Development Secretary has faith and believes that he is going to get money, then he must use his reserves to do any cushioning, if there is any need to do any cushioning, of any over-expenditure that may occur in the financial year. If he does that he will achieve two things. First, it will do the social good of relieving the burden of taxation of the lower income groups, which I think everybody agrees is very heavy and under the present circumstances of the rise of the cost of living, doubly heavy. Secondly, if he takes away that money from our market, it is going to have a depressing effect on the economy, because there will be all that amount less for spending money in our economy. That in itself will produce less taxes and, therefore, make it even more difficult when we come to the next budget session next year. Therefore, it is an economic good, it is a social good, it can be done financially, and I really do not understand why the Government of Gibraltar does not listen to this very reasonable and, I think, very practical amendment being proposed by my Hon Friend. I would very much like to hear some arguments against that, if there are any. I have tried myself very hard to find if there is anything that goes against the idea. I have tried, honestly tried very hard to see if I was going to stand up here today and talk some sence. I think what I am saying is sensible, and if it isn't I would like to hear point by point argued, speaking to the point, not going off at a tangent and producing some other arugment that has nothing to do with the clear points that I have expressed here in very simple form. I would like to hear arguments against that, and if I am convinced the Opposition is convinced, we will certainly give up this amendment. I'll go further, if it is impossible to meet the suggestion of the Opposition 100% certainly I think the Government has the machinery to be able to devise something else, some kind of a compromise, which will relieve at least the lowest income groups of Gibraltar. That is better than nothing, although I honestly and sincerely believe that it is possible to meet this amendment 100% without affecting the economy. It is not a negative proposition;

I go further and say: this is a positive suggestion for the good of the people of Gibraltar, for the good of the economy, and for the good of the financial reserves of the Government in time to come. Thank you very much.

HON A. MONTEGRIFFO:

Mr Speaker, I don't know whether I understood the Hon Member who has just spoken to say that he had a water-tight case, or a Water-gate case!!

HON MAJOR RJ PELIZA:

If the Hon Member will give way. I said a watertight case.

HON A MONTEGRIFFO:

Thank you, I can still see that they are suffering from "gold mind" complex, Their whole case seems to rest, perhaps quite sincerely and we shall come to the question of sincerity later, on the premise that there is money available, that money is being hidden, that deficit are being created, and that we have come here with great fun and with a great sense of humour to tax people for the fun of it.

We've got the responsibility to govern, as the Hon Member has rightly said, and we believe also quite sincerely, that the money is needed. Of course if you tax people you are taking money from the economy. But when the Hon Member opposite, who happened to be at the time Chief Minister was taxing dogs, cats, canaries, etc, he was also taking money away from the economy, and one accepted that he was doing that because the money was needed to balance the budget. So, Sir, what I cannot understand is the argument that they carry on pressing all the time, and on which basically and mainly rests their reasoning of why we've got money and consequently we should decrease the burden of income tax that we are placing on the people, rest once again, and this was very ably, if I may say so, ably but not reasonably put forward by the Hon Mr Peter Isola at great length yesterday. The question of the so called £200,000 which created the deficit which has now necessitated this measure of taxation. I can quite well understand the Hon Mr Peter Isola not understanding that it is very prudent to put money aside to pay ones debts, ones Liabilities and ones commitments once one has entered into those liabilities, into those debts, and into those commitments. This is what the Improvement and Development Fund is all about. It is not money you bring out from reserves or from the current budget to put there for a rainy day, it is money that is put there because you are committed to a project for which you've got to pay.

MR SPEAKER:

We are not going to do that.

HON A MONTEGRIFFO:

Well, Sir, this was expounded at length.....

MR SPEAKER:

Yes, I have allowed you to give an answer, I think, but let us not now go deeper into it.

HON A. MONTEGRIFFO:

No, Sir, but if this is the argument on which the Opposition's claims rest what I cannot understand is that in March of this year they should have had no qualms in voting another £200,000. That is what I cannot understand. If the first £200,000 were not needed then the second one obviously should not have been voted upon, but their inconsistency is comensurate with their sincerity and political honesty. Sir, we are talking about helping the lower income groups. It is really fantastic that last year, when again I must repeat they were taxing dogs and television sets and what not, when we were asking that those should be protected, we got a categorical no. And now that the new measures of taxation precisely does that to a certain extent, and even would be greater improved with the amendments of the Government, and greatly enhanced, now, they want to protect up to £2,600. The fact remains, Sir, that we think we need the money; we think that this money is needed; we are neither revolutionary nor believe in revolution, but what we do say is that at least the two proposals that we have brought before the House goes further than those that the Opposition brought and we are glad to have been able to meet them and to improve on their suggestion. This proves that we are neither blind nor deaf to their suggestion, but what we cannot do is accept this amendment, because in our judgement we have got the responsibility of Government, as I said before, and to seeing that the funds are there and that the budget is balanced. In our judgement we feel it would cost too much and more than the economy can bear.

HON MAJOR R J PELIZA:

Mr Speaker, I am very sorry that the Hon Member has not in fact answered my question. He's gone off to taxation last year, he has accused us of taxing dogs, cats, and let him know straight away I am not anti-canine by any means, or was it personally directed taxation. It was a licence like any other licence which had not been raised for many years in the past, to some extent it is a luxury to have a dog, it is not a need. We are talking now of absolute need,

of children, not of dogs. Please don't mix dogs with children. (Laughter) Well I don't see what the laughter is all about, it is a matter of children not dogs that we are discussing at the moment, and I don't see why the Hon Member should introduce dogs into the argument. It is a much more humane matter that we are dealing with. And as to the TV set, he knows perfectly well that there is an undertaking of previous Governments to balance the TV station and it was a question.....

MR SPEAKER:

We mustn't go into justification of what has been done before. It is right that you should say what you have said to the extent that you had to reply, but lets not justify previous actions.

HON MAJOR R J PELIZA:

I would only like, on this question of TV, Mr Speaker, if I could just quickly reply to him that obviously it seemed to us it was fairer that those who have TV sets should pay for the licence and not that every person in Gib, including those who haven't got TV sets, should be subsidising those who have. This is the point. So I thought it was a very fair position, a very fair thing to do and also to try and keep every account as far as possible self supporting, which I think is a very good principle in any economy, if possible, except where you come to social matters where the socialist in you override the financial tidiness of the accounts.

But I would like some member of the Government, and we are not talking now about the £200,000 about which I entirely disagree with the Minister of going into the Development Fund. It is clear that on the question of Development Fund there is no such thing, as the Financial & Development Secretary has very clearly said, surpluses or deficits. There are credits and debits and it is a very important thing to bear in mind when we are talking about that here. It is very important because it hinges on that, if I may go back to the argument presented by the Minister, in that on capital accounts it is fair to distribute the burden and not make the present generation pay 100% for what many future generations are going to enjoy. And apart from that there is also the financial soundings of the depreciation of money which goes hand in hand with capital expenditure. Buying today because it is cheaper to start with, secondly the depreciation of money which through the years is again to the whole of the community by doing it through loans. Loans which are allowed by the law of course, not loans that are not allowed by the law which is a different matter. Coming back to my argument, the point that I was trying to stress was that we have £386,000 to come, that they are real, they are there, at least that is what the Financial & Development Secretary says, If he didn't, I will give way and I would like him to say why not.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman Sir, yes, I have given two figures related to the yield from the new income tax measures. The first is £250,000, that is the yield that we estimate that these measures will produce in the financial year 1973/74 with which we are concerned. Because we are concerned here with the budget, with the revenues and the expenditures in the financial year 1973/74 and our assessment is that the measures, subject to whatever deduction there will be for the amendments we have made in this, that the original estimate was £250,000. Now, Sir, I did mention yesterday that these new measures, would yield if they were in full application for a full year, £380,000. There are two reasons why we cannot take account of £380,000 as collectable revenue in 1973/74. The first is that it is not practicable in this country or anywhere else, in accordance with the way tax collection is allowed, to collect within the financial year all of the income tax that becomes liable from assessment in that year, because people are given time, people are not required to complete the payments of the tax to which they are assessed in 1973/74 by the 31st March 1974. So within that period we cannot collect that amount. There was a second consideration which also I mentioned yesterday, which is that the figure of £380,000 would relate to the full yield when it could be obtained on incomes including for 12 months the Biennial Review awards, whereas in this year 1973/74, the assessments relate to incomes in 1972/73, there was only 9 months of Biennial Review Awards. So it cannot be said that there are £380,000 available and we are maintaining there is only £250,000 available to meet our expenditure commitment in 1973/74, which is what we are concerned about.

Now, Sir, I would take this opportunity of saying that there is nothing that would please this side of the House, the Government, more, just like there is nothing that would please the Opposition more, than if we could bring effectively up to date our tax collections, and get rid of these arrears which make it necessary, maybe two or three/and companies who may be 2 or 3 years in arrears of payment of income tax. This of course puts a larger burden on those people who currently pay promptly, and we shall do our best, and I am glad that we shall have the full co-operation of the House and the public, I am sure, in trying to do this.

/years

Thank you Sir.

HON MAJOR R J PELIZA:

If the Hon Member, now that he has stood up to speak, could he also tell us what he reckons is the amount available for collection, apart from the yield of this new tax, how much is there awaiting collection, could he give us an idea?

HON FINANCIAL & DEVELOPMENT SECRETARY:

No, Sir, I haven't got the figures.

HON MAJOR R J PELIZA:

But surely the Government should have those figures. If they don't know what the Government is owed, it is a very strange position to be in. I mean something is really wrong with the accounts then.

HON FINANCIAL & DEVELOPMENT SECRETARY:

I haven't got the accounts with me, Sir.

HON MAJOR R J PELIZA:

Yes, but surely you have an idea. This is a very important question, the amount of tax being yielded in Gibraltar and the Hon Financial Secretary doesn't know. I don't say to exact £, but even to the exact £100,000. I would be very glad to hear that. Excuse me, I wonder if the Hon Financial Secretary would like to answer the question if not I will carry on with my argument, because I have not finished.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the answer is that I do not know. I cannot indicate the size of the sum which at any time is standing in arrears.

HON MAJOR R J PELIZA:

Obviously I cannot get the answer and this really makes me really suspicious now of the whole position of the income tax account of Gibraltar. I must say this, if the Hon....

MR SPEAKER:

I am not allowing a debate on the general state of the income tax. I am allowing a comment in so far as it applies to this amendment, but nothing else.

HON MAJOR R J PELIZA:

Mr Speaker, I am not going to go into the whole account of the income tax, this was just a phrase I used, that obviously I am suspicious as to the amount available in reserve, awaiting collection, which must be equivalent

to a reserve. Either that money is going to be collected and we must have a notion of what that amount is, and I do not believe that the Hon Financial Secretary doesn't know or cannot find out at a moment's notice, because I am sure that the Commissioner of Income Tax of Gibraltar must have an account which must show him the amount still owing, and if this is not so then he should promptly do that because the Government is entitled to know. And this House is entitled to know how much money is owed on income tax.

HON CHIEF MINISTER:

If I may, I think there is a slight misconception in this. One thing is of course the amount of tax which is payable, on which there has been an assessment, and on which no doubt we could get the figures very quickly, but what cannot be said at any time, I imagine, is how much money can be collected on assessments which are in arrears because the assessments have not been made. If 25 companies have not yet rendered account in respect of 1972/73 or 1971/72, until these have been rendered and the assessment made, that amount is not owed until the assessments/made is in arrears, that may be found out. It is not readily available but there is no reason why it could not be found out, but this is a different thing, completely different, but in this context I shall have more to say in the rest of the debate, but in this context it might be of interest to find out whether in fact, when all the very severe measures that were taken at the time of the budget, the then Chief Minister had with him all the amount that could have been collected or was due, and had he collected that he need not have taxed so many indirect matters which caused so much effect in Gibraltar.

/have been made. If what the Hon Member is asking is how much money of assessment

HON MAJOR R J PELIZA:

Perhaps if the Hon Chief Minister, who was then the Leader of the Opposition had drawn my attention to that fact I might have done it, but he was just as much at fault as I was and this was something I overlooked. Perhaps if I had looked at it.....well what is the laughter all about it is just as much my duty as I am doing now. Because I am doing something which is right he is laughing at me. I am not saying that I was right last time, I am saying that he, who is so proud of my being right today, could have done the same thing from that side of the House then I couldhave looked into it. Of course I would. And I would have made sure that I had the right figures, and I hope he does, and I hope the Chief Minister will do this and that he will give it to the House. Because this is a very important figure. Of course there are two types and I wasn't suggesting - I mean, I said I was going to carry on. There is the amount owing of accounts that have been assessed and there is the other one which is still awaiting assessment. On those that have been assessed we can obviously get an absolutely accurate figure, and there is no doubt whatsoever that in those accounts which have not been assessed, a good approximation can be made,

because usually income tax is decided on the taxation of previous years and in that respect therefore a figure can be obtained. Now, when we do obtain all those figures I am sure that there will be quite a lot more money than what we have said. Because already the Hon Financial Secretary has given an indication that it is not so easy to get the money out of people's pockets, and I know this. I introduced a very severe measure when I was in Government, the percentage penalty, which I think is in operation already/and the whole object of that thing was to get people who owed money to come forward and pay in time. At that stage it was better for a business to use the income tax money.....

MR SPEAKER:

I am afraid we are departing from the point at issue. We are asking the House to consider the reduction of certain rates. I have been very liberal so that the Opposition can justify the reduction but we mustn't go into great detail as to how things were done previously otherwise we will never....

HON MAJOR R J PELIZA:

May I say, Mr Speaker, your liberality has been most helpful because through your liberality we are now going to get what I think are very important figures which are very helpful to this House. The little time that we have spent arguing this point has been most useful, in fact it will be most useful as we go along.

Coming now to the question of the £386,000, and I will not talk about the others, just those, those £386,000. What I am trying to say is that it does not matter when that amount is going to be collected, whether the amount is going to be available at the end of this financial year or at the end of the next financial year, it is immaterial. What is material is/that we do not need that ready cash available now. We have reserves to make use of the money that we will need in this year and possibly next year. Therefore, there is that amount of money avaiable which there is no need to use now. If is, therefore, and this is where I think the argument hinges, if, therefore it is in the interest of the community not to have to use that money now, but to use the money of the reserve, then the suggestion made by the opposition is a good and reasonable one. This I think is what we have to decide.

/(that there is £386,000 available, and will be available) and what it is also material is

It seems to me, and I think it seems to the Opposition and let us not take account of all the other things that we have said before with which I am in full agreement, that if there is plenty of money in other accounts, and nothing to do with the capital account, and I think again, and I don't believe that the Government have used that side of the finances in the right way. Let us forget about that, let us not argue any more about that, but purely on this one.

If therefore it is possible not to require that money immediately, although the money is coming, because we have sufficient funds in our reserves to meet any deficits, if there are any, which I dont believe there will be, then it is perfectly responsible and in the interest of Gibraltar, financially and otherwise, and socially, not to tax the lower incmme group to the extent that you have done. It is possible to do that. I'll go one further; one other argument that I haven't produced and I am going to introduce now. It is obvious that there will be increases in the income of workers generally through the cost of living, through whatever it might be, there are bound to be- obviously wages and salaries are not going to remain static, they are already going up now with the Biennial Review, they will have to go up subsequently. It is, therefore, natural that those individuals, as they increase their income, they will gradually pass over to the higher income groups and, therefore also pay more income tax, which in turn will bring in more revenue. So one should not be overcautious. That is what I am trying to say, because the danger in this case lies in being overcautious and I am really sincere in this argument. I am not trying to have a dig at the Government at all, the arguments are clear themselves. I would like to hear direct arguments on that. No arguments about dog licences and things that are absolutely irrelevant and childish when we are talking of this serious matter. Let us come down to brass tacks, let us come down to that. Is it reasonable, I ask the Government, is it reasonable to have to use ready cash now, or is it more reasonable, if necessary to draw into our reserves. I think financially and socially it is clear that the suggestion we are making is a resonable one. If you cannot meet the full amount we are asking for, and let us suppose that you can't, is it also reasonable in that case to reduce it slightly and come to a compromise? I think I've said enough and I do not propose to rise again and talk on this point any more, whatever the Government may say.

HON AJ CANEPA:

Mr Speaker, we are told that the purpose of the amendment moved by the Hon Mr Bossano is to relieve the lower income groups of their heavy burden of taxation, a sentiment which we all share in the House, a sentiment in fact aimed at relieving the lower income groups, which the more leftwing members of the House seem to share even more so at certain times during the day, particularly in the evening. Let me say, Sir, that I do not doubt for one moment the sincerity of the Hon Major Peliza in expounding the need to relieve these people of taxation. I perfectly accept that he is sincere in this. But let me also say, Sir, that the whole object of the measures of taxation introduced by the Government at the Budget session, and now in these amendments, is two-fold. Firstly to bring in a certain amount of revenue necessary to meet recurrent expenditure, and secondly, while doing that to relieve the lower income groups of the burden of taxation as far as possible. There is no doubt, Sir, that

these measures of taxation achieve that, particularly in respect of the larger families of three children and more. Where we seem to differ, Sir, is in our interpretation of what constitutes the lower income groups. As far as I am concerned, Sir, the lower income groups in Gibraltar are not necessarily families with incomes of £37 or £38 a week, because, we must not forget that there are still tradesmen in Gibraltar earning in the region of basically £900 a year, who together with their overtime manage to increase this to a level of about £1,200. All these tradesmen, Sir, don't have their wives at work. If the lower income groups are at the level of £38 a week, if that constitutes the lower income group, then I would say that a tradesman who cannot have his wife at work and who is earning £1,200 a year, or £23 or £24 a week, must be at a bare level of subsistence. If that is the case then that is a sad day for all concerned.

Sir, these measures of taxation, together with the amendments, ensure that a family with three children up to an income level of £1,500 a year will pay less tax in the next financial year than what they were paying last year when the level of income tax was a great deal lower. That unquestionably is achieved by our proposals and this is why we can confidently say that we are relieving the burden of taxation on the lower income group. But, Sir, what does the amendment of the Hon Mr Bossano achieve? It does indeed lower even further the burden of taxation on a person getting into the second band, where tax will be paid at 15%. It lowers that to the extent firstly, of £200, which would, under the Government proposal, have tax levied at 15% would under the Hon Mr Bossano's proposal have tax levied at 5%, and, therefore, the relief for such a person is £200 at 5% £10: 10% is £20. But, Sir, what is the relief then afforded to people in the high income groups, to those who are paying tax at 30%, at 35% and at 40%. The effect of these £200 is that such a person will be able to carry these £200 through all the bands, all the way up, and have relief of £200 at 10%, then £200 at 5%, and on the 5% and so on. So whilst we relieve people who already are paying less tax than what they were previously, whilst we relieve them further, we relieve the people at the top of a great big whack. And, Sir, were these proposals coming from right-wingers, instead of from left-wingers, I could understand the reason for them. That is the difficulty, Sir, which Members on both sides of the House are faced with. How do we achieve a certain objective without bringing about something which we don't want. ~~This is the difficulty.~~ If members opposite, Sir, can find the answer, which apparently they haven't been able to find since the last meeting of the House, then I have no doubt that the Government will look at it very closely. If members opposite can find the answer to reliving the lower income groups of a further burden of taxation of £10, £15 or £20 a year, without achieving an even greater effect all the way up the bands and at the top, then we can begin to look at it. But what this does, Sir, is to relieve people right at the top to a much greater extent than those at the bottom, and will

have a corresponding effect on the revenue which we wish to raise to meet our commitments. That is why, Sir, as far as I am concerned certainly this amendment is not acceptable.

HON M XIBERRAS:

Sir, the Hon Mr Montegriffo last time at budget time was talking about harsh measures of taxation, and it would be timely for the House to recall that this year's measures of taxation are way above the taxation that was imposed by the previous Administration. They are, and it is timely to remind the House of it, the largest measure of taxation that Gibraltar has ever had to pay, and it is for the House to consider who are the people who will be affected by it. The Chief Minister made lots of play upon the fairness of the taxation at the Budget session, and I would question this when we come to close analysis. There is a point, and it is for the House to consider whether it has been reached yet, where direct taxation in the lower income groups becomes almost a per capita tax. When you tell people that once you move into a certain bracket you will pay so much, and when that bracket is sufficiently low, then I wonder whether direct taxation is all that fair.

MR SPEAKER:

We are not going to go into....

HON M XIBERRAS:

Is it fair, Sir, coming to the amendment, is it fair to tell Mr Canepa's tradesman that he has to pay £37.50 a year, whether he buys a car, whether he owns a dog or whatever he chooses to do with his money, whether he spends it on luxury or whether he does not. Is it fairer to say, well if you buy a car, or if you eat caviar every day, then you will pay so much.

MR SPEAKER:

No, you are going into the method taxation. You are entitled to say: is it fair that he should pay £37.50 or at £25, but not the method by which he should pay it. You are talking now about direct and indirect taxation.

HON M XIBERRAS:

Sir, the effects of the taxation, the income tax which has been presented by the Government, brings us very near to the position we have illustrated. Mr Canepa's

tradesman, earning £1,200 himself, is not a rare person in Gibraltar by any manner or form. Some would say that with £1,200 it is very difficult to live, the point has been made time and time again in the course of this debate. The proposition before the House is not how incompetent both sides of the House are in finding solutions to this man's problems, the problem of having to pay £37.50, the question before the House is whether it is fair for the House to impose a tax of £37.50 a year on a man earning £1,200.

I think it is a doubtful logic employed by the Hon Financial and Development Secretary at an earlier stage when discussing the allowance for children, to say that because you are going to relieve the man at the top to a greater degree than the man at, let us say, £1,200, one cannot in equity to the man on £1,200, who is going to pay £37.50 one cannot in equity say to that person: well, we are not able to relieve you of this extra burden becuase we would have to relieve somebody else above me of a larger burden.

It was, as I say, as when the Hon Financial & Development Secretary said; you are relieving the person who is not paying tax of £12 in connection with family allowances and, therefore, we are not doing it. Well, we found a way round that one and even after the Opposition had found a way round that one the Government fail to accept the proposition. So Sir, if the sole consideration on the Government side is the one which has been put very honestly by the Hon Mr Canepa, then let us look at ways, let us look at ways of relieving these people at the bottom of the scale, on the £1,200 on the £1,500, without affecting the persons up at the top.

If there is sincerity on the part of the Government let us look at that. There are ways of doing it I am sure. They may not be the best ways possible, they may not be the tidiest ways, but there are ways and we shall be moving amendments to that effect if necessary, if we get an indication from the Government side that they are prepared to consider some shift in their position. But even if it were very hard to do precisely what I said, we can have a shot at doing it. Are we going to impose from this House taxation which is rather unfair, simply because the Government cannot find a solution. The Government has not yet said whether it considers that the man on £1,200 can afford to pay £37.50 a year in direct taxation. I believe that the income tax proposals must be defended from that point of view as well by the Government. The evidence appears to be against such an argument, because the Hon and Learned the Chief Minister had received representations from Workers Associations, Transport and General Workers Union, with a membership of I don't know how many thousands, covers surely those persons about whom both sides of the House appear to be most concerned. And after well attended meetings, and after consierable publicity, the Transport and General Workers Union has made representations to the Chief Minister. It is quite

clear that the members of the Transport and General Workers Union are affected by these proposals and the Transport and General Workers Union thinks that they are unfairly - or could I use another word rather than unfairly - that the tax is too heavy for them to bear. And all that has been said about prices in this House, about the increase in the cost of living, the motion that we hope will come before the House shortly on the 11 points rise in the Index of Retail Prices, all points to the need to re-assess what we mean by a living wage in Gibraltar. The taxation measures before the House, and the subject matter of this Opposition amendment, is very much affected by the question of prices, because.....

MR SPEAKER:

Yes, I have no doubt, whatsoever, but the time to have brought that up was at the Second Reading, on the general principles. We are dealing now with one particular amendment to one particular Clause.

HON M XIBERRAS:

Sir, we are seeking to relieve persons who are going to become very much affected by events which have taken place since after the budget and who are going to be very much affected by the passing or the defeat of this Opposition amendment. This is why I raised the point. Also, Sir, tied up with the recent increase in prices is the expected introduction of COLA payment.....

MR SPEAKER:

No, no we are not going to do it. With due respect it is completely and utterly irrelevant to the question before the House. We are in Committee and I am being liberal, but we must not go over the whole sphere of the cost of living. That in effect is anticipating a debate as a matter of fact. Anything which is relevant to the amendment is acceptable and nothing else. One has to be maticulous.

HON M XIBERRAS:

Well may I put it this way, Sir, that if the band stays as it is, and howit is proposed by the Government, then as workers earn more through the cost of living formula, they are going to keep on coming into the higher levels of taxation and that is going to have a positive effect on life in Gibraltar. People, clerks, tradesmen, couples both of them are working, all these people are going to move into the higher levels of taxation very much more quickly. And since the increase in wages are going to be brought about by increases

in the cost of living, then poeple are going to be worse off at the end of the day. The standard of living is going to be affected when they are taxed at the new rate proposed by the Government now. And more and more people are going to be taxed more heavily sooner.

Sir, the proposals, particularly at this part of the Government taxation Bill, are going to bring about qualitative difference in life in Gibraltar. At this level particularly we are going to be taxing more highly than the United Kingdom. One takes a tradesman in the United Kingdom the Hon Mr Canepa's tradesmen; how much does he get? how much does he pay in tax? We have moved into UK taxation, and we are nowhere near yet to UK wages and Hon Members have often derided the idea of parity of wages with UK when it has been presented by this side of the House, but apparently they can find no way out of proposing rate of taxation which are no different from UK rates of taxation.

HON CHIEF MINISTER:

If the Hon Member will give way, I think he is completely wrong. A married man in England with earning £1,200 would pay £127.50 income tax. In Gibraltar £37. That is the equality?

HON M XIBERRAS:

With how many children, will the Hon and Learned the Chief Minister.....

HON CHIEF MINISTER:

Without children. One married man without children earning £1,200: Gibraltar £37.50, UK £127.50.

HON M XIBERRAS:

Would the Hon Member have any figures of, a married couple with two children. Well I very much hope that the Hon Financial & Development Secretary does produce a comprehensive comparison of the standard of living in Britain and the standard of living in Gibraltar. We will see how things are shaping up, how far we need to go and how far we have gone already. What I am objecting to is the severity of the taxation as compared to the lack of interest in any attempt to reach parity of standards with regards to wages. Of course, the Hon Member doesn't want to wear it, doesn't want to look at it. I wonder whether the workers of Gibraltar are not thinking in those terms, I wonder if the workers of Gibraltar are not thinking that it would be a good thing to have some sort of comparison with the United Kingdom and move towards parity of wages.

MR SPEAKER:

We are now departing, may I say, and I will say this very clearly now. We've been debating this particular amendment for approx 3½ hours.

In the last hour, and I say this again with all sincerity, I have heard very little new said in support or against the motion. We are in Committee Stage, the different sides of the House seem to be completely and utterly entrenched. I will allow the Leader of the Opposition to finish his speech and then I will call on the Mover to reply. I must be the judge when the debate is ceasing to be of any use to the question before the House. And unless I am asked by a Member that he has something fruitful to contribute to the debate I will most certainly call on the mover to reply.

HON M XIBERRAS:

Sir, this amendment is vital to the crunch of the matter. And the public will be paying tax for a good deal longer than we are discussing it here.

Sir, if I may take a point which has been raised in the House only a few seconds ago. The Government appears not to be prepared to give way. We have heard about the responsibility of the Government. Well, the responsibility of the Opposition is to try to pursuade the Government, but the Government is entrenched, the Government is sure about its figures. If they are sure about all the other decisions that they have taken against what the Opposition has had to say at great length, may I add, Sir, in this House, if it has come down to this one, to this particular amendment, if the financial decision of the Government, the way they have approached things, has come down to this particular amendment, and if they feel that they are still right, then it is on their heads. They will tax and it is on their heads. But have they thought about what the effect of such severe measures of taxation is going to be. Have they thought about all the different types of effects that this will have on all levels, all social levels. Have they given serious consideration in the context of Gibraltar. Did they know all along that these tremendous measures of taxation were going to be necessary. Did the Chief Minister know this when he went to the United Kingdom on his visit.....

MR SPEAKER:

We are now, with due respect, going to the general principles of the Bill. We are talking about general measures of taxation and not the reduction of the actual rates.

HON M . XIBERRAS:

Sir, we had a miscalculation of £80,000 in the Municipal Services Accounts. We had measures of taxation introduced in respect of that particular head of expenditure and the Municipal Department is one which is fairly predictable and we still don't know the final figures. Now we are dealing with income tax. Is the estimate going to be a good one, is it necessary to shoot so much over the top. Is it necessary to go this far. The Hon the Financial & Development Secretary did not mention at Budget time that the figure that he has given of a £¼m to be collected from taxation would not be the figure for the whole year, and what he needs apparently for this year is £¼m. Since we know now that the taxation is going to raise £380,000 it follows that we are taxing people really, for whatever reason, at a higher rate of taxation than we need to cover the commitments of this year. My Hon and Learned Frined Major Peliza has suggested the expedient of going to the reserves. Why can't we bring about some sort of reduction and if the Government needs more money at a later stage could it not bring about more considered proposals. Could it not come back to the House? Could not some other form of taxation, for instance a gambling tax could that not be brought to the House six months hence, if necessary, and allow some reduction now in the level of income tax. We feel we can make the suggestion because we are optimistic about the yield of taxation. The deficit that was announced for last year a month ago has been wiped out already by the figures that we have received from the Hon Financial and Development Secretary this meeting. Alternatively if the Government cannot go along with all the amendments of the Opposition will it go along with some of the amendments of the Opposition.

MR SPEAKER:

That we have already had. You have even said that you are prepared to put in an amendment. We are now repeating ourselves and that is what is happening. We have got to be careful. I will read the rule which, even in Committee: "the President or Chairman after having called the attention of the Council or Committee to the conduct of a member who persists in irrelevant or tedious repetition, either of his own arguments or the arguments used by other members in debate, may direct the member to discontinue the speech. "I am not reading this in that sense but to show the House the rules that I have to apply. Whilst I am completely and utterly liberal we mustn't due to the fact that this particular amendment has been debated for three and a half hours and we have forgotten what we said three and a half hours ago, we mustn't start all over again because otherwise we are defeating the object for which we are meeting.

HON M XIBERRAS:

Sir, we have an amendment now before the House which is in three parts. What we are going to do is,to begin with, is to amend our own motion by the deletion of a part of that motion which would make the financial implications of our amendment less and would offer some relief to the tax payers at the lower end of the scale. Now, if there is some move in the position and the Government is willing to move to some degree, then I feel they would purport at least part of our amendment. And if not let us look at other ways of doing it on the lines suggested by the Hon Mr Canepa and the Hon Mr Bossano had some ideas as how it might be done, but let us look. So, Sir, we are obviously at great length fighting this tooth and nail on this side. Let me make it abosulutely clear that if we felt that the money was necessary then we would support the taxation, but I need not tell this House that over a very long period of time, and at considerable length, not very well reported by some sections of the press, I dare say, but at great length certainly, we have tried to be logical about the finances. But if the Government has chosen not to listen, or if it feels it cannot change its views on the finances generally, then they will have to tax. But we can say that we oppose this not because we oppose all taxation, but because it is unnecessary. And in this particular amendment it hits at people who we feel are not going to be able to afford to pay the taxes suggested. Both sides of the House apparently render a note of optimisim, and both sides of the House, apparently, are sympathetic to the main aim of my friends proposals.

HON M FEATHERSTONE:

Mr Speaker, I do crave your indulgence. I had almost as much patience as yourself listening to the wafflings that we've just had from the Hon Mr Xiberras who once again has proved without any doubt whatsoever he knows nothing whatsoever about mathematics. He may, Sir.....

MR SPEAKER:

This is not a debate on Mr Xiberras ability to do mathematical calculations!

HON M FEATHERSTONE:

Now, Sir, I believe in the "fish" family you have a "herring" I think. After the herring there is a Horse Mackerel and Bonito and Tunny Fish, and if there have been red herrings thrown around, the Hon Mr Xiberras has come out with a red tunny fish, and a very big one at that. He started off talking very glibly about a man earning £1,200 a year paying £37.50 tax in Gibraltar. This was a terrible thing on

what would the man in UK pay etc etc. He never said that this was the married man with no children. And then he was informed it was £127 in the UK comparison. So he promptly changes, Sir, to the married man with two children. and let us look at that one. Well, Sir, the married man in the UK with two children earning £1,200 a year would pay tax ranging between £37.80 and £72 depending on the age of his children. You see in England they have a different tax rebate depending on the age of the children, but under any circumstances it would be £37.80 and it might be £72. Here in Gibraltar a married man with two children, even as....

HON J BOSSANO:

I am delighted that the Hon Member today is happy to give way. I think his figures are wrong Mr Speaker, because as I understand it the married couples allowance is £775 and the childrens allowance at the minimum level is £200 for a child so the married man would pay tax on £75 pounds at the maximum and 30% on £75 can never be £37.

HON M FEATHERSTONE:

Yes, Sir, the Hon Mr Bossano has brought out a number of figures, but perhaps this is their reason why they delude themselves on the other side. They must add to the £1200 income the family allowances received which would increase the £1200 considerably, and you must add a claw-back of £60 on each family allowance received. So if they look at all these things properly they get the correct figures, but they do everything without looking into things.

Sir, the Hon Chief Minister gave me a compliment in the last meeting. He said I'd done all the permutations. Well, of course, this was not correct, Sir. I have been very, very considerably helped by members of the Administration, but the Opposition seized on this as a clear campaign: Mr Featherstone did all permutations, therefore, they must be good. No, Sir, they are not good but we did a lot of work into it and we've done a lot of permutations since. Sir, we said, or I said at the last meeting, that the whole of our thinking in this, Sir, is that if you have the money you should pay a reasonably fair contribution to the general community. If you don't have the money you cannot pay it and you shouldn't be asked to pay it. And this is what we thought, Sir, was the proper principle of social justice, the proper principles of socialism. Sir, when we come to socialism I bow to the Hon Mr Bossano who knows so much about it and I know so little. However, he has proposed an amendment, Sir, Based on perhaps his theory of social justice, that the more you earn the bigger the relief should be to you. This I cannot see is the way it should be done.

Some simple examples, Sir, because perhaps figures speak much louder than all Mr Xiberras harangues here. Under

the scheme, the bandings that they proposed, Sir, the person earning £1,026 with two children won't get any relief at all. He will be just the same and so will the fellow earning £1,126, he will be just the same. The fellow earning £1,200 will get a little relief, Sir, £3.60 relief under the scheme they are proposing. The fellow earning £1,500 will get £20 odd relief, the fellow earning £2000 gets £60 relief; and the fellow earning £2,500 will get £70 relief; and of course the rich man, who we feel should pay more, is relieved to the tune of £90. This is Mr Bossano's attitude, the Hon Mr Bossano's idea of social justice, it isn't mine. It isn't mine. I don't see why the person earning £3,000 should get a £90 relief and a person earning £1000 shouldn't get any relief at all. But they think this is right and they are pushing it by might and mane. Well it is a very strange system to me, Sir.

The Hon Major Peliza sometimes does say very very sensible things and today he said one thing and I give him the greatest of credits for it, Sir. He said: surely the Government with all the resources at their disposal could find a method that would help the lower income groups. That, Sir, is exactly what we have done with the package deal that we've got. At the end of the day, Sir, they would find that we would give relief to the lower income groups, to the lower middle income groups, and we would actually give a little relief to the very top group, but not £90, Sir. I think our relief would work out to just about £6.60, to give a reasonable relief to the lower groups we are willing and we can't find a better permutation, and we even tried quite a lot of permutations, quite a lot of methods, to give where we, from representations made to us, feel that there is a need within the capabilities. We have got to sacrifice some of therevenue we had expected to get, where it is really necessary, and this is the philosophy that we have had all the way through, Sir. Firstly that the very low income groups could get absolute relief, and that income tax from then onwards should be progressive. That the incidence rate should be progressive. That the more you earn the bigger percentage you pay and this, by some perhaps freak, I don't know, seems to be exactly the system that apertains in the UK, and yet the system of the Hon Mr Bossano wants to put in is completely the antithesis. He wants to put in a system which apparently when you start to consider giving a bit of relief you must give much more relief to the rich and much less relief to the poor.

Sir, they are talking about removing one of their amendments. Since their amendments are entirely based on banding structure, Sir, I would warn this House now that whatever amendment they remove the effect will be two fold. It will mean that it will costless. This perhaps might be something to its advantage, but on the other hand it will

still continue to help the rich very much more than the poor. It will still be what I would consider social justice in reverse. Therefore, Sir, any banding change, or removal of one of the banding change suggestions of the Opposition, is not going to improve the situation to any real extent of helping the lower income groups, only, which I would have thought would have [illegible] the Opposition wish to do. If they are unable to do permutation, if their mathematical brains are not good enough to find some system by which they can help the lower groups without at the same time benefitting to a far greater extent the rich, then perhaps they may bow to some of the permutations we have worked out on this side, which at the end of our package deal do just that. Do help the groups who have represented to us that there is need - we haven't had rich people in here asking for help perhaps they've been to the other side I do not know. In fact, you know, if you go to the married person with four children, the rich man gets £120 off. I am sure he needs it, has got two extra children, so you'd better give him £120 off. Of course the married man with four children, he doesn't get any change even up to over £1200. Oh yes he does, he gets an 80p relief. How generous, Sir! Here is your person that Mr Canepa was talking about, your craftsman, getting £1200, odd. the Hon Mr Bossano wants to give him 80 relief. But here is your rich man of £300, the Hon Mr Bossano wants to give him £120. Social justice a la Joe Bossano and the Integration with Britain Party.

Sir, we did state at the very beginning that we had come back to this House with a package arrangement for income tax. Unfortunately the Opposition were not willing to look at the package, they wanted to do it piece meal all the way through. The whole point will be, Sir, that at the end of the day, which we will surely win, Sir, the people wil find that the relief granted by us is a good relief in the right places. We cannot, Sir, accept this banding structure or any, I would say, amendments to it to perpetuate the social injustice system that I have already illustrated by giving more relief to the rich than to the poor.

HON CHIEF MINISTER:

Mr Speaker, Sir, I don't want to add very much to the time taken in this amendment, but I have been invited to say one or two things by some speakers, and I think that if I take a few minutes it would be what people would want.

The Hon Major Peliza said that it was nonsense to say that it was impossible to find the means of levelling taxation. Of course there is a means of levelling taxation, the only

point is if you have to find a certain figure, for instance. Which is the fairest way of doing it, of distributing it. The Hon Leader of the Opposition has contradicted himself because he said at one stage that the measures were unfair, and at a subsequent stage he said that if the money was needed they would support the measures. So, then if they were unfair, how would they support measures which were unfair when the money was needed. The most critical organ of the press of the Government Vox had a very significant short heading to the Budget, "Hard but fair." No doubt at the time the paper was sharing the view of the Hon Mover of this motion, that this was the most socialistic budget that had ever been introduced here, and that was his immediate reaction. Apparently political considerations since then have made him change his mind. In fact I even had a free drink from him in congratulations for my budget. I paid for the second one.

So when the Hon Leader of the Opposition said that the Transport & General Workers Union had made representations, of course they would not be doing their duty if they did not make representation, and I would like to say that we had representations from other people. I said that I would try and see how far we could go to meet the main points that they had raised, and we are confident that by the measures that we have brought here, moved by the feeling of the Opposition, by the feeling of the Trade Union, by the feeling of other Associations, we have gone a long way within our possibilities to meet that. Who would be here trying to defend taxation if money was not needed. Let us agree that we don't agree about it, let us say, alright, you think you need it, I think you don't, but let nobody say that we are taking money out of people's pockets for the sake of it, because first of all this is not good business for any politician who wants to keep his popularity, as I am sure at hard cost my predecessor found out after the last budget, and because in any case it would be sadistic to do that. What we have tried to do is to get the fairest way of getting a considerable amount of money. Granted, it is a considerable amount of money but it is required for the Biennial Review and for all the social services, Good God! what we would have had to tax if we had put on to the budget all the measures that we were told at every level, at every time, at every head of expenditure, we were told at the time of the Budget this is not enough, put more. Put more here, put more there, what we would be finding ourselves with here, now, if we had done that God only knows, but certainly we would be having to find perhaps more than double the funds that we have found now.

Mr Speaker, Sir, Mr Chairman, we feel that we have gone a long way with the measures that we have brought, some of which will be discussed later and regretfully we cannot meet the proposals of the amendment. We have, I would like to tell the Hon Mover, done a lot of research, even within that banding, but we have found that any of them

would not achieve the purpose of what we want.

Before I sit down I would like to say this: if in fact our assessment of the situation, or rather, if the result of the measures are better than our assessment of the situation, I will make sure to the extent that that is so, relief will be given to those for whom both the Opposition and the Government are concerned, in one form or another before the year is out. (Tapping on the Table).

MR SPEAKER:

I call on the mover to reply now.

HON . . P ISOLA:

Mr Speaker, I have an amendment to move. To move that the amendment be further amended by the deletion of paragraph 2.

MR SPEAKER:

The amendment is completely in order, but I will restrict debate as the rules require, to relevancy on the subject matter and the question before the House, which is the amendment to the amendment and that there will be no repetition of what has been said before. I am saying that you are entitled to speak exclusively on the amendment to the amendment.

HON P ISOLA:

Mr Speaker, in speaking on the amendment to the amendment, I should state.....

MR SPEAKER:

May I have a copy of the.....

HON P ISOLA:

Para 2. We are proposing to delete para 2; the deletion of the figures £400 appearing therein and by the substitution therefore of the figures £500. We are giving up one third of the amendment. In proposing this amendment, it must not be thought for one minute that the Opposition accepts any of the arguments that have been put forward by the Government to oppose our amendment, but put this forward because it will cost the Government a little less to accept this than to have accepted the three of them. I will not deal Mr Speaker, with the argument of the Hon Mr Featherstone.

HON P ISOLA:

the extraorinary arguments if I may call them, of the Hon Mr Featherstone, on the income tax system in Gibraltar and its fairness or otherwise and his tremendous obsession, shared by so many of his colleagues on his side, not to be appearing to favour precisely those income groups that got them in. But, anyway, Mr Speaker, we take the point and I am sure that he is convinced of that, but, as I say, I will not quarrel with the Hon Mr Featherstone, I will leave it to the Hon Mr Bossano to speak on this point, because I saw him rather anxious to join issue on these extraordinary arguments.

In proposing this amendment I limit myself, Mr Speaker, in accepting the argument of the Hon and Learned the Chief Minister that he would not tax just for the sake of taxing. I would accept what the Hon Minister for Labour says that the purpose of the measure of taxation is to bring revenue, to meet recurrent expenditure, and I accept, although I say, that the second objective was to relieve the lower income groups. Again, Mr Speaker, actions speak much louder than words. Who am I to argue with such a distinguished mathematician as the Minister for Labour and the Minister next to him, and I leave that again to my Hon Friend Mr Jose Bossano, although I would just remark that it does appear, from what my friend the Hon Leader of the Opposition has said, it does appear, it may be that we are all wrong, obviously the Government are the only people right, it does appear that there are a substantial number of working class organisations in Gibraltar who assembled on May the 1st in a certain cinema and don't agree.

/he did not achieve it, his Government did not achieve it, whatever they may say)

MR SPEAKER:

Order. I warned you at the beginning and I am going to be very, very strict.

HON P ISOLA:

If I may finish the sentence, who don't agree with the Minister of Labour. Mr Speaker, that brings me to just the point I wish to talk about which is the vital point and that is to bring in revenue to meet recurrent expenditure.

MR SPEAKER:

We are not going to have that either. No I am not having it. I am Chairman of this meeting and I am ruling you out of order. We are not going to have a repetition of this amendment to the amendment of what has already been said, and that stands.

HON P ISOLA:

Mr Speaker, the only point, and it is not a repretition, I

wish to make is of course to deal with the point that was made by some speaker on the other side on the Improvement and Development Fund.

MR SPEAKER:

The original amendment is still before the House, we are now dealing with an amendment to an amendment.

HON P ISOLA:

Yes, Mr Speaker, now this amendment will save the Government some money.

MR SPEAKER:

And you will speak to the extent that it will save money and nothing else.

HON P ISOLA:

And I say that it will save money, Mr Speaker, because the Government in opposing this amendment have referred to the need.....

MR SPEAKER:

No, I will not have it that way. You will tell us how it will save money. The difference between what it was before the amendment to the amendment was done, and what it is now.

HON P ISOLA:

Mr Speaker, I think it is unfortunate, if I may say so, that in a matter is so vital to the public, statements that have been made by the Government side justifying the.....

MR SPEAKER:

Mr Isola, you are very aware of what I am trying to rule and I am not going to have my ruling questioned, I am speaking now of an amendment to an amendment and you will stick strictly to the rules of procedure.

HON P ISOLA:

Mr Speaker, I will bow entirely to your ruling and I will pass over to my Hon Friend Mr Bossano the complete rebuttal of certain statements made by the other side, by the Financial & Development Secretary himself in his budget speech.

Mr Speaker, there is very little more I can say then, because what we are saying is that we are asking the Government for crumbs now. That is what we are asking them. We are asking them: well, look here you know there must be something in what everybody in Gibraltar is saying; you don't need, as we have said and argued and we don't argue any more, all the money that you say you need at least make.....

HON CHIEF MINISTER:

On a point of order, Mr Speaker. Are we going through the whole thing again. The Financial Secretary having said that the money is required, now the Hon Member is saying that the whole of Gibraltar is saying that the money is not required. We are going to the root of the argument, we are going to the root of the Second Reading of the Bill and in fact a way of flouting the Orders of this House because even on this amendment to the amendment it will carry us nowher , because when it comes to the amendment, as it is originally put, we shall vote against it.

MR SPEAKER:

Well, fair enough, but the remark is in order.

HON M. XIBERRAS:

It is not clear what the Chief Minister has to say....

MR SPEAKER:

No, no the remark is in order and he is quite entitled to make it.

HON P ISOLA:

At least make a concession to those other thinking people who really feel that a concession is both necessary and justifiable.

MR SPEAKER:

I will now propose the question, which is that the amendment to Clause 11 as proposed by the Hon Mr Bossano be further amended by the deletion of paragraph 2 thereof.

HON J BOSSANO:

Thank you, Mr Speaker. This amendment will reduce the costs to the revenue of meeting the original amendment which was put by the Hon Financial & Development Secretary at £70,000. So that if this amendment is accepted the cost would be somewhat less, I don't know to what extent, but it would definitely be less than £70,000. In addition, since what it does is to retain the second band at £400 instead of proposing to extend it to £500, it has only an impact at a certain level and does not change the benefit that people gain below that level. It should, therefore appeal to the new found socialism of the Hon Mr Featherstone, on the other side, who is so concerned that only the people at the bottom should be helped. It is after a certain level, a certain marginal rate of taxation, that this amendment, the amendment to my amendment will have an impact. Below that level the effect of the measures that the amendment would produce are still the same. They are not in any way changed, therefore, I am happy to be able to support this because the people that I am most concerned about, the people at the bottom, would not suffer as a result of the amendment. The way we arelooking at it is that since the Government is so concerned not to give anything to the people at the top, then we will gradually reduce the benefit to the people at the top, until we are left only with the people at the bottom. Then we will find out why they object to giving something to the people at the bottom as well, Mr Speaker. That is our thinking behind it. In order to clear up the Hon Mr Featherstone's concern that my socialism shouldin any way have been watered down by the amendment standing to my name, may I reassure him that the only reason why 80p.....

MR SPEAKER:

Well, but that you can say when you reply to the original amendment. Do you follow what I mean. That is not relevant to this one. You still have the right to reply to the original amendment, to the original question, before the House.

HON J BOSSANO:

Thank you Mr Speaker, I wasn't very sure about that. Well, in conclusion then to this one can say that the effect to this will be that people above a certain income will have to pay more tax than they would have done if the amendment had been accepted in its original form. That people below that income will still be protected from the increases, and this is the important point, Mr Speaker, that the whole amendment does not seek to reduce the level of taxation below that which was operating before, but only to prevent that level from being increased. This is the

important point, we are not seeking to reduce the level of taxation from its original level but to return the banding from what it was up to the end of the last financial year. Now, this does it, except for the second band, where we had thought it would have been more equitable to make the band £500 as in the other bands. The Government does not agree, it is remarkable that they think that it is more equitable to make the 15% band £400 and not the 25% band £400, but nevertheless, perhaps the Hon Mr Featherstone will give some thought to that possibility and think of proposing some amendments to change the banding at that level and make my amendment more acceptable.

HON CHIEF MINISTER.

Mr Speaker, Sir, I would just like to say one thing on this amendment, a very small one.

First of all it is terriby difficult to assess at a moment's notice instant proposals like this in terms of cash. It has not been possible to make any assessments as to what it would cost. It looks as if it's something in the nature of £7,000 to £10,000, this is very, very rough I will adhere to my previous undertaking that anything more that we can give we shall do so directly to those most needed because this, whatever may be said, goes all along the line and the relief of £8,000 or £9,000, 90% of that would go to the people about whom, with the greatest respect, the Hon Mr Bossano is not particularly concerned.

HON M. XIBERRAS:

Sir, I fail to see how this Government has come to this House without costing these amendments.

HON CHIEF MINISTER:

What do you mean, one amendment at short notice. We did cost the amendment, but what we cannot cost is an instant amendment put to waste time and stretch the meeting until after lunch.

HON M XIBERRAS:

What I am saying, Sir, is that these amendments are not new amendments.....

MR SPEAKER:

No, no, we are only speaking now about one amendment, an amendment to an amendment.

HON M XIBERRAS:

I appreciate that, but I am questioning though, Sir, whether the Government has not come. You see, Sir, this amendment seeks to delete one of the three parts, one element of the three elements in the original amendment shortly to come before the House introduced by Mr Bossano. All I am saying is that I fail to see how the cost of each of the elements in the original amendments have not been costed, and why, therefore, the Hon and Learned the Chief Minister does not know how much this amendment is going to cost. Surely in computing the cost of thw hole scheme proposed by the Opposition originally, the cost on its parts must have been computed as well, and if it is something like £7,000 to £10,000. Well, Sir, how far could it be, £1,000 in £380,000?

HON M. FEATHERSTONE:

Sir, I am going to say one very short word. All the three amendments were brought forward are mathematically termed peraballus. They all mean that the higher income groups will benefit more than the lower.....

MR SPEAKER:

Yes but we are not going to talk about that.

HON M. FEATHERSTONE:

This is the reason, Sir, why we must reject this one.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, Mr Chairman, Sir, I must also say for clarification that whenever we quote the cost of an amendment this is in relation to the figure of £250,000, to the prospective yield that we had assessed, and not in relation to the £380,000 which is not in question here at all.

HON M XIBERRAS:

It still applies in respect of a £¼m. £7,000 or £10,000, so I would ask the Government to consider whether this is not a sufficiently small sum, by comparison, to enable them to.....

So, Sir, if that is not possible then we would have to proceed with a further amendment and see if we can get somewhere with the Government.

HON P ISOLA:

Mr Speaker, I don't know whether the Government wants further time to consider this, we wouldn't object if they dont. I am sorry to see that amendments that are designed to help the lower income group are rejected on the basis that we are being told, so that the lower income group must continue to pay increased rates.

Mr Speaker then put the question, the following Hon Members voting in favour:-

The Opposition:

The Hon M Xiberras	The Hon R.J. Peliza
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 voting against:

The Government:

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. Abecassis
The Hon Lt. Col. J. Hoare	The Hon H.J. Zammitt
The Hon J.L. Havers	The Hon A. Mackay.

The amendment to the amendment was accordingly defeated.

MR SPEAKER:

The question is as it was and I now call on the Hon...

HON P ISOLA:

We must go through the stages, I am sorry it takes time. . .

MR SPEAKER:

No, I am afraid I am going to have to say something which is very pertinent. Whilst this amendment is being brought in I would like to askthe Members of the Opposition, they have had time to consider, to bring in whatever amendments they wish to bring to this, because after all they are amending their own action, in the light of what is required, which they are entitled to do so. They are now in a position to decide how they want to amend this and I have to consider whether the amendments are acceptable or not. Will you, therefore, please decide which amendments you wish to bring in so that I can consider them.

HON P ISOLA:

Well, I have one more amendment to move and I understand, Mr Speaker, thatthe Standing Orders do allow us to do this. I mean wouldn't like to do anything. . . .

MR SPEAKER:

I haven't said. It is for me to decide. I am the sole arbiter as to whether the amendments are acceptable or not, and when relevancy comes into the matter.

HON MR P ISOLA:

Well I beg to move that the amendment be further amended by the deletion of paragraph 3 thereof.

MR SPEAKER:

I will ask now at this stage, because later on I will not allow the amendment. If it is the intention, if this amendment is defeated, to put in another amendment deleting paragraph 1, I would suggest that you now have the alternative to put in an amendment which could delete one or the other in the alternative.

HON ! P ISOLA:

Mr Speaker, I am advised by my colleagues that this is the last amendment that we will propose to the amendment. They are such a hard set of people on the other side that there is no point in moving another one. Have you got it, Mr Speaker.

MR SPEAKER:

I have got the amendment, yes. Do you want to say anything in support of it.

HON P ISOLA:

Not very much more, Mr Speaker. We are conceding to the Government in suggesting the deletion of paragraph 3, we are making a much bigger concession than in my last amendment, we are conceding that those lower income groups, and lower middle groups, and also the top groups to satisfy the Honourable Minister for Education we are conceding that they should pay 15% and not 10%. You see Mr Speaker, apparently the lower income and the lower middle group must continue to pay 15% because the Goverament are not anxious that the higher income group should pay that band at 10% and as my Hon Friend Mr Bossano has said so clearly if that was the wish of the Government they could introduce an amendment to this Amendment, which is not difficult, excluding this particular banding structure, excluding from it all persons with an income, of say, in excess of £2,400 £2,500. It is a fairly simple thing to do if the Government are genuine in their openly expressed intention of wanting to help the lower income groups and not letting the higher income groups off anything, let them propose an amendment to the Amendment that will satisfy the Hon Minister for

Education social conscience.

MR SPEAKER:

Well I will now propose the question which is that the Amendment proposed by the Hon Mr J. Bossano be further amended by the deletion of paragraph 3 thereof.

HON J BOSSANO:

I would like to speak in support of the Amendment, Mr Speaker, moved by the Hon Mr Isola. The two amendments that we on this side of the House proposed to the original Amendment would have resulted in the Amendment affecting exclusively individuals at the bottom of the income scale. The only thing that would have been left of the original Amendment would have been the return of the 5% level to £500 of income, that is it would have been the first £10 of taxable income that would have been taxed at 5%. To prevent this affecting all along the line, all the Government has to do is to move an amendment to amend the table that is in the Ordinance so that it is at the level of 25% rat the level of 20% that the band is £300. They have chosen to make the 5% band the smallest of the lot Mr Speaker, there is absolutely nothing to stop them inverting that table so that people at the bottom pay 5% on £500 and people at the top pay 25% on £300 and then go straight on to the 30%.

Mr Speaker then put the question and on a vote being taken the following Hon Members voted in favour:

The Opposition:

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

The following Hon Members voted against:

The Government:

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

The amendment to the amendment was accordingly defeated.

HON J BOSSANO:

Mr Speaker, it is most disheartening to / Members on this side of the House to see how this flexibility that the Government likes to boast about comes and goes. The Hon and Learned Chief Minister and the Hon Mr Featherstone appear to require my seal of approval to confirm just how socialist their budget measures are or are not. It is a privilege that I am glad they are so kind to wish to accord to me, and I would have put it to them that had they been willing to accept the amendment that I am supporting at the moment

they could have made their budget measures more socialist. Because Mr Speaker, the only reason that the man at the bottom benefits by 80p only is that the amendment is taking off the tax that the Government has put on, it is not taking off tax that people were paying in 72/73. This is the only reason why people at the bottom benefit less. Because people, for example, who are paying 5% in the pound will continue to pay 5% in the pound and were paying 5% in the pound last year. But the point is that now the 5% in the pound is limited, in the Government proposal, to the first 6 pounds of taxable income a week, whereas before it affected the first £10 of taxable income. Now clearly in order to benefit from the amendment one must have taxable income, you cannot have an amendment that reduces the impact of taxation affecting people who are not paying tax, Mr Speaker. So to use this as an argument, to say that because the people who are not paying tax are not going to benefit from the aendment, is to argue in contradiction of all the arguments that were used previously in respect of the negative Income Tax that was seen to be implicit in the amendment in respect of Family Allowances. There the argument was that a negative Income Tax would give tax back to somebody who didn't pay tax. Now the argument is that because somebody who doesn't pay tax will not have its tax being reduced from sero to minus, we are not helping the people at the bottom and that is why I am not a socialist. Well Mr Speaker, the Government knows full well that there is absolutely nothing to prevent them making adjustment in the banding structure, so that the effect of the measure stops at the level of £1,200 or £1,500 if that is what they wish to do, it is not my job on this side of the House to make proposals to impose taxation on individuals. My job is to try and prevent certain individuals from paying more tax than they were paying before, if I feel that it would be unjust and I do feel it is unjust to reduce the banding at the bottom of the scale to a lower level than it has been reduced anywhere else along that scale. I cannot see how the Hon and Learned Chief Minister or the Hon Mr Featherstone can possibly expect that just because they insist on ensuring that the House is virtually empty when these matters are debated.....

MR SPEAKER

I am not allowing anything which is not completely relevant; not at this stage, not after four and a half hours of discussing an amendment.

HON . J. BOSSANO:

Thank you Mr Speaker, I don't see how they can expect such a move to prevent people from looking at this table and making their own assessment about how equitable these measures are. The table is there and we in the Opposition

will make sure that the people are aware of what will have been the effect of the amendment had it been accepted, of what was the argument that the Government used to reject it, and of what they could have done which completely invalidates the argument that has been used. What Mr Canepa has suggested and what the Hon Mr Featherstone has suggested is throwing the baby out with the bath water - we cannot help the man who is on £1200 because if we help the man on £1200 we help the man on £3000. If the Government doesn't want to help the man on £3000 then let them do something to increase the taxation of the man on £3000. I am not going to be proposing amendments increase the taxes on anybody, all I am going to do is propose an amendment which takes it off at the bottom. And if it also takes it off at the top, and they don't want that to happen, there is absolutely nothing to stop them proposing an amendment to the banding structure that will put the £300 level of Income Tax, as I have said, Mr Speaker, up a higher level so that there is a movement in the marginal rate lower down in the income scale and the benefit that the person gains out of the first £500 of its taxable income is compensated for by a higher tax bill at the top of the next £300 or £400 of his taxable income. This is quite a simple thing to do. It doesn't require any marathon session and the members on the Government side must be fully aware of this. And in attempting to mislead the public into thinking that it is impossible to accept the Amendment that stands to my name without doing something at the same time to prevent it affecting other income groups, if that is their wish, in attempting to use this as an argument to reject the amendment, they are doomed to failure, Mr Speaker, because it is so untenable, so obvious that people will be able to work out for themselves what the impact of the amendment is, and what the impact of the original motion is. And the only argument that has been used, Mr Speaker, has been that if we help the person at the bottom we help the person at the top. Now if the Government does not wish to help the person at the top then they could quite easily rectify that.....

MR SPEAKER:

That has been said, I reckon, about 5 or 6 time already. And that is repetition now.

HON BOSSANO:

They can quite easily rectify that and then the cost, Mr Speaker, would be minimal. If they were to do that then the cost instead of being £70,000 and then £60,000 and now probably £50,000, it would be considerably less obviously, if they restricted the effect of this to the people at the very bottom. And whatever difficulty the Hon Financial And Development Secretary may have about making projections about whether there is any flexibility

in the system to meet a cost of this nature, forgetting the other argument now and concentrating on the argument of the cost of meeting the amendment, it is a fact that the tax revenue for the year 1972/73 amounted to £50,000 less than the preceding year. In 1972/73 the Government collected in respect of Income Tax on individuals for that year £50,000 less than they had collected in 1971/72. When in fact because of the rise in income through COLA payments just to say one element, they should have been able to collect more. So they've got some £50,000 to £60,000 which was due last year; which was not collected; which presumably will be collected in 73/74 and they could quite easily use part of that to relieve the man at the bottom of the income scale. This has not been done, Mr Speaker and the Government measuresthat have been brought to the House do not do what the Government pretends it does. We shall have more to say about that when we discuss the last amendment that stands in the Government's name. But at this stage the relief that the amendment intends to give to people at the bottom of the income scale is not given, it is not given by anything else that the Government has brought and ifthey reject this amendment then they will have given up their last chance, Mr Speaker, to help those people.

Mr Speaker, then put the question and on a vote being taken the following Hon Members voted in favour:

The Opposition:

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

The following Hon Members voted against:

The Government:

The Hon Sir Joshua Hassan	The Hon A.W. Serfaty
The Hon A.P. Montegriffo	The Hon P.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 amendment was accordingly defeated.

Clause 11 stood part of the Bill.

CLAUSE 12.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg leave to move an amendment to the Bill in order to introduce a new clause to be inserted immediately after the old Clause 9.

ME SPEAKER:

I grant leave for this new clause to be taken now, instead of at the end of the Bill.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Thank you, Sir, The amendment would be: "The principal Ordinance is amended by the repeal of Section 23A thereof and by the substitution therefor of a new section as follows:

> 23A. Where the assessable income of an individual is of an amount specified in the first column below he shall pay additional tax of the amount specified in the second column in respect of each child for whom he receives Family Allowance:

£	£
1 - 1299	NIL
1300 - 1399	2.50
1400 - 1499	3.50
1500 - 1599	4.50
1600 - 1699	5.50
1700 - 1799	6.50
1800 - 1899	8.00
1900 - 1999	9.50
2000 - 2099	11.00
2100 - 2199	12.50
2200 - 2299	14.00
2300 - 2399	15.50
2400 - 2499	17.00
2500 - 2599	18.50
2600 - 2699	20.00
2700 - 2799	21.50
2800 - 2899	23.00
2900 - 2999	24.50
3000 and above	26.00

Provided that if Family Allowance in respect of a child is paid for a part only of the year of assessment the additional Tax shall be reduced by 1/50th for each week for which Family Allowance is not paid in respect of such child.

Provided further that if the additional Tax specified in Column 2 would have the effect of reducing the net income of the individual after payment of tax to a lesser amount than he would have been left with if his assessable income had been the maximum which attracted the immediately lower rate of additional Tax, then the amount of additional Tax payable by him shall be reduced so that his net income after deduction of tax shall not be less than that which it would have been if his assessable income had been the maximum which attracted the immediately lower addition."

Mr Chairman, Sir, the New Clause which I am now moving presents the final path of the package in respect of allowances for children to which I have referred earlier. This Clause, firstly, repreals the existing section 23A of the Principal Ordinance. In future therefore the total allowances granted to an individual will not be reduced by £60 for every child in respect of whom a Family Allowances is payable.

However having repealed section 23A and exempted Family Allowances from liability to tax as we did the Government wishes to ensure that Family Allowances themselves continue to be progressively clawed back as income increases. This new Clause therefore introduces a new provision whereby as shown in the Schedule, an individual receiving Family Allowance shall have added to the amount of tax he must pay specified amounts in respect of each child for whom Family Allowance is payable. These amounts which are added to his tax bill are specified for each level of gross income. The provisos to this new clause simply safeguards against the effects of marginal release between one gross income range and another where the claw back changes.

Mr Chairman, Sir, it is difficult to compare the effect of the old and new claw back system taken just be themselves. It is more useful to compare the tax liability for various examples of the Ordinance with the tax liability resulting from the package with regard to Family Allowances which I have described. Thank you, Mr Speaker.

MR SPEAKER:

Well I now propose the question w hich is that a new Clause to be known as new Clause 11 should be added to the Bill in the term moved by the Hon the Financial and Development Secretary.

HON M FEATHERSTONE:

As was said earlier this claw b ck system introduces a completely new principle and I am sure the opposition, especially the Hon Mr Bossano who today seems to find everything I say extremely humourous - yesterday he was in a bad temper with me, but today he is happy so that's good. The first thing we are doing, Sir, or the first thing we have done we have considered the Family Allowance is not something which is pure income, that is why it is no longer taken into the income for tax purposes. The person goes out to work, or owns a small business, or even a big business whatever he gets is his income; what he gets as family allowance has nothing whatsoever to do with that. Now there is a reson for that Sir. Another thinking is that if a person has a number of children he may or he may not need some supplement to help him. But what supplement should he have? Now this, obviously we feel should vary depending on his income. If he's got a low income, he should get a full supplement. And obviously if that were to be the principle, it would have been done by the Labour Department saying to a person, "what is your income?" So, much, then we think that the supplement you should have for children should be so much, or let us say it should be£20 a year, you get a book for £20 a year. Another person who has a higher income, this supplement should only be £10 a year, he will get a book for £10. Now this will be absolutely impossible to do adminstratively, it would also be most complicated because the Labour Department would be in an invidious position; people would have to declare their income etc. But the Income Tax

/If he's got a high income, he shouldn't get any supplement.

office, is in the position to know a person's income, and therefore they could easily make this assessment, they could get the clawback very simply. And what is going to happen is that the person earning £25 a week will get the full Family Allowance given to him, nothing will be clawed back. On the other hand the person earning over £3000 a year, the whole lot willbe clawed back.

Now Sir, the clawback here as can be seen is progressive, but one of the things that this does permit, underthe old system for a second child a person got an allowance of £100, and then the last Government took back £60 of that for tax purposes, so that by the end of the day the person on a high income bracket allowing for the taxation on the claw back plus the taxation on the Family Allowance actually repaid the Family Allowance to Government. This system was a workable system and we are not going to deny it, Sir, but it has a very great disadvantage the Family Allowance of £26 needed a claw back of £60 on the childs Allowance of £100. If Family Allowance were to be increased, as I am sure / thento claw back at a certain income level the whole of the Family Allowance that £60 would have to be uplifted to such an extent that if, say in a year's time, Family Allowance were to be increased from £26 a year to £52 a year, then you would get a £100 allowance for the child and £120 claw back. Now this, Sir, is a most anomalous situation, it would be administratively reasonable, but on presentation it would look absolutely hidious, that you are clawing back more than you actually allow for a child. You allow £100 and you claw back £120. But under this new system Sir, by removing Family Allowance completely from the Income Tax Ordinance as such making it something on which income tax is not levied you are able to give the full amount for a child of £100, you don't have to worry about any Family Allowance increases in the future, having to change your claw back of the £60 so that your allowance is upset completely, all you would have to do here is to take your schedule, if you doubled the Family Allowance you could double it all the way through. This administratively wouldbe very simple, it would be easy to understand, it would remove what would appear to be a very anomalous situation, under which you would be given allowance of £100 and clawing back more than what you are actually giving, so that it does bring in really simplification of the whole system.

/it will be increased in due course and that system isto be perpetuated

As the Hon Financial and Development Secretary said; the last little clause which is a most complicated clause, but which is nothing new in finance legislation. It is simply that if a person was earning £16.99, we look at the scale, the claw back would be £5.50. But if he got £2 more a year £17.01 another pound would be taken away from him. Now this would seem that he gets £2 on one side and £1 goes away on the other. There can be instances that a person by getting a fraction more money is actually paying more than the increase he got back in taxation, and this is a saving clause that he should not do so. He has the benefit of paying a slightly lower figure, there is

nothing sinister in this, it is quite a normal thing in financial procedures, and itis to the benefit obviously of the person who has to pay. He would pay if anything the lower figure rather than the higher figure because of this little provision. And therefore, Sir, the principle of this I think very simple, we have removed Family Allowance from the structures of Income Tax as such, we are treating it as a pure supplement to a person's income, and we are removing entirely the claw back of £60 which might have to be changed altogether.

Now, Sir, out of interest it might be worthwile just commenting one or two little figures. The person, Sir, on a £1026 married with two children, under the present system of Income Tax what he would have to pay today, he would have to pay £11.55, and at the end of our package deal he is only going to pay £1.25. The person of £1326 he is today paying £23 under the initial Bill should have paid £35, we have reduced this to £21. That reduction, Sir, works out to over £14 but I think it compares very favourably with the £12 suggested by the other side, for a married man with two children. This has gone all through, Sir. As I said earlier the person at the very top of the scale does not benefit in the slightest from the claw back, it is all clawed back ~~for~~ him, he benefits to a very very slight extent in the whole of the package, instead of paying £430 he pays about £424. So you can see that we have got a progressive benefit the bigger benefit being on the lower group who need it, the top group hardly anything. The whole package deal has given 99% of the effect of what was represented to us. It has alos made this claw back system of the Family Allowance a for more reasonable system, perhaps not for today but for the future, by removing this anomaly of what could occur, £100 allowance: claw back of an even grater figure.

MR SPEAKER:

Well, we will now recess until 3.00 this afternoon.

The House recessed at 1.00

The House resumed at 3.05

MR SPEAKER:

I will remind the House that we are in the Committee Stage of the Income Tax Bill and that the Hon Financial and Development Secretary has moved that a new Clause 11 should be inserted.

HON J. BOSSANO

Mr Speaker, the Amendment proposed by the Government has been

described by the Hon Financial / and Development Secretary as the third leg of the new Tax structure, the third element in it. And it seeks to replace the pre existing claw back arrangements with a new and much more complicated system, which will no doubt give great difficulty in its implementation because of the difficulty people will have in understanding exactly how it affects them. It would appear that in doing away with the original section 23, where the children's allowance was reduced by £60 for individuals in receipt of Family Allowance in doingaway with that section there is no doubt that if the Government is committed to ensuring that the benefit from Family Allowance is progressively reduced, something had to be done to replace it. It is difficult to understand however, Mr Speaker, why it has been done in such a manner as this section proposes, and it is more difficult to understand why the Government appears to have overlooked, in doing it in this manner, the impact that this is going to have on the family man where the wife is working. Now this, Mr Speaker, is such a serous flaw in the Government proposal that unless it is satisfactorily explained away, by someone in the Government side, during the course ofthis meeting, or put right, this side of the House would not be able to support the amendment as it stands. Although since it was this side of the House when in Government that introduced the original claw back arrangements which the Hon Mr Featherston objected to so much earlier it does not in any way indicate that we are not in favour of the claw back arrangment in the legislation. Now our major objection to this, then, is due to the fact that if one looks at the way the claw back system works, here, we find that the figures given in the first column[1] is related are figures in respect of assessable income. Now because we are talking here of assessable income and not of taxable income, it means that if we take a specific example of an individual with a certain income the fact that his wife/ up employment puts him in a higher tax band if e.g. she earns £450 or less. But it will increase his assessable income which will mean it will increase his tax liability as a result of his wife working. Now this seem to be contrary to the feelings expressed by the Government earlier when they introduced an amendment to increase the Working Wives Allowance to £450 which they said had even gone a little bit further than the Amendment put by my Honourable friend Mr Caruana. If they are really committed to the idea that it is a necessary thing in Gibraltar to provide incentives for the married women to work because it is good for the economy that we should have high rates of economic activity amongst married women, because this decreases our dependance on imported labour. If they accept that this is a sound economic principle in the context of Gibraltar's economy, and that it is a sound thing to divide fis cal measures which are likely to provide an incentive for this, then they must also be congnisant that in this particular amendment they are providing a dis-incentive. Now if we take for example Mr Speaker the large family which is where the amendment has a particularly important effect, because the additional amount of tax payable are related to the number of children after the first in respect of which Mr Speaker, the Family Allowance is claimed. Then we find that if we take, for example, the level of £1600 a year, the income level of say just over £1600 a year, that band which is something in the region of £32 a week, that assessable income would include an element of £1.50 a week in Family Allowance for the family with four children, they would have £1.50 a week income from Family Allowance which would leave £30.50 of their income to come from earnings. And if we assume that that ismade up of £20 earned by the husband and £10

[1] /to which the level of additional tax in the 2nd column /takes

earned by the wife, which is not I think an unreasonale assuption; that a wife should be working part time for £10 and that the husband should earn £20. I think not even the Hon Mr Featherstone would quarrel with this sum and think we were talking about the very wealthy. We think of a family man with four children, £1.50 a week Family Allowance, £20 from his wages.....

HON M FEATHERSTONE:

If the Honourable Member would like to give way, I think perhaps it might clarify, assessable income if it is £1600, this is income he earns, the Family Allowance is not included in the £1600. It is not inside the £1600, that is completely divorced from it, if he is earning, as the Honourable Mr Bossano says, £32 a week from his occupation that is the assessable income. The £1.50 is given to him on top, it is not included in it, and it is completely not taxable as such.

HON J BOSSANO:

I thank the Honourable Minister for that clarification, I was under the impression that Family Allowance was not part of taxable income but part of assessableincome. It does alter the calculation slightly by something like £75 a year in income not in facts, need I say. If we have a man who isthen earning £32 a week and getting £1.50 Family Allowance his assessable income is £1600, and this income could well be made up of £10 earned by the wife, and £22 earned by himself. Again I don't think this puts him in the very wealthy income bracket, so I don't think it alters the substance of the case Mr Speaker, although I am very thankful for the clarification. Now in this case if I have understood the way this amendment is intended to operate, that person by virtue of the new £100 allowance for the second, third, and fourth child and £125 for the first child would not have sufficient income to pay income tax, but would pay income tax as a result of the sum £5.50 for the second, third, and fourth child mentioned in the second column of the amendment. Now this means in effect that on the basis ofthenormal tax structure he would have no tax to pay but on the basis of this amendment he would have £16.50 to pay a year which is more than he would have paid in taxation had there been no improvement introduced by the Government to help him. If in fact the Government had kept the old rate of £40 for the second, third and fourth child then this man would have had £120 allowance for his children after the first one, and £100 for the first one. He would therefore have had total allowances of £1420 andhe would have pid tax on £180 at 5%, which would have produced a tax bill of something like £7.50 which/now that this new measures increasess the tax liability for the married couple where the wife is earning £9 a week, and where there are three or four children. Now since the Government has indicated, in the amendments they have brought forward, that although the have been willing or unable to accept anychanges in the basic structure of the taxation they have seen the need and the logic to help

/means

married women, and to help large families. It is clear that if the effect is as I have said, they need to do something to change this, otherwise what they have said they are going to give so far, it is going to be taken away for particular family sizes with this section.

I think, Mr Speaker, that the debate could be carried out in a much more rational and dispassionate manner if this point could be cleared up now, at the beginning, and if in fact I have misinterpreted what the section does, then it would probably save a great deal of time because this is the main substance of our objection to this particular amendment.

HON M XIBERRAS:

Sir, if it is necessary to have a very brief recess now to consider what the Honourable Mr Bossano has said we are perfectly willing on this side.

HON CHIEF MINISTER:

Mr, Speaker, these proposals were put forward yesterday and I can't see what further time can elucidate this matter.

HON J BOSSANO:

Mr Speaker the point is that I have explained what it is we object to and my only suggestion is that if our objection is wrong in essence, mistaken in essence, then the Government could save a great deal of time by explaining where I have misinterpreted what the amendment does. If in fact I am right in thinking that it does what it does, then of course we will oppose it.

HON CHIEF MINISTER:

Mr Speaker it is certainly not my intention to steamroll this, if it is a short recess I don't mind. I mean I understand that as far as the information may I be allowed to carry on Mr Devincenzi.

HON L DEVINCENZI:

Yes.

HON CHIEF MINISTER:

Thank you, if its a matter of some figures that have been

asked for and has to be got in order to satisfy the other side, by all means, let have a short recess, I have no objection to that. I did say to you, Mr Speaker, earlier on that todays session for obvious reasons would have to be a little shorter than other days being Friday, but anyhow Idon't mind if we want a recess for half an hour or ifwe are ready earlier. . . . .

HON M XIBERRAS:

Sir the whole point of this recess is just to help the Government, because my Honourable Friend has pointed to something which the Government might not have taken into account in this particular phase of the debate And if my Honourable Friend is right then it would make a better law, if the Government could agree to this. We are not asking for a recess, we are offering a recess.

HON CHIEF MINISTER:

Oh thank you very much. Well do we accept it? Yes we accept it!

MR SPEAKER:

For the purposes of making quite clear what the position is, may I say that certain matters have been raised in reply to the Financial and Development Secretary by theHonourable Mr Bossano which theopposition feel necessitates certain consideration by the Government. If the Government is in a position to explain and to reply to him now there is no need for a recess, but if they feel that they need time.....

HON CHIEF MINISTER:

Mr Speaker, it is my fault, I was outside dealing with other Government matters and I was hearing Mr Bossano up to the end or rather the earlier part of his remarks. It looked as ifthe matter was clarified by Mr Featherstone but of course if we can be of help and look at matters and explain and it may be that in that way it is more acceptable to the other side, let us have a recess, by all means.

MR SPEAKER:

It is not being suggested that the recess should be used for the purposses of consultation between the Government and the Opposition.

HON CHIEF MINISTER:

No, no I didn't mean that. I didn't mean that, but if we have to obtain information which once it is given to the other side it is going to be more acceptable, by all means, but I understood that the figures required are not readily available.

MR SPEAKER:

Perhaps the Financial and Development Secretary could help us if then a recessis going to be of any use.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chirman, Sir, yes I think that a short ten minutes recess night solve this.

MR SPEAKER:

Then will recess for approximately 2o Minutes.

The House recessed.

The House resumed.

HON M FEATHERSTONE:

Sir, may I first ofall congratulate the Honourable Mr Bossano in his effort to try and find loopholes, but unfortunately he has missed the whole point of the proposals we are making with regard to changes in the Income Tax Bill. I think it was said very clearly by the Honourable Financial and Development Secretary at the beginning, and I have reiterated it I think it was two or three times. This is a package deal, now it is not fair in a package deal to single out one little iten, and say all the rest of the package is acceptable and accepting all these items; this iten seens to be a little anomalous. The reasoning behind that, Sir, isthis, let us go back to this gentlen an that the Honourable Mr Bossano is talkingabout. I have given him an income of £22 a week andI have given his wife an incomeof£9 a week, Now their total income is £1612, Sir. Before thepackage deal, before we did anything in giving a grater allowance for income tax purposes to the wife she was goingto be given the relief for her working of a naximun of £300. And so the reliefs that this family would have received would have been, and I am sure the Honourable Mr Bossano would like to check, £750 for the man and his wife £100 for the

first child, £120 for the other three but you would have to add on £78 to the income which is the Family Allowance received, and they would have had a taxable income of £420, and at the rate of tax they would pay £33. tax, Sir.

Now under our package deal this person, as far as the allowance granted to him, will pay nothing whatsoever in income tax. However the whole system of the claw back of Family Allowance was that Family Allowance should be given as a supplement to people whose income was not sufficient to let them meet the cost of extra children etc, andthis was something to help them. Now, Sir, it would be grossly unfair ifwe were to say "ha ha this man of £1600 because his wife is working as far as income tax is concerned, is not going to pay any tax", and therefore it is not right to take the money back because of the children. The £1600 is coming into the house, how it comes in, is not really for us to differentiate, because why should a man because his wife is working, and the total enclument in the house was £1600, he put in a different position to the man who is the only bread winner, his wife is not working perhaps because the children are very very young, and she is unable to go out to work. £1600 is comingin, should he be put into a different position? Of course not.

Sir, under our system this person earning a total of £1612 made up by himself and his wife altogether pay £16.50, because for each of the Family Allowance children £5.50 is clawed back, but under the old system he would have paid £33. Now I thinkthat £16.50 is a considerable improvement on £33. But if is part of the package deal it is unfairto single out, accepting the £450 allowance for the wife, accepting £100 for all the children, accepting £125 for the first child, and then say "ha" now we have an anomaly and this person appears to be paying more; so he isn't payin more, you have to take all this as one package, and in this package the person, who under the old system could have paid £33, today would pay £16.50. Because if one went to the top part of the scale, a person earning £2650, with a wife going out to work, and getting another £450, would be on the £3000 level total money coming in the house. Now should they get family allowance? Under our system they wouldn't becuase we were lookingat the total amount of money coming into the house, be it from husband and wife or husband alone. The wife has had pretty fair advantage in getting £450 completely tax free, I dont think any wife is going to say because there is a claw back on the Family Allowance of £5.50 I am not going out to work in earning £450 tax free. The £450 is completely tax free it is because their income is being increased that they don't need so much supplement from Family Allowance This is the whole basis behind it, Sir, but as I have said under thispackage deal, the person, that the Honourable Mr Bossano has taken to illustrate; the wife working it is reduced from £33 to £16.50. In a like way, Sir, the person who was earning the £1600 all by himself his wife was not working, under the old system would have paid £76 tax and under the new system with the claw back under the package deal, he is only going to pay £50 tax. So whichever way you look at it, our package deal does show a very considerable improvement, but it is unfair to single out one possible loophole afterwards and say "Ah this is something different".

HON J BOSSANO:

Mr Speaker, I would think the recess was clearly necessary, becuase the Government didn't seem to be able to answer before, and I think the Honourable Member's answer has confirmed that this table has the effect I feared it would have. Now I have not in fact been spending the time looking at this in an effort to be unfair to the Government, and find loopholes. But what I have tried to point out is, that if the arguments that we put forward on this sidefor increasing the wives Earned Income Allowance, if these arguments were shared by the Government as they seem to be, and if they feel that it is a good thing to provide an incentive for married women to work, then the point of this and the point is that the Honourable Mr Featherstone still seems not to be fully aware of, is that if one talks about £1600 as the income earned by the head of the family, then we are talking about a man who has an income of £32 a week from his work. Whereas, if we've got somebody who is less outside the table because he is on £1300, for example, if we have a man earning £26 a week where there is no claw back here, and whose wife decides to go to work or has to go to work because she feels that with the £26 that her husband earns it is not enough to meet the expenses of a family with four children. Then the husband that the wife decides to go out to work on part time basis to earn £9 a week, and the Government feels, and we support the Government in this and that £9 should not be taxed. Now because the wife goes out ot work, the husband's income moves the £1300 band to the £1750 band. and there is a claw back of £6.60 for every child, so there is a tax libility arising/of the level of £19.50 a year. Now the Honourable Mr Featherstone may think that what I am trying to do isto break up their little package but no. All I am trying to do is to show them that if they think it is a good thing tomake the £9 thatthe wife earns tax free, then it shouldn't be taxed there either. And it is for this reason that since it appears that it does have this effect, I wasn't sure whether I had understood the system correctly, and I thought that perhaps it didn't have the effect I thought it would have.

/out of the decision of the wife to go to work for £9 which is

But it appears from what the Honourable Mr Featherstonehas said that it does have this effect, that a man on £26, does not have a liability under this amendment but that if his wife works andhe still earns £26 and his wife earns £9, he will incure a liability of £19.50 a year. Now this seems to me clearly at cross purposes with the decision to raise the wives Earned Income Allowance, and when we think that £19.50 is the equivalent of more than the £300 band at 5%, itis the equivalent of the £100 allowance for the second, third and fourth child. Becuase on the second, third and fourth child ifhe didn't have any allowance, he would be paying £15 a year, since he is outside the tax band altogether, and then as a result of his wife's working he is going to pay £19.50 I really fail to see how the Government can take the point put forward by this side of the House in the spirit, other than th spirit in which it has been made, which is to show the Government that if they really want to do this, to help that particular category, then they are failing to do it as the system now stands, and it is better to put it right before it goes into

operation. Now we feel that it is necessary to do it, if the Government doesn't share this view then of course they will not put the amendment that I propose to move in respect of this amendment, and the only reason why I didn't move it earlier, Mr Speaker, was that I thought there would be no point in doing it if in fact it didn't have this effect.

HON L DeVINCENZI:

I would just like to make a very minor contribution to this, about wife's working, and that is that very possibly you will find that many of those wives who because of low income of their husbands decide to go to work, will probably need to employ, perhaps at least part time, somebody to look after the children or the house in order that they can go to work. True enough the amount of money they will pay out be considerably less than they themselves might be earning, but nevertheless it is also an expense. I understand this expense is not tax deductable, and I think this is another condiseration which could be taken into account.

HON M FEATHERSTONE:

Well Sir, I am afraid the point has been missed again. I said what the Honourable Mr Bossano said that the person of £1300 etc, but one of the reasons why we were willing to go up to the £450 allowance for the wife was because, as part of the package deal, it would give this beneficial effect. If we had not done it as a package system, we might have left the wife the £300 figure and the £78 allowance of the children must be added in for tax aswell, and this is once again disappearing. I am afraid Sir that I cannot honestly see very much logic in the other sides argument, I mean the £1600 figure may be made up in all sorts of different ways it might be £1500 and £100 must one differntiate between every single combination of getting the £1600?

HON J BOSSANO:

Mr Speaker, I think the best thing is that I should now move my amendment and then perhaps we can debate that, and the Government can see the logic of the argument. I beg to move, Sir, thatthe amendment be amended by the addition of a further proviso at the end thereof in the following terms, 'provided further that for the purposes of this section only the earned income of the wife of an individual, as defined by this Ordinance, up to an amount of £450 shall not be taken into account in assessing the income of an individual.'

MR SPEAKER:

Well I will then propose the question which is that the amendment proposed by the Honourable Financial and Development Secretary

for the inclusion of the new Clause beamended to read as follows; "by the addition of a further proviso at the end to read provided further that for the purposes for this Section only the earned income of the wife of an individual as defined in the Ordinance up to an amount of £450 shall not be taken into account in assessing the income of an individual."

HON P ISOLA:

I stand to support the amendment of my Honourable Friend Mr Bossano. I understood that when the amendments to this Bill were moved on the Governments side it was said that the purpose of these amendments were to help the married women the large family, and so forth. I would just like to pose on every short question. Would married women's allowance Sir, or the earned income relief for married women before of £300, in the proposals presented by the Government a month ago, keeping that at £300; with their tax proposals and their banding, meant in respect of £150 of earned income of a woman, otherwise the difference between £300 and the £450, now being proposed or already passed that on that £150 the husband would have to pay, presuming the tax to be at the second band £400, Which is what one would expect, at 15%. £22.50 in tax. Now with this system of making people pay in respect of the Family Allowances, on this basis it would mean that having given the married woman, having helped the family, the married woman / allowance from £300 to £450, they have saved them that £22.50 on the one side, that a family with four children, they then take three times £5.50 on the other, which is £16.50 they are saving £6. Do the Government think that this is generous, we on this side certainly do not. Because the effect of the Government measure appear to have been, to have given in to the Opposition, or to the Opposition pleas, if I may put it that way, because that is all it can become in his House, to do something for the married woman goingout to work, to do something for the larger family, they give in on the one hand by increasing from £300 to £450 the married woman's allowance and increasing slightly the children's allowance and then take a large part of it back in the case of big families, admittedly not so in a small family. But in the case of big families, and this is the point we have been all talking about, the big families that were affected by the electricity increase charges and so forth, in the case of big families they take a shank back under this table.

/as the Government intended to do by increasing the married woman's

Now that is the point that we are arguing about, if the Government can think of an amendment better then the amendment proposed by the Honourable Mr Bossano that meets this point, then of course we on this side of the House would welcome it. But we do feel that in the case of the bigger families the measures the Government have brought to this House do not helpthe bigger families but might help rather more the smaller families. It is because of this that this amendment has been put in, becuase only by putting this amendment in can it be said that the Government's measures for increases ofmarried woman's working allowance and children's allowance can be effective in the case of large families.

HON J CANEPA:

Mr Speaker, either members opposite do not understand the figures that have been put across by the Honourable Mr Featherstone or they deliberately do not wish to understand in order to continue to twist what the Government is attempting to do. This is a pacakge offer, Sir, the result of the package offer is that precisely a large family with four children who previously would have paid over £30 in Income Tax are going to pay £16.50, three times the claw back of £5.50 this is, Sir, because the wife has had her allowance increased from £300 to £450, because the first child has had the allowance increased from £100 to £125, because the other children are not having the £60 deducted which was introduced then when they were in office, and because the £26 of Family Allowance being paid per child are not included in the assessable income. It is the result of all that Sir, which brings about a position whereby, forgetting the clawback table, the family with four children have total allowances of over £1600 deductable from an income just under that, and so we find that family, purely on that basis not paying tax. But the claw back arrangement then comes in and they pay three times £5.50 which is £16.50 But the relief that they are being given is £17 and let them not attempt to twist that. They would have paid previously over £30, now they are paying £16.50 under this arrangement, but of course what they are doing is forgetting all the amendments that we have brought to the House today and saying this is square one. All these amendments are through, now how naughty of the Government you are taking away £5.50 in respect of each child receiving Family Allowance. Sir, let the Opposition stop trying to mislead the public.

HON J BOSSANO:

Mr Speaker, I really think the Honourable Minister for Labour and Social Security does let himself get carried away. Is he not aware that this side of the House proposed that the tax bill should be reduced by £12 in respect of each child, and is he not aware that his side of the House proposed that the wife's earned income should be increased from £300 to £450, and is he not aware that we agreed that our amendments should not be taken, and the Governments should be taken; because we had been given to understand that the same sort of relief was going to be achieved by the Government amendments. Well this is the whole point, Mr Speaker, that the same sort of relief/is amended. But if this section is not amended, then the relief that the Government gives is certainly there, but it is considerably less than it would have been if our proposal had been accepted. Well then, Mr Speaker, if it is of course, then it is misleading to say, as the Honourable and Learned Chief Minister said earlier on, that they were going to be very liberal, and what we had said in the previous meeting of the House, that we

/will be ahcieved by the Governments amendment of this section..

would be glad for a movement of £1500 or something in the region, and that they were going to give something like £30000; after taking into consideration all that is being taken back in this section Mr Speaker, I cannot say that I agree with these figures, Mr Speaker.

I think that the Government is being unnecessarily stubborn in this respect. What we are saying here is that the logical way to look at this, is to look at the matter realistically; if a man is earning £26 a week, he is a man in a certain job, with a certain income. If his wife goes out and works for £9, on a part time basis, then he is put in the same income bracket as the man who is earning from his employment £1700, it is a different social class, it is a different source of income, it is different circumstance. This is the important point. We don't think it is fair to say that the person on a salary of £2000 a year is in the same category as the man who's got a job as a tradesman and whose wife is working in a part time job, even if their total income comes to nearly the same amount. It is not the same thing and this is why, Mr Speaker, we feel that the £450 that has been given, should not be taken away in this way. Because it is all very well for the Government to say that this is a total package, and it is going to be presented as a total package, what is going to be taken is, that the wife's Earned Income Allowance is going to go up by £150; that the people who were before getting only £40 allowance for their kids are now going to get £100.

If we look at the cut off point of £3000, and I particularly draw the attention of the Honourable Mr Featherstone who is so concerned not to give advantages to people at the top of the income scale. If we look at these £3,000, and we see that the claw back there is £26, which is a 100% claw back of the Family Allowance, logically the person on £3000 would get no advantage by claiming Family Allowance, therefore, Mr Speaker, because they would not claim Family Allowance there will be no claw back claim and because there is no claw back they would have £100 allowance per child, which is exactly the same as they had in the previous legislation, because Section 23 which we have repealed, the previous claw back session, also gave people the alternative of not claiming Family Allowance and of having £100 allowance per child instead of £40. So at the level of £3000 and above, the situation does not change all the clawing back takes place below £3000. But this praticular reason for the amendment is that it has to be recognised, Mr Speaker, that it is unjust if a wife makes the sacrifice of spending less time at home the wife makes the effort to go out because the family needs that additional income, and she goes out, and she does a part time cleaning job for £100 a year, a couple of pounds a week, it is wrong that the claw back should go up. It is wrong, the way the system works, Mr Speaker, is that if we have somebody on £1600, a husband on £1600, the wife goes out and earns just over £2 a week, doing a few hours a week in a cleaning job, and they get another £100. And because the wife gets another £100, the assessable income of the husband goes up from £1600 to £1700, and gets a pound taken off for every child after the first one; for a £100 that the wife is earning. That money attacts an additiontal £1 for every child, after the first one. Now this to my mind Mr Speaker, the full implication of this appears to have been lost; if the Government is sincere in the way that they have reacted if the Honourable Minister for Labour and Social

Security is really as offended as he appears to be, by the amendment then it can be because the full implications of this have been lost on him, because they are quite clear to me; that if you are going to move somebody from one hand to another according to the wives income then the whole objective of making the £450, earned income tax free for the wife is being eroded and if the Government is really concerned about this then they ought to recognise that the implications are there. And if they are concerned about the cost then they ought to be aware that there are only some 500 married women, working according to the census. We are not talking now of the collapse of the whole revenue position, or anything like that, the impact of this is but it is very necessary if one is going to be consistent about wht one wants to do.

HON A PETTERSTONE:

Sir, I am afraid I am not swayed by anything the Honourable Mr Bossano said I am much more swayed by the fact that under the present system of taxation, the one actually in force at the moment, this gentleman would pay tax at the rate of £21 a year; under the first proposal that we brought to the House he would have paid £33, and under our new package deal he'll pay £16.50. So he is even better off under our package deal that with the income tax system in existance at this present moment, the one that was supported by the last Government and pushed through by the last Government.

This question, Sir, that the wife goes out to work and gets £100 and this moves her up one bracket and you take £1 back for each child. This sounds very good, Sir, but supposing she is earning £450, and supposing she gets a wage increase of £100 a year and that takes her and her husband out of the let us say, 15p band into the 20p band; then because they have got a wage increase they have suddenly got to pay a whole whack on it back. But this is the normal principle. If we are going to do this you might as well divise a complete system from A to Z. Very simply, as I have said, Sir, the person, at the end of the day under this package system, is even better off in these lower income brekcets than they are under tax as it is today, Sir.

HON M XIBERRAS:

Sir, I think that Honourable Members oppoite may, in the spirit of what has been said before have misunderstood the purpose of what the Honourable Mr Bossano is trying to say. We have looked at these thing, and I ask the Honourable Member to listen carefully to the reasoning behind this in general terms.

What we say is this, that already both in the law, the old income tax law and in the amendment proposed by the Government, we distinguish between the wife who is working and the wife who is not working.

We know as a matter of socialogical fact that in larger families the more the children the greater the need for the wife to go out to work particularly if the husband does not make all that much money. We also know that the State today gives allowances to larger families for each child. Is it fair to treat a married woman who is working in one way prior to the Government's arrangements for the claw back, and in another way after the claw back has come into existance. This is really what we are doing as Mr Featherstone rightly said, the Government is not considering where the money is coming from or how it has been earned; whether it is from Family Allowances, from a wife working, or on the other hand from a person with a very good job who can maintain the family. We are not saying that the Government has made some wild illogical mistake in this. What we are saying is that the logic of giving an advantage and recognising the sacrifice which is made by a wfie who goes out to work, which so far the House has recognised in two ways, by the Family Allowances which existed, and also by the extra allowance that the Government has brought in an amendment inspired by the Opposition, that this logic should be carried into the claw back system, because it isn't the same, Sir to have an income, my Honourable Friend said, from let us say a doctor, who reaches let us say £4000 or £5000. Let us take somebody else, let us take somebody, a lower professional earning £2000-£25000. The effort required to produce those £2500 is not the same as the effort required for a tradesman and his wife working, particularly since we see in most cases that the wife who goes out to work is the wife that has many children. And we recognise this by giving the larger family a family allowance, and we recognise the effort by giving the married woman who is working an advantage over the married woman who is not working. There is nothing wrong with the logic of the Honourable Mr Featherstone from a mathematical point of view, but what we are asking is that the House should be consistent in the principles that it has accepted. That is why we are not disputing either what Mr Featherstone has said obviously. The amendment the Government made makes the situation better than with no amendment at all, we appreciate that entirely, that is what we have been pushing from on this side and this has been more or less agreed failing agreement with the Opposition's proposals of the £12.

But we are now asking the Government to recognise the logic, the social logic, of the argument that we are putting forward, otherwise we would be giving a married woman the advantage at one stage, but then that sort of social type the people that you are actually supposed to be helping are going to be hit later on. I haven't worked out the figure for four children and two children, a wife with four children, but proportionately, are we really helping more the family with four children, the wife of which is working, than the family with two children, proportionately I mean. I know that in a lump sum obviously we are, but is the advantage of the family allowance bigger than that for the smaller family. Four children in the family, two children in the family. Is the advantage that the law as proposed by the Government would be beginning to the four children family, as much proportionally, as it would give to the family with two children. I have't worked the figure out, but I doubt very much whether this is the case.

I would ask the Government to consider this position because we are following principles which are accepted by both sides of the House. It cannot be a matter of finance either because, as my Honourable Friend has said, there are not so many married mothers working. But those who are are in a very difficult situation.

So, I do hope that Honourable Members will think about this, as I speak and if there is any inkling that something has gone home then I'll stop speaking.

HON CHIEF MINISTER:

Sorry, I was talking to the Honourable Financial and Development Secretary. I wasn't giving any indication of anything. Has the Honourable Member finished.....

HON M XIBERRAS:

Well, let me ask a blunt question, Sir. Is the Government aware of the point that is being made by this side?

HON CHIEF MINISTER:

I think we would be very dense if we were not, as dense as the Opposition when they don't understand what the Government says.

HON M XIBERRAS:

Could I ask, is there an objection on principle, and if so what is the objection on principle?

HON CHIEF MINISTER:

Sir, we could be at this for a long time. There can be no objection on principle to give the lease to anybody, I would imagine, as a general principle. There is logic and also principle, in the system that we have produced, and really it is a matter of trying to give as much relief as possible, and I think the Opposition are doing very good work trying to see how far they can push us, but there is a limit to the extent to which one can be pushed. That is the difficulty about the whole matter. When the Honourable Mr Bossano was speaking, he was saying: there you are, you have your £450, you put it, we said it, alright; but we omitted to mention something which is also a relief, which we did and which was not suggested by the Opposition, and that is that we have given the full £450 to the wife, and we have not taken away that 1/5th which would have been more perhaps than the point that you are raising now.

I would yearn for the day when husband and wife could have separate assessments of income tax with all their advantages, but we haven't reached that stage now, and perhaps if things were too good that might perhaps be the answer in many ways. It has been thought of in England and that is why certain people get divorced and carry on living together because they get more tax advantages. But in so far as the logic in what we have put forward is concerned, if you follow the logic of the normal taxing law, which is that the assessable income of the head of family, to which is added the income of the wife, and also follow the pattern of the Section introduced by the previous Government insofar as the

claw back was concerned, except that we have reduced this. I don't say that this could not have been higher or lower, and nobody can really fix the ideal one. I don't know, perhaps if we are going to have the third Reading another day, I might be able to see whether we could do something on that margin, but that is a different matter. We can't go any further than that at this stage.

The principle is the principle for both; we are both sticking to principles which we think are correct, and, therefore, it isn't the lack of desire to meet the Opposition, it is that anything that we do in this respect must be quantified, because we know to what extent we are going. We have already, given £30,000 - on £250 not on £380 - with this relief Mr Speaker, I am not making any advance promises but I will certainly look at this the weekend. I understand that it is possible to bring amendments on the Third Reading.

MR SPEAKER:

N : of a detail. Then it's got to be recommitted to the Committee.

HON CHIEF MINISTER:

Well I thought I haven't got the Standing Orders to hand.

MR SPEAKER:

Well, I'll read them to you.

HON CHIEF MINISTER:

No, no, I do not dispute it.

MR SPEAKER:

I was looking it up precisely just in case it arose. The only time you can do this on the third Reading is: "On motion for the Third Reading of the Bill being made ....."

HON CHIEF MINISTER:

Well, it could be re-committed for a limited time.

MR SPEAKER:

Precisely.

HON CHIEF MINISTER:

Well thats all right. If we dispose of the Committee Stage now -and we have to vote against the amendment - subject to agreement, it could be recommitted for a specific purpose.

MR SPEAKER:

I' does say in Erskine May: Verbal amendments can only be made on a Bill on the Third Reading. If material amendments are desired the order for the Third Reading of the Bill should be discharged, and the Bill recommitted to allow the introduction of the amendment in Committee. So we would have to recommit .

HON CHIEF MINISTER:

For a specific purpose. It would just be a limited transaction of the House. We could dispose of the Committee Stage now, and still have some amendments on Third Reading.

MR SPEAKER:

Provided the Third Reading is not taken today.

HON CHIEF MINISTER:

Yes that is what I had in mind, certainly. In fact, I don't know whether anything could be done, but it is just to show that we are endeavouring to see whether something could be done in that respect.

HON M. XI BERRAS:

Sir, that attitude is encouraging to this side, and we thank the Honourable and Learned the Chief Minister for what he has said. My parting thoughts for gentlemen opposite, as they consider this, consist of two questions. Do we give, at any stage in the game, the working mother an advantage as opposed to a person that is not working? And secondly, do we carry on this advantage consistently at a later stage

when dealing with the taxation of family allowances? And perhaps a third question; who are the people who are mostlikely to be heavily affected by tax, and who are most likely to have their wives going out to work?

Those Sir, are the three considerations, and I feel that the logic of this means that something along the line proposed by my Honourable Friend would make the whole system of the claw back, as proposed by Mr Featherstone, more consistent with the wishes of both sides of the House.

HON M FEATHERSTONE:

There is just one technicality. It would seem to me, Sir, looking at it very closely, that we are both in agreement on the matter of principle. It is only a question of figures.

HON CHIEF MINISTER:

That is why I said that if there was anything to do it would be a matter of figures.

MR SPEAKER:

Precisely, and I think perhaps it could be done.

HON M FEATHERSTONE:

If I might, Sir, I've worked out the different rates for a person with a total income of £1600 on our scheme and on the amended scheme. On our scheme one person working alone earning £1600 would pay £50.25 and of course the same on the other side. If the wife is allowed £100 out of those £1600, our scheme would drop from £50 to £35 and theirs would drop from £50/to £27, and they go from £50 to £21. If the wife got an allowance of £300 - all these cases refer to families with four children, we have been discussing four children all the time. The wife is getting an allowance of £300 out of the £1600 income, our £50 drops to £22 and their £50 drops to £13, and if the wife gets £400 out of it, our £50 drops to £17 and their £50 drops to £1.

/to £32. If the wife got an allowance of £200 then we go from £50 to

Ours is a much more reasonably dropping progression than theirs, which seems to be very favourable to the wife earning the first £100, very favourable to the wife earning £400 but the two between do not do as well, so I think that ours is perhaps, on this basis, a little more logical.

MR SPEAKER:

For that very reason, and since there is going to be an opportunity for both sides to get together on this one outside the House

HON M. XIBERRAS:

With respect, Sir. We are always very wary on this side of the House about agreements to meet outside the House, because we feel that we are under an obligation to discuss matters here in the House not through any lack of co-operation.

HON CHIEF MINISTER:

I did not mean outside the House, Mr Speaker, what I said that it we finish the Committee stage of this Bill now - we will of course resist the amendment - if I can do something over the weekend, on the basis of the column and not the other question, I am still open, if we don't take the Third Reading today, to recommit for that purpose.

HON M XIBERRAS:

Therefore, Sir, we must make our points to ensure that the Government gets our points. I would ask the Honourable Mr Featherstone to compare the effects of both systems on families of the same income level, four children and two children and whether we really give, proportionally the same advantage to the larger family, who one might say would need an even bigger advantage, than to the smaller family.

HON M FEATHERSTONE:

Well I'll work it out, Sir, but I cannot at the moment I can't.

HON J BOSSANO:

Mr Speaker, I think another point is that if we are in agreement that a given lump sum, or anything up to a given lump sum, which as the Honourable and Learned Chief Minister pointed out was the improvement which the Government measure gave over the original amendment that has been moved by my Honourable Friend Mr Caruana, for example, in the case of the wives' earned income allowance, there was a proportional relationship between the total income and the amount of the allowance given in the original legislation and our amendment did nothing to remove that. The Government in fact accepted what we have suggested and in fact went a bit further and removed this anomaly about earned income, which had been taken away in the case of the husband's income they extended it to the wife. This is something that we were delighted to be able to support. We saw that their measure was better than ours and withdrew ours. We could have had no quarrel in accepting this as it had originally been put if we had seen that the advantage that this gave through the increase in family allowances was better than the advantage that would have been given by the £12 reduction that

w have suggested. That is one point that is relevant. That we thought it was necessary to give a £12 advantage in respect of every child after the first one to everybody, because that £12 advantage was what was being given in the existing legislation at the level of 30% rate of tax. I think that this is one thing that we would like the Government to take into consideration as well when they look at the possibility when they improve this.

I think that the other thing that is important to bear in mind is that if one has a tax free element of up to £450, for example, then if one takes a given income bracket, say £1600, and if one says that out of the £1600 we might have in case 'A' the husband earning £1500 and the wife earning £100, and in case 'B' the husband earning £1400 and the wife earning £200 and so on, gradually increasing the proportion out of the same total sum earned by the wife up to £450, then one can build up to a case for saying that one is giving a bigger advantage to the wife that earns more rather than to the wife that earns less. But one can always do this with figures if one has a progressive system on the one hand, and a fixed total tax free element in the other. Because of the progression, as one moves up the scale, the advantage that is given gets proportionally greater, and this is an extremely difficult thing to eliminate entirely from any taxable system, but one can certainly do it if one has the will to do it. It is clearly also for this reason that an advantage such as the one that it is intended to give the working wife is eroded considerably by a point that was mentioned by the Honourable Mr Featherstone without perhaps his fully realising the proper implications of it, and this is, that because we have got, say, the man on £24 a week, and then the wife getting a part-time job and raising his income, because he is assessed on his own and his wife's income, raising his income to the £1600 band, it means that this liablity increases through the two progressive systems, ie, he finds his tax liability increase through the banding structure which has not been altered so that he may find himself moving from the 5% to the 15% and into the 20% and he finds himself moving up this scale as well. The moment that his assessable income takes him into the £1700 band he finds himself taxed on this column. The moment his wifes'/retained as it was before So there is a system here which is progressive, like the other one is and one is super-imposed on the other. This may have an unexpectedly heavy impact, an impact that the Government may wish to lessen, and I would want them to take this into consideration as well when they look at the possibility, Mr Speaker, of bringing some improvement to the amendment.

* /income exceeds £450) he finds himself moving up) the tax banding structure which has been)

Mr Speaker then put the question on the amendment to the amendment and on a voted being taken the following Honourable Members voted in favour:-

Opposition:

M Xiberras

R J Peliza

P J Isola

W M Isola

J Bossano

J Caruana

L Devincenzi

The following Honourable Members voted against:

Government:

Hon Sir Joshua A Hassan
Hon A W Serfaty
Hon A P Montegriffo
Hon M K Featherstone
Hon A J Canepa
Hon I Abecasis
Hon LT. COL J L Hoare
Hon H J Zammitt
Hon J K Havers
Hon A Mackay

The amendment to the amendment was accordingly defeated.

Mr Speaker then put the question on the amendment and, on a vote being taken the following Honourable Members voted in favour:-

Government:

Hon Sir Joshua A Hassan
Hon A W Serfaty
Hon AP Montegriffo
Hon M K Feather tone
Hon A J Canepa
Hon I Abecasis
Hon LT. COL J L Hoare
Hon H J Zammitt
Hon J K Havers
Hon A Mackay

The following Honourable Members abstained :

Opposition

Hon A Xiberras
Hon R J Peliza
Hon P J Isola
Hon W M Isola
Hon J Bossano
Hon L Devincenzi

The amendment was carried and new Clause 11 stood part of the Bill.

Clause 12.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, Sir, may I take the opportunity here of saying that since on my motion the Committee has agreed on the insertion into the Bill of two Clauses 4 and 11, may I now move, Sir, that we renumber the Clauses so that Clauses 4 to 9 would be renumbered as Clauses 5 to 10, and old Clauses 10 to 14 be renumbered as Clauses 12 to 16.

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

Clauses 14 and 15 (previously clauses 12 and 13), were agreed to and stood part of the Bill.

Clause 16 (previously Clause 14)

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I beg to move the following amendment to the Bill.

That Clasue 14 of the Bill be amended as follows:

In the proposed section 46B (1)

"(i) by the deletion of the words "where any payment is due under contract of services" appearing therein and by the substitution therefor of "Where any payment is due under an agreement for management or consultancy services or services of a similar nature," ;; and
(ii) by the addition of a new subsection to the proposed section 46B to read as follows, -

"(3) Notwithstanding anything contained in subsection (1) where the agreement is to be performed elsewhere in Gibraltar the Commissioner may, in his discretion,
(a) if he is satisfied that the payment will bear income tax or tax of a similar nature in the country where the agreement has been or is to be performed, relieve the person responible for making the payment from making the deduction required by the subsection (2),
(b) if the deduction required by subsection (2) has been made and paid to the Commissioner and if he is satisfied that the payment has borne income tax or tax of a similar nature in the country where it has been performed, allow a refund to the person to whom the payment was made of the whole or part of the sum so deducted."

Mr Chairman, Sir, after we had presented this bill to the House at the Budget session, we have had the opportunity to consider it

more carefully and in greater depth, and we believe that as set out it goes further than was necessary and could raise practical difficulties. As the law stands at present a company resident in Gibraltar can offset against profits any payments made to a non-resident in respect of services performed either in Gibraltar or outside Gibraltar. Members will appreciate however, that this provision could be used by a resident company as a means of writing-off profits for the purpose of taxation, in a form or perhaps exaggerated payments to non-resident for services performed outside Gibraltar, while in turn the non-residents income may attract no tax whatsoever in his own country.

The primary object of this clause is simply to safeguard against possible tax avoidance of this nature in Gibraltar. However, as the clause stands at present all residents making payments to non-residents are required to deduct tax at source, but the Government does recognise that it is probably unfair, and certainly administratively very burdensome, to expect residents to deduct tax at the source, here, on payments made representing incomes earned by non-residents who perform maintenance services, commission, or other ongoing continuous services, and when these services are performed outside of Gibraltar. The amendment therefore, firstly, confines the responsibility of the resident for deducting tax at source only to that type of payment made in respect of management or consultancy services, or services of similar nature.

It will be recalled that in the explanatory memorandum accompanying the Bill, when it was first presented, we so described the purpose of the Bill.

Secondly the amendment provides that where the Commissioner is satisfied in his discretion that the payment will bear tax in the country where the service is performed, then he may relieve the Gibraltar resident for the responsibility of deducting tax at source.

Finally the amendment provides that where tax was deducted at source, because the Commissioner had not been so satisfied, but subsequently the non-resident is able to produce evidence to the Commissioner to the effect that tax on the income has in fact been charged elsewhere, then the commissioner may in his discretion refund the tax which was deducted at source.

Mr Chairman, Sir, I commend the amendment.

MR SPEAKER:

I now propose the question which is that new clause 16, which was previously clause 14, be amended as proposed by the Honourable Financial and Development Secretary.

HON J BOSSANO:

Mr Speaker, there was something that perhaps the Government might wish to clarify here, where I think it might need an amendment if in fact there is a possibility that it can be improved upon.

I am thinking in particular of the question of the tax being refundable where the Commissioner is satisfied that it will bear tax in the recipient

/

country. I would think that an additional safeguard there would be that the onus for the application of the refund of the tax should be put, in the law, on the payee, that is, not on the payer of the management charge. So that, for example if a company in Gibraltar deducts tax from a payment for management or consultancy services, then it is the firm thatreceives the payment who should make the application to have the tax refunded rather than the company here. I wonder if this would be a good thing or a bad thing.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think it would make for greater administrative difficulties I think the onus must certainly be on the person, who under our law is required to deduct, to showgood cause to the Commissioner that he should not be required, either to deduct on the first instance, or if he has been required to deduct in the first instance but that can show evidence, then claim a refund at the expense of the Gibraltar revenue. I think certainly, and that is the intention, that the onus will be on the person who has to deduct here. I think it might be complicating things and may I just say, Sir, that I think we have got a right and necessary purpose to serve in the original clause in the Bill. But on reflection we found that we might be carrying it further than would serve our own good purposes at this stage, but we shall watch it.

HON CHIEF MINISTER:

I am sorry, Sir, but I have just had clarification on this one the mechanical side of it is that when a deduction has been made to be refundable it must be claimed by the person who is entitled to it, that is what the law says.

HON J BOSSANO:

Yes, Mr Speaker, this is how I thought it would work, that the refund would need to be claimed by the person who was entitled to it, and presumably the individual entitled to the refund would not be the firm making the payment but the recipient of the payments since it is the recipients income that is involved. So that, if in fact the law already provides, that this should be so, that it should not be the paying company that claims the refund, but the person who is paying tax in another country and who is the recipient of this payment, then if this is already catered for in the existing law clearly there is no need to indicate it here. I just thought that if in fact it wasn't already so provided, and it was the intention that it should operate in this way, then this section might be improved by clearly stating that it was up to the payee, to the recipient of the payment, to make such an application.

HON CHIEF MINISTER:

If the deduction required under subsection (2) has been made and paid to the Commissioner, and, as he is satisfied that the payment has borne income tax, or a tax of a similar nature, in the country where it has been performed, allow a refund to the person to whom the payment was made of the whole or part of the sum so deducted.

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

New Clause 16 as amended stood part of the Bill.
The LONG TITLE was agreed to and stood part of the Bill.

THE TRADE LICENSING (amedment) Bill 1973.

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

Clause 2

HON P ISOLA:

Mr Speaker, on clause 2 of the Bill, this is the effective Clause of the Bill under which it is proposed to extend the operation of this law to the 30th Nov 1973. It has come to our attention that the two members of the Trade Licensing Committee who are the people who will in fact operate this Bill if it is passed into law, have resigned from the Committee, could we ask the Minister for Trade to explain what his proposals are for continuing this Bill?

HON A W SERFATY:

I am afraid I have only just heard, here in the House, that those two gentlemen have resigned, so I will require time to consider the matter.

MR SPEAKER:

May I say that this is not relevant to the Committee Stage, in any manner or form.

HON P ISOLA:

Mr Speaker, the only reason why we have mentioned it is because.....

MR SPEAKER:

I have allowed it to be said because....

HON P ISOLA:

It was not possible for us to move an amendment, for instance, to change the date from the 30 Nov to the 1st June 1973, and make the point that way, but can the Minister state the reason why the resignations have taken place.

MR SPEAKER:

However many amendments are moved, I am not going to allow discussion at the Committee Stage, in consideration of one particular clause, the reason for the resignation of members from the Committee. It is not relevant to the issue.

HON P ISOLA:

Is it not a valid reason, the Minister not wishing to give any further information, for us voting against Clause 2?

HON J BOSSANO:

Mr Speaker, I think the important point is that what we are voting in this section is the extension of the life of an ordinance which includes a requirement that a Committee should be set up. Now if the Government is going to have difficulties in setting up that committee, then surely now that we are considering the extension of the Ordinance it is relevant to reconsider whether we want to extend it or not.

MR SPEAKER:

It is not relevant to consider whether the Government is going to have difficulty in appointing members to the Committee. To decide in Committee Stage whether to extend the life of the Bill, that could be done, I know there is no pre-warning, it could have been done in the general principles. All that we are doing now is looking into a section of the Bill.

HON M XIBERRAS:

Sir, I am sorry, but it appears relevant very much from this side of the House and this is why we mentioned it, Sir.

HON J BOSSANO:

Mr Speaker, is it relevant to this Section to discuss whether the Ordinance should be extended or not extended, doesn't the section seek to extend the life of the Ordinance until November, and isn't it relevant to put forward arguments why it should not be extended.

MR SPEAKER:

To put out arguments why it should not be extended most certainly, to ask for explanations and to discuss the difficulties of appointing members to the committee is not relevant.

HON J BOSSANO:

Well I would like to argue, Mr Speaker, why it should not be extended in that case. Thank you very much. The Trade Licensing Ordinace would expire....

MR SPEAKER:

May I warn the speaker of one thing, that we went into great detail on the general principles of the Bill on this particular point and exclusively on the question of repetition if nothing else, you have to be careful.

HON CHIEF MINISTER:

Mr Speaker, surely once the principles of the Bill, that the Bill be read a second time, all that one can reasonably discuss here without repetition is whether it should be the 1st June, the 30th November, or the end of next year, or tomorrow, that is the particulars on the Bill. The principle that the Bill will be extended has been approved by this House.

MR SPEAKER:

I accept that the Honourable and Learned the Chief Minister is completely and utterly correct, but immediately an amendment is

proposed by the Opposition then of course the matter is open to debate, and we are just trying to be practical,....

HON CHIEF MINISTER:

On whether it should be one date or the other....

HON P ISOLA:

I beg to move that Clause 2 of the Bill be amended by substituting the date June 1st 1973 for the date 30th November 1973.

MR SPEAKER:

I will now propose the question which is as moved by the Honourable Mr Peter Isola which is that Clause 2 of the Bill be amended by the substitution of the date June 1st 1973 for the date 30th November 1973.

HON P ISOLA:

Mr Speaker, in moving this amedment all we wish to say here; we do not wish to reopen the argument that transpired in the second Reading of the Bill. But what we do wish to say is that we cannot support, at this stage, an extension of the Bill to this date when it has come to our knowledge that it appears that only one side is to be represented in a committee that is going to run the granting and transfer of licences, and that this is clearly contrary to the intentions of the House when the Ordinance was originally passed.

MR SPEAKER:

Well if there is nothing further, I will put the question then.

HON MAJOR R J PELIZA:

Mr Speaker, I wonder if the Government could suggest to this House how they intend to hold the balance of that committee, it seems that the Trade Council.....

MR SPEAKER:

I will not allow anything on the Committee, Order.

HON MAJOR R J PELIZA:

All I want to know is, I think my Honourable Friend here made the point and we have had no answer, is it their intention to do it that way? It appears!

Mr Speaker: then put the question and on a vote being taken the following honourable Members voted in favour:

Opposition:

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

The following Honourable Members voted against:

Government:

Hon Sir Joshua A Hassan
Hon A W Serfaty
Hon A P Montegriffo
Hon M K Featherstone
Hon A J Canepa
Hon I Abecasis
Hon LT.COL J L Hoare
Hon H J Zammitt
Hon J K Havers
Hon A Mackay

The amendment was accordingly defeated.

Clause 2 stood part of the Bill.

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

THIRD READING

HON ATTORNEY GENERAL:

Mr Speaker, Sir, I have the honour to report that the following Bills have been considered in Committee and agreed to: The European Communities (Enforcement of Community Judgements) Bill 1973; without

amendment; the Miscellaneous Amendments Bill 1973, without amendment; the Employment Injuries Insurance (Amendment) Bill 1973, without amendment; the Non Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No,2) Bill 1973 with amendment; the Social Insurance (Amendment) Bill 1973 with amendment, the Group Practice Medical Scheme Bill 1973 without amendment, the Income Tax (Amendment) Bill 1973 with amendment; the Trade Licensing (Amendment) Bill 1973 without amendment,I am sorry. Mr Speaker, I have the honour to move that the following Bills be read a third time and do now pass, the European Communities (Enforcement of Community Judgements) Bill 1973; the Misclleanous Amendments Bill 1973, the Employment Injuries Insurance (Amendment) Bill 1973, the Group Practice Medical Scheme Bill 1973 the Trade Licensing Bill 1973 and the Employment Injuries Insurance (Amendment) Bill 1973.

MR SPEAKER:

Do I understand, is there any verbal amendment that you wanted to make

HON ATTORNEY GENERAL:

Mr Speaker, as I understand, if I have a verbal amendment to make it must be by motion or an amendment, and the Honourable Financial and Development Secretary is going to make the necessary proposals for the Third Reading of three Bills when the present six have been voted upon, for the Third Reading.

MR SPEAKER:

In other words, it doesn't apertain to one of the Bills we are going to have the Third Reading now?

HON ATTORNEY GENERAL:

No, no I am proposing in due course to propose verbal amendments to the Social Insurance Amendment and to the Non Contributory Amendment and also I shall propose that the Income Tax be recommitted.

ME SPEAKER:

But the verbal Amendment should be done on the Third Reading.

HON ATTORNEY GENERAL:

Yes, but if I am moving the Third Reading I can't move the Amendment myself.

MR SPEAKER:

I beg your pardon yes. In other word I will not put the question this time, but I will propose the question so that I give a chance, normally on a Third Reading I don't propose, but put the question. I will propose the question so that the Honourable Financial and Development Secretary will have an opportunity to propose the verbal amendment.

HON ATTORNEY GENERAL:

No, I am sorry, I have proposed the Third Reading of six Bills, Mr Speaker, In due course the Honourable Financial and Development Secretary will propose the Third Reading of three Bills; the Income Tax, and the Social Insurance and the Non contributory. When you put the question, Mr Speaker, on that, then I will move a verbal amendment to the two of them.

MR SPEAKER:

I have to propose the question, the question is open to debate, then I put the question. It is withing the time that I propose it and the time that I put the question that the amendment can be effected.

HON CHIEF MINISTER:

I think the idea is, that we should not take the third reading it is the Report Stage now, but take the Third Reading.....

MR SPEAKER.

No, no, the Report Stage has been done already.

HON CHIEF MINISTER:

He has not moved for the Third Reading of all the Bills from the Report Stage.

HON ATTORNEY GENERAL:

I moved through the reading of six of them.

MR SPEAKER:

All except the Income Tax.

HON ATTORNEY GENERAL:

All, except the Income Tax, and Social Insurance and the Non Contributory.

MR SPEAKER:

Surely you mentioned the Non Contributory just now? That is then my own mistake you have definitely mentioned the Non Contributory, that is why.

HON ATTORNEY GENERAL:

I accept of course your ruling entirely.

o,

MR SPEAKER:

No, no, it is a question of getting things right, could you perhaps then move the Third Reading again of the Bills you wanted to.

HON ATTORNEY GENERAL:

Yes. Mr Speaker I beg to move that the following Bills be read a Third Time and passed. The European Communities (Enforcement of Community Judgements) Bill 1973; the Miscellaneous Amendments Bill 1973; the Employment Injuries Insurance (Amendment) Bill 1973; the Group Practice Medical Scheme Bill, 1973; the Trade Licensing (Amendment) Bill 1973.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker Sir, I have the honour to move that the following Bills be read a third time and do pass; the Non Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No,2) Bill 1973; the Social Insurance (Amendment) Bill 1973.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, In accordance with the provisions of Standing Order 38 (3) I beg to move a verbal amendment to the Non Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No.2) Bill 1973.

Mr Speaker, Sir, Clause 1 (2) of the Bill reads: "For the purpose solely of entitlement to the rates of Retirement Pensions specified in the Second Schedule of this Ordinance, this Ordinance shall come into force on the 3rd July 1973." In fact as Honourable Members will see in looking at the Ordinance, there is not a Second Schedule to the Ordinance, but Clause 8 of the Bill puts a new Second Schedule into the Ordinance, and that is of course the matter which we were aiming. So Instead of the Words 'in the Second Schedule there should be the words in Section 8, because that would then refer to the new Second Schedule which is fitting into the principal Ordinance.

MR SPEAKER:

Which is of course basically a corrective amendment.

HON ATTORNEY GENERAL:

A corrective amendment only.

MR SPEAKER:

Which makes reference to Section 8 instead of the First Schedule.

HON ATTORNEY GENERAL:

Section 8 includes the Second Schedule.

MR SPEAKER:

Is that understood?

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

HON ATTORNEY GENERAL:

Mr Speaker, in the case of the Social Insurance (Amendment) Bill the amendment I would move is to Clause 1 (3) which is of the same natur

entirely, as the previous Amendment, and for the words"in Clause 1 (3) of the Second Schedule" I would move that there be substituted "set out in Section 9."

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

Mr Speaker then put the question that the Non Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) (No.2) Bill 1973 and the Social Insurance (Amendment) Bill 1973, as amended be read a third time, which was resolved in the affirmative.

The Bills were accordingly read a third time and passed.

HON CHIEF MINISTER:

Mr Speaker. I intimated to you earlier on, for obvious reasons, that today it might be suitable to adjourn a little earlier. In any case we could not finish the business today, and I would ask that the House recess until Tuesday at 10 30 a.m.

HON P. XIBERRAS:

Sir, I am sure you are going to rule me out of order, if we start a debate on the time. But could I just say it is almost unprecedented to break up at 5.15, just when people are coming out of work and might be able to come into the Chamber. It has been bad enough at 6.15 but at 5.15; I don't think the Honourable and Learned the Chief Minister wants the public to know what's going on in the House of Assembly.

MR SPEAKER:

The Honourable the Chief Minister has asked for an adjournment or recess?

HON CHIEF MINISTER:

Mr Speaker, I move an adjournment.

MR SPEAKER:
Ah! You move an adjournment

HON XIBERRAS:

Sir, is there a reason for this adjournment at this particular time, after we have been working later on other days, and not all that late

by standards of the last Administration, and nonetheless we are going to break up at 5.15 just when the public is able to come into the Chamber. ow does the Honourable and Learned the Chief Minister have any explanation to offer for this?

MR SPEAKER.

I will propose the question, and then we can have our say. I now propose the question which is that this House do now adjourn until Tuesday the 22nd day of May at 10.30 in the Morning.

Now if the Honourable Leader of the Opposition wishes to say something on it - there cannot bea debate - but there can be a comment to which you are entitled, and a reply from the Chief Minister.

Whatever else of course, is since in the adjournment I must nowadays be wary of anything. It is 5.15 now.

HON M XIBERRAS:

Raising the matter on the adjournment?

MR SPEAKER:

Well it is precisely the adjournment that we are debating.

HON XIBERRAS:

Well, Sir, even if we sit hear for the next three years, and have to move this on every suitable occasion. The Opposition will not accept the practice of this Chief Minister, this leader of the House, which seems aimed quite deliberately at excluding the public from the House of Assembly, whenever there is an important debate before the House, whenever there is anything which the public might very well be interested; the Honourable and Learned the Chief Minister so contrives that the House is not working. Consistently he has tried to engineer things so as to keep the most important things away from the public eye as much as possible. I had reason to comment on the Income Tax debate, at the House, which could have been taken at a different time; started itwhen there were I believe two persons in the public gallery and apart.....

MR SPEAKER:

I would like to infora the Honourable Leader of the Opposition on

one matter; we are debating not when it is best to have the business of the House transacted, but whether we should adjourn to the 22nd day of May 1973. I think I made that observation once to the Honourable the then Leader of the Opposition the Honourable Major Peliza too.

HON M XIBERRAS:

Yes Sir, I think the point is clearly made Sir, but today I am just surprised by the time at which the Honourable and Learned the Chief Minister has chosen to interrupt the proceedings. We simply will have to take the matter up outside this House, if the Honourable and Learned the Chief Minister insists on keeping the public out, then we the Opposition will have to go to the public.

MR SPEAKER:

I will not have it on that line. We must be very relevant to the debate, and that is, you are debating whether we should adjourn. Now anything which is incidental to that is admissible, but we mustn't go beyond the bounds of our limitations.

HON M XIBERRAS:

Sir, thank you Sir, for your ruling. I hope that the Honourable and Learned the Chief Minister will explain the reasons for this adjournment at this time. Sir, as to adjourning to Tuesday at 10.30, I know no reason why we should not work on the Monday. Perhaps the Honourable and Learned the Chief Minister can inform us why we are not starting on the Monday, and perhaps he can also explain why we are starting at 10.30 in the morning rather than in the evening, since he already gave the House to understand that in a spirit of compromise with this side, he would at least try to start alternatively in the mornings and in the afternoons. But that seems to have gone by the board, and he starts at 10.30, and he has given the House clear, I almost said instructions that it will start at 10.30 in the morning and go on to 6.15 in the evening; except when the Honourable Leader of the House chooses to break his own rule, and finish even earlier than that, namely at 5.15 and he would have been away by now, had I not kept him. Sor Sir, would the Honourable Member please explain why we have to wait until Tuesday for a meeting. Is there anything urgent that the Honourable Member has to do, or Hon Members opposite have to do on the Monday. Will he explain why we cannot meet in the evenings rather than in the morning, to accommodate memberson this side, and no doubt Honourable Members opposite, the Honourable Mr. Abecasis for instance. I hate to keep the Honourable Member here, any longer. I have forty minutes I do not intend to take them all up. We might have been discussing something else like the Education motion which is very interesting and also the motion, of course, on the 11 points increase in the Cost of Living, which is also very interesting to the public. There are a good number of things which could have been discussed very profitably with a good number of members of the public here to listen. Instead they have to listen to me making the same points over and over again, all to no avail, because the Honourable and Learned the Chief Minister will just not carry on the meeting until

6.15. And since I started speaking the Chamber is already fuller than it was, and it will get fuller and should I take up the 40 minutes, it would get fuller, and I am quite prepared to prove to Honourable Members opposite that this is in fact the case. I am prepared to count every single person that comes into this Chamber.....

HON CHIEF MINISTER:

Mr Speaker, we are not here in a theatre, I should imagine.

HON M XIBERRAS:

No, Sir, but there is one thing in common between the theatre and the Chamber, and that is that in both places there should be an audience the peop e who are affected, and most of the time we do not have one here.

MR SPEAKER:-

Order, order, I have already brought the attention of the speaker that he mustn't do that.

HON XIBERRAS:

Sir, it is a most important point that can be made in a very roundabout way, from time to time, and this is exactly what we are doing. If have to have a demonstration of Opposition members outside this Chamber, and we have to make the position clear to the public then..

MR SPEAKER:

I have to call the members attention again. What the Opposition can do is their right, and they are entitled to it, but we mustn't debate it here now.

HON M XIBERRAS:

Thank you, Mr Speaker, for that ruling once again. I think perhaps if the Honourable and Learned the Chief Minister has any explanations of why he intends to adjourn, why he has adjourned now, why he intends to adjourn till Tuesday in the morning, perhaps he could condescend to inform the House.

HON CHIEF MINISTER:

I don't have to condescend, I am only too happy to explain to the House the reasons for my performance in public as I have always done. Perhaps when the Honourable Leader of the Opposition was still at school, I was trying to explain to people things about public life. There are three aspects of this matter, first of all the fact that we are adjourning about an hour earlier today; well I don't want to bring matters in, but though it is still day light we do have need to make certain preparations prior to the Sabbath. We have never sat late on a Friday here, and that is one reason, I hope that is respected at least. The other one is that it seems to me, after a very busy day of exhaustive amendments and counter amendments; and filibustering on the part of the Opposition in order to come to this stage; we have had sufficient work. The other thing is that Ministers have got work to do in Government. Apart from their private pursuits they have to do work. Government carries on every day and cannot stop, one's practice may, but no Government. We have commitments and that is why we are adjourning until Tuesday, because I have a particularly important commitment. I could never have imagined having started at 10.30 in the morning on Tuesday that we would still be here talking on Friday, and still with all your private part of the Agenda not dealt with. Talk of cooperation! If Members opposite cooperated a little more by being less repetitive in the way they deal with the mattersof the House, we could get on with the business and we could sit much shorter hours. Insofar as sitting, we used to sit in thisHouse during the previous Government until 2 o'clock in the morning with sleepy policemen and a porter and there was nobody listening. We were here from 9'00 or 10'00 until 11.00 or 12.00 or 1.00 o'clock because the Chief Minister then had a very thick head, and wanted to get through the business that day. That is the only difference, and now we are adjourning until Tuesday at 10.30. Mr Speaker I move the adjournment.

MR SPEAKER:

Order.

HON J BOSSANO:

Sir, are the 40 minutes up?

MR SPEAKER:

No.

HON J BOSSANO:

Thank you Mr Speaker, I would like to keep the Chief Minister here until the last of the 40 minutes. Because Mr Speaker, it is something that

I feel is most important, that we should make people wish to participate in the political life of the community, and come and see how the arguments are put in this House, so that they can judge for themselves instead of having particular organs judging for them which are controlled by certain members of the other side of the House. It is for this reason that it is important that individuals should come here and have the opportunity of listening. It may well be that this is a new practice in the political experience of the Honourable and Learned Chief Minister, but times change. The reason, Mr Speaker, why he finds it difficult to understand that we stick to our guns when we are fighting for something we believe is right, is because we are not little school boys who are told what to do, and we shut our mouths.

MR SPEAKER:

That is not relevant to what we are discussing.

HON J BOSSANO:

It is most relevant, Mr Speaker, we are being told to turn up on Tuesday morning at 10,30, like you are told to do, and don't day anything about it, because I decide when to go home, and I decide when I want you here, and any argument you may wish does not change the situation because I am in Government and you have to do what you are told. Well this is not the case, Mr Speaker, because the fact that one wins an election does not mean that one has a blank cheque to do what one likes. One reasons

and listens to arguments and is flexible and the Government is flexible one time out of ten and we have a job to do to try and make them more flexible and we feel that they ought to be flexible as well about the time the House meets and if they are inflexible about when the House adjourns then we shall be inflexible about when we let them go home and we shall keep them here to the last second of the 40 minutes and we shall use every trick in the trade to keep them here because if they want inflexibility then the days when the Sir Joshuas of this world spoke and everybody else shut up are finished.

MR SPEAKER:

Order, Order. We are not here to speak like that in any manner or form. We are here debating whether we should adjourn to Tuesday. Immediately the debate becomes irrelevant I have got the authority and the right and the duty to bring it to an end. So we will debate according to our Standing Orders and the dignity that the House has always known and I am sure will always know.

HON J BOSSANO:

Thank you Mr Speaker. The dignity of the House gets very strained on occasions when a particular Government is in power.

MR SPEAKER:

I have said this not in any derogatory sense but a warning to all members that there are standards that have to be maintained.

HON MAJOR R J PELIZA:

Mr Speaker, perhaps not so block headed as when the Hon and Learned the Chief Minister said that I used to behave when I was Chief Minister in this House, I would like to say a few words on this because I think that he has made rather irrelevant suggestions and rather misleading ones too that when I was leading the House I used to keep the House until 1 o'clock in the morning. But this is absolutely irrelevant. I am very pleased and I am greatly proud of having introduced a new practice of starting the debates of this House in the evening and I did that precisely to enable the public to be able to hear themselves not indirectly through any correspondent who might or might not have been biased or any media.....

MR SPEAKER:

You mustn't go further than that. You have explained it and no further. But we mustn't go into the reasons why something

else was done before. You have been accussed of doing it and you have given an explanation but we mustn't go beyond that. We are now going into the quality of reporting and we mustn't.

HON MAJOR R J PELIZA:

It was not really the quality of reporting.

MR SPEAKER:

Well that is a question of opinion and that is what I am here to rule.

HON MAJOR R J PELIZA:

Well, can I put it another way. They can hear it straight from the horse's mouth and not through an interpreter. Am the horse can be on one side or the other side of the House. Sometimes even a donkey now and again.

MR SPEAKER:

Order, Order

HON MAJOR PELIZA:

But that is something that the public must decide and this is why we want the public to be here.....

MR SPEAKER:

No, no. I am going to rule you completely out of order, as I ruled the Hon the Leader of the Opposition when he started on that attitude.

HON MAJOR R J PELIZA:

But Mr Speaker the object then is that we should enable....

MR SPEAKER:

We are losing the object of the debate. We are debating whether we should adjourn to Tuesday 22nd day of May at 10.30am and nothing else.

HON MAJOR R J PELIZA:

Well, the reason why then Mr Speaker, is that there is a business in the House which is going to be taken at the next

meeting which is ofgreat public importance and that business that the House is going to deal with and I think I am being relevant. I refer now to the three motions which will be placed before the House. One is the motion of censure against the Minister for Education and perhaps because it is a very interesting motion and which obviously affects the parents of Gibraltar very directly, that an opportunity should be given precisely in this particular case if not in all the others, for parents themselves, those who can make it, to come here and listen to it. I think it is very very relevant, and I think the Chief Minister should bear that in mind. If he does not allow this debate to take place in the evening then literally he is deliberately preventing parents....

HON CHIEF MINISTER:

This is an accusation I cannot accept. We have asked for an adjournment after a whole day here. They are making accusations now which are completely irrelevant to the point. The motion is to adjourn. There is no other purpose except that we have come to the business of the day. We could not have finished - I am sure that not even the mover could have finished in an hour - and I don't think that the members opposite will make us stay beyond half past six whatever happens today, I hope. And therefore it is not fair that they should start making accusations of this nature. Nothing was farther from my mind. I suggested to them yesterday that we would have dealt with the Income Tax Bill this morning they said "no", yesterday and then we could have had the rest of the time for the motion in the afternoon.

MR SPEAKER:

We are beginning to depart from the point at issue. I will allow members to go on but we must keep to the point.

HON MAJOR R J PELIZA:

I am not saying that the Chief Minister is depriving anybody but he would, I think, enable them if he were to give consideration Lets put it in a more gentle manner, no accusations at all but just mere constructive suggestions. That if he obviously has this very important debate which I am sure he wants everybody to know about. I am not suggesting for a moment that he doesn't want the parents not hear about it. If he reallywants the parents to hear and the teachers, particularly the teachers who will be teaching at that particular time of the day and even the schoolchildren who would be attending school in the morning.....

HON CHIEF MINISTER:

Mr Speaker, I think we had better have the debate at the Alameda Parade Ground. There will not be room here for all those people.

HON MAJOR R J PELIZA:

Sir, particularly the sixth formers I should say who are very concerned with this matter. If he really wants to give them an opportunity to hear this interesting debate then I think obviously it is common sense that at half past ten in the morning it is going to be very difficult for them to attend. The teachers will have to ask for time off and I doubt.....

MR SPEAKER:

We are completely and utterly departing from the point at issue. I will not have it. We mustn't go into who could come and who could not come to the House of Assembly if it had been held at a particular time because it is not relevant to the point. Let us speak on the point.

HON MAJOR R J PELIZA:

Mr Speaker the whole point we are trying to get and the object of the point I am raising in this debate is to enable interested parties to come to this House. It is obvious that it is the interested parties who are most likely to come to the House where there is a debate taking place. But forget about interested parties and let us talk about the public generally. It is obvious that the public generally are much more in a position to be able to attend in the evening than in the morning. And I think it is obviously a great democratic principle that as many people as possible should be able and allowed to hear what the representatives of the people- the people they have voted for-- are debating and discussing.

MR SPEAKER:

Well that has been touched upon already.

HON MAJOR R J PELIZA:

Well, Mr Speaker, I can go on with points similar to that but if the House feels and particularly the Government thinks that everything that I have said has already been taken into consideration by

them and yet they cannot meet what we are asking for, I can say that they are reacting most undemocratically.

HON FEATHERSTONE:

Sir, I would support Tuesday. This would give me time administratively to suggest to the Headmaster and Headmistress of the schools that if the sixth formers would like to attend on Tuesday I would suggest to them that they should be allowed to do so.

HON MAJOR R J PELIZA:

Would it be possible for the Chief Minister to make it a public holiday so that everybody else can come aswell.

MR SPEAKER:

ORDER, Order.

HON CHIEF MINISTER:

As I said before we could have the debate in the Alameda Parade Ground because if everybody is on holiday I don't know how they are all going to get in.

HON MAJOR R J PELIZA:

I think we could debate it now, Mr Speaker.

MR SPEAKER:

Order. I will not have people talking across the floor like this. If anything else constructive is going to be said I will allow it. Otherwise I will put the question without any more ado.

HON P ISOLA:

Mr Speaker, I would like to thank the Minister for Education for the obvious cooperative spirit shown by him and I have a lot of sympathy

for the Chief Minister's suggestion that we should adjourn till Tuesday and leave Monday free to enable his ministers to do work which obviously they have to do. And I on my side should like to go further and suggest we give them Monday and Tuesday to do their ministerial work and we come back at say 5 o'clock on Tuesday rather than 10.30 am. This would enable ministers to fulfill their public responsibilities and do some work. It will also enable members we are also human beings to deal with other matters themselves. We are part-time politicians, everybody has things to do. After all this present Government the present Chief Minister started off by having meetings at 10.30 am one day, 6 o'clock in the evening the next day. It was a compromise - we didn't agree with it - /and but it was an attempt to meet/compromise and I think, Mr Speaker, it is very, very important that if this House is to work reasonably efficiently that there should be an element of compromise as between both sides of the House as to the time of meetings because if there isn't, Mr Speaker, we get into the position where the Government has a majority and will have its way and will meet whenever they like and have problems as the result of the Opposition and the only way the Opposition can show its protest is if it chooses to make the Government work if it chooses to be uncooperative there are many ways, Mr Speaker, within this House, as the other side no doubt know, of keeping them here 10.30 am to 6 pm. We are younger on this side. We can probably endure it for longer periods and more continuously than the Government. So I would ask the Chief Minister on this question of hours of meeting to try and compromise a little with the Opposition. We've had four days, Mr Speaker, when we have come at 10.30 in the morning religiously till 1 o'clock and again at 3 till 6.50. Let not the Chief Minister think because we do that we are going to get over the business any quicker, this just isn't so. Let him not think that because the Gallery is full or empty we will get on with the business any quicker. He has had experience. We will talk just as lengthily. But let us have at least one or two days from 6pm to 9pm. We are not suggesting we sit till 1 in the morning. We will if he wishes, we have to we have no choice. But let us have a couple of days, Mr Speaker, let us have a couple of days. He has had the whole week here; all the ministers; all the ministerial files piling up. But why not compromise a little? What is the reason for not wishing to compromise? What is the reason? Assertion of authority? We know he has got a majority. We know and the people know, and the people suffer the results.

MR SPEAKER:

I will now put the question which is that this House do now adjourn until Tuesday the 22nd day of May 1973 at 10.30 in the morning. Those in favour? Those Against?

The following Honourable Members voted in favour:

Government:

The Hon Sir Joshau 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 Honourable Members voted against:

Opposition:

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

The motion was accordingly carried.

CENSURE MOTION ON EDUCATTON MINISTER

HON L DEVINCENZI:

Mr Speaker I beg to move the motion standing in my name namely:

"That this House recalling with concern -

1. the events leading to the Education crisis.

2. the statements made by the Minister of Education in this House as recently as 27th March 1973 that adequate provision had been made for books and equipment for 1973/74 in connection with the implementation of the Comprehensive Education System and that all was well in his department, statements sadly belied by subsequent events;

3. the changes in thinking and policy of the Minister as regards co-education and his complete disregard and ignorance of the problems affecting the same.

4. the arrogant and inflexible attitude of the Minister to genuine educational problems and the teaching profession.

5. the statement of the Headmaster of the Boys' Comprehensive School that what was required in education was a major change in thinking.

6. the serious chaos that genuine educational stability and advancement has faced and faces with the possible resignation of 104 teachers.

7. the last-minute intervention of the Chief Minister at the request of parents necessitating in effect the practical reversal of the Ministerial statement made by the Education Minister on television.

Calls on the Chief Minister to transfer the Minister of Education to another Ministry appropriate to his capabilities."

Mr Speaker, I would like to say first of all, and I say this very sincerely, that I am not happy at all at moving this motion which stands in my name. I am not happy because I do not want and I do not enjoy making any political points or trying to capitalise on an education crisis. I take education far too seriously to be happy about the very dangerous position that education found itself very recently and even at this moment although there seems to have been some improvements it is still not the way we feel it should be. Perhaps, Mr Speaker, if I were to delve very briefly into the past, perhaps the origin of this crisis which we have been facing is due partly to the fact that the AACR Government, and certainly the leadership, those who state policy within the ranks have never been truly interested in the comprehensive system. I say this, Mr Speaker, because as we all know for many many years and manifesto after manifesto, the AACR has, in fact brought the matter of Comprehensive to the fore but when they were elected they never did anything about it. And I wonder whether the crisis that we have been facing was one last attempt at trying to destroy the system. MrSpeaker as members are aware this Government, or rather the previous administration, went into Comprehensive very soon after they were elected. This was a commitment we had and we were not in any way afraid to face any problems that would arise as a result of the implementation of the system. It was indeed a bold decision but because we were absolutely convinced of the merits of the system we took that decision and we are very happy we did so.

Otherwise very possibly, it would never have started and this would have been to the detriment of education generally. Going back now to the motion itself I think that no one can deny that the Hon Mr Featherstone has been very misleading in public and certainly and perhaps more seriously so in this House. It is misleading or perhaps it has been ignorance of the facts surrounding his department. Possibly it was both. It was ignorance - and I wouldn't say deliberately - but it is hard to believe that it was otherwise. Mr Speaker one recalls, as early as March, that the Minister even when under pressure from this side of the House regarding how things were going in his department - we had asked specific questions on books and equipment and a lot of other questions - and even under pressure he kept on saying that everything was well with his department. This is quite incomprehensible, MrSpeaker. How can the Minister dare or can I say have the cheek to say that everything is going well when already there was talk of mass resignation of teachers and we all know of the statements made by the Revd Brother Hopkins, the Headmaster of the Boys Comprehensive School as to what was in fact needed. Of course Mr Speaker, the Hon Minister has a certain influence with a certain newspaper which I will not quote, and he used this media to try and influence the public against the teaching profession. He did so by producing headlines such as "Now we know that what they want is £11 a week". Now MrSpeaker, that is very irresponsible and I am surprised that the Minister would not have thought that such misleading statements were bound to be attacked and counter attacked by the teaching profession, and in fact, proved that these statements were wrong and misleading. Perhaps he did this in desperation. Obviously events were overtaking him and he had to fight as hard as he could to try to win the public to his side. But, MrSpeaker, as I said before education is far too serious to play about in this way. Surely by doing what he was doing he was adding fuel to the fire which already existed and in fact his general attitude which was certainly very antagonistic and very inflexible could do nothing but harm and keep on harming the good relationship which, I would imagine, should have existed before this crisis came about. Mr Speaker, the way that the Minister went about misleading with regard to figures - in fact he juggled figures to his heart's content. He juggled figures and he even juggled buildings. Of course Mr Speaker the Minister for Education as we all know and as he himself has said knows about everything. He will talk to us about corridors, about roofs, about tiles. Anything you talk of, any subject, the Minister is one up. He knows more than anybody else and this in fact is what really puts him into the very precarious position in which he found himself. With the Estimates Mr Speaker - again I am referring to misleading statements and confusing ones - again he used his newspaper to try to mislead the public in order to get support. I would say Mr Speaker either the Minister didn't have a clue as to what he was talking about which is difficult to believe or he was trying to mislead in such a way which just could not stand up to close examination. Then he went on further about coeducation. Apparently he has had very little consultation on this and it appears Mr Speaker, that the only person who really knew what was going to be done was the Minister himself who had planned in his mind that he was going to have co education on such a date completely disregarding the interest and advice which would have been forthcoming had he taken more care to consult as many bodies as possible. Another thing which the Minister did to try and get out of the serious situation he found himself in was to play about with this trip to Portugal. There again he tried - maybe succesfully I think to some extent - to bring parents ih his favour of accusing the teachers of not wanting to take the children to Portugal. This of course was rather emotional. Every child wanted to go and naturally he played this very very well. However even if he scored some points there he was all the time getting into a bigger and deeper muddle vis a vis the teaching profession. He even made some rather naughty remarks with regard to the Revd Brother Hopkins.

He did say in a very sarcastic sort of way which he does very well. He said "Of course, I haven't got the experience of 8 weeks which the Revd Brother Hopkins has." Now, Mr Speaker, this is not the thing to do because even if that is correct the way it was put it was clear that it was sarcasm at its best and surely this is not the way to try and solve the position as it was. But of course again as I have mentioned with regret and I mean it- I have nothing personal against the Minister whatsoever - but politically certainly he is definitely very arrogant and this will not do in that department or any other one but certainly not in the Education Department. And I would say that even if the teachers were wrong that is not the way to go about things and I maintain that a good 75% perhaps of the crisis we found ourselves in was because of the inflexibility and arrogance of the Minister. Mr Speaker, because of this inflexibility the GTA rebelled against the Minister and we came to a point where perhaps none of them were listening to each other and of course the Minister himself as we all know went on to say that he would not have any further consultations with the GTA. Words of course which he has swallowed a few times already. But how can you say that, Mr Speaker, how can you tell a union that there will be no further consultations. Even if the union were to be wrong you just cannot close the doors like that. This is such an irresponsible attitude Mr Speaker. However apparently, he must have changed his mind or it was changed for him by his colleagues or the Chief Minister and some sense prevailed. Can you imagine Mr Speaker, what a crisis we would have found ourselves in if the 104 teachers had in fact resigned. This is unheard of. Nothing like it has ever happened before and I sincerely hope that it will never again happen. We were on the verge of a crisis which if it hadn't been at least partly avoided perhaps the whole education system of Gibraltar would have tumbled down. Mr Speaker, another subject which the Minister touched upon was the question of the private schools. It is clear, no matter what the Minister might say or has said already in defence on television that he was in favour of having a private school from the age of 11 to 18. Surely, Mr Speaker, in a small community like ours this would have run counter to the comprehensive system which the Minister professes to be in favour of. I doubt it very much. How could a small community like ours when one depends and needs all the best teachers available to have a private school from the 11 to 18 range running parallel alongside to our own Government run school. It could very well be that if they were offered better conditions and salaries the best teachers available would go to this private school and of course we would go back once again to the old system which favoured the privileged few. I wonder whether perhaps the Minister was in favour of this type of education in order to protect the type of people that he might want to protect. It might not suit the Minister or his Government to have a comprehensive system running properly. It might not even suit HMG really. I heard a comment by the Chief Minister, Mr Speaker, about my comment on Her Majesty's Government I just said Her Majesty's Government and I say so again. It might not suit HMG because I believe that HMG is not really interest in having the best educational system for Gibraltar. It doesn't suit anyone to have the best educational system in Gibraltar because we might get to know too much. Mr Speaker, it boils down that the Hon Minister made a complete mess of things. For a moment I thought they were going to bring out their own stickers and what have you which they put across at election time which would have suited this occasion very much indeed. The Hon Minister produced a crisis and a chaos which only a genius at producing crises and chaos could possibly produce. Believe you me, Mr Speaker, it takes a genius to produce what he produced and I am glad that he was given a helping hand and that things are not as bas as they were. Much as the Minister tried to destroy the system, the wind of change which blew once again, re-asserted itself as it always has to in order to achieve something of substance anyhow from the present Government and when this wind re asserted itself once again, the

Minister bent like a decaying palm tree. I can see the Minister is not very happy but I am sure he should be quite happy. I think the day has been saved for him by the last minute intervention of the Chief Minister. Mr Speaker the question is where we go from here? What is going to happen to the future of education? What does the future really hold for us, for our children. Well I can confidently say that the future of our children as individuals if not as a community can be assured if they are given a very good education. I don't know myself what is going to happen in 5, 10, 15 or 20 years time but as the Revd Brother Hopkins very adequately put it, the only thing that a Gibraltarian can really have and be assured of, or should have, is a very good education. So that whatever might happen this person can defend himself and assure himself of a good position wherever he might go. Whether it is in the Common Market or out of the Common Market. Just in case anything should happen to our future which would not be as we would all like it to be. What I am worried about, Mr Speaker, is that with the present Minister things might not turn out as we should all want them to turn out because I am not very sure that the Minister might not at some future date bring the education system to the chaos which he has brought about so very recently. Perhaps we need a change of Government but certainly we need a change of Minister. And this is why we are calling on the Chief Minister in the interest of education generally to think about this very seriously, unless, of course, he intends once again whenever it comes about to intervene and try and put things in order or in semi order once again. It is very important, that we should have a dynamic approach, to our education system, and this dynamic approach and this genuine approach can only come about when you are genuinely interested in the system which exists today and you are prepared to put aside any selfish desires in the interest of education. You must forget your own private ideas and go all out to consult, to create harmony with everybody concerned so that the education system would not suffer in the least, it is very important that this should go as smoothly as it can possibly go. Let me say once again that I do not in any way wish him anything wrong but I do wish that the Chief Minister take this matter up very, very seriously because what is at stake is the future of education and I suggest that perhaps the Chief Minister might like to take the ministry himself. I say this of course, Mr Speaker at the risk that at this point of time he might be influenced and go very much in favour of infant schools, even nurseries. And I say this, Mr Speaker, I am sure it is a risk which I am glad to say exists. Mr Speaker, I would like to end up by saying what I started saying that I have not enjoyed standing up and accusing the minister but I am sure, I hold firmly to this, that it is in the interest of education that the Minister be removed from his present post in order that there will be absolutely no chance of a recurrence of the very serious educational crisis in which we found ourselves. Thank you Mr Speaker.

Mr Speaker proposed the question in the terms of the motion moved by the Hon Mr Lloyd Devincenzi.

HON M K FEATHERSTONE:

MR Speaker, Sir, I must congratulate the last speaker on a .....

MR SPEAKER:

May I interrupt the speaker to say that we are now in a session of the full House. Members can speak once on the motion only. You are entitled to do so now but if you speak now you will not have the chance to say anything more.

HON M K FEATHERSTONE:

Well, Sir, if anybody else on the other side would like to speak I will bow down to them.

MR SPEAKER:

I merely wanted to point out that you are quite entitled to speak now but it means that you will exclude yourselve from answering any other matters that you may wish to raise.

HON M K FEATHERSTONE:

Well, Sir, as I was saying I would like to congratulate the last speaker on a clear lucid exposition of the motion he has put. So clear, Sir, that he hardly touched on any of the points of the motion. He started off by saying that there was a crisis. My Director stated to the parents at John Mackintosh Hall that there was no crisis in education, but let us assume that there were such a crisis and let us see how this crisis cameabout. I think, Sir, to find out really about this crisis one must go back some three years. Now some three years ago the GTA made a statement on comprehensive education. One of the things they said, Sir, was that the implementation and continuance of any system of education must be judged on education and not political criteria. So it is not a question Sir, of whether the AACR do it or the IWBP do it or anybody else. Whether one goes comprehensive should be judged only on the question of educational grounds. But they did say, the GTA Sir that they were in favour of comprehensive education but there were a number of pre-requisites. They said Sir, "suitable sites to our knowledge as yet not available for the proposed comprehensive schools must be obtained and at least foundations laid before any interim reorganisation comes into effect. Functional deficiencies should not be tolerated in the proposed new buildings. Genuine consultation between architects and teaching staffs who will be involved in using the buildings is essential". They also said, Sir, "the new system of education should provide for boys and girls to mix in a sound educational environment. This should be done by introducing co education in our schools". They also said, Sir, "the sixth form pupils should form an integral part of the new schools." And they finish with a conclusion Sir. And this was some three years ago - very pertinent Sir - I am sure the Hon Mr Devincenzi will listen very carefully because I know he listens very carefully to everything I have to say. "In view of the present state of discontent" I repeat that word Sir, discontent "and unrest within the teaching profession", this Sir is three years ago before the Hon Mr Featherstone came on the scene while the Hon Mr Devincenzi was ruling the education ministry. "In view of the present state of discontent and unrest within the teaching profession we feel no change-over is practicable unless a sincere effort is made to create a satisfactory salary structure for all teachers. The GTA cannot consider planning for such a significant change-over in our educational system until it is satisfied that we have a stable profession". Now Sir, this present crisis came about as far as I can see when the Revd. Brother Hopkins descended upon the education world, Sir, almost like Moses on Mount Sinai, and sent me a letter containing five points which he felt had to be solved immediately or else he would have to resign. And these points Sir, were based basically that there had

to be more stability in the teaching staff and as I say, Sir, he descended like a prophet as though this was something he had discovered. But it was there in 1971 Sir. It was there through all the administration of the Hon Mr Devincenzi and what did he do about it? I wouldn't like to say nothing, Sir, because he did do some things. He did what I would say was his best to make the situation worse. He issued a communique in January 1971 on teachers salaries and he told the teachers point blank just where they got off. Not with the arrogance of the Hon Mr Featherstone. Of course not Sir, he did it in his usual genial manner. "The teachers have been given a generous offer and Government regrets that teachers should work to rule or strike." Goodness gracious Sir, the teachers threatening to go on strike in 1971 under the Hon Mr Devincenzi? I thought they only did this with the Hon Mr Featherstone? Sir, may I ask your indulgence if I am allowed to have my say, I think the Hon Mr Devincenzi had a very easy passage. I know the Hon Mr Bossano stands up here and he says he doesn't want to be personal but when it is me he wants to be personal. I don't know why he's got this antipathy to me. I am not antipathetic to him. I think he's a very nice chap, but he'd be nicer if he shut up. So you see, Sir, teachers have a resentment right back in 1971, a resentment which was smouldering and ready to flare up at any time like a volcano. However, Sir, time went on and the Hon Mr Devincenzi pushed ahead with his plans to go comprehensive and the teachers had to come back later with another statement, and they made a statement on Government proposals on the re-organisation of education. And they said: "On 6th February 1971 the GTA was presented with the full plans for the interim changeover and at the two meetings with the Director of Education the GTA was informed in some detail of Government's plans". They were just informed they weren't consulted, there was no consultation. They were just told what was going to be done and they said that the change of transfer age from September 1971 means commitment to deadlineof implementation of the comprehensive system with incomplete plans and insufficient funds. Now thats how the Hon Mr Devincenzi started to consider going comprehensive. "Incomplete plans and insufficient funds". The teachers said: "There seems to be great haste to change systems in spite of UK experience" and of course we know, Sir, that the Opposition find anything in the UK to be very interesting. They look at it very closely. Despite UK experience the comprehensive can fail because of lack of planning, hurried implementation, lack of funds". And the GTA said "one of the guiding principles of the association is that adequate funds must be found and building began as a preliminary to any changeover". That's a preliminary - and then they said they thought it would be good to erect one multi purpose school etc. But they did say Sir "the association objects in the strongest possible terms to the proposals eventually to draw off sixth formers in order to put them into a further education college". Now this idea of a sixth form college apparently was firmly adhered to by the last Minister of Education because when they planned this what was in their terms" the first ~~propose~~ purpose built school". The extention to Lourdes School at Bayside, it was never planned for a sixth form, so I suppose the sixth form going to go somewhere else. Now, out of all this that was going on, Sir, we who were then the Opposition in the House were being told by the Hon Mr Caruana then, I think, Minister for Public Works and the Hon Mr Devincenzi who was playing second fiddle to him;" this new school is being planned on very fine premises. Everything is going to be first class and we are probably going out to tender sometime shortly because everything was ready" way back in 1971. Then, Sir, something went wrong. It didn't go out to tender. It appeared that what had gone wrong is that somebody managed to get it into the thickness of the head of the Hon Mr Devincenzi and he

Hon Mr Caruana that the teachers had not been consulted and they weren't happy with this school at all. So they had to go back and have a rethink and this rethink took them nearly a year. And so we have the Hon Mr Devincenzi telling us in 1972 and I aplogise Sir, it was the Hon Mr Caruana. "This is the truth of the matter. All the teachers who had to be consulted were consulted, and in fact, they stated they had veen very satisfied with the way they'd been brought into it." The Hon Mr Peter Isola at that time was overjoyed to welcome the news that all parties interested in the development of this comprehensive school or this particular section of it were all at idem as to what should be put there. Now here we have it from the Hon Mr Caruana supported by the Hon Mr Isola that everybody was happy with this building. Everything was done perfectly. They had all been consulted, all the teachers were happy; everything was going well but the Hon Mr Caruana said: "the final consultation of requirements of the teachers had been going on actively backwards and forwards during the last 8 months. In fact the decisions for the final brief include all the latest requirements, of all the headteachers for the boys secondary schools". Now, Sir, after all this tremendous amount of consultation, All this satisfaction that has been given to the teachers etc I was rather astonished not by the Revd Brother Hopkins saying that he didn't think the school buildings were adequate but I was astonished when this was backed up by the teachers and I wondered whether it was true what the Hon Mr Caruana and Mr Devincenzi said that the teachers were fully consulted and were fully satisfied because perhaps they weren't. I am sure, Sir, that if they had been fully satisfied then there would have been no need to come to me and say as the Revd Brother Hopkins did: "Look here, we are short of laboratories, the three laboratories are missing, what about it?" And I had to go and get the money for them. If anybody was satisfied what did they want to come and ask for more? So I think Sir, perhaps there has been in the past a little misleading in the House by the Hon Members on the other side when they tell us that everybody was satisfied because it is astonishing to me, Sir, that such great satisfaction that was told to us by the then Government should suddenly turn into dissatisfaction over exactly the same buidling, the building planned studied and worked on by the then Government, the Government of which the Hon Mr Devincenzi was the Minister for Education. The building about which he told us "The school will be the first purpose built school. It will be of modern design with the latest equipment". He told us in glowing terms that this would be a very fine school. And yet Sir, now we are told right left and centre that there was dissatisfaction. Now, as I said Sir, way back in 1971 the teachers seemed to be in a state of unrest and turmoil but the Hon Mr Devincenzi with his usual aplomb, managed to stick a stopper on the volcano and hope that it wouldn't blow up. So let us come to the crisis, Sir. Comprehensive mess - lovely words - comprehensive mess. What is happening in our middle schools? What is going on about the comprehensive school? How will our children's education be affected? Will the Buildings be ready by September 1973? Are there any plans for a girls' comprehensive school? These lovely words, Sir, comprehensive mess. What is Mr Featherstone doing about this? Oh, I am sorry Sir, it wasn't the Hon Mr Featherstone, It was against Mr Devincenzi, the Hon Mr Devincenzi. This was in March 1972. And this is what the teachers were saying in March 1972 Sir. Not in my time, in the time of the Hon Mr Devincenzi, comprehensive mess. Not my words, the GTA's words. And so the GTA were inviting parents to a meeting where the whole question would be fully aired. And they ihvited the minister but he declined to go. He declined to go, he said "I do not consider it to be in the interest of education that I should attend". Now here is a meeting called by the GTA inviting the parents to come and hear all about the comprehensive mess.

To come and hear all about everything. They invite the minister and the minister declines to go. That is not arrogance. Perhaps it is ignorance, perhaps it is stupidity. I don't know what it is. Perhaps it is fear. He had a rough time once before, I believe with the parents I think that the parents meeting that I called and that I attended and that I was present for three hours willing to answer questions from every body, one questioner questioned me quite strongly and I said I don't mind you saying what you like". This person said "and I will say what I like. I flayed Mr Devincenzi alive when he was here." Well I am not scared. I am willing to go back in front of parents at any time. With teachers, with the Hon Mr Devincenzi if he wants to come. But he declined to go, he said "under the circumstances I feel that a discussion which is biased possibly for other than education motives (even before the subject was being discussed) cannot possibly lead to constructive thinking etc etc." Well, well, well, it wasn't for educational motives so he couldn't go. And this motion is for political motives and we all know that. We all know that. This is not for education, because he hasn't spoken on education. He puts down here in somebody elses words because he is not capable of writing this he puts down here Sir things about "genuine education problems" he puts down "ignorance of the problem of co-education". Has he told us anything about genuine educational problems? Has he told us about genuine co educational problems? Not in the slightest, because he doesn't know anything about them. And we all know that and I am suffering from the three years of his misrule, and I am having to carry the can, the explosion that has now come because the teachers were so frustrated that they could get nothing out of him that they told me when I said to them "Why do you start like this so strongly on me when we've had no news whatsoever?" They said "We felt so frustrated with the last administration we thought we had to do something very strong to start off". This is the truth of the matter. This is a political attitude; this is not for education. So Sir, as you see the Hon Mr Devincenzi funked the issue. I am sure he is proud of himself. So much so I think that he then managed to get away from Gibraltar on a course and while he was away the parents wrote to the then Chief Minister. The Hon Mr Peliza, and I'll say more about that later. The Hon Mr Peliza, you know, came into the situation on several occasions. In one of these occasions the teachers had brought up the situation now that they had heard the Government plans for building the new school at Bayside and they were very worried what was actually going to happen with regard to the future. Somwhere among these papers Sir, I've got an answer from what they said but I don't seem to be able to find it, but I can remember it Sir. The GTA expressed in no uncertain terms how upset they were that the then Hon Chief Minister said to them there was nothing doing as far as a second school until 1976 at the earliest and they were very worried about that Sir. This was something that when I took office I was also very worried about and this is one of the reasons why I have done my utmost to try and get something moving on a second school; not starting in 1976 I hope, Sir, as I have said on TV finishing in 1976. Now, Sir, that I think gives a brief idea of this crisis. The crisis started in 1970/71 by the ignorance and perhaps not wishing to listen to advice shown by the Hon Mr Devincenzi who rushed for political reasons into comprehens- against the advice of the teachers who were telling him "go slowly, there was a lot of work to be done. Don't rush into it". But he was still quite happy, he was going to rush into everything. He was going to have comprehensive done so that he could present it perhaps at an election which would normally have come in June this year and he could have said: "Look what I've done in comprehensive". He would have he hoped by that time got out of the mess, the mess which everybody was talking about

in 1972. Now the present crisis, if such it could be called, as I said started off lamentably, I must say, when the Revd Brother Hopkins wrote me a letter which arrived actually in the middle of the House of Assembly discussing the budget. And he said among various points that realistic efforts must be made to ensure the school buildings are adequate. I have had a lot of discussions with the Revd Brother Hopkins, a man who I feel has his heart completely in comprehensive education and who wants everything to go as well as it can. Obviously Sir, he also has I think some shortcomings but some of the things he says are very true. He was very worried about the building, Sir, and he was asked on television: "when you arrived here, Brother, didn't you know what the building was going to be like? And he answered: "I had not time to look at it in great detail but I assumed, as any reasonable person would do, that if a community the size of Gibraltar is going to go comprehensive they would make proper plans, they'd have a team of experts to plan the school and organise it. Certainly I was told what I would now describe as encouraging noises that when the new school was built everything would be alright." Now who told him this? Who made these encouraging noises? The Hon Mr Devincenzi. Because they were the people who planned the school. They were the ones that the Revd Brother Hopkins assumed made proper plans and if today he stands up and says that he doesn't think the buildings are adequate then who is he attacking? Not me, the Hon Mr Devincenzi; That is the person who was supposed to have made proper plans over nearly $2\frac{1}{2}$ to 3 years, consulting teachers or not consulting teachers. Perhaps informing them. And that's the person who told the Revd Brother Hopkins when he came here that everything would be alright when the building was done. Unfortunately, of course, you see Revd Brother Hopkins because comprehensive was being rushed in so quickly, he had to spend a lot of time getting things organised, if they had not been in such a colossal hurry and had given 18 months for the headmaster to go in for things - which is the suggestion of the Teachers Association, and which is the general suggestion that if you go and make a change your headmaster should be here quite a long time before to get everything ready. The Revd Brother Hopkins wasn't given that. He turned up in I think, April and he was told that he had to be ready by September as the summer holidays were cominb and he had better get a move on. They were in a colossal hurry for their political ends. And so, he admits he didn't get round to looking at the plans until they were into the first term. That is sometime after September. Well, of course six months have gone by and it was getting pretty late to do any changes to the building but then why should one need changes to the building? He had assumed it would be alright. The Hon Mr Devincenzi and the Hon Mr Caruana and all the rest on that side must have looked at these plans ad nauseum and they were fully satisfied. But then the situation comes up, the Revd Brother Hopkins rightly or wrongly thinks that the building was not adequate so that as I have said Sir, I cannot at this stage change the building. We have talked that the foundations should be changed, that it would be allowed to take a second story. All sorts of things which at this stage of the construction was just an impossibility. Then, Sir, the Revd Brother Hopkins talked about stabilising the staff, he brought up salaries, housing refresher courses etc. Well Sir we saw the Hon Devincenzi's efforts to stablize the staff back in 1971. There was discontent then. He did absolutely nothing for them, he told them "You have got that, shut up and get on with it". And the teachers resentment was boiling up. Ready to explode sometime as it exploded in 1972 when they talked about the comprehensive mess. And of course the comprehensive mess when it exploded then the Hon Mr Devincenzi managed to cool it down by saying "I am not coming to your meeting". That's the way he deals with things. Then Brother Hopkins talked about providing qualified ancillary staff etc etc; adequate supply of books;

scholarships and various other things. And following on his letter, Sir, lamentably I think he rushed in to print and sent a circular to all the parents. He only gave me six days in the middle of the House of Assembly to answer all this. The teachers also came out with a rather similar letter. And this started to get what might be called the crisis going. And one of the first things I did was to call a meeting inviting all parents to attend and I spoke to them for some three hours. The teachers also had a meeting and I arranged a meeting with the teachers and we had two parents actually at that meeting. It started I think at five o'clock and we discussed matters until roughly 8.15 p.m. Quite a long discussion Sir. Listen to the arrogance of the Hon Mr Featherstone in this discussion with the teachers. The teachers association said something and I said that the statement was very reasonable and that I would agree with 90% of it. Now that's arrogance you see, I agree with 90% of what they say but that's arrogance because I didn't agree with the other 10%. At that time Sir, I wanted to play down the past. I said I don't think it is really very much useful to go into the past history of 1971. I didn't want to make political capital at the Hon Mr Devincenzi's expense, but he wanted to make it as he is trying to do now at my expense because I didn't think on educational grounds we were going to gain anything out of it. Later, on Sir, I think in this instance we discussed something else, and the Chairman of the GTA said: "I am sure you appreciate the point". And I said: " we appreciate it just as much as you do" I said "as far as planning is concerned we will have as many people as are interested in some form of cooperatio in the planning and preparation of everything in this school." Look at the way I treat the teachers, as though they don't count for anything. Look at the arrogance I am showing. I am agreeing with them, I am telling them "you are coming into the planning". Then we are talking about ancilliary staff. The teachers say: "we want a commitment from Government that they will provide the ancilliary staff", I answer "qualified ancilliary staff will be provided, refresher courses will be provided - the supply of books and equipment - we are with you there". Look at the way I treat the teachers Sir. Look how arrogant I am with them. Then they say "We want short term solutions" I said "we are willing to do that. We've got this, we've got that. I pushed for many of the things you want". One interesting intervention by one of the teachers. He says "They need a librarian lab technicians. They needed them three years ago. We are just tired that we see the same things". So three years ago they needed certain things and they didn't get them in three years from the Hon Mr Deveincenzi. There you are the teachers admit they were tired of it they were fed up with it. Of course they were ready to boil over at the slightest provocation. The provocation Sir, came basically from people, some of them in this House and some of them outside this House, trying a political weapon to bring down the AACR.

HON M XIBERRAS:

Sir, if the Hon Member will give way.

HON M K FEATHERSTONE:

I am not willing to give way to the Hon Mr Xiberras in the slightest.

HON M XIBERRAS:

On a point of order Sir.
He has referred to members of this House and I would be grateful if he could elucidate what he means by provocation.

MR SPEAKER:

That is not a point of order.

HON M K FEATHERSTONE:

Well, having dealt with a point of order Sir, as I said probably formented it by members of this House and others outside. I mean people who bring out press releases. The total inadequacy of the building which would defeat the whole purpose of the comprehensive education. Look at those words. The total inadequacy of the building, a building planned by the Hon Mr Devincenzi. And that is said by the Transport and General Workers Union and we all know that the Hon Mr Bossano is very close to the Transport and General Workers Union. Whether he had a hand in this I don't know but one can jolly well surmise that he must have known what was going on, because he is pretty close to them. But the Transport and General Workers Unions since we brought them into the picture, look what they say. "the total inadequacy of the bdilding". Not the inadequacy the Revd Brother Hopkins called it inadequate but the Transport say "total inadequacy." After all, if it is totally inadequate you might as well knock the place down. I am willing to give a pickaxe to the Hon Mr Caruana and he can start on the job if he wishes. Perhaps Mr Devincenzi would like to help him. The lack of books and equipment the shortage of ancilliary staff the this, the that and the other. You know, boil it all up. Jolly good. Whack out communiques right, left and centre. In the meeting with the teachers what does Mr Featherstone say"yes I agree with you but if I am carrying the can I am the one to carry out the decisions not the Revd Brother Hopkins. I am the one to make the ultimate decision". Now I do hope that the Opposition is not going to come forward with an idea that the Minister of Education shouldn't make the decisions that it should be the headmaster of this school or the headmaster of that school or the carpenter in the school or somebody else should make the decision. I always understood the minister made the decisions. The Chief Minister doesn't make the decisions. He agrees or disagrees but in my case he agrees with the decisions made. So you see Sir, we had a long meeting with the teachers and it went on from five o'clock to quarter past 8. And at the end of that Sir the teachers came back with a questionnaire. This was after a five minute recess, Sir, which lasted a little bit longer than five minutes, nearer forty five minutes but they had to prepare it, fair enough. This questionnaire really asked exactly the same things that we have gone through here and I understand that possibly what they wanted was to try and get something in black and white although they have got these minutes or they will get these minutes. One thing in which I think the teachers were perhaps a little hasty was that they wanted the answers to this questionnaire within a couple of days. I thought that was a wee bit unfair but anyhow I did give the answers within a couple of days and when we had another meeting I read out all my answers and seeing as how we had discussed this matter between ourselves for roughly four hours there and they had heard the

the same arguments at the meeting I had with the parents because many of the teachers did attend - we had had seven hours of it I had nothing new to say - I said I am not prepared to discuss these matters any further and that's that. I accept perhaps that was a little bit short but I am a bit bad tempered but I won't accept arrogance. I think that on arrogance the people on the other side may know more about it, they come from patrician families. They may know something about arrogance. However, Sir, certain reports came out saying that the Minister was not prepared to discuss anything further with the teachers under any circumstances etc. Now had that been so, I think that it would have been quite reasonable to say that this is the wrong attitude. But because I had said at the time I wasn't ready to discuss that any further, a group of parents did go to the Chief Minister saying "Look here, it seems awkward to us. What's going to happen?" And I think they were left in no doubt whatsoever that the door was not closed on any further discussions, that the minister would be and was ready at any time to discuss anything new, any other subject, but what is the good of going over the same old thing again and again and again, when the answers have already been given in writing. We can't discuss it any further on that basis. So there was no question of slamming the doors on anybody's faces. This is only being built up as I say by one or two people outside and not by the teachers. The Hon Mr Xiberras may laugh but I will say again and not by the teachers who were willing to come and meet again at any time. And we have met. And since we have met we have made more progress and we are getting along quite well and I think this is one of the things that has hurt the Hon Mr Devincenzi because he would like to see no progress. He doesn't want the teachers to get on with the present Minister of Education. Why? On educational grounds, or on political grounds. If they get on with me there can't be any crisis, even in his terms. Now, Sir, let us look at his next accusation. The statements made by the Minister in this House that everything was well in the department sadly belied by subseqeunt events. I never said everything was well in my department. Nothing is well in any educational system anywhere. There is always a series of difficulties and problems everywhere. In fact I have a letter from a headmaster of a comprehensive school in England who tells me that even after 10 years they are still coming up with difficulties, that they still have problems, that there is still discontent that have to be sorted out. But with goodwill they can be. In my statement I said that the situation as far as I see it along educational lines is going reasonably well. That I am not going to deny. On the question of books etc., I stated and I stated very clearly that we had increased the allowance for books this year, books and equipment by 50%. But I was challenged from the other side that books etc had gone up in price so it is not even 50% etc. Alright fair enough let us accept that. Assuming they've gone up 25%, there is still a 25% increase. But let us look at what they are doing in England. Let us have a look at what they are doing in England. The increase in expenditure on schools for the period 1971 to 1981 is going to show a gross rate of some 3. In Gibraltar Sir the gross rate last year when we had finished with the biennial review I think will be 15%. And what are they doing on the supply of books - this time I do apologise it is not England, it is Scotland. Supply of books and educational equipment. With the increasing importance of all types of educational material from books to technological aids, spending will rise. This is the period annually from 1976/77. Spending will rise by 5 per cent. Now look at that. By jiminy 5 per cent increase. Gibraltar is 50 per cent but that is not good enough, when it is 5 per cent in Scotland. And this I should imagine is going to allow for the

higher cost due to inflation etc. 5 per cent and Scotland which I must say is doing better than England, is going to have a gross rate of 3.7 per cent on education generally. With England it is 3 per cent. Gibraltar is 15 per cent. Of course I know nothing about Education, I bow to the should I say geniuses or genii, I always that that a genie was one of these Arabian fellows that came out of a bottle and is a bit of a nasty specimen. The geniuses on the other side, they know a lot about education. But I did comment, I think, that we had a teacher pupil rate here of about 1 to 19 whereas in England they are hoping to get down to one to 18½ by 1981 so we are not doing so badly here are we? And I think based on that I have reasonable reason to say that I am pretty satisfied with the Education Department. I've said before, Sir, the dogs bark the Caravan goes on. There seems to be a dog over there that has to keep on barking. A pretty scruffy dog too. There is a Spanish saying that says "Who's been a cook before he's been a friar knows what goes on in the kitchen". Perhaps this is one of the reasons why they don't like me being Minister of Education, because I've got a little insight of what goes on in schools etc. The Hon Mr Devincenzi who, all honour to him, runs a shop one day and Minister of Education the next. He knows all about education problems etc. I give him great credit for it. He is a genius and is able to do all these things./ So I don't think I misled the House in the slightest when I said things in the department were going on reasonably well. And if they were allowed to get on with educational matters and were free from outside political pressures we would get on a lot better. And this is not a new thinking of mine Sir. This is not a new thinking of mine. I remember - I had to say something once before - and I said, Sir, surely the answer to education is to have a proper planning committee where education can be made apolitical. On this committee, Sir, you could have a constitution. You could have the Minister. I think you should have the shadow minister. You could have members of the GTA and of the Education department etc. I wanted to get education out of the political world. So it is nothing new when certain people today are coming up in town with the idea that education should be divorced from politics. I said this, I think, well at least 18 months ago. Now, lets look at the next point which the Hon Mr Devincenzi brought out with all the fullness of his knowledge of the subject. The changes in thinking and policy of the minister as regards co-education. Does he know what this motion says? Because I don't think he does. The changes in thinking on co-education. I can tell him and this House now point blank the Hon Mr Feather stone has not changed his policy on co-education in the slightest. I have said I want co-education as soon as possible, and I said it years ago. Where is the change in thinking? It is in his mind or in the mind of the person who wrote this because he didn't write it, the English isn't bad enough for him, or good enough. I am sorry, or good enough.

/I am not a genius. I am not able to do all these things

HON L DEVINCENZI:

Mr Speaker, on a point of order. Would the Minister be prepared to substantiate that I did not write that. I mean he has made an accusation that I have not written it.

HON M K FEATHERSTONE:

Sir, I am willing to substantiate as he is willing to substantiate the Hon Mr Featherstone in a certain newspaper put certain headlines. Let me digress on that question of the newspaper Sir. It is amazing the things I do with this newspaper. I have been in the House of Assembly sometimes all day long and yet I have written the whole of the newspaper. I am a genius, I agree. They told me so. And if he can substantiate that then I can substantiate the same thing here. Sir, my thinking on co-education for many years is to introduce it at the soonest possible reasonable opportunity and I am quite willing to state here and now in this House that I consider the most reasonable time is September 1974. And I have consulted many people on this, I have consulted the Board of Education, which never met once during the Hon Mr Devincenzi's time, I think, never met once. Look how he rules the roost all by himself. I have consulted teachers although I already knew their feelings, even the Revd Brother Hopkins agrees with me that perhaps September 1974 is the best time. So I am not changing thinking in the slightest. And I have reasons why I think it is the best time, and in due course I will be telling them, though I don't intend to do it at the present moment. His complete disregard and ignorance of the problem affecting same. Now was this substantiated by the Hon Mr Devincenzi? Where was the disregard? Can he substantiate that I didn't discuss it with anybody? I have discussed it with the Provincial of the Christian Brothers; I have discussed it with the Provincial of the Loreto Nuns, I have discussed it with the Board of Education and I've discussed it with the Bishop, the late Bishop, with Monsignor Rapallo, with my colleagues, with all sorts of people. But he knows everything, he is a genius. And he puts his brilliance down in writing." His complete disregard and ignorance of the problems". Now I must be ignorant of all these problems when I discuss with the very people who are intrinsically concerned with the introducation of co-education. I've even discussed it with the parents, and I will hediscussing it again with the parents on Friday. Now lets go to No.4 "The arrogance and inflexible attitude of the Minister to genuine educational problems and the teaching profession." Once again we were never given a single genuine education problem, not one. A beautifully worded resolution backed up by a lot of, I would almost say waffle Sir. "Inflexible attitude". Now this is the most astonishing thing I've heard for a long time. The Hon Mr Devincenzi who must be right talks about my being inflexible, the Revd Brother Hopkins talked about flexibility which he doesn't like. "To genuine education problem". Well, I don't know if I knew what problem he is referring to I would know on which one I'd been inflexible. I don't know that TV is an educational problem but there you are but you see dog No.2 has turned up and he's got to bark straight away. Perhaps one of the things that they don't know anything about where I might illustrate a little bit of my inflexibility, is the question of what are we doing to do with comprehensive. Now there were a lot of possibilities and I have explored I won't say everyone but I've explored a fair number. There was a possibility of two single sex schools, one for boys and one for girls. There was a possibility of two co-ed schools. There is the possibility of one single school on a co-ed basis with the senior section at one place and the junior section at another. And there is the same possibility with the two sections reversed and I've explored all of them. And this is where because I have explored them all somebody on television said: "He doesn't make his mind up, first he says

this then he says that then he says the other". Well that, perhaps might lay me open to the charge of being too flexible. The charge of the Hon Mr Devincenzi is inflexible. The two don't seem to be compatible but since really he hasn't told me about genuine education problems and most of the genuine education problems I've got here are the ones that he has built up for me. And the teaching profession, well we know what their problems are, I read it out earlier. In 1971 they were planning it on his plate and he was taking no notice. And we have tried to do something even there. The statement of the Headmaster of the Boys Comprehensive that what was required in education was a major change in thinking. Well the Revd Brother Hopkins is entitled to make his statements. And yet you know I don't think the Hon Mr Devincenzi really knows what the Revd Brother Hopkins means when he says "a major change in thinking" but I will tell you because I had a very interesting discussion with the Revd Brother on Saturday afternoon. One of his points that worried him considerably is that he feels many people in Gibraltar still consider that comprehensive means a Grammar School and a Secondary modern all under the same building and this is the change of thinking that he is worried about. And perhaps he fears that I still think along those lines. It is not a major change in all policy of education as such. This is the change of thinking that he wants. He wants people to get out of thinking of a Grammar School system, a so and so system and a secondary modern and to go into one unified comprehensive system. I agree with him. There are a lot of people still thinking along those lines. Now look at the red herring. Look at the red herring of the private school. Now that was one of the really good ones he brought out. The Minister was in favour of a private school. I don't know if the Hon Mr Devincenzi is in favour of a private school, he sends his children to one but still. Ah, at infant level. It is alright at infant level. In fact the minister apparently wanted to set up a private school. Now not only would he set up this private school but they would drain off the best teachers etc. I read it out in television you know. They keep on apparently pretending that they listen to television but apparently they didn't. I said that I would not object if the Christian Brothers thought it worthwhile to swop the Line Wall School for the Sacred Heart School, when it is no longer needed for our purposes. Because they could then run their preparatory school closer to their own premises and asked whether the Christian Brothers might wish to widen the scope of their private school to take pupils up to 18. I didn't say you've got to do it, I wanted to know if they were interested. You mustn't even enquire into anything that's outside the thinking of the Hon Mr Xiberras. Perhaps I am a little more machiavellian than they are because I know that it couldn't be done. Oh, we've got the word socialist. Good, thats the word we want. Let us have people on the other side sending their children to private schools in England, that's all right. Ah yes, but not in Gibraltar. Isn't that amazing. You can have private schools in England. Gibraltarians can be sent to England. You want to go to a snob school send them to England.

HON CHIEF MINISTER:

Mr Speaker, Sir, will you please indicate to the Leader of the Opposition to stop making remarks and interrupting the speaker. I think you indicated this earlier. Mr Devincenzi was heard in silence but we have not been able to get that from the other side of the House. Not even the decency of listening to what is happening.

MR SPEAKER:

I will be the judge as to when I have to interrupt. It is the right of the person who holds the floor to be heard without interruption. It is for me to decide when these interruptions constitute disorder but I will call the attention of Hon Members of course because for the good order of the House best that the speaker should be heard without. It is a privilege which is enjoyed by the speaker at the time, and therefore by each and every membe of this House. And the business of the House of course would be by far better, transacted if there were no interruptions at all. There are, of course, times when interruptions are right but they must not be abused.

HON M K FEATHERSTONE:

Thank you Sir, as I said before the dog is a common mongrel but it does not worry me, a low cur. I have never suggested that we should set up a private school here. In fact it would not be a feasible thing and yet I wonder what's going through the Opposition's mind when the Education Ordinance comes up, an Educational Ordinance I'm going to bring to this House that the Hon Mr Devincenzi did not do a thing about for three years. He just left it to lie fallow like many things that he did because he understood educational problems. And one of the basis things of education suggested by the Committee that looked into it is that a child should be educated in accordance with the parents wishes. Here, of course, one must be educated in accordance with the Hon Leader of the Opposition's wishes. "The serious chaos that genuine educational stability and advancement has faced and faces with the possible resignation of 104 teachers." Now I have been empowered by the GTA to say that it is quite reasonable for me to comment and state even categoric- ally in the House that I have no official knowledge of any resignations whatsoever. That 104 or 94 or 204 resignations were possible was bandied around in a certain section of the press, but we are always told by the Opposition not to believe everything you read in newspapers, especially if it is in a certain newspaper. But even other newspapers I suppose would come into the same thing and they don't believe in the television unless it says they are wonderful. So, Sir, I will say again I have no official knowledge of any resignations so where this figure of 104 comes from I should like to know what the Hon Mr Devincenzi has to say that it is 104 other than what he reads in newspapers. It might be 103 or it might even be 105. Where did he get his information from? Let us have some substantiation when he's got to reply to it. And I have never seen it in any GTA communiques as such. And "the last minute intervention of the Chief Minister at the request of parents necessitating in effect the practical reversal of the ministerial statement made by the Education Minister on television." Where is the reversal? I mean this is one more thing that's put down here, which just doesn't mean anything. It just doesn't mean anything. These are words for political effect. Where is the reversal? If he looks through the Joint Communique we have had progress along the same lines that we had when the original meeting in which we discussed many things and what have we done? We have gone along exactly the same lines, a little further, is that a reversal? I would say its an improvement. It is far from a reversal . Now just to deal with a few of the little remarks made by the Shadow Minister. Some of them are so ludicrous I really think that it might be better

if he hadn't said anything. The trip to Portugal. Well, I read some correspondence in the Chronicle about this trip to Portugal in which apparently some of the children that went were extremely grateful to the teachers that took them and I must say it is a little lamentable that two of the teachers who went have been expelled from the GTA because they took the children to Portugal. I must say that is lamentable. But of course it is doubtless backed up by the Opposition. And then of course, look at the knowledge, the depth of the knowledge of the Shadow Minister on educational problems when he has the gall to make a statement to the effect that Her Majesty's Government don't want a good system of education in Gibraltar. This is the Government they want to integrate with. HMG don't want a good system of education here, they don't want it. whyever not? Is this the depth of his knowledge. You know I wonder if one could - of course one can't - if one could know the amount of time that the last minister put in in his department working on education problems. I rather think that it would be considerably less than the hours that I put in, in many respects. Obviously it is very difficult to find out, although I do know we did have a little proof. We had the youth employment and welfare committee. Now this is an important committee and I think when the Hon Mr Devincenzi took office they had a meeting in June 1970 and they never had another meeting until 1971. Yes, they had a meeting on Thursday 4th June 1970, and they didn't have another meeting until the 1st March 1971. This meeting was convened so that the Council could express their views on the question of conscription, and that is the only two meetings that that council had. Now look at the interest he had in the youth side of it, two meetings in two years and 10 months, and one of those meetings was simply because of the issue of conscription. Mr Featherstone has had a meeting on the 23rd October, 8th November and 10th January. Three meetings Sir in 8 months. As I said the Board of Education never met. He didn't do anything with the Education Ordinance. The things he did do were an utter mess and I think he is the last person to have stood up and had the cheek, the gall to come forward with a motion like this, the terms of which he has done nothing whatsoever to substantiate, a motion, Sir, which I think if he looks at his own conscience even he should vote against. Thank you Sir.

HON J BOSSANO:

Mr Speaker, the Hon Minister of Education is being called to account in this House for what has taken place between this meeting of the House and the preceding meeting of the House. Members of this House, he himself and the people of Gibraltar are fully aware of the critical period that this involves. It takes a brass neck to stand here and say that it needs substantiation of any description. Gibraltar's educational system was on the verge of breakdown. If Mr Featherstone chooses to ignore the fact that there were 104 resignations pending because he was not officially informed of it that is his business, but this was made known publicly. It was made known in the May rally and if none of the workers' representative of the AACR were present at the May rally to carry information back to him then that is the loss of the AACR but Mr Featherstone could have found out whether there was anything in it, if he had taken the trouble to find out if he had not been officially informed. But, of course, one cannot expect Mr Featherstone with his arrogance and inflexible approach to things to take account of anything unless he is officially informed. And this is why, Mr Speaker, we, on this side of the House, are sure that whatever other

problems there may be, there is one crucial problem that education has had to face and that it will continue to face unless the Hon and Learned the Chief Minister takes the advise of the Opposition and that is the man who is there, the man who is in that seat. That basic problem still remains. Now, Mr Speaker, the Hon Member is wrong in thinking that I have got anything in particular against him as a person, but the fact is that the Hon Member seems to have something akin to a Jekyl and Hyde personality and when I am faced by Mr Hyde I attack Mr Hyde, and when Dr Jekyl comes along trying to find out why one is being nasty to him, well, one is being nasty to him, Mr Speaker, because he deserves to be nasty to and this inflexibility, this arrogance, Mr Speaker, has been shown both in this House and outside it. The Hon Member had to say only yesterday that he would not be swayed by anything I have to say about changing the taxation system which the Hon and Learned Chief Minister was willing to introduce some changes into . Now it is this business of whether one is swayed by anything anybody else says or not that is at the root of his arrogance and inflexibility and just like he said that he was not willing to be swayed by anything I had to say last Friday, he also said on TV, Mr Speaker, that he was not going to do what the GTA told him. He said "Not all bow down to GTA, I of all myself." Well, fortunately for education the Hon Member does have to listen to HMV, HMV not HMG Mr Speaker - His Masters Voice - and when the Government that speaks with one voice, when that voice comes from a particular quarter that is when the voice is the voice of the Hon and Learned Chief Minister then other people in the Government back down, and it is a jolly good thing, Mr Speaker, the back down because the one thing that tempers the inflexibility and arrogance of the Minister for Education is the fact that the Hon and Learned Chief Minister is more flexible when he is dealing with matters that are brought to his attention by parents, by the Opposition and by the public, and fortunately he is completely inflexible with his own ministers and he makes them toe the line, so we welcome this inflexibility with his own Government and we welcome his flexibility with others. But for this Mr Speaker, but for this heaven knows what situation our kids would be in now. Heaven knows whether we would have any school open now Mr Speaker. So on this particular occasion it was the Hon and Learned Chief Minister who came in and brought the Minister of Education to his senses. Now in our usual constructive manner, Mr Speaker, we are suggesting to the Hon and Learned Chief Minister that he might save himself a lot of headaches in the future if he puts the Hon Member in some quiet out of the way position where he can do no harm. And in view of the great interest that the Hon Member has shown in dogs in todays debate it might be well if he could find him a job in a department e.g. in connection with the issue of dog licences in view of the intimate interest that the Hon Member has got in dogs and barking and so on. And that would be for the betterment of Gibraltar and it would allow the Hon and Learned Chief Minister to concentrate his attention on more important matters than having to run after his Minister for Education and pull the leash in so that he comes back to the position that he ought to have had from the beginning, a position where he was willing to listen to what people had to say, to take into consideration what they had to say and to come out with something that even if he could not meet everything everybody wanted and nobody can ever do that, nobody can ever satisfy everybody would have gone some way towards meeting the points that had been raised by the people concerned in education, as, in fact, he has done since the crisis blew up. The communique

Mr Speaker that came out over the weekend should have come out before the crisis took place and could have come out before the crisis took place if the Minister had not hammered there and said this is what I want and this is what has to happen. This inflexibility, Mr Speaker, is something that one has seen again and again suddenly looming out from the Government benches and the Government doesn't realise that it is impossible to govern in any community by being dictatorial unless one is willing to go the whole way like our neighbours have done. You cannot have democracy and arrogance and inflexibility. They don't go together Mr Speaker. Now the Hon Minister has been asked to explain how he could say in this House that he was reasonably satisfied with the situation and then the situation could blow up in his face the way it did. And instead of attempting to explain that he has given us an explanation of what took place in the preceding three years. He seems to have overcome his aversion to red herrings, to which he referred again last Friday. It may well be Mr Speaker that he has not attempted to defend himself because he knows full well that his attitude and his behaviour are indefensible. It cannot be defended. Maybe this is the reason Mr Speaker, why he has gone back to what happened in 1971 and what happened in 1972 and the building and the lack of planning and all these old arguments about which the House is not concerned. The House is concerned about what has taken place in the last four or five weeks; in the last four or five weeks; the House is concerned to know how the Minister can say that in 1973/74 he is going to spend less money on books than he actually spent last year because he is satisfied that the additional provisionsmade last year were so adequate that there is no problem with books and equipment. And when I tried to make specific references to obvious lacking in books and equipment, Mr Speaker, I was not able to do so because my points were not in order in that particular debate. When the Minister has stood up in the House Mr Speaker and said he does not accept as a matter of policy - and this is why it is a political thing because if there is a change of policy between that side of the House and this side of the House then it is a political difference - he has said that as a matter of policy he does not accept that there is a commitment on Government to finance the further education of those of our children who can obtain a place in University and for this reason he would not agree to meet the Opposition plea that instead of making provision for 10 scholarships this year he would increase it even nominally by one more scholarship and have the money there so that 11 people could further their education beyond secon ary school. He would not accept this as a matter of policy. Well, one of the points, Mr Speaker which he was careful to avoid and which was stated quite explicitly by the GTA was that a commitment was necessary to provide funds for all those who could obtain a place in the University, a commitment which exists at the moment in UK and which has existed in UK for many years. The Minister knows quite well, Mr Speaker, that he is attempting to mislead the House and mislead people if he tells us that educational expenditure in Scotland is going to increase by 3.7% and in England and Wales by 3%, because the point is that the educational system in Scotland is one of the best in the world. And that we will certainly need to increase our expenditure by considerably more than 15% just to catch up with what they are providing there now. Never mind the 3% increase. The fact of the matter Mr Speaker, is that the proportion of our schoolchildren that go to University is less than half those who go to university in UK and the United Kingdom itself is by no means

MR SPEAKER:

Yes but let us not discuss the education system as comparable in the UK. It is in order to refer to them for the purpose of the motion but lets not go into this question now.

HON J BOSSANO:

And UK itself is by no means at the head of Europe, Mr Speaker, so it is for this reason because we are lagging so far behind that we need a commitment to bring our standards up and we need a commitment to devote as much of our resources as we can in order to breach if that gap exists and we need this commitment and we cannot have that commitment and at the same time be smug and self satisfied about the position we have achieved now. If the Minister came here and said "this is what I am proposing to do. What I am proposing to do is not an indication that I am reasonably satisfied with what we've got, but it is an indication of what I think we can afford. But I am willing to listen to what other people say". Just like the Hon and Learned Chief Minister has said "I have come with some amendments and these amendments are what I think we can afford to give away but I am willing to listen to the points made by the other side and I am willing to go away and think about it and come back with something that goes at least some way to meeting it". Now this sort of flexibility is what is necessary in such a crucial area of the life of the community as education, where what we want is a system where the people involved in it - the teachers - are happy. Because the bulk of the teachers are men and women who are there because they are dedicated; they are there because they feel for education, they want to pass on their knowledge, they want to experience this wonderful feeling that a teacher gets of seeing the response of the child when it gets to learning and develop his mind and his personality. Now this, Mr Speaker, is something that our teachers have got and it is something that we must not destroy and we must not destroy it by being totally inflexible and forcing our teachers to leave Gibraltar. So the Minister, Mr Speaker, has got a duty to the parents, he has got a duty to this House he's got a duty to his own Government to recognise how sadly he has failed the parents of Gibraltar, the teachers of Gibraltar and education in Gibraltar. And he has not attempted to defend his position. The only thing he has to say was that he was not scared to go and face people. Well, that is the only thing we haven't accused him of, Mr Speaker, the only thing that we don't say in the seven points in our motion is that he is afraid of facing people, so it is no defence to come and tell us that he is not afraid of facing people. Of course he is not afraid. He is too arrogant to be aware of the weaknesses of his argument and consequently he is not afraid because he doesn't listen to what people say. He is enclosed in this little ivory tower and he will go and face anybody and he faces them and he listens to them and then he says " I will not negotiate, so you can go away." There is no problem in facing people when one has this attitude. Now Mr Speaker the only thing that might make the Opposition not vote in favour of this motion as the Hon Minister would wish us to do would be if he could give us a commitment that he will be a good boy from now on and if we could believe him, and it is difficult to envisage such a situation so I think Mr Speaker the Hon Minister

will have to be disappointed and will find that the Opposition will vote in favour of the motion that asks the Government to remove him from his present position and put him somewhere else where he cannot do any harm. Where the sort of remarks that he is wont to make, these snide remarks about my friend's ability to write English or not to write English my Hon Friend Mr Devincenzi who's only got a grocery shop one day and is Minister for Education the next, this Mr Speaker is all the evidence that this House needs, this is all the evidence this House needs in full substantiation of the accusations contained in the motion. We in this House have to bear with this sort of arrogant attitude, we have got no choice. It is an unfortunate fact of life that some people in Gibraltar put him where he is so we have to put up with his arrogance, but the teachers of Gibraltar and the parents of Gibraltar and the kids of Gibraltar should be spared this nasty Mr Hyde that now and again pokes his head out and therefore the Hon and Learned Chief Minister should appreciate that by removing the minister from the present position that he holds in his Government by putting him somewhere else then it is only members of the House that will have to bear with the nastiness that the Hon Minister is prone to come up with whenever he gets a bit worked up. And I regret, Mr Speaker that it appears that today I have in some small way contributed in bringing out this nastiness but I think Mr Speaker, it has served a very good purpose because all the proof that the House might have needed to convince it of the danger of leaving such a man there has been provided by the Hon Member himself and by the way he has chosen to talk in the House. And the Hon Member must realise that if he is editor-in-chief of a newspaper that attempts to twist the situation at the height of the confrontation between the teaching profession and himself, that bandies about this figure of £11 and £15 and this is what it is all about. If this is what the paper that he is responsible for is publishing Mr Speaker, then people will assume, rightly or wrongly, that he is at least a party to the extent that he agrees to it being put out in that way, in a way that could only exacerbate tempers and make the reaching of the solution lessprobable at the time when what was needed was flexibility and common sense and an approach to the problem that would have cooled tempers down; at a time, Mr Speaker, when the Opposition deliberately refrained from making any public statements so that they could not be accused of jumping on the bandwagon and stirring things up. We have brought the Minister to task in this House because we believe that constitutionally this is what we should do. We deliberately did not at the time when the Minister was having a slogging match with the teachers come in and make matters worse and it took a lot of effort not to do it, Mr Speaker, because he deserved being hit with everything that one could hit him with. So I can reassure him, Mr Speaker, that in spite of my very close association with the TGWU I had no hand in anything that was brought out by the TGWU in connection with the education crisis. And in fact, generally speaking, I have no hand in anything that they bring out other than to advise them when they seek my advise on purely technical matters regarding the implications of certain things. But Mr Speaker, the Hon Minister is fully aware that the newspaper of which he is editor-in-chief is seen by everybody in Gibraltar as the organ of his party and of reflecting his view. And although he himself may prefer when it suits him to ignore things that are not communicated to him offficially, other people in Gibraltar take it as official that the party line is what that particular newspaper says. And if he has not been aware of this until now then he ought to be very careful in future about what that particular newspaper prints and he ought to exercise

his discretion as editor-in-chief in the light of the position that he holds in the /Government, because, Mr Speaker, it does often happen that what comes out in that particular newspaper does make matters worse. And it makes solutions more difficult. And the Government is going to have a very tough time indeed unless it recognises early in its life at this point that in a democracy Government requires a certain amount of cooperation from everybody in the community. And cooperation is only forthcoming Mr Speaker, if people are consulted and people say after being consulted that some account is being taken of what they have to say. It is a point that is of vital importance in education and one hopes that now that there is this Parents Association the Minister will bear that in mind, whoever the minister is that succeeds Mr Featherstone, the new Minister will bear that in mind with the Parents Association and one hopes that the other ministers will bear the same thing in mind in their consultations with committees. And let us not have this trotting out of the number of meetings that have taken place with representatives of the youth clubs, because the least said about the relations between the Minister and the youth clubs the better, otherwise Mr Speaker we shall have to bring another motion about the minister and the youth clubs. So, Mr Speaker, I really think the way the Minister has stood up and brushed aside these very serious accusations which have been made now and not earlier because we did not wish to make the reaching of a settlement more difficult or indeed to prolong the teaching of a settlement; the way he has brushed this aside; the way he has been quite happy to come in and answer my Hon Friend Mr Devincenzi without waiting to what other Members of this side of the House had to say; the way other members on his side did not immediately rush to his defence, the way that he has carefully side-stepped the issues and gone back to what was said in communiques in 1971 and 1972 is clear proof that the minister is as arrogant now as he was a month ago. That the Minister is not repentant, and if he is not repentant, Mr Speaker, he has got to be put out.

/community and in the light of the position that he holds in the

HON M K FEATHERSTONE:
Sir, may I make a point of clarification?

MR SPEAKER:

Yes, if it is a point of clarification.

HON M K FEATHERSTONE:

Yes Sir, the Hon Mr Bossano is not aware that I am not the editor-in-chief of any newspaper. I am not even the editor or the subeditor or a junior editor. I am a shareholder of a company which amongst other things print a newspaper.

HON LT COL J L HOARE:

Mr Speaker Sir, I had absolutely no intention of intervening here but.....

HON J CARUANA:

Then sit down.

MR SPEAKER:

Order. I have just heard a member of the Opposition speaking for 35 minutes without a single interruption. A member of the Government has just stood up and even before he has been able to say anything he has been interrupted. I have said on more than one occasion that this is a rule which I will not vary or relax in any manner or form. I will not have any interruptions which interferes with the train of thought of the member who holds the floor. Will you please continue now.

HON M XIBERRAS:

Mr Speaker just before the Hon and Gallant Member does, could we have an indication as to what time the House is going to sit?

MR SPEAKER:

I certainly hope to recess at one o'clock.

HON M XIBERRAS:

Thank you Sir.

HON LT COL J L HOARE:

Mr Speaker, if I may continue, thank you for that. As I was saying I didn't intend to intervene at all in this debate because I thought my Hon Colleague had answered all the points raised by the mover of the motion very adequately but I found that the last speaker delved or moved away into so many sided alleys that I am not sure even now whether he was in fact speaking for the motion or against the motion. In fact I think at one stage he said that they might be prepared to vote against the motion, the motion from his own side of the House if my Hon Colleague would be a good boy. I was waiting for him to hand him over a sweet as a bribe at the same time, but it didn't come. Having listened to the last speaker and the one before and no doubt looking to the future where the same pattern will obviously evolve, I can do nothing more than parody a saying of one of the greatest Englishmen of all times and this is: "Never in the world of human conflict have I heard so many say so little over such a long time". One thing which struck me also when we were talking about education is the frequency with which the word kids is used. In my experience, Mr Speaker, goats produce kids, human beings produce children, kiddies* but not kids. This is a sad reflection on people's thinking. And as for the remark that "some people had put my Hon Colleague over on this side," may I say that most of// ~~them~~, Mr Speaker, if there is a mess or there has been a mess on comprehensive education, it is purely because there was a rush into comprehensive without adequate preparation

*perhaps

//the people of Gibralter put him on this side. Not some of them. - most of them.

in exactly the same way that there was a rush to do away with the City Council without adequate preparation as well. This is symbolic of the other side. We had this attitude also in connection with the Group Medical Scheme. Let us go in now, the whole hog, without any preparation, wit out any thought, let us do it. To hell what happens with the result-we will sort it out. And may I say here that it is rather unfortunate that the ex-leader of that side is not here because when we were serving together,-not together but at the same time,- one of his pet phrases to me was;"Confucius says that the hardest step is the first one." I pass that for reflection on the other side. There was also a hint about a new Minister for Education. Let me make one thing perfectly clear. If there is one, and I very much doubt it, I am certain that it won't be a gentleman from the other side. And, finally, Mr Speaker, just for once I am going to subscribe to the IWBP. I would not be pursuaded by any arguments on that side.

The House recessed at 1.00 p.m.

The House resumed at 3.00 p.m.

MR SPEAKER:

I will remind the House that we are still at the Education Motion moved by the Hon Mr Devincenzi.

HON J CARUANA:

Mr Speaker before starting I wish to apologise to the Hon Minister for Public Works if I gave the wrong impression this morning when you called me to order, Sir. I was merely inviting the Minister to sit down and not telling him to sit down since he had said that he did not intend to speak and hence my invitation for him to sit down. Mr Speaker, it is difficult to start picking up the points raised by the Government side on this motion presented by my Hon Friend the Shadow Minister for Education because their case has been extremeley weak and certainly irrelevant to the motion. The Minister went to great lengths quoting the various sections of the motion against him and yet in substance he went off the track and digressed from the points at issue. At one time he dedicated some time to the building, and I intend to start with the building to remind the Minister precisely what are the facts of the building. The first step to go comprehensive was taken by this Government and of that we would like to take whatever criticisms come from the other side. We take the credit or accusation for having gone comprehensive and for having abolished the 11+ because it was high time that this happened. When we first applied for financial aid for this comprehensive school the original apportionment of money in December 1969 was in the region of about £250,000 and subsequently when we went into great detail elaborating the points which required to be fitted into this school after - and I want to stress this - consultation with all heads of departments in the Education Department so I may give a categorical refusal to the inaccuracy of the Minister that the teachers had not been consulted because the departmental heads were all consulted at various stages by my department, and

by the Department of Education as the time and the need arose and these were plentiful.. And this sum of a quarter of a million pounds was increased afterwards in substance to nearly £½m. And furthermore the Victoria Stadium Sports Centre was included as part and parcel of the comprehensive complex as part and parcel of the school because Her Majesty's Government at that particular time found it extremely difficult to accept the need for a purely civilian sports centre but if the case were to be made in relation to the school then it would be made easier for our friends in London to back our project and this was the case, the sports centre was in fact intended to be part and parcel of the school and to provide the children at the school with adequate sporting facilities. We had hoped that this Sports Centre would have moved a little faster than it has. However, circumstances have not enabled us to do so and may I say I do not intend this as any criticism whatsoever. We appreicate thedifficulties of acquiring money for things like this and the time that it takes to get a project off the ground. And having said that it takes time and pursuasion to acquire this money let us not demerit the question of the school by throwing innuendos such as the one the Minister has thrown out that he would give me an axe to tear the building down. I think Mr Speaker this would be a waste of public money if we were to do such a thing and one could also consider such a suggestion a destructive suggestion. A more constructive suggestion being put by this side is to remove the Minister from his present position. I have at no time misled this House in whatever statement the Minister has attributed to me concerning comprehensive education and especially with regard to the consultation which took place. What I have said in this House Mr Speaker I said it in exactly the same way as the Minister has said it today, perhaps in a different spirit, and I said it at that time precisely with the full authority of the GTA. And in fact what I said in this House concerning the consultations at the beginning of 1971 were precisely words considered and agreed between the members of the GTA, the President himself and myself. But Mr Speaker, such contradictory and misleading statements as the Minister is making is to be expected because his arguments in defence of the motion are really weak and any person who cares to study events cannot but agree with the motion and see, in fact the emptiness of the Minister's defence. Wasn't it the Minister Mr Speaker, who on television said that the school would be a fine school when completed? And now he tells us that the school needsto be torn down. Aren't these two contradictory and different statements. Isn't this in fact the kind of thing that we are accustomed to hear from the Minister? Do we know what the Minister is going to say tomorrow? To prove that it is not only this side of the House which finds the Minister's position intransigeat, one must quote what Brother Hopkins said, in defence perhaps of the building, and Brother Hopkins said this, it is much easier to change a building than to change some people's minds". So Mr Speaker there was a person who knew. There was a person who the Minister himself has used this morning in some arguments in vindication of his position, but a building is a building and only bricks and can be changed with a little goodwill. But this was the Minister's first ploy, to use the building as a political stroke to distract public opinion from the real issues but this failed because afterwards the teachers themselves in their communique said that the building was not the only problem and then they went on to enumerate at least a dozen others. To say Mr Speaker that we rushed into comprehensive education. We did not rush into comprehensive education. This has always been

the policy of our party. We put in our manifesto in the 1969 elections, and we have been propounding that argument ever since and we have not run away from that problem, we faced it. We did not run away from this educational problem in the same way as the AACR run away from the educational problem which at one time led to the resignation of Mrs Mary Chiappe from Government. There was another educational crisis, there was the Government running away. I wish the Government of that time had rushed into comprehensive education and perhaps today we would have had comprehensive education and not the kind of mess that this Government is getting Gibraltar into. There is still time to save the day. The Minister's attitude in defence of his case is comparable since he has used a lot of comparisons this morning, to that of the ostrich hiding its head in the sand and pretending that nobody will know that it is there. Doesn't the Minister recall all those pamphlets issued by the GTA during the last month? Doesn't the Minister recall all those communiques from the GTA? Doesn't the Minister recall all those public meetings by the GTA? Doesn't the Minister recall the public statement made on television by two prominent members of the GTA? Does this prove that there was no crisis? Is the Minister trying to make us believe that there was nothing? Doesn't the Minister recall the statement made by the independent teacher, Brother Hopkins, a statement of 20 minutes on an interview on television? Or doesn't the Minister recall or is he trying conveniently to forget his own intervention on television when he had to make a ministerial statement to the people of Gibraltar in no uncertain way to expound to the people of Gibraltar his case of the crisis that was at hand? The Minister might choose to forget this, but we are reminding him today in this House with this motion that those things were very real; that deadlock certainly existed and was serious and was real and we are glad for the progress being made. As My Hon Friend Mr Bossano said we restrained under provocation too from coming out as a political party in this issue which is so dear to our hearts. And this crisis led to the creation, Mr Speaker, of the Parents Association which led afterwards through their suggestion, I believe, to the intervention of the Hon and Learned Chief Minister. So the Minister cannot accuse anybody in this House of prefabricating the problem or saying that it was politically inspired because none of the people mentioned so far who criticised the minister and his policies and his thinking were politically minded or had any political motivation at all. Because if the Minister is making that accusation he is precisely accusing the GTA itself and the Christian Brothers and particularly Brother Hopkins, if his accusations are to be taken seriously. But I am sure he did not intend that so therefore, the argument that the whole question was political is another inaccuracy of the Minister. And to come to this House and say "where are those resignations? I have not seen them officially". May I remind the Minister once again in case he didn't hear my Hon Friend Mr Bossano this morning that it was precisely the president of the GTA himself who on the 1st of May at the Workers Rally said that he had held 104 resignations in his hand. The president himself reported to that rally the position and the progress being made at that time. But again like the ostrich the 104 resignations never existed. Mr Speaker a lot has been said by the minister concerning my Hon Friend Mr Devincenzi. I would put it to the Minister that as a minister and as a person he has a lot of ground to cover before he comes up to my Hon Friend Mr Devincenzi's standards in every respect. My Hon Friend Mr Devincenzi was responsible in bringing to Gibraltar weekend TV viewing over the winter period. He was also a

motivating factor behind obtaining paid holidays for school children for Gibraltar. He was also responsible for very good relations with the Youth Clubs in Gibraltar and their rehousing at Montague Bastion. My Hon Friend Mr Devincenzi was also instrumental and a force behind the reconstruction of the Victoria Stadium. More recently he was behind the reconstruction of Sandpits Tennis Club. He was instrumental for an increase in scholarships, for educational trips by school children and more important than this he was instrumental in giving moral support to the sporting bodies and associations in Gibraltar, because whenever called upon he never failed to turn up and give them support at the sporting activities and afterwards at the social functions. But perhaps my Hon Friend Mr Devincenzi will agree with the Minister for Education in that perhaps he did not dedicate as much time to the Education Department that the Hon Minister does but there again my Hon Friend did not create so many problems in education as the Hon Minister has done in such a short time hence the amount of time he has to spend on Education. And to say afterwards Mr Speaker, that wehave rushed into comprehensive education like we rushed the City Council merger. We did not rush the amalgamation of the City Council at all. Perhaps the wishful thinking on the other side was that had we waited a little time the deficit of £368,000.....

MR SPEAKER:

Order. We are not debating the performance of the last Government but of the present Minister of Education.

HON J CARUANA:

On the question of the City Council there was the Coutts Report, Mr Speaker, which explicitly gave the terms of the amalgamation which we followed very seriously and there was no rushing and the Hon Chief Minister was consulted at great length when the Coutts report was being drafted and we followed that to the letter. So if there were any short comings in the Coutts Report perhaps it was because of the shortcomings of the wrong advice given by the Hon and Learned the Chief Minister. But I don't believe that that was the case. I think the merger has worked out extremely well.

MR SPEAKER:

Order. We are not going into the Merger of the City Council under any circumstances.

HON J CARUANA:

Mr Speaker, the Minister for Education has sidetracked the main issue in this case. I have tried to bring the House back to those issues and I sincerely hope that the Chief Minister may see his way in the same way as he has seen his way in meeting our amendments and our ideas on Income Tax, to meet our ideas in this particular motion and to change the Minister from his present position, to another one.

HON H J ZAMMITT:
Mr Speaker Sir, as usual I stand on this occasion because my way of thinking is that unless one can contribute something which is useful one would do best by remaining silent. However, I would like to take up this opportunity to explain a few things to the Opposition which they apparently failed to understand. I am sure that the audience that the Opposition so much seem to cherish would have been very much amused to have had to bear with what has been said so far by the Opposition. It is obviously clear, even with the last speaker the Hon Mr Caruana, that there are a dozen problems in education and I am sure they wouldn't like to attribute all the dozen to my distinguished and Hon Friend Mr Featherstone. Or is it that the Opposition left the Education Department completely clean and white and full of purity. However, Sir, I think that the Hon Mr Featherstone in his address this morning has amply exemplified the situation and has, without doubt rebutted the Opposition's motion for there has been no real constructive criticism by the Opposition to him. But, of course, one can appreciate this because it is easy, it is very, very easy to try and find fault. One of the things that I think the Hon Mr Devincenzi said which not only this side of the House disagrees with but I daresay all Gibraltar as well was his reference to the trip to Portugal. I think it is very wrong, very unwise to have taken advantage of this when children who had looked forward to this trip.....

MR SPEAKER:
What people outside do is not within the context of the motion.

HON H J ZAMMIT:
I accept that, Mr Speaker, but of course the mover did mention this. We have it that my colleague the Hon Mr Featherstone is termed as arrogant and as incapable yet we find that the Hon Mr Devincenzi was completely incapable not only of solving the problems but even of facing the GTA when he was in office. Of course the only thing I do lament, Mr Speaker is that members opposite apparently now want the Chief Minister to take over education and may I say I am rather depressed, I thought I was being recommended. However, in this Government of ours, Sir, none of us are expecting to take over any other ministries as was the case with the last Government which brought it down at the elections and I think the Chief Minister Sir, who obviously requires no advice in this matter, who is constantly accused of being a dictator, it is funny now that they consider education so very vital should now want a dictator to be the Minister of Education. However, Sir, I am sure the Chief Minister would not accept the advise of members opposite on that matter. Mr Speaker, I do not wish to take any more of the House's time other than say that I feel that Mr Featherstone alone in his address this morning has made a case which shifts the burden of proof on the other side of the House. We, Mr Speaker are a Government, united Government, under one leadership which may be the envy of others but who is whether the Opposition like it or not the most popular man not only in this last election but I think for the last 25 years and therefore he is obviously the nail which everyone tries to hit on the head. But we cannot fail Sir, we will carry on in our determined way. Justice is the guide to all our actions.

HON W M ISOLA:

Mr Speaker, the Minister for Sports said that unless he had something to say or something constructive to say to this House he would rather say nothing at all. But I personally was not going to speak to this House on this particular matter and I think it is a very great pity that a motion of no confidence for certain reasons or others should be levelled at the Minister of Education. But if I may recall, Mr Speaker, at the last budget session when we each spoke on our various departments I distinctly remembered the Minister for Education speaking on his department - and I must say on hearing him I was very pleased - saying that education was going as well as he made it out. Great was my surprise the following day or a few days later when I read in the press that the teachers had been complaining that they did not have sufficient books for the schoolchildren and I must say I was rather surprised. Subsequently we read in the press that 104 teachers of a total of perhaps 160 or 170 had threatened to resign. Now had four or five teachers threatened to resign , one could have said "Well they may be a little politically motivated, they may be a little biased against the minister; they may have some axe to grind against the Minister". But Mr Speaker, when 104 teachers threaten to resign - and I don't pretend to be the Shadow Minister of Education but as an ordinary man in the street - there must be something somewhere along the line which is wrong and ultimately of course, if there is something wrong it infiltrates to the people or to the children who/are at present the guardians of. So again Mr Speaker, when you hear that 104 teachers have threatened to resign to any man in the street there must be something intrinsically wrong somewhere in the department and I, Mr Speaker, for one was stretching my good ear hoping that in the Hon Minister of Education's address to the House that something concrete would come about to at least show me that the 104 teachers were definitely wrong, but I heard very little on this very important question that these 104 teachers had threatened to resign, so that in itself raises a grave doubt in my mind that all is not well in the Education Department. So let us for one moment say that these 104 teachers - which I don't agree of course - were politically motivated. I don't think that is true at all. But let us now go to how in Gibraltar we have always been brought up by the Christian Brothers. The Christian Brothers have been in Gibraltar for certainly as long as I was and I had the privilege of being educated by them. Never in my political life or in my city council life or at any time of my life in Gibraltar have I ever heard that any Christian Brothers or any members of any religious order has in any way been connected with politics and they have always been to my mind and I think to the majority of members of the public, above local politics. When therefore, Mr Speaker, Brother Hopkins came out with a statement condemning the Minister for Education and saying that all was not well and things had to be done, I for one was very perturbed about this because I knew that the statement which came out by Brother Hopkins was certainly one which was not motivated in any way by politics and I for one was very

concerned that a member of this religious order should come out so blatantly about Education and that, Mr Speaker, worried me far more, if I might say so, than the 104 teachers who had threatened to resign because someone could always say that they were politically motivated. But there is no doubt in my mind that a man of such

standing as Brother Hopkins should come out with such a strong statement unless he sincerely and honestly believed that what he was saying was for the betterment of Gibraltar's Education as a whole and he was prepared to face the Minister. Now that in itself raised another doubt in my mind about education. But again much more so Mr Speaker, when this morning the Hon Minister for education instead of, shall we say, stating that he had got round the teachers or that they had come to a settlement or that Brother Hopkins has said this but this was like that I heard nothing. On the contrary I heard the Minister for Education referring to Brother Hopkins as Moses coming from Mount Sinai. Now I am afraid that my bible is not all too good, so I am not quite sure whether he meant that as a compliment or otherwise but by the way the Minister said this expression and asked towards calling Bro Hopkins a prophet I got the impression, again, that all was not well between the Minister and Brother Hopkins. Now Mr Speaker, Bro Hopkins I understand came here to Gibraltar to introduce comprehensive education and to my mind I am even now more worried that there should still appear to be a clash of personalities or of policy or of call it what you wish between the Minister of Education and Bro Hopkins. Mr Speaker, it is for these severe and grave doubts which have come to me and as yet I have seen no one from the other side trying to rest either my mind or my conscience on these rather important points that of course I will support my friend Mr Devincenzi in his motion. Thank you.

HON A W SERFATY:

Mr Speaker, I want to confine myself to what I know a little about and that is the question of the construction of the school, for the shortcomings of which if there are going to be any the Hon Mr Featherstone is being made responsible. I well remember in my professional capacity, studying these plans - nothing to do with politics I was doing this as a builder - studying these plans last May before the elections. So it is obvious that these plans were prepared by the last administration. I've got the script here of an interview with Bro Hopkins where he is asked by Mr Golt "Did you know what the building was going to be like at the time, though?" And the answer was "I hadn't time to look into it in great detail, but I assumed as any reasonable person would do, that if a community the size of Gibraltar is going to go comprehensive they make proper plans." So its clear as daylight that these plans were prepared in the time of the last administration; that the man who was going to run comprehensive did not look at them properly on his own admission and now the present Minister is being made responsible for the short comings of the design of these schools, if there were any. If that is not a red herring I would like to know what is. In fact, my information is that the present Minister is now widening the corridors, which I believe is one of the shortcomings and providing extra classrooms. So it does require courage Mr Speaker to come here and criticise the Minister for Education and as I said before I am going to confine myself on this and I really know what I am talking about.

HON P J ISOLA:

Mr Speaker I much admired the tone in which this debate was opened this morning by my Hon Friend Mr Devincenzi, when I think he said what had to be said in a quiet gnetlemanly fashion, convincingly raising the doubts that this

House must have about the way the Minister for Education has handled the recent crisis which as far as this House is concerned, only started on the 28th March 1973 when it was brought to our notice by a notice posted at the Boys Comprehensive school that all was not well in education and when Hon Members on this side of the House were very surprised to find out about these things after the reasonably rosy picture that had been painted by the Minister of Education in this House only one day before about this Department. And this, Mr Speaker, only goes back to the last meeting of the House, the budget meeting. And it is not surprising and the Minister must not be surprised if after all the events that have occurred his position as Minister is questioned in this House and that was all the Hon Mr Devincenzi was doing. But the Minister of Education was anxious to stand up and involve himself in a charade in effect in a censure motion on the Hon Mr Devincenzi which is not the question before the House. We are accused on this side of the House, Mr Speaker, of still thinking we are in the Government. Well, it seems that we have even convinced the Minister of Education who spends his time telling us how the Minister of Education in the last Government should have acted and gave us very little defence to the allegations that were being put against him in this motion. The Minister did what I suppose is popular among politicians. Immediately the minister had got halfway through his speech he started accusing this side of the House to playing politics with education, of trying to play politics with the education of the children of Gibraltar. And if there is one thing that this side of the House has not done, Mr Speaker, and that side of the House did all the time when they were in opposition is in fact to play politics with education. When I heard the Hon Mr Caruana speaking on this motion and telling us quietly, reminding us of the number of things that had been done by my Hon Friend Mr Devincenzi when he was Minister of Education, the large extension of school holidays, more sporting facilities, and so forth all these things, yes yes. When I listened to that I knew that it was all true. But did this ever get out to the public of Gibraltar? Was it ever allowed to get out by the paper which the present Minister of Education controls? Because the minister was very careful to say - I made a note of it - the mess everybody was talking about in 1972. And I pose this question to the Minister, who was talking about the mess? It was not the GTA. They come out once. But who was talking all the time? It was a certain newspaper which is not necessary for us to mention and now the Minister tells us I am not the editor, I am not the sub-editor I know nothing. What I would like to know then Mr Speaker why it was that both the Minister for Education and the Minister of Medical Services described themselves in the House of Assembly election in the notice of the poll, why they describe themselves officially both of them as journalists? What paper were they writing in, Vox, El Calpense, or what else? I think Mr Speaker, when the Minister gets up and starts telling us that he is no longer editor, no longer sub-editor, that as soon as the meeting is over at 1 o'clock both him and the Chief Minister are seen by me in the Gibraltar Post Printing Works, I begin to wonder. Mr Speaker, let me say to the Chief Minister and so what? I agree, so what? I don't deny them the right, but don't come to this House and try and give the impression that he has nothing to do with what goes into that paper. Who is he trying to kid? (With all due respects to the Minister of Works, I am not talking of the kid of the goat.) Mr Speaker, the Minister of Education who spent all his time about my Hon Friend Mr Devincenzi's tenure of office, spent very little on his. He

accused us of political pressures, outside political pressures he talked about. Now I don't know what this side of the House has to do to convince the other side of the House when we don't intervene in a dispute. I don't know what we have to do. In the education dispute or in the education crisis that came about after the last meeting of the House we had on TV the architect of the school - whom I would suggest to the Hon Minister of Trade he should get in touch with - I think he can answer most of his points, Mr Chapman; we had the Headmaster, Br Hopkins; we had the Gibraltar Teachers Association; we had the Minister of Education in a ministerial statement where he couldn't be questioned to put the thing absolutely clearly, he put it too clearly judging from what happened afterwards. Did the Opposition ask for time to go and put the Opposition view, the Opposition concerned with the crisis? We didn't do it. And yet the Minister for Education said we are playing politics. Well, Mr Speaker, if calling the Minister to task in this House, if accusing the Minister of deliberately deceiving this House as short a time ago as 1 month ago is playing politics, we are playing politics and serious politics. Anyway is the Gibraltar Teachers Association with whom the Minister is happily now on a much better relationship than when he spoke about them on television, do they accuse the Integration with Britain Party of playing politics here. We have been accused of not coming out; of keeping quiet; of sitting on the fence - a phrase which I know the Hon & Learned the Chief Minister, has heard very often used reference to him by this side of the House. We were accused of keeping absolutely quiet and now we are accused by the Minister of Education of playing politics. "Are we prepared" says the GTA "to entrust the education of this generation to Featherstone who would seem to enjoy using the children as pawns in hispolitical game." It is the Minister who is being accused of playing politics by no other authority than the GTA which whom he is now negotiating. And yet it is this side of the House that is accused off playing politics because we bring a motion in the House. The Minister says "I want to make education apolitical". Does he know what he is talking about? "Apolitical". What does that mean? In his view it means asking my Hon Friend Mr Devincenzi to sit in a committee with him, while he goes on disguising what he's done. Does he mean by apolitical that he will relinquish his political powers as a minister? If he means that then, of course, we are talking about something else. But if by apolitical it means he is going to try and quieten or shut the Opposition up by inviting them to come on a committee with him that, Mr Speaker, with respect is not what I understand as apolitical. And, anyway, how can a subject like education be apolitical? How can a subject that affects so profoundly the life of Gibraltar today and the future of Gibraltar be apolitical? How can politicians say we take no interest in education lets not bring politics into it? The big reforms there have been in the educational system all over the world starting with England have been brought about by political pressure by policies of political parties. The money is controlled by the politicians without money you can do nothing in education. How can you say lets make education apolitical? That is a popular cry. What you can do, of course is use the machinery available to the House to set up e.g. a Select Committee to look into the education problem and have both sides of the House sitting on it and looking at the whole spectrum of education in Gibraltar and taking evidence in the proper manner and calling in everybody interested in education. That might be a positive step, that might be a constructive step to take by a Minister or to put forward to this House. And I am sure on this side of the House we would give it the serious consideration that it obviously deserves. But at the moment there is a Minister of Education and that Minister is responsible

to this House and after this House to the people of Gibraltar for what he does in this Department. And it is because that is the case and because the responsibility of the Minister is in the first instance to this House that his conduct as a Minister in his department can be and must be called and can be called into question in this House. Mr Speaker, on this question of our motion or the motion that is being put down by my Hon Friend there were a number of matters that did require to be answered by the Minister and which he has not answered, he has glossed over. And for a Minister of the obvious education may I put it that way or of the obvious knowledge of the Minister of Education who is so particular with his figures and with his facts always, such a glossing over must give rise to grave suspicion on this side of the House as to his ability to carry that ministry. And you will notice Mr Speaker that in this motion we are not calling on him to resign as a Minister we are calling on the Chief Minister to have a cabinet reshuffle because we feel that in the events that have occurred, in the rift there has been in the situation unprecedented before in Gibraltar when a minister has been confronted by a headmaster of the Comprehensive School and indeed by the whole or a great majority of the teaching profession in the interests of education it is a good thing to make a change and let somebody else, let another fresh mind apply itself to the problems. Because otherwise, Mr Speaker, we have the situation of a Minister in whom no confidence has been expressed by the teaching profession who has been severely criticised by the person responsible for putting comprehensive/into effect, the head master of the Comprehensive School, who has stated categorically on television in his ministerial statement that teachers must expect no better treatment than anybody else in obtaining a house, that on the question of salaries they haven't got a hope in heaven and so forth. To have made such categorical statements and then is overruled by the Chief Minister who literally asks him or orders him or whatever language is used, to resume negotiations. It was perhaps fortunate that the House adjourned on Friday to today and gave time for this joint communique to come out, and we are pleased the joint communique has come out and we have great admiration for the teaching profession that despite extreme provocation and insult from the Minister on TV they are still prepared to sit round the table with him and carry on discussing matters of vital concern to education and to the future of the people of Gibraltar. Imagine, Mr Speaker, if the Teachers Association had taken up the same high and haughty attitude that the Minister took up on TV in his ministerial broadcast and had refused to sit round the table with him with 104 resignations. What would the Government have done? That is a question the Minister has not answered. What would he have done if those 104 resignations had been handed in? If the Chief Minister had fully supported him in his plan on no priority in housing, for teachers none of their problems would be looked at; none of their real worries about education to be considered any further "this is what I gave you and this is where I stand". What would the Government have done? What would have been the chaoes that would have been produced the indescribable chaos that would have been in Gibraltar? The schools would have had to close down, no question about it. That would have happened and I think the Chief Minister - all credit to him- saw the dangers rather more than his Minister of Education and said: "You must talk and you must go on talking." And what happens when they talked? The communique Mr Speaker a joint communique from the GTA and from the Education Department. "The discussions have been carried out in a favourable atmosphere and progress has been ahieved. Arrangements are being made to bring out experts from the Overseas Development Administration to advise on further developments in comprehensive Education

/Education

while joint sub-committees have been set up to consider future scholarship policy the provision of ancilliary staff and the supply of books and equipment. In addition general agreement has been reached regarding the teachers' salary claim and suggestions for improving the housing position of teachers are being explored. It is hoped that further progress would be made in the near future thus enabling real advances to take place in the development of education at all levels in Gibraltar and in this respect the recent formation of the Parents Association is welcomed both by the Education Department and the GTA". And what did the minister say on television on the housing: "They well know I cannot support giving teachers preference in getting houses. A week ago they were demanding what housing could be made available to teachers almost immediately. Now they talk of a degree of hope, just give us a degree of hope. I can only offer them that same degree of hope that isoffered to any other citizen who has not got a home of his own." Popular words as far as the general population is concerned, Mr Speaker, but the Minister must know that there is a special situation and he accepts it, here is the communique" that suggestions for improving the housing position of of teachers are being explored". I am glad that he has changed but it raises questions in this House as to his ability to conduct that department properly. Mr Speaker, in the agreed communique there was mention of books and equipment and other things. The Minister, when he was addressing the House referred to the letter that was written to him on the 26th March by the Headmaster of the Comprehensive School. He only mentioned "realistic efforts must be made now to ensure that school buildings are adequate". And then he went off on that and didn't mention anything else in the letter and gave us again here today the impression that that was the first time he knew there was any problem in the comprehensive school. He had to give us that impression, Mr Speaker, because only the day before or at the same time as this letter was received by him - perhaps not read yet - he was saying in this House of the things he was to do on education next year and how he had made provision for an adequate supply of books and equipment. And when asked by my Hon Friend Mr Devincenzi, whether the teachers thought the same he answered "yes". And I remember my friend the Minister for Labour later on when the notice that had gone up in the comprehensive school was brought up he gave a little discourse on how teachers being idealists always want more and so forth, but again didn't give us any impression of anything seriously taking place. But let us look at the letter Bro Hopkins, the Headmaster, wrote to parents "Over the last 12 months I have given very careful thought to the comprehensive situation and feel obliged to let you know some of the conclusions I have reached. From our experience this is interesting particularly in the lower school it is obvious that the comprehensive system works very well". (So my Hon Friend bless his soul, was not so made when he introduced it two years ago.)"However, it is equally obvious to me that its future is in jeopardy unless there are major and immediate changes in official thinking and policy on education. I have expressed my concern at all levels on countless occasions without significant results. In a final attempt to initiate appropriate action to safeguard the future of your son's education I sent the following letter to the Minister of Education last Monday". He had already been asking about it and had meetings and so forth at all levels. It was not the 26th March that the Minister of Education woke up next morning and found that all was not as well as he had painted it in this House. He had been told about it apparently, if Bro Hopkins is to be believed, he had been told about it before. And in his letter "You are already aware of my concern about the future of comprehensive education in Gibraltar. I

feel the time has come when serious action must be taken. One cannot view the future with any degree of hope unless there are major changes in Government thinking and policy. Realistic efforts must be made now to ensure the school buildings are adequate to stabilize the staff, housing, salaries, refresher courses; to provide the necessary qualified ancilliary staff, Librarians, Laboratory technician, AVA technician & so forth, to provide an adequate supply of books and equipment; to provide adequate opportunities for school leavers, scholarships. If you cannot guarantee that a major effort would be made immediately to rescue the situation, then with regret I shall have no option but to register my ultimate protest by tendering my resignation. So far I have received no reply." I agree that the Headmaster was a bit optimistic to think that he would have a reply to a letter of this magnitude within five days, I don't think he was entirely reasonable in pressing that hope. On the other hand, Mr Speaker, I don't know whether he has had one to this date. We don't know. "It is my considered opinion that adequate provision is not being made for our sons future, I shall keep you informed of any worthwhile developments". Mr Speaker, he has mentioned he has been talking about it a long time. This was his crisis point; this was the letter saying "unless you are prepared to do something serious about this I will resign". And it is that letter that started the present education crisis, that started the storm that brought education to very nearly a state of complete and utter chaos never experienced before in Gibraltar and if it had not been for the Chief Minister's personal intervention we would have had that chaos in Gibraltar and the Minister of Education would not be Minister of Education - of that you can be absolutely certain, Mr Speaker. Because what was he going to be Minister of Education, to one closed school? And that is what happened, Mr Speaker, and that is these are facts and it is I think very important when looking at this a month and a half later that it is precisely those points that Bro. Hopkins made in his letter which were pushed by the GTA and which this communique now says the Government is going to do something about. And we are very pleased with that. But that was not what the Minister said on television on the 18th of April 1973. I am not going to read what the minister said Mr Speaker, it is too long and I would not wish to embarrass him more than is absolutely necessary. But that is not what he said on television. It was a very different Minister of Education that answered this on television. Mr Speaker, the Minister for Education quoted from what Bro Hopkins said on television. He had the script of what he said and I would like to, for the purposes of this debate again relevant to this debate, read out the last answer at the end of the interview. I think he was asked by the interviewer: "Finally Bro Hopkins, where do you go from here. You are in a position where you have spoken your mind but you need action in education according to you. What is going to happen? Where do you go from here?" And then this is what Bro Hopkins answered: "You need action and you need it immediately. As I said a major change in policy and thinking possibly. It is more difficult to change a man's mind than to change a building and as far as I can see it is going to be very difficult to change their mind in view of what you read out in the news tonight." (It was obviously a communique from the Government side). "But the first thing is that there must be a change of thinking, of beginning to think about education. The youth of Gibraltar depends on it." Now, Mr Speaker, the Minister having rivetted himself on a particular position as the present Minister did; having stated to the public" this is the position and this is how it stays. Scholarships are

alright. There are sufficient books and equipment, there are no problems; all this is gimmickry by a small number of teachers; take no notice." And that minister has had to eat all his words, one by one and they were a great number, Mr Speaker. How can the House, how can the Chief Minister in those circumstances agree that it is right that that Minister should continue at the head of education. How can the Chief Minister be convinced that that Minister when he is talking with the teachers and with the parents has not had his position completely undermined by the correct action of the Chief Minister in overruling him and making him go back to the conference table and in fact making him reach agreement on all the matters that were worrying the teachers, the headmaster and the parents. And how can the Chief Minister - perhaps the Chief Minister himself has been misled as well - agree that the minister should continue as Minister of Education when he told this House of Assembly only one and a half months ago that all was well and that he had made adequate provisions for equipment books and so forth. That, Mr Speaker, is the basis of the complaint of the Opposition. And we are very concerned about the remarks he has made about co-education Mr Speaker. Anybody who knows the slightest bit about education knows what a big job it is to move from selective education to comprehensive education and everybody knows what further problems are brought if you try and do this at the same time as introducing co-education at secondary school level. I do not believe that the Minister of Education can do this successfully by September 1974. I am not sure whether he can. One is no longer sure about his ability to manage the department in educational policies for Gibraltar having regard to the complete volte face that has been executed by him in the interest of political expediency perhaps. It is and it must be Mr Speaker, a matter of very grave concern for this House that plans for comprehensive education if we take what Brother Hopkins said have changed so much in the last six or seven months by the present Minister of Education who has decided on co-education at one time, two schools at another time, two single sex at another time all during this year. The least I would say the Chief Minister can do to assuage the legitimate concern of this House at the present position in education is to suggest that he will move a motion at the next meeting of the House to have a Select Committee of the House to look at the whole spectrum of education in Gibraltar. That is the least he could do; the right thing for him to do in our view and we know this would require tremendous political courage on the part of the Government; on the part of the Minister for Education and on the part of the Chief Minister would be to reshuffle his Government and have a fresh mind approach the tortured subject of education which has been the cause of so much worry and concern to so many people in Gibraltar and will continue to be so until all the problems in the Education Department are sorted out. The Opposition Mr Speaker, does not want to make cheap political gain on the education issue. We have said it. If we had wanted it, Mr Speaker, a rightly worded communique at the right time, - especially after the ministerial broadcast - would have deflated the minister entirely. A rightly worded communique could have obtained enormous political advantage. And now what is the position? The teachers say" Oh, there's the Integration Party Putting a motion down. It would have been much better if they opened up and said something when we were with our backs to the wall." But we didn't do it, Mr Speaker, we didn't do it because there is genuine concern on this side of the House about education and there is genuine concern on this side of the House that we have not been told all the facts by the Minister when he spoke to us on his education budget a month and a half ago. Today, a month and a

half later we are told "I can introduce co-education in September 1974". And a month and a half ago all he would limit himself to do is say that it was an aim of policy to introduce it. What has brought this quick change all of a sudden. These are things that worry us. It also worries us that the Christian Brothers, people who have dedicated so many years of teaching in Gibraltar, have been dragged, as it were, through the mire of education by the remarks that have been made by the Minister of Education in his various appearances in his various confrontations. We do not believe in this side of the House whatever the Government may say that the Headmaster of the Comprehensive Boys School had any axe to grind in this dispute but was anything else but genuinely concerned about the welfare of the children of Gibraltar. And we do not agree that the Christian Brothers could be fobbed off by offering them a private school up to the age of 18. And the Minister of Education has talked a lot about private schools up too Mr Speaker - quite irrelevant - but one thing is true and that is that it would be very difficult to run a comprehensive system of education in Gibraltar alongside a full time private school. Now, under the Constitution you can't stop anybody having a private school, nor can you stop parents deciding where their children go to school. That is one thing. It is another thing for a Minister of the Government committed to a comprehensive system of education to encourage any setting up of any school which he must know if he knows anything about comprehensive education and about the particular problems of Gibraltar could defeat the success of the implementation of the comprehensive system of education in Gibraltar. Therefore, Mr Speaker, faced with all these question marks about educational policy, faced with all this concern about ministerial statements that have shown us the way the mind of the minister is working, we on this side of the House cannot agree that such a person should continue to be Minister of Education and who have recalled in our motion all the points that we consider important and that we consider would justify a ministerial change insofar as the Department of Education is concerned. And accordingly on this side of the House we must support the motion of my Hon Friend fully and to the utmost.

HON CHIEF MINISTER:

Mr Speaker, I was hoping to have the benefit of the advice of the Leader of the Opposition and to listen to any arguments he might have to add and that is why I have not stood up to answer before. Since he has chosen not to speak or perhaps to speak later, I have no hesitation in making my small but, I hope, clear contribution in this debate. In great rhetorical flourish the last speaker was saying what was the right thing for the Chief Minister to do. Mr Speaker, it is a long time that I have ceased to pay any regard from that speaker as to what is the right thing to do, a very long time, because his own political career in this respect, his changing and so on, has really made people very confused as to where his loyalties lie, with the right, with the left with the centre, or where. And if there was any doubt in one's mind that this was not a political gimmick to take advantage of perhaps a few difficult days in the course of a big problem, we have had it from the last speaker; we have had it from all the speakers. The Hon Mr Caruana made the most weak, illogical speech that any parliamentarian should suffer to hear at the hands of anybody even one who had been a Minister even if it was only for a glorious two years and ten months. The importance that

I attach to education as contrasted with my predecessor in the last Government is that I did not put the weakest element in my Government, a junior minister as he did on education. I put one of the most experienced and able lieutenants, a member of the Gibraltar Council, at the head of one of the most important departments. That is the sign of the importance that I attach to education and if I had any doubt at any moment about the relative ability of his predecessor and him, by listening this morning to the pitiful criticim from the mover as against the reasoned arguments of the Minister of Education who took up every point in a long worded, United Nations type of consideration which must have been brought out of the mind of the Minister of Education that had wonderful experience of this kind of motion in the United Nations with all the consideration and so on, that is why we knew that it was he who had done it. You had the Minister of Education point by point giving the facts of the case. And of course it turned out to be an inditement of the mover. We are not here to defend ourselves we are attacking, this is what the last speaker said. But of course, because half the problems or more than half the problems that we have to face with education arises out of the mess that the Hon Mover has made in education as he has made in some of the other activities of which he was so greatly praised by the self congratulatory club of the old days of this side of the House. But I was not to have the advantage of the Leader of the Opposition to make up my mind whether I should move the Minister of Education or not and maybe I am doing an injustice to Gibraltar in that I may have been missing perhaps the best of the arguments that might make me change my mind. I would like to say that up to the moment of standing to speak I have been confirmed in my own mind from the beginning that this was just a build up of a political gimmick to be able to keep the thing boiling when in fact they were very disappointed because there was no such thing as a major educational crisis and the matter had been brought formally and properly into what it always was - negotiation - even if between one meeting and another there have been hard words said. The last speaker spoke about

what the Minister said about the teachers but he had already used a lot of very unkind words that the teachers had said about him. What did he expect? What did he expect the minister to do if he was attacked with such violence. But I would prefer to forget that and in fact, if the members opposite were as sincere about their interest in education that they are happy that the matter has been solved then they would have been big enough to have withdrawn this motion and say; "We are not any more concerned. We are happy that things are going the right way and we are not going to bring this motion;" which in any way we knew it was going to fail, because anybody in the opposition who puts a vote of censure starts from the beginning knowing that it is only for the purposes of the debate and that a Government does not fall or stand by a vote of censure from the other side and much less in a matter in which reason is certainly not with them. There has been really no change and in fact my intervention was not a last minute intervention. I have said this on many occasions before to the Unions and to others. I never intervene in matters unless they are a little difficult. I normally allow whether it be a strike or whatever it is. I am not an interventionist as the now Leader of the Opposition used to be when he was the Minister of Labour, and used to intervene in every wage dispute, in everything else, and makes statemnnts every other day on television, on radio and so on. My policy is very different to that and indeed the policy of my colleague in his department is different. We do not intervene just like that. My intervention in the case of the education department was purely in the course of the meetings that were being held/by the Minister with the teachers I will just mention one example to show that there could not have been the animus at some stage to negotiate or to carry on because in fact what really upset the whole apple cart were the very strict time tables given in ultimatum to the minister - we want this within two days, we want this within four days - Immediately that sting was taken out of claims of course the teachers' request deserved every consideration as they have deserved before as they will continue to deserve. I have not got the joint communique issued at the weekend but I will tell the House, what was being said on the question of Housing as an example and see how much different it is or is it that people now have realised that there wasn't very much to gain by going all ahead as it had been tried at the beginning. The proposals of the GTA on the 9th of April stated: "Housing information as to land or areas available now for teachers quarters within the next four days." The reply of the minister, "On housing, I clearly told you we would try and do something out of our own resources. I cannot go any further than that at this moment as there are several factors to resolve before I could state what might be available and when." "This was the last answer to the proposals at that meeting of the 12th of April which unfortunately did not finish up very nicely, but that was really all that there was. If I had to judge from the

/and approved by the parents full of admiration on: if I may say so, for his patience & forebearance at a very long meeting held

"competence of members opposite; from the comparison of the presentation of the motion of censure by the mover and the recent statement by the minister to every point, his great interest in education. I really don't want to take too much time but some of the things that have been said today are so childish that really do not bear examination. Political expediency was the reason why he gave way; political motivation was the reason given for having caused the crisis. And these are members opposite who say that there is no political meaning, no political motivation on their own part to bring this against the minister. The minister at every time, to the teachers, to theparents, and therelease that I made which was well known to the teachers confirmed my full confidence in the Minister of Education and events have proved that he is competent completely devoted, giving as much time - more time perhaps than any minister of education has given to that department before - in the interests not of political expediency, not in order to gain popularity temporarily, but in the real interest of the children of Gibraltar which is really the trust that his department of education holds and which the Government will do its utmost to uphold. Thank you Mr Speaker.

HON M XIBERRAS:

Sir, I am sorry we are short of one speaker here today, with the absence of the Hon and Gallant Major Peliza, otherwise I would not have been worried at all about speaking before the Hon and Learned the Chief Minister and telling him exactly what I feel about the situation. I think my Hon Colleagues on this side of the House have spoken at some length about the matter and I don't think that for all they have spoken the Hon and Learned the Chief Minister has been influenced one iota and I doubt very much whether my contribution would have influenced him at all. However, Sir, we have been full of admiration for the Hon and Learned the Chief Minister's handling of the education crisis and members of this side of the House have said so repeatedly. Let me add that we, of course, admire the way that he has stood up for his choice as Minister of Education in his short speech. empty of substance but full of comforting phrase for this important member of the AACR Government who now holds the portfolio for Education. I think any Chief Minister should try to raise the spirit of a member of this Government and the Hon and Learned the Chief Minister has done precisely that. He has attacked those who attacked his minister; he has praised this minister; he has given him the alcolade in the Government not often given, I may add, in an AACR Government of distinguishing between the Hon Mr Featherstone and other members of the Government for if the Hon Mr Featherstone is one of the stronger Ministers, I wonder who is the weakest? And comparison are envidious. I am

certain the Hon Mr Zammitt is not the weakest because after his speech he should get promotion. He was full of priase of the Hon and Learned the Chief Minister. "What he says, goes" was his message "and he is practically infallible" or words to that effect. Well, I am sure that there is one man and that man is the man and that man is- I won't carry on the jingle as I might give the Hon Member on the other side ideas for the next election. But I am sure that this was a valuable contribution which will weight heavily against the contributions on this side of the House as the Hon and Learned the Chief Minister mulls over the problem of the department of education. But let not the Hon and Learned the Chief Minister run away with the idea that he has convinced either this side of the House or anybody in Gibraltar that there was no crisis in education. He himself said that when things got a bit rought perhaps is the word - I forget the words that he used, a bit difficult - then he would step in but he didn't step in all the time as I used to step in as Minister for Labour. In that case he must admit that things must have been somewhat difficult, when even the Gibraltar Post said; "Following upon a recent meeting convened by the Chief Minister a series of meetings have been held between the Minister for Education, the Director of Education and with the executive committee of the GTA." Whatever loyalty the Hon and Learned Member owes his Minister surely it does not extend to the point that he must come to this House and deny that there has been anything like a crisis in the department of education, because then all the other things that he has to say will not be taken seriously at all. Sir the Hon Mr Serfaty said his piece and sat down. He told us that he knows what he was talking about us he was talking about the building. I know what I am talking about as an ex-teacher but I am not going to speak as an ex-teacher and no more should he speak as an architect because what we are talking about, as my Hon and Learned Friend said, is not professional expertise, what we are talking about is political decision political acumen and whether the Minister did the right thing politically or not at times in the interest of those he is supposed to defend, supposed to protect and supposed to further. Comparisons are always odious, but I believe my Hon Friend Mr Caruana made a very good speech - I disagree even about this one with the Hon and Learned Member opposite - he made a very good speech today. We don't always any of us make good speeches all the time but today the Hon Mr Caruana made a very good speech. Very succinct, very clear, very much to the point, about a subject of which he knew much more, if I may say so with respect, than the Hon Mr Serfaty. Mr Caruana was deeply involved in the building and the Hon Mr Caruana spoke with about as much authority as he did on the Income Tax Bill and that was the last time by the way that the Hon and Learned the Chief Minister listened to my Hon Friend Mr Peter Isola. I am very glad that he listened as late as - was it Friday? Sir, speaking about the odiousness of comparisons, I must draw one between the mover of this motion and the man at the

receiving end of the motion. There is no doubt that as far as fine words are concerned, there is no doubt that as far as the clever phrase is concerned, the Hon Mr Featherstone has the edge on the Hon Mr Devencenzi but he is not half the man, the political man, that the Hon Mr Devincenzi is. For all his trials and tribulations the Hon Mr Devincenzi to my knowledge did not lose his cool once, did not lose his judgement once and did not utter a word in anger once. And yet if you weigh in the balance what my Hon Friend has done in respect of the stadium, in respect of the comprehensive school, in respect of the youth clubs, in respect of holidays, in respect of all those things that the Hon Friend on my right mentioned and put those in one pan of the the balance and puts in the other pan the achievements, the doubtful achievements, of the Hon the Minister for Education, I wonder who can say or whether people would say that it is the Hon the Minister for Education who has done more for the children of Gibraltar or whether it is, in fact, the Hon Mr Devincenzi who has done more for the children of Gibraltar. I think perhaps when the Hon Member opposite introduces his Education Ordinance, which we await, in this House - it s a complicated piece of legislation and I am sure he will deal with it admirably - and we shall deal with it critically in a constructive fashion. When he does that and when he brings to this House a budget which really signifies an advance in education, and when he gets the second phase of the stadium completed and when he extends holidays for school children and when he gets extra TV hours, then, perhaps, we can begin to put him on the same level as my Hon Friend Mr Devincenzi. But in the meantime we listen to what he has to say we listen to his asides about dogs barking, we listen to all these things but we wait and wonder when is he going to come up with something which is mature politically and which really gets down to the nub of the problem as I propose to do in a little while. Sir, let me get rid of one point first of all by asking the Hon the Minister for education whether he has heard of the report of the committee of public expenditure by members of Parliament who came over to Gibraltar and whether he has read the evidence which has been given to that committee by members of the armed forces in Gibraltar and by persons not Gibraltarians, who have had to put forward points, as regards the state of education in Gibraltar. Sir, that committee and the evidence given to it, does not paint the same sort of picture about education in Gibraltar as the Hon Minister for Education painted for this House at budget time. There are very grave criticisms as the shortcomings of Gibraltar,/want to fight back. But perhaps he will see the import that what my Hon Friend was saying. That education in Gibraltar is nowhere near the standard of education in the United Kingdom and it is quite pointless for the Minister to say that in Scotland or in England expenditure has gone up by 3 per cent and in Scotland by 3.7 per cent. It is quite pointless because what we are talking about and what the Revd Brother Hopkings - or Bro

/education in that committee and some of them made me as a Gibraltarian

Hopkins as I would call him - was talking about was the attitude that we have to the state of education. And it is the complacent self congratulatory, attitude of the Hon Member opposite that we object to and Bro Hopkins as objecting to at the time. The feeling that everything was well, that averything was under control because he was there. This was what Hon Members got as an impression when they heard the Minister speak. But today he has been nervous. Today he has been lashing out at one and another and at all and sundry, and that proves as has been said before that he is prone for all his intellectual distinction - he does have a degree and my Hon Friend does not - how, when he is in a corner, when his back is to the wall, he snaps back and he snaps out at anybody and anything within reach. Well, Sir, ministers of education are not chosen because of their degrees; Minister of Education are chosen for their policies and their political judgement. And it is because the political judgement of the Hon Member opposite has been shown up in such a bad light in recent days and because the effect of this judgement might have been very serious for education in Gibraltar, that the Opposition has brought forward this motion. I doubt whether any Hon Member opposite or in this House, in fact, would deny that the matter was of sufficient importance to warrant the motion. I doubt very much whether other motions brought by the Opposition to this House have not been less important than this one. And I have no doubts at all that the Hon Mr Featherstone when he brought a motion of censure against my Hon Friend when he has Minister of Education did not have 1/20th of the justification for bringing such a motion that my Hon Friend has had now. So what started this crisis in education? Was it the wrong doing of the last administration? I think time can give an indication that this was not so. Hon Gentlemen opposite have been in power for the whole of 9 months when the crisis erupted. For 9 months the comprehensive system started by my Hon Friend had been moving extremely well. There were no complaints from parents as far as I know. The transitional period was going fine and then the Headmaster of the Comprehensive School, a Christian Brother, chosen particularly for this job writes to the Minister and asks him certain questions and the Minister does not reply. And Bro Hopkins continues pressing the minister and he makes it a point of going public and letting the public know and letting the parents know that he is not satisfied with the way things are moving. That is the one fact which all the talk and all the names and all the Slogans which have been called and used by Hon Members opposite, that is the one fact, Bro Hopkins, which Hon Members cannot bury. That a member of a religious order, a brother in charge of one half of the secondary school chidren of Gibraltar should make such an outspoken and controversial pronouncement; such a clear cut indictment of the minister - and let there be no doubt, Sir, it was the minister and not the previous minister -that Bro Hopkins was referring to.

That this should happen cannot be buried, I repeat, by the other side. One can be friendly now on the benches opposite with the Gibraltar Teachers Association despite the fact that at one time Mr Featherstone practically accused the committee of furthering their own interests in this crisis - I refer to his TV address. One can accuse with however little justification the Opposition of making political capital out of this because they dared to bring a motion to this House; one can say a good many things but one cannot explain if one is sitting over there where the Minister is why his headmaster a member of the religious order supported by almost the entire staff of the Boys Comprehensive School and by a good proportion of the teaching profession, makes an uncharacteristically open statement about the state of education and about by a very direct implication the handling of education in Gibraltar by the present Minister for Education. Brother Hopkins said it quite clearly: "It is easier to change the building than a man's mind". For a headmaster to say this in the context in which it was said; for the headmaster to stand up and say a radical change in Government thinking and policies called for to say that if we wait any longer there will be no bridges to cross in the future; to talk about education of children under his cate in these crystal clear terms. Does that not register with the Hon and Learned the Chief Minister or with the Hon the Minister for Education? If that is not a crisis, then what is? But that wasn't all. Brother Hopkins also threatened to resign and to my knowldge he is still threatening to resign because the Hon Member opposite has not thought fit to clarify this point. And he said this publicly. He said publicly that he would resign unless there was a radical change in Government thinking and I have it that he was supported by a good number of persons in his staff and I am talking not of one school in ten thousand,

I am talking half the secondary school population of Gibraltar, not counting any other teachers who may have come out in sympathy. Now, I am sure that there has been nothing like it in the history of education in Gibraltar. I am quite certain. What was Brother Hopkins worried about, Sir? I think Brother Hopkins gave sufficient indication of what his worries were but I won't put words into his mouth. Let me refer to the point about co-education. In this House we have had at least three versions as to when the Hon Member opposite proposes to go co-educational. Now the Hon Member knows that co-education, unless it is handled properly, can be a devisive issue in Gibraltar, certainly not one in which to rush in. I can tell him straight away that this side of the House in common with a good many people who have to do with education advocates co-education but what this side of the House cannot condone is that the Minister should be equivocal about when he is going to introduce co-education and at least this purpose of clarifying the matter has been served by the present motion. What this side of the House cannot tolerate

is that in trying to put a feather in his cap but co-education he should antagonise cert in sectors of the teaching profession including the religious orders who might not be in a position however much they wish for themselves that they were might not be in a position to support an early move in this direction. And to make statements as those which the Hon Member has made in co-education can only sow doubts in the mind of those who are at present responsible for secondary education. We have not heard from the Minister whether he had any difficulties, whether he envisaged even at this stage any difficulties about going co-educational.....

MR SPEAKER:

We are not discussing co-education now, not on this motion, anyway. I am giving you a fair amount of latitude because it is relevant to the extent of the ministerial duties, but we mustn't go into the policy of co-education.

HON M. XIBERRAS:

Sir, I have no intention of doing so as it is rather a long subject but what I am seeking to say is that even the statement that has been made today is not a proper statement in the sense that it does not state clearly what the Minister is going to do about co-education. Because just to so say: "I stand by my word and I am going to go co-educational at such a time," especially in the tone of voice in which he said it is not going to make people's apprehension less; is not going to make things easier for people who might support him in different circumstances, quite the contrary, it sets people a deadline. And for a man who has consulted so many interests the late bishop, Monsigour Rapallo and so on as the Hon Member mentioned, he is making a very hasty statement even today and I warn him that he is. I wonder what the reaction was of the brothers and of the nuns to the minister's statement on co-education on this House even before budget time - or should I say statements because there were three different ones - Sir, the Hon Member is responsible for education in Gibraltar, and even though the Hon Member has certain constitutional obligations along with other members of this House and one of them, I believe, is that he must do nothing to impede or to run against the freedom of Gibraltarains to set up three schools as a matter of their own choice, I doubt whether this constitutional obligation to which no doubt we will come in the Education Ordinance in due course, I doubt whether this obligation stretches as far as going to Bath and trying to do a deal with the brothers to offer a school and put it in the minds of the brothers that they could

extend their activities for children between 12 and 18 years of age. I doubt, Mr Speaker, whether he was acting in the true interests of, let us say, the majority of the school children of Gibraltar. One who was prepared to attribute motives might say that this meant the undermining of the whole purpose of comprehensive school. Which is to have classless education. And surely this was a reversion to the old days where there was a good school and then the Government schools. The Hon Minister must have regrets about what he had to say in Bath. As a matter of fact I am aware of what transpired at that meeting, I made it my business to find out what transpired at that meeting and I am not going to be put off by meaningless excerpts being quoted at me from minutes of that meeting because I am aware of what transpired at that meeting and I challenge once again the Hon Member to deny that he made such an offer. I believe I don't even have the need to challenge because in his TV address he made it quite clear once again in typical featherstonian manner he said; "I did not do this I did this." Perhaps my Hon Friend might allow me to quote from histelevision address. "The minutes which have been agreed with the Reverend Brother Provincial. The minister also put as an idea for consideration, the possibility of the Christian Brothers swopping Line Wall School for the school at Sacred Heart Terrace which is on lease to Government until 1985. The Christian Brothers might prefer to run their private preparatory school closer to their premises. The minister also asked whether the Christian Brothers might wish to widen the scope of their private school and take pupils up to the age of 18. The minister commented that part of the Education Ordinance would have the clause that as far as practicable a child should be educated in accordance with his parents wishes. If a parent wished to send his child to a private school government should not stop him. Was there any need to offer this extra facility to the brothers? Why did the Hon Member offer this extra facility to the brothers? Did he want the brothers to accept it? Because there is no sense in offering it if he did not wish the brothers to accept the offer and if he wished the brother to take up the offer I ask this House whether this, was acting in the interests of the education of the majority of children in Gibraltar. Was the Hon Member discharging his responsibilities as a Minister of Education? Is that his policy; to encourage the setting up of private schools at secondary school level? Now these are the things which the Hon Member might have spent time on rather than talking about dogs and other things of that nature. Well, let it be understood, Sir, that from this side of the House though we are not in Government we concur entirely with the Christian Brothers, with Brother Hopkins, to the effect that it would undermine the whole comprehensive structure if there were to be a big school, a large school here catering for children in 12 to 18 and I am delighted that it took a Christian Brother -- because not all brothers I understand are on the same mind on this - that it took a Christian Brother to tell the Minister for Education of Gibraltar this home truth. What an ironic state of affairs considering the

history of the problem. That we should have a Minister for Education told by a Christian Brother, Head of a Comprehensive School, that he would not have a secondary school in Gibraltar. I hope, Sir, that when theHon Member went to the United Kingdom he was not equally regardless of the interests of those he was supposed to defend. I would be glad if any Hon Member follows me if he should reply to the point that I have raised. - there are speakers on the other side now who are conversant with education - as to what is the position as regards Brother Hopkins resignation. What is the position as regards the resignation of 104 teachers to which Mr Mathews referred, what is the position as regards co-education in more clear cut terms than the Hon Member has cared to mention up to now. What is the position about private schools. Has the offer been withdrawn? Does it still stand? Are the brothers likely to take it up now? Lastly, Sir, I come to the question of one school or two schools because if we have one comprehensive school very early.....

MR SPEAKER:

We are not discussing or debating the education system but the manner in which the Minister is carrying out his ministerial responsibilities.

HON M. XIBERRAS:

Thank you, Sir. The argument I am trying to follow, Sir, is that the Minister has not been clear about this important facet of his responsibilities and because of his unclearness he might very well give the wrong impression especially as regards co-education. I may put that in other words. If there is to be one school only, one comprehensive school only, then clearly it will have to be a co-educational school. Brother Hopkins referred to this several times. If there are two schools, we can have boys in one school girls in the other for as long as it is necessary. Brother Hopkins had no anser on this one even at the height of the crisis. The Hon Member opposite Mr Featherstone was not willing to give an indication as to what he was going to do in the future. He would cross his bridges when he came to them. Becauseif he does intend to go back to the old AACR plan of one school split horizontally with younger children, boys and girls going to the same school in one building and then moving over after a couple of years to a second school, boys and girls together also, then that is co-education and this House would like to be satisfied about the difficulties concerning co-education. And to leave the matter in the light in which it was left at the time

of the crisis and it is this, Sir, and this is why I come to this point, it is this lack of clarity in what the minister was saying that made several interests in the world of education move against him seeking a show down. It is because of this that I raise it today in this motion. This is what Brother Hopkins was saying all the time. "What is going to happen, what do you intend to do?" And this is what the minister was constantly avoiding. Apart from all the question of teachers, money, houses and all the rest of it. This to my mind was absolutely crucial to the whole educational crisis and today - he might have told Brother Hopkins more than we know, he might have told the teachers for all we know - but he hasn't told this House. And yet if we ask questions, if we raise motions we are accused of acting politically. Sir, no attempt by the Government to turn this whole issue to the question of politics, that we are making politics out of this, will succeed any more than the £11 succeeded. I wonder what has happened to the £11? The Minister has not said what sort of agreement has been reached either. I would say what the extent of the Opposition's involvement in this education crisis was. I received innumerable representations both from members of the Integration with Britain Party, from teachers, from parents, from all sectors of the community that we should take an open stand on this. And Hon Members must know about this and I refused to move publicly on this. Many of the things that were being said particularly about the building, by the Hon Mr Featherstone on TV reflected on my Hon Colleagues Mr Caruana and Mr Devincenzi. They have been said in this House again today, but despite this we did not move we have not said a word in public about this. My sole intervention, with the agreement of Mr Devincenzi, was to write one letter and send four copies; one to Bro Hopkins, the second to the president of the Gibraltar Teachers Association, the third to Mr Victor Dumas, and the fourth to the Revd Jefferies, who chaired the parents' meeting. And in that letter essentially I said "we do not propose to intervene publicly because we do not want to add fuel to the fire. I would be grateful if you would inform me as to whether you have reached deadlock in your negotiations with the Government. You should know that we intend to raise the matter in a motion, at the next meeting of the House on the 15 May, but if there is deadlock we cannot stand by and watch education go over the brink". A very short communique was put out by the Integration with Britain Party stating the fact that I had written and saying not a word about what I had said. Now if that is provocation, Sir; it that is playing politics with the issue, the Hon Mr Featherstone should wait until we really do play politics with an issue because then he'll know what it is really like. We did not want to confuse parents. Parents were wondering who was right, the Teachers Association? Who is this Brother Hopkins? Surely he could not be telling a lie? Is the Minister right, is the Minister wrong? What is happening? Opinion was divided on this. And we did not claim the right of reply on television

and we did not put out a communique. And we are doing things in the proper manner, in the manner in which we have done them before, by raising these important matters in this House. Sir, it is not just a matter of form which prompts the Opposition to ask for the removal of the Minister to another department. Along with my colleagues I very much welcome what agreements or new spirit has been engendered with the discussion of the Teacher's Association. I look forward for equally good news in the discussion between the minister and the headmaster, I hope that the House is kept informed about this, but I have my doubts as to whether everything is quite as smooth or is going to be quite as smooth in the schools, in the Education Department and amongst parents after this particular crisis. I wonder whether things have not been said, already which might not be conducive to the good running of education in the future, and I wonder whether it might not be a tactful thing to do, not now but in the future, for the Chief Minister to consider once again the position of the Minister of Education. I have no doubt that he is an able man in his own way but not in this particular way of dealing with association or dealing with unions. I might suggest a more administrative job for the Hon Member, and have a more congenial appointee as Minister for Education. One who is able to understand what people are trying to tell him. So Sir, I have absolutely no hesitation in supporting my friend the Hon Mr Devincenzi in this motion and congratulating him in the manner in which he has presented it to this House.

HON A.J. CANEPA:

Mr Speaker, we have heard the Hon Leader of the Opposition discoursing at much greater length than the Hon Chief Minister had done, as indeed the Leader of the Opposition is invariably wont to do. He spoke 6 or 7 times longer then the Chief Minister did. Had his intervention contained 6 or 7 times the substance which the Chief Minister had in his own short intervention then I am sure this House would have been treated to one of the greatest speeches on record. But unfortunately the speech of the Leader of the Opposition was devoid of substance in direct propertion to the length of his discourse. He accussed the Chief Minister of praising the Hon Minister for Education in an effort to raise his moral and then, Sir, he himself procceded to bolster the ego of the Hon Mr Caruana following his very weak intervention earlier this afternoon. The Hon Mr Caruana, Sir, who was not here when Mr Featherstone spoke and yet accused Mr Featherstone of not speaking to the motion when he went through every single point in the motion. If anyone did not speak to the motion, Sir, it was the Hon Mr Caruana. He it was who introduced the catalogue of the achievements of the Hon Mr Devincenzi during his term in office as Minister of Education. Mr Devincenzi, for his part,

didn't present any case in support of those 6 or 7 points in the motion and I would invite him when shortly he has the right to reply to do so, to present a far stronger case than what he did in his opening remarks. Sir, we have heard from the Opposition, from a number of their speakers, that they should restraint during the time when the so called crisis in education was coming to the boil. We have heard from the Hon Mover of the motion himself that he was not happy at having to introduce this motion. And I can understand that, Sir, for it is precisely he himself who has been called to account in this debate and I am amazed, I marvel, at the lack of tact on the part of the Opposition in introducing a motion which has bounced back on the previous Minister of Education. That is why, Sir, the Hon Mr Caruana was very quick to rush to the aid and in defence of this colleague because it has become a motion of censure on the incompetence and on the failure of the previous Minister of Education. We have also heard, Sir, that they refrained from making any public statement even though provoked. Who provoked them, Sir? Did my Hon Friend the Minister of Education provoke them? Did he at any time during the ministerial statement, during any communique, during any discussion and consultations, did he accuse the former Minister of Education or the Opposition of being responsible for the difficulties that we found ourselves in? It would have been the easiest thing in the world for the Hon Mr Featherstone to have said: "This is not of my making. The Teachers Association were saying 2 years ago that there was no money; that the deadline could not be met; that the comprehensive education was in a mess. I am not to blame you can go and sort it out with them. They are to blame!" But at no time did the Hon Mr Featherstone do that. At no time did he apportion any blame to members opposite. Had the Opposition come out with any public statement last month throughout the course of the dispute I am sure that the catalogue of events leading to the crisis-and beginning well over two years ago as has been put by the Hon Mr Featherstone today,-would have established clearly in the minds of the public who really were responsible for the difficulties and the mess we found ourselves in when we took office. Sir, we heard later on this afternoon from the Hon Mr Peter Isola, one of the most recent converts to comprehensive education, that they did not ask for time to reply to the ministerial statement of Mr Featherstone. They did not ask for time on that occasion, but they had no hesitation going on TV,- Mr Isola himself - and then the IWPB calling a public meeting because they weren't getting sufficient coverage in order to put their case on the Income Tax measures prior to their consideration in this House. Were they or were they not playing politics then Sir? And what about keeping education a apolitical? What about setting up a Select Committee Sir? I seem to recall that Mr Featherstone invited the previous Minister for Education to do precisely that two years ago. Indeed I myself representing the AACR, took part in a debate on Television with the Hon Mr Isola and I again on behalf of my Party, extended that same invitation that a Select

Committee should be set up. Why did they not consider it then Sir? Why didn't the previous Government think of that? But now we are expected to do that. We are expected to make the offer and perhaps, we were told, that Hon Members opposite might consider it. How kind of them Sir. We have also heard right at the beginning of this debate, Sir, from the Hon Mover that members of this party had never been truly interested in education. In one manifesto after another they said they would bring in comprehensive education and they didn't. In fact not even in 1964. It was in 1969 that this Party first committed itself to introduce comprehensive education in a manifesto. Prior to that, Sir, there had been talk of what the Hon Leader of the Opposition referred to earlier as the AACR plan which was not comprehensive education. Comprehensive education was adopted later on as a result of consultation and as a result of a great deal of work that was done by the Government of the day in consultation with the Teachers' Association, and following a very wide questionnaire sent to all teachers a great majority of whom favoured comprehensive education. It was in 1969 that there was a clear cut commitment - and we all know Sir what happened what are the events surrounding the election of 1969. So let not the most recent convert to comprehensive education now come telling this House who or who did not think of the idea of comprehensive education. In the same vein, Sir, following logically on an accusation that we are not interested in education we have heard that we want to destroy comprehensive education, that there is no turning back I think the Hon Mr Bossano said, ~~because someone on the other side, Sir,~~ said about the wind of chan e which will not allow us to go back to the old system. Of course, Sir, there is no turning back. Comprehensive education will go ahead. Comprehensive education will succeed. I have no doubt. There may be teething troubles, perhaps that is what we are having now, but I have no doubt that it will succeed, because when all is said and done about buildings and equipment and what have you, it is not really that which brings about success in education. Apart from the children who are the most important unit, it is the teachers that will make of education a success, and I have no doubt as they have done ~~so~~ in the past, that in the same way as with all the limitations of the old tri-partite system, education in Gibraltar, within the deficiencies of that system, but within that, I have no doubt that in the same way as it made gigantic progress in Gibraltar so will comprehensive education succeed. You may have, Sir, the best building in the world, you may have a purpose built school and if your teachers are not there; if they are not good enough; if they do not put their heart and soul into the matter it will flop. And on the other hand you may have inadequate buildings which we have in Gibraltar and which they have in England, most inadequate buildings, and where the teachers are dedicated where they are prepared to struggle and not wash their hands like Pilate and leave Gibraltar, then education is a success. But, Sir, talking of putting the clock back. I

was informed, Sir, a few months after the previous administration took office by one of its most prominent members, that the plans for comprehensive education ~~would~~ they had were being geared in such a way that if the comprehensive system of education did not succeed it would not be very difficult to turn the clock back to the old tri-partite system. And I would suggest, Sir, that the fact that they never planned, much as they were pressed by the Hon Mr Featherstone, much as they were pressed by the GTA, the fact that they never really planned for the introduction of a purpose built second school, be it for girls or what have you, ~~that~~ is clear and positive proof of the fact they they weren't fully committed to going comprehensive and at the back of their minds there was always....

MR SPEAKER:

We are now talking about comprehensive schools and not the responsibilities of the Minister. You have been completely in order until now but you mustn't go further.

HON J CANEPA:

Sir, if any Government was not committed to comprehensive education, the situation regarding the buildings certainly as far as Bayside is concerned is such that with that and what used to be the Grammar School the clock could be put back if any Government wanted to do so and I put that thought to members opposite as food for thought. But we are not turning the clock back we are going ahead. We have got definite plans for the second school and I have no doubt with the consultation which is currently going on with the Teacher's Association and which they, in turn, are ~~disseminating~~ disseminating to their members the best solution will be adopted. Sir, we have heard a great deal about consultation. We have heard that the Minister of Education has been arrogant and that he refused to have any further consultation with the Teachers. We have been told that you don't go and tell unions that you won't consult them I seem to recall, Sir, and I was present in February 1971 at the end of negotiations on salaries - and the Hon Mr Peter Isola spoke about teachers' salaries - the Minister for Education ~~had~~ said: "There is nothing doing on salaries. You have not a hope in heaven." I think ~~was~~ the term that was alleged to have been used. But I seem to recall, Sir, precisely on this issue of salaries the previous Minister telling the executive committee of the Teachers Association after a long, hard day of negotiations. "You've got to go and tell your members now that they accept this offer from Government" At blank point almost they were threatening to go to a meeting and ram a miserable pay offer from the previous Government down the throats of teachers. And he talks about consultations. What does he know, Sir, about trade union matters and consultations? Talk of interference.

Sir, housing; The allegation that this naughty Government will not do anything for teachers in the field of housing. It is, Sir, precisely an AACR Government and only an AACR Government that has ever provided flats for teachers. Ten flats out of the housing list have been given to teachers in the past.....

HON P ISOLA:

On a point of order. An AACR Minister of Education, I suppose?

HON A J CANEPA:

Sir, an AACR dominated Government. Whatever proposals the Hon Mr Isola may have made if the AACR colleagues did not accept them they would be thrown out. And in the very same way, Sir, as there has been a response to the aspirations of teachers wanting to remain in Gibraltar by acquiring accommodation naturally - a very important ingredient in the process - now there has been again a response and already the Teacher's Association is circulating among its members ideas, suggestions about what can be done about accommodation, the improvements of accommodation that may become available to the Department of Education and also suggestions for teachers to get together ~~and~~ on the lines of a housing corporation to purchase their own flats. This is a definite response. What could not be done, Sir, what would be very tricky would be at a time when people have been looking very closely at the allocation at Glacis to make, at gun point, an offer of a number of flats to teachers. That would have been very difficult and perhaps we today would in this House stand accused of letting down other sectors of the community with the same natural aspirations. Sir, obviously the Revd Brother Hopkins has been used by members opposite as a linchpin around which to build their case. He has been quoted, referring to the Hon Mr Featherstone, something about it being more difficult to change a man's mind than to change the buildings. But I also seem to remember, Sir, the architect - whom I ~~doubt not~~ trust that this House will accept had no axe to grind himself - ~~the architect~~ saying that the whole problem amounted to not the building being adapted to the Revd Brother Hopkins but Bro Hopkins himself adapting his ideas and his attitude to a building that is already a reality. Could it be, Sir, that when there was talk of it being difficult to change a man's mind Brother Hopkins may have had himself in mind? Could he not see that perhaps the building had gone so far that certainly major alterations could not be made. Minor improvements could be made that would help the matter. Sir, I have no doubt - certainly I know the man - I have no doubt in my mind - that the Revd Brother Hopkins sincerely wants the very best for our children. I have no doubt that he is totally committed to making a success of the comprehensive system. I believe

that when he was more or less told just over a year ago that we were going comprehensive in September 1972 and not in September 1973 as the majority of teachers had thought that he said: "Very well; I am willing to give it a try, but, obstacles must not be put in my way. I must have what I want. Time is short. We are being asked to go comprehensive in five months. Obstacles must not be put in my way. Things must be made easy." I have no doubt, Sir, that he is energetic and hard working, that he wishes to see stability of staff, this is natural. All head teachers want to have a stable staff. But, Sir, I myself and the Hon Leader of the Opposition have laboured with other teachers under very difficult conditions. We have seen teachers come and go; we have seen a headmaster put in an awkward position but by and large what a headmaster must do is to endeavour to make up deficiencies ~~that is what awkward tachers do. They must endeavour with~~ whatever material is readily available, always aiming for an ideal always aiming for the very best, ~~they~~ must endeavour when there are difficulties to put up with them. The last thing that you do, like Pilate, is to wash your hands and leave Gibraltar. That doesn't solve the problem for our children and I am glad that it was parents themselves, at a meeting that I attended at Mackintosh Hall recently, who brought up that point. It is by fighting again and again and by struggling within a representative association, be it of teachers, be it of parents or what have you it is by constant struggle that you improve matters in Education and that cannot be done overnight. A period of time is required for that. I am glad to hear members opposite, Sir, "hear hearing". Perhaps if I were to amend the motion they might even support it. But, Sir, whilst I have no doubt as the Hon Mr Isola I think it was said that the Revd Brother Hopkins had no political motive behind him - I am certainly not prepared to suggest for a moment that a man who has only been here one year already has jumped on one political bandwagon or another. I have no doubt that he has no political motive himself. I am not however prepared to extend the same accolade to all members of religious orders. We have seen, Sir, as recently as June last year, events in which political partisanship was not exactly conspicous by its absence. So I certainly accept it in respect of the Revd Brother Hopkins but I am not sure that I can accept it on behalf of everybody. Sir, there is a matter which I must deal with of course and that is the question of the privat school. The so-called offer which the Hon Minister of Education made to the Christian Brothers for them to set up a private school. And I think it is relevant, Sir, if you will allow me, to try and put this matter in the context in which it arose. It is no secret, Sir, that the Christian Brothers have always entertained some reservations about co-education - I am not going to go into a debate of co-education Sir - but this was a matter which they felt certain disquiet about and I understand that it

Headteachers

could well have been that they might not have found it possible to fit into a comprehensive co-educational system. It may well be, Sir, that had it come to that should it ever and I hope it doesn't come to that, on such an issue they might/been prepared to pack their bags /have and leave Gibraltar and I am sure that the last thing that this Government and the Minister of Education and this House and anybody in Gibraltar wants is that the Christian Brothers with the invaluable contribution that they have made to education in Gibraltar over the years should leave. Whatever exists today, Sir, in Gibraltar in the realm of Education surely must be put at the door of the Christian Brothers. How many of us do not in one way or another, owe our position in life today precisely to the education that we have received from the Christian Brothers. And therefore, Sir, the last thing that the Minister for Education wanted was that any kind of situation could have developed that might have led to the Brothers leaving Gibraltar. He himself and the Government would then have been accused of bringing this about, of provoking this I don't think, Sir, we would want to stand accused of that and that is, why the Hon Mr Featherstone was bending over backwards to avoid that. I think, Sir, that the Brothers were becoming more amendable to the idea of co-education. Perhaps if this was the answer for Gibraltar, comprehensive co-education.....

MR SPEAKER:

We mustn't talk about that. We are going on to co-education.

HON AJ CANEPA:

Sir the last thing I would want is to become the second person in this House to be accused of lecturing the other side. One thing is certain Sir, on this side of the House we have no intention of introducing or encouraging the setting up of any private school that will undermine the comprehensive system of education. Our attitude, Sir, to private schools is, I think, fully shown and reflected in the confidence which we place in our Infant and in our Middle Schools by sending our own children to them Perhaps, Sir, that is in very stark contrast to what some of the members opposite do. And perhaps some of them might even have welcomed the introduction of a private school that might have protected their interests. Sir, having heard the Hon Leader of the Opposition who had nothing new or useful to contribute that might in any way shape the thinking of the Chief Minister on the matter, I think that I can myself advice the Chief Minister that seeing that the so-called crisis in education - if there has been one - started precisely with the appointment of the Hon Mr Devincenzi as Minister of Education way back in 1969,

that whatever difficulties have arisen in the last 9 months or so have been the result of poor timing because, let us make no bones about it, teachers were not ready, the equipment and the books were not here to go comprehensive in September 1972. Everyone was expecting this to come in in September 1973 and had the election taken place this summer they could still have boasted of introducing comprehensive education. But events overtook them politically. They were found to be floundering in May and perhaps that is why they accelerated the introduction of a comprehensive system. That, Sir, was untimely and is the direct cause of the difficulties that we found ourselves in in the last six or seven weeks. And so, Sir, I say to the Hon and Learned the Chief Minister that the ability of the Hon Mr Featherstone as Minister of Education cannot at all be in question. I have no doubt, Sir, that he is a far more able Minister of Education than the two former ministers. I have no doubt that he is making a far better Minister of Education than any of the former teachers in this House would have done. And that is why Sir, this motion which has been introduced for political motives has been untimely and unworthy of previous Ministers for Education, Sir. I have no doubt that we will reject the motion and I have no doubt that at the end of the day when the comprehensive system finds its feet the Minister of Education will be seen to have been doing an excellent job.

/having done away with the 11+ and they could still have boasted of having

MR SPEAKER:

I will then call on the mover to reply.

HON L DEVINCENZI:

Mr Speaker, I am now more worried than ever before for it appears, Mr Speaker, that in spite of the very relevant arguments that have been put by this side of the House it appears that the Government are as yet not convinced that they have had in their midst chaos and crisis and this is very serious. Now, Mr Speaker, we all know that the motion is going to be defeated but I think it was the duty of the Opposition to bring it before this House so that the problem could be aired. I will say, Mr Speaker, that the Government have said a lot of nonsense but they have been ably led here by the Hon and Learned the Chief Minister nonsensewise, of course. They tell me that I have not spoken on the motion before the House. Of course I have, Mr Speaker. What is it really all about? We are not very concerned that the education department should have some problems. This is understandable. What we are very concerned about is the manner in which these problems have been tackled and this is precisely what is before the House now. It is, in fact, the arrogant

and inflexible attitude of the Minister which we are quarrelling about. Mr Speaker, there have been quite a number of accusations levelled against me and I am very surprised that the last speaker should have said that the Hon Mr Featherstone did not attack me. He spent at least half this time doing precisely that. Of course perhaps he took the line that the best way of defending oneself is to attack and this he did very ably. But, Mr Speaker, we are concerned very much of what has happened in the last few weeks and of course even more concerned about what is going to happen in the future. This is what really concerns us. I am very surprised at the attitude taken by many of the Ministers opposite but particularly so from the Minister of Education. I can understand that he has a lost case because he is a lost case but I would have thought that he would have taken this much more seriously than he has done. He has accussed many people, including Brother Hopkins, and I think this is very serious indeed. As I understand it, Mr Speaker, and as the House is aware, the crisis is not yet over. I am happy to see that it is moving in the right direction but it is not yet over and some speakers have doubted to some extent thehonesty of Brother Hopkins. It is quite clear for anyone to see that the motion before the House is a very reasonable motion. It is reasonable because it has been established without a shadow of a doubt that the Minister for Education did mislead the House. How can he say he hasn't when he said on the 25th of March; "There are no problems. Everything is fine with education." And then We get this explosion as he calls it from the Revd Brother Hopkins and 104 teachers. It has been mentioned before but I am very surprised that the Minister for Education should not have known that this was confirmed, as the Hon Mr Caruana said, by the President of the GTA himself at the May rally. Still it only proves once again that he is ignorant of what is happening around him. Again he went at length to quote from previous GTA communiques. Of course they were complaining, as he himself has said. There are always problems and there will be problems, but never of such magnitude as we've seen in the last few weeks. Do I understand, Mr Speaker, from the Minister that the GTA were right before, every time they had to say something about me, and they were wrong this time? Is it that we have a new set of teachers altogether? Mr Speaker, I think we have all seen the GTA leaflet and I would just like to quote very briefly. I am not in the habit as you are aware Mr Speaker of quoting. The leaflet among other things does say: "Once and for all we must expose Featherstone's misleading statements on education." (These are strong words Mr Speaker) "Do you think that Featherstone is honestly planning for the education of your children?" (Even stronger words, Mr Speaker). "Have you confidence in a minister who publicly proclaims his satisfaction with the department when it has been proved beyond doubt publicly that his department has no real plan for your children and are we prepared to entrust

the education of this generation to Featherstone who would seem to enjoy using the children as pawns in his political game." Mr Speaker, they really are strong words, and this is something which never happened during my two years and ten month's glorious term of office. Is it possible, Mr Speaker, that the Minister for Education should think as he said this morning that when Revd Brother Hopkins mentioned a major change in thinking that he was referring to the attitude and mentality of the people here? Mr Speaker, surely the Minister is not that foolish. I cannot believe that. How does this Hon Gentleman dare to mislead the House once again? Hasn't it been proved beyond the slightest doubt, Mr Speaker, that when the Revd Brother Hopkins said these words he was referring to the Minister. In fact he said this and most of the teaching profession backed him up to the hilt. This is, Mr Speaker, in sharp contract to the Hon Mr Canepa when he quoted Brother Hopkins as saying that it was easier to change a building than some people's mind, that perhaps he was thinking of himself. What a thing to say, Mr Speaker. I think there has been an attempt even at this late stage to add more fuel to the fire. Perhaps the Hon Mr Canepa realising the accusation that he was making tried to back track and said very soon afterwards that he did not doubt the sincerity of Brother Hopkins. But this is not good enough. Because I dwelt at some length on it this morning I will be very brief on this one but I must accuse the Minister once again of using his newspaper to try and make the parents and the public in general go against the teaching profession and in his favour.

/suggest in this House a thing like that; is he trying to

MR SPEAKER:

That is not relevant to the debate.

HON L DEVINCENZI:

Mr Speaker, I bow to your ruling. It was seen to have been relevant this morning, Mr Speaker, in the sense I am accusing the Minister of the way he dealt with the crisis....

MR SPEAKER:

You never put it that particular way this morning. You used quotations from the Gibraltar Post to further your arguments and you mentioned the fact of the relationship between the Gibraltar Post and the Minister. But what you have said now is completely different. You are now attempting to accuse the Minister of using a newspaper to attack the Gibraltar Teachers Association.

HON L DEVINCENZI:

That is precisely what I was doing, Sir.

MR SPEAKER:

I know but I am not saying that you are not entitled to do it in other circumstances. All I am saying it is not relevant to this devate.

HON L DEVINCENZI:

We understand from the Hon Mr Featherstone that he is no longer editor-in-chief. Perhaps he has also ceded this to the Chief Minister. The Revd Brother Hopkins did say and again with the full support of the GTA although they were working independantly of each other that there is need for action and action now. From all his appearances on television and in fact from everything he said it was made perfectly clear by the Revd Brother Hopkins that he was satisfied with the progress that was being made up to the time of his arrival. He did say there were problems, this we accept. In fact one of the main problems was that they had to wait for him to come. We have accepted that, But once he was here we worked and he worked and the department worked like mad to put things in order. In fact as you are well aware we didn't have a Director of Education until three months before Brother Hopkins came and this didn't help. He made the point over and over again that he was satisfied up to that point. He was satisfied with the cooperation he was getting and therefore because he saw that we were helping him as much as we could with his ideals he saw that it was a commitment a firm commitment, and therefore he was satisfied with the progress being made. But things changed, and this was the complaint. His complaints have not been that there were problems but at the way they were being tackled. Mr Speaker, the motion before the House which as I said is fairly reasonable when one compares it with the crisis and chaos we went through, is something which I very much hope, Sir, we will never have to face again. I do not even wish it to the Government opposite and I say this in all sincerity. This is far too serious for anybody to wish the same thing happening again, but I must warn the Government opposite and particularly the Chief Minister that there is a great risk that with the present Minister with his inflexibility and with his arrogance in dealing with such an important section of the community as the tachers are, work which the Hon Mr Canepa mentioned and we fully suppor that, that he should be very careful that the Hon Mr Featherstone be removed from his present position as it is more than likely that we should see a repetition of this chaos and of this crisis. Mr Speaker, I am not in an antagonistic mood. I have been taking quite a number of notes which one could hit back with but is not my intention to do so. I will end up, Mr Speaker, by saying that I do hope that whatever progress has been made so far - unfortunately after a lot

of as the Hon Mr Canepa mentioned of struggle, but of confrontation - this is what went wrong this confrontation between the teachers and the Minister, that whatever progress has been made so far will continue and I will be the first one to congratulate whichever Minister might be there and I hope it is not the present one, on any achievement and on any progress that might have been made.

Thank you Mr Speaker.

MR SPEAKER:

Well I will now put the question in the terms of the motion moved by the Hon Mr Lloyd Devincenzi. And before I take a vote I would like to say that as I am required to do under the proviso to clause 44 of the Constitution, I rule that this is a motion of confidence on an individual minister, the Minister of Education, the Hon Mr Featherstone, and that therefore the ex-officio members the Hon and Financial and Development Secretary and the Hon the Attorney General are not entitled to vote. Is a division required?

Mr Clerk will you call a division.

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

Hon J Bossano
Hon J Caruana
Hon L Devincenzi
Hon P J Isola
Hon W M Isola
Hon M Xiberras

The following members voted against:

Hon I Abecasis
Hon J Canepa
Hon JA Hassan
Hon LT COL JL Hoare
Hon A Montegriffo
Hon AW Serfaty
Hon H Zammitt

The Hon M K Featherstone abstained.

The motion was accordingly defeated.

The Hon Major R J Peliza was not present when the decision was taken.

MR SPEAKER:

I will remind the House that the Hon Mr Bossano gave notic that he intended to move the suspension of Standing Orders to enable him to move a motion without the five days notice being complied with. That is why he wanted to suspend Standing Orders. However, the five days have now up since he gave notice, and, therefore there is no need to suspend Standing Orders. I will now ask the Clerk to call on the Honourable J Bossano.

HON J BOSSANO:

There are two small verbal amendments to the motion, Mr Speaker, which are needed to make it factually correct.

MR SPEAKER:

It would save us a tremendous amount of trouble if you do it now before you move the motion.

HON J BOSSANO:

I beg to move, Mr Speaker, the motion standing in my name.

MR SPEAKER:

Could I know beforehand what are the amendments?

HON J BOSSANO

It is the absence of the word "nearly" at the end of the first line, so that the motion should read "a rise of nearly 11 points", and the index referred to should. . . .

MR SPEAKER:

You want to add the word "nearly" in the other words.

HON J BOSSANO

"Nearly"; and of "food prices" and not "retail prices."

MR SPEAKER:

"Nearly 11 points", and then the "Index of Retail Prices" should read "Food Prices."

HON J BOSSANO:

Mr Speaker, the motion is as follows:

"That this House is greatly concerned at the unprecedented rise of nearly 11 points in the Index of Food Prices in the month of April 1973, and, therefore, calls upon the Government to prevail upon the UK Departments to accept the undeniable evidence that the rate of inflation in the cost of food has reached such propotions that the immediate payment of an additional 50 p a week to all their workers, in line with other employers in Gibraltar, is essential." The Motion Mr Speaker that I bring to the House, and which I did not give notice of earlier, stems directly from two occurrences which have taken place in the week when the House commenced its current sitting. This was the announcement of the Index of Food Prices as at the 1st May, when it was seen that the Index had increased by 10.22 points, to be specific, over the figure at which it had stood on the 1st April. At the same time, Mr Speaker, the hope that had been expressed in this House at a previous meeting that the UK Departments would follow the Gibraltar Government, and the private sector, in making a payment of 50 p, has not materialised. These are, Mr Speaker, the two elements in the motion and I would like to speak on both of them.

The first one is this enormous increase of over 10 points, this enourmous movement in the Index of Food Prices in one month. The previous highest monthly increase, Mr Speaker, was in April of 1971, whenthe Index went up by 5.05 points. There has not been a monthly increase anywhere near that figure since April 1971, and now, two years later, we have a jump in food prices that is twice as big as the previous highest monthly movement.

This motion places an onus, an obligation, on the Government to use its influence with the UK Departments, to make it quite clear to them how the House feels about the need that there is for this payment to be made immediately. And I think, Mr Speaker, that this Government has a particular moral obligation to use everything in its power to leave the UK Departments in no doubt at all about how strongly the House feels on this matterm because this Government Mr Speaker, had given such a strong indication 11 months ago in the election campaign, thay had given such a strong indication that they felt that bringing down the rate of inflation was their first priority.

On the 17 th June, a newspaper to which we have made previous reference carried as a banner headline three inches big, Mr Speaker, "prices is the election issue." In the text it made reference to the Food Index: "as officially announced yesterday", the text reads: "food prices have risen by 23% in the last two years." 23% rise in food prices in the last two years; this is the election issue. And now we have an increase of almost 20% in 11 months, Mr Speaker.

I invite the Honourable Mr Zammitt, a Member who addresses the House very infrequently because he feels that it is only when he has something valuable to contribute that he should stand up and say something, to

stand up and say something in respect of this motion, Mr Speaker, because in his election campaign he said about prosperity, that the standard of living had only risen in monetary terms. He said in his election statement, published in that same issue of that same paper; "Can a tradesman on a forty hour week support his family." This is what he asked in June 1972. Well, Mr Speaker, this is a question that we have to ask ourselves in this House. If the Official Employers after a great deal of pressure from the Unions, raised the minimum wage for a labourer last October to £14 , and if they decided to raise the minimum wage of a craftsman 'A' to £17.50, can the Honourable Mr Zammitt, or can any Member of the Government, or can any Member of this House, now say that in the light of the way prices have gone up since then, these sums are still adequate if they were ever adequate. If £14.00 or £17.50 for a craftsman was ever adequate to support a family in Gibraltar when it was negotiated last October, can any man honestly say now that in spite of the increase in the price of food, it is still adequate, If the answer is no, Mr Speaker, then the elected members of this House have got a clear obligation to leave no employer in Gibraltar in any doubt that this cannot be tolerated.

If the Government were very concerned when they were in Opposition about the way prices were going up, and they gave every indication that they were, then clearly they must share the concern that this motion expresses, now that they are in Government. Nothing has changed except that they are now sitting on the other side of the House and that the rate of inflation has doubled. These are the two changes, and those two changes give some people cause for concern on both counts, but at least the Government must be concerned on one of the two counts, the pace of inflation having increased. If the Government, Mr Speaker in its negotiations in the Biennial Review, was still committed, and still believed, that they could do something to diminish that rise in prices even if they could not hope to be able to hold the rise; if they still believe then that they could do something about it, and if this was one of the factors that the Official Employers took into account when they negotiated with the Union for a one year moratorium on COLA, then they must also take into account now, that since the Government has not been able to bring down the rate of inflation in food prices, in particular and food prices are the most particulary important aspect of the Index of Retail Prices, because clearly food is an unavoidable cost, Mr Speaker, If the cost of a car goes up, or if the cost of any other item in the Index goes up, the consumer can to some extent protect himself by foregoing his expenditure on that particular item, but food is something none of us can do without. And consequently it is not, Mr Speaker, out of place to single out the Food Index, as indeed the Gibraltar Evening Post did a year ago. They singled out the Food Index quite rightly because the Food Index is the most important. For the same reason it is being singled out now and it has been singled out by the Transport and General Workers Union, Mr Speaker, in their representations to the Joint Industrial Council in support of their claim for the 50p.

The Honourable and Learned Chief Minister made a statement to the House in which he said that the Government of Gibraltar had agreed to disagree with the other Official Employers. The Government of Gibraltar were perhaps in a better position, the Honourable and Learned the Chief Minister thought, to appreciate how the anticipated cost in meat in particular would hit the family man, and the other Official Employers, were not, but there is no excuse now for the other official employers, because now that has been translated in a concrete and dramatic way by a jump of almost 11 points in one single month, making the movement in the Index for 1973, 19 points, Mr Speaker, The Index of Food Prices went up by 11 points in the whole year of 1972. 11 points in one whole year, Mr Speaker. And 19 points in the five months of this year. Everybody ought to be concerned about this, Government, Opposition, UK Department, Unions, everybody

ought to be concerned and there are people there, in whose power it is, to show that they are generally concerned, by adopting a reasonable to the negotiations that the are having with the Union on the matter. Instead, Mr Speaker, they are very weak. When the 11 points increase in the Index of Food Prices is made public, we have the Official Side on the Joint Industral Council saying that they see no new evidence to support that prices are going up faster than they were going up eleven months ago when the wages were reviewed. They see no justification for an additional 50 pence, nothing has changed. And the official reply of the Joint Industrial Council says that the Official Side is unable to agree to the payment of 50 pence.

Well this is factually incorrect, Mr Speaker because one of the components of the Official Side has already agreed to pay the 50 pence, and was already paying the 50 pence, so clearly the Government Auditor, who represents the Gibraltar Government in the Joint Industrial Council, ought to be made aware of the fact that the Gibraltar Government does agree with the Transport and General Workers Union; that things have changed since last October and that there is a case for bringing the 50p. He ought to be made aware so that when the Official Side gives a reply to the Union we do nothawe, Mr Speaker the Joint Industrial Council saying one thing and this House labouring under the impression that the situation is differnnt, that the Government ofGibraltar is convinced that thereis a case and that there is a need. That the 550 pence that was paid on the 1st of April was in fact a recognition of the fact that prices have gone up, and were going up at a faster rate, than had been anticipated by the Gibraltar Government. This is what 50p meant to the Union, this is what it meant to the Opposition: the Government recognises that whatever hopes it had of halting prices it has not neen able to do it, Mr Speaker. This is a courageous thing to say, if one is genuinely concerned about the standard of living of people with the lowest incomes in our community, and if oncis concerned to protect the standard of living by stopping prices shooting up - and if one pays - then one should have the courage to come and say: " I have done my best, I have failed and because I have failed I recognise the need to compensate the individual who is going to be affected by this failure on my part, in a concrete way.This was a point, Mr Speaker, that the Honourable Minister for Labour and Social Security made last December, I thinkit was, in a TV interview. He said: ifthere is no way, if we cannot find a way of stopping prices from going up,if COLA is the only answer, is the only way we can ensure that the real valueof wages are not eroded, then, we will support it. This is the right attitude to take. There is nothing, Mr Speaker, wrong in admitting failure if one has done ones best. Therefore, Mr Speaker thereis nothingwrong in the Government admitting that however hopeful they might have been in Opposition of bringing down the rate of inflation in food prices from the very high level of 23% in two years, they have failed dismally to do it.

I shall not criticise them for failing, Mr Speaker I shall only critise them if they have either not the courage to admit it or if they are unwilling to try and do it, but if they try their best and they fail and they are men enough to admit that this is the case, then I shall not be the one to criticise them, Mr Speaker. But I must point out to the Government that since it is the Government of Gibraltar and as it has an obligation to the people of Gibraltar, and particularly to the working people ofGibraltar it has a especial moral duty to ensure that the people at the bottom of theincome scale, that the labourer on £14 a week, that the craftsman on £17.50 a week, is afforded a

of protection. 50p goes a very little way towards giving than this protection, but that even this little should be denied is something that cannot be tolerated, is something that we the elected representatives of the people of Gibraltar must stand up and condemn. And we must condemn it, Mr Speaker, because we have an obligation to our people in Gibraltar to procure for them a decent standard of living. At the time, Mr Speaker, when our workers in the Dockyard were offered in the Biennial Review £12.55 pence as basic wage, their counterparts in the UK, doing exactly the same job, had rejected £17.30, and when our workers went on strike for a week to get an improvement on that offer and obtained £14 last July, Mr Speaker, their counterparts in UK went to arbitration and got £19.50 basic wage. And last week Mr Speaker their counterparts in UK rejected an offer of an increase of £2 on that £19.50. In UK the labourer in the Naval Dockyard has just rejected a £2 improvement on the wage settlement negotiated a year ago which gave him a minimum wage of £19.50, and here we are asking for a miserable 50 pence increase on the £14 basic wage.

Can the Government of Gibraltar do anything other than make it quite clear to the people concerned that this is intolerable. We cannot have a question of agreeing to disagree about this matter. It is impossible to agree with anything. This is, Mr Speaker, an insult to the working people of Gibraltar, and there is a particular moral responsibility on the present Government, I think, because if anybody could bring any argument to bear on this matter, surely it is the Union, who can point to the great concern the AACR had shown about price increases whilst in Opposition, and who can say: we were justified when we agreed to a one year moratorium in assuming that if the previous Government had failed to stop prices going up, the new Government that had got in, stood a better chance of success, because they had made their commitments to this quite clear.

This is the election issue. If prices is the election issue, then the Union is right in saying, as it has done to the Official Employers: when the people who won the election on the basis that prices was the election issue, started negotiating with us and offered us, in exchange for a higher wage settlement, a one year moratorium on the cost of living formula, we have every right to assume that that year's moratorium would not mean that prices would go up during the year and eat up the whole wage award. This is what the union has told the Official Employers, and they have attempted to prove that this has happened by showing the way in which food prices have gone up, and indeed the increase in pace of the rise in food prices, the fact that the seasonal drop in the price of food, which has occurred in the previous two years around this time of the year, had not taken place; that the trend in the rise of prices is still going up. And the Official Employer Mr Speaker, dismiss three pages of argument and hours of work by the Union negotiators to try and present figures to prove that prices are going up - as if anybody had any doubt that they are going up - they dismiss this in three lines by saying that the Official Side cannot agree.

Well this is not true, Mr Speaker, because at least one component of the Official Side does agree, and the message must come from this House to the Government of Gibraltar that this is the case. That if the official Employers want to reject the totally justified argument put forward by the Transport and General Workers Union, then let it be on their heads; but let them not try and say that all the Official Side are in agreement, because this is not the case; and let them not try and say that as far as the Official Side is concerned there is no evidence to support this: unless of course we find in the course of this debate Mr Speaker, that there are members of the

who share this view.

I hope this is not so, certainly it would contradict the statement and assurance that were given in this House by the Honourable and Learned Chief when he mentioned the fact that the 50p introduction was recognition of the way prices were going up.

Thank you, Mr Speaker. (tapping on the table)

MR SPEAKER:

I will now propose the question in the [illegible] Honourable J Bossano.

HON CHIEF MINISTER:

Mr Speaker, Sir, I am in a very happy situation today because I have been hearing the Honourable mover give all the arguments we used when we wanted to get the Official Employers to pay the 50pence, we did it on our own. And I would like to say that at the time the Leader of the Opposition was worried about the possible risk in JIC, and expressed concern about that. But perhaps he will now appreciate that there were very good grounds for parting ways on this issue. On the 29th March 1973, when I made the statment here that the Government had decided to make the 50 pence payment as an interim award, I stated at the end: "It is a matter for regret to Government that the other Official Employers have not been able to join with us in making this payment of 50 pence from the 1st April 1973, but this does not mean that JIC, as the main negotiating organ of the official Employers, is being divided. on the contrary what we have done is to agree to disagree on one issue. I understand, however that the UK Departments would be open to receive further representations from the Trade Union side in JIC when they are aware of the April IRP figures, and the likely trend in prices."

This statement was made with authority, that is to say, I was not just expressing a hope, I was expressing an understanding of the oposition as we, as co-members of JIC, were told was the position. I share entirely with the Honourable Mover the sentiments that in fact if we were aware in anticipation of the great increase arising out of the ontoward increase in the price of meat, we were more aware of that than the JIC for obvious reasons, I would have thought, I have no hesitation in saying so, that once that the Index Prices was calibrated and published, that they would have given way, because that is the spirit of what I said and which I understood was the view of that side of the Official Employers.

Let there be no doubt about this and of course there is no division in the Government on this. The Government representative in JIC is there sitting on representations in order to learn what is going on, but he is not a party to a refusal to pay 50 pence, when the

Government he represents is saying it already. So let there be no mistake about that. Another thing that I would like to say is that the lead that we took with the payment of the 50 pence, which I agree may not be enough, had a logic and that was that there was a commitment to pay 50 pence on the 1st of July. We anticipated it, it was tidy, we knew how much it would cost, and it was immediate help I hope, and what I would like to say here, because Honourable Members opposite occasionally speak about these matters, and I think it is fair, that not only the fact that we have paid the 50 pence, and having regard to the food prices that have been published, but the fact that the bulk of private employers very properly, and I think to their credit followed the lead to the Government and most of them are paying the 50 pence. I think this an indication, beyond any doubt, that good employer practice today, which the Services say they must follow, warrants them to carry out the payment of the 50 pence. Because as the example given of a good employers practice by the Government of Gibraltar, and the people of Gibraltar in the private sector.

I would like to state quite clearly that I am speaking on behalf of all my colleagues, and whilst I will not join issue with certain controversial aspect raised by the Honourable Mover, because it is going to spoil the unanimity which I am sure he wants from this House, I will only tell him that powerful as he may think we are, we are not empowered to prevail on the UK Government. I would therefore urge him to make another amendment to his motion, by agreement in order to avoid having to put a counter motion. Instead of saying " to prevail upon the UK Departments" to say: "To urge the UK Departments". We will urge as strongly as possible but we cannot guarantee that we will prevail. To "prevail" puts upon us a very great responsibility in matters over which we are not directly responsible and I am sure the Honourable Mover will appreciate the point which in no way tries to minimise that strength of the representations that will come from this House as a unanimous vote on this matter. Of course we agree. If in fact we came here and made the payment out ourselves and said that we had had a part company with the Official Employers on a matter which we, let me say, through the efforts of my Honourable Colleague the Minister for Trade delayed by a number of means, the increase in the price of meat and eggs and milk because we were not ready to let them to some extent. We will continue to do what we can about retail prices.

Perhaps no man can solve the problem of inflation, but perhaps a Dame can do it. We have Dame Elizabeth Ackroyd in Gibraltar, she will now produce her Report, and I think that is an indication, if I may say so, incidentally on the controversial side, of the fact that whether we have failed or whether we have not failed we do not give up our efforts to see how far and to what extent we can control inflation. But I will stress those aspects of the arguments used by the Honourable Mover that unite us rather than the ones that might cause controversy, because in fact this is not the point now since we are all agreed on this matter, so that with two amendments made for correction which he has made verbally I would ask the mover to avoid me having to put in an amendment myself...

MR SPEAKER:

...an amendment...

HON CHIEF MINISTER:

Well perhaps a member of the other side.

MR SPEAKER:

Precisely.

HON CHIEF MINISTER:

I don't mind what process if allowed so long as it is not taken in any way diminishing the strength of the motion. To try and prevail, to make efforts to prevail, is alright, but to ask us to prevail is giving us credit for powers which we do not enjoy. Anyhow this is a matter which I leave to other Honourable Members who may if they wish move an amendment in order not to show, by myself proposing an amendment that this is an attempt to create division in this House. I indicated this to the Mover earlier on, and it is in that spirit that I say this so that we are in a better position to carry out the agreement and the wishes of this House, which I very much hope will prevail, but which I cannot guarantee will do so.

HON M Xiberras:

Mr Speaker the attitude shown by my Honourable Frien Mr

MR SPEAKER:

Before we go any further I would like to know from the Honourable the Leader of the Opposition or the Mover so that we know where we stand whether it is acceptable that the motion should be amended.

HON J. BOSSANO:

Mr Speaker we appreciate the point that the Honourable and Learned the Chief Minister has made in respect of this particular choice of words, and my Honourable Friend the Leader of the Opposition will move an amendment to meet this point, but in such a way that it leaves no doubt whatsoever about the strength of the sentiment involved.

MR SPEAKER:

Well, then if the Leader of the Opposition would suggest the amendment.

HON M XIBERRAS:

I know, Sir, that there is value in understatements but in those particular circumstances I feel we should leave the UK Departments from amongst the Official Employers in absolutely on doubt that the amendments, which with the leave of the House I intend to move, is to replace the word "prevail" by "urge" to urge in the strongest possible terms."

MR SPEAKER:

So that you are moving that the motion should be amended by the substitution of the words:"urge in the strongest possible terms"for the words "prevail upon."

HON M XIBERRAS:

May I speak in favour of the amendment?

ME SPEAKER:

Of your own amendment, itself, yes.

HON M XIBERRAS:

Thank you, Sir.

Sir my Honourable Friend, Mr Bossano, has introduced two elements into this motion , and with characteristic concern for the prime aim of his efforts, which are the workers of Gibraltar, he has dealt lightly with an issue which might very well divide the House politically, and that is statements made by Honourable Members opposite at the time of the election.

MR SPEAKER:

Yes, but then you are not talking ofthe amendment. Go ahead by all means.

HON M XIBERRAS:

Sir, the reason for the first part of the motion, and the original reason for "prevail" was to emphasise, as my Honourable Friend, Mr Bossano, put it, the moral responsibility of Honourable Members opposite for supporting this motion. We appreciate on this side of the House that despite the fact and my Honourable Friend, Mr Bossano, left this part of the headline of this certain paper out despite the fact that the front page says "Not only prices", in the big letters which all Members of this House were able to see, over the heading "PRICES" it said, "Hassan Speaks Out, Prices", and under that: this is the

MR SPEAKER:

If you insist in doing that you are debarring yourself from speaking on that particular line on the original motion. You can choose when you want to do it, let's put it that way. We can't have it twice.

HON M XIBERRAS:

I will just finish that sentence Sir. "Prices, this is the Election Issue". And even though Honourable Members have complained that I speak too long on these questions, I would refer Honourable Members to the front page of their favourite publication and say that a picture is worth, is it one thousand words. So, Sir, it is in this particular spirit that the Opposition is moving this motion, and it is because we do not want to embarrass Honourable Members opposite unduly with what they had to say at election time, it is because we recognise that the Honourable and Learned the Chief Minister is not all powerful in JIC, that we are willing to change this word "prevail" and put down "urge in the strongest possible terms". This of course does not absolve him of the responsibility to decide himself for what he had to say at election time, if only in part. Sir, the Honourable and Learned the Chief Minister spoke about something I had said in the earlier motion which we raised when he announced that the UK Departments were not willing to go forward with the 50 pence, which the Government were giving in compensation for the increase in the Cost of living.

MR SPEAKER:

You are now speaking on the original motion. What I want to be very clear on is that we can't have two debate on the same subject, on the excuse of an amendment. You can speak on the amendment exclusively, and then go back to the original question and speak on the original question.

HON M XIBERRAS:

Sir, I will certainly come back to it when the motion comes back to

the House, except that this amendment is not an excuse for speaking twice, I can assure the House.

MR SPEAKER:

No, one cannot do that, precisely.

HON M. XIBERRAS:

The position of the Gibraltar Government inside JIC is one surely, Sir, which does affect this amendment, and with your leave I will proceed to speak about that. It is the reason for the amendment.

MR SPEAKER:

In so far as their position can affect the amendmentin the JIC, most certainly it is in order.

HON M XIBERRAS:

It is not a question of Opposition, Sir, if I may say so, it is the question of the Government.

MR SPEAKER:

No, no, you have misunderstood me. I said: "Insofar as their possition in the JIC", not "the Opposition". "Insofar as the position ofthe Government in JIC will affect the amendment." Do you follow what I mean?

HON M XIBERRAS:

Yes, Sir. This is very relevant to what I have to say, Sir, because we on this side of the House are perfectly willing to support and to raise matters which affect Gibraltarians working with the UK Departments, and we are glad to have the cooperation of Members opposite, and we are glad to have matters coming out of this House with a certain amount of strength, of unity of purpose, of this particular issue. But, Sir, the reason for the original word "prevail", is that we would not like the matter go unattended and we would not like to have to pass one motion after another in this House to no avail. We wish to make this part of the motion particularly strong and we wish to make it particularly strong because this issue is going to

affect the whole of Gibraltar, not only now, but it appears in the future. If the UK Department are going to deny the evidence which is there, evidence which is put to them by the Gibraltar Government as we have heard the Honourable and Learned the Chief Minister say, that there is an increase in the cost of living. If they have said before that; *there is an increase in the cost of living then they would reconsider the matter, and if later they deny that there is such evidence, even with the production of these figures, then Sir, I wonder what word should be put down in the motion. Whether it should not be even stronger than "prevail" had we the power to do this.

*that if there is evidence of an increase

All the talking in this House is going to be of very little use if the UK Departments are not going to accept the evidence which the Gibraltar Government officially puts to them in support of the Union case, and, therefore, Sir, it is a matter for great concern for members of this side of the House that it appears that the last motion passed by this House did very little good. The motion I refer to is the motion on the 50 pence. The motion on the adjournment which the Honorable and Learned the Chief Minister made in a statement on the question of the Government paying 50 pence and the UK Department not paying the 50 pence.

HON CHIEF MINISTER:

If the Honourable the Leader of the Opposition will give way. I made that statement at the appropriate time in the Agenda, and the matter was raised on the adjournment, on which there was no motion taken, because concern was being shown about the rift, more than anything else.

MR SPEAKER:

I must and your are perfectly right, but it shows what I have been trying to say for the last twenty minutes. We are debating the original motion when this is a question exclusively of amending the motion and then going ahead with the question before the House. Otherwise we will never know where we are.

HON CHIEF MINISTER:

If I may finish in just one moment. I hope I don't misunderstand the Leader of the Opposition that by what he is saying he is criticising the Government for not having been able to get the other side to do this, and that the motion had no purpose. Well in effect there was no motion of the House: there was discussion on the the adjournment about the rift that had materialised about which we were concerned and we have been trying to mend that rift at JIC level precisely by doing what we are now being asked to do by the other side of the House. Which, with your support, perhaps we shall do stronger.

HON XIBERRAS:

Sir, measuring my words carefully, what I am explaining is why I am willing to move the deletion of the word "prevails upon" and the substitution therefor of "urges in the strongest term."

MR SPEAKER:

You will not be debarred from saying that in thegeneral motion in any manner or form because you will be able to explain why you voted in favour of this.

HON M XIBERRAS:

Well, I fail to see, Sir, and I think it is not conducive to have this continuous tooing and frowing.....

MR SPEAKER:

Then I must say with due respect of the Hon Leader of the Opposition that I am not being as firm as I should have been. I called you to order in a very nice way about five times and you have insisted in trying to do something which is against Standing Orders. All I am trying to say is that we must not have a debate within a debate. We are exclusively debating the amendment and perhaps the best way is to speak to the question before us and then get to the original question once it has been amended.

I mustn't be accussed, ever, of curtailing the rights of Members to speak. That is why I have got to listen before I can interrupt again.

HON M XIBERRAS:

Sir, I am most grateful for the way in which you have given your ruling. However, I think it is important to point out what were the sentiments behind the word "prevail", and why it is that we wish now, on reconsideration, when prompted by the Hon and Learned the Chief Minister, to turn it into this, because this is the essence of the amendment. The essence of the amendment is, as the Hon and Learned the Chief Minister has said, that even that side of the House cannot prevail, cannot tell the UK Departments what to do. But I would like the UK Departments to know the strength of feeling behind the word "prevail", and why it is that we are not using "prevail," but going for "urges in the strongest possible terms." This is why, Sir, even though we had had suggestions from the other side that this word "prevail" should have been withdrawn earlier, we have not done this until it has come the actual debate in the House. This is my purpose in singling out this particular point for discussion under this particular amendment. I do not mind of course putting forward the amendment and then say all I have to say afterwards. This is why I have put it forward now.

MR SPEAKER:

I am much obliged to the Leader of the Opposition for that explanation.

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

HON M. XIBERRAS:

Back on the general motion, Sir, but with more or less the same point, may I say, Sir, that we know that the relationship between JIC is a delicate one. We appreciate the position of the Government representative on JIC, but equally this House cannot be happy with the state of affairs which has dragged on over a considerable period of time and where the Union is told that the UK Departments still do not accept that there has been reason for this cost of living payment as paid out already by the Gibraltar Government.

Also, Sir, the House cannot mark time for all that long. We feel that it would strengthen the case made by members of this House if we knew why it is that the UK Departments are not willing to follow the Gibraltar Government, and this is what I put now to the Chief Minister. Why is it, does he knows: surely it cannot be that there is no evidence, now, for the non-payment of this cost of living allowance? And if it is not a question of evidence, if it is going to take rather more than a 10.2/10.3 jump in the Index of Food Prices to convince the UK Departments, then we are in a serious situation. We must know what these reasons are, and it is for this reason that we tried to strengthen the motion and went as far as "prevail upon". We would gladly join the fight if we were on Government benches, but we are not, so we must put this request in this House, through the Chief Minister and Ministers, and the Government as a whole, in the interest of Gibraltar as a whole.

I would ask, Sir, the Chief Minister if he had any knowledge of the reasons, or if he has any indications of the attitude on the part of the UK Employers, and if so he should make them known in the House, so that the House can further debate the question and give answers to the arguments of the UK Department. All the strength of feeling, all the evidence which has been produced by my Hon Friend, I am sure, was equalled by the Unions when making their case. This, Sir, is, fundamentally, my contribution to the debate: Can we know why?

MR SPEAKER:

The only way I see the difficulty which the Chief Minister is labouring under. The only way in which the Chief Minister can speak again is by a Member of the Opposition standing and talking on the motion, and if the Hon the Chief Minister tries to speak and a Member gives way, then he can talk.

HON M. XIBERRAS:

May, I say, Sir, that I hadn't quite finished my intervention, and therefore, I will gladly give way if the Hon and Learned the Chief Minister wishes to speak.

HON CHIEF MINISTER:

I am very grateful, and I wish his kindness was repeated more often. To be quite frank, I hope that the Hon the Leader of the Opposition appreciates that this House is not a super JIC, we cannot stand in judgement over the JIC. I have no reasons, no more reasons now, than the ones that were given at the time when we were struggling to convince them to join us. I think it is also fair to say that they may have attached - and I think I said so in the adjournment debate - much more importance to the rigidity of the October Agreement than we were prepared to do, but this is nothing new that has arisen since I last spoke. Let it be quite clear that nothing has come forward, one way or the other. It is not us, we cannot speak for the Official Employers in this House, we can only say that we will push them as much as possible, and with this motion we will be able to push them in a stronger way. This is as far as I can go.

HON M XIBERRAS:

Sir, I wasn't too concerned by what the Hon and Learned Minister had to say at the time, except that I imagined that perhaps there might be a reason other than the one given by JIC at the time when he made his statement about the 50 pence, and this is the point that I raised then. I thought it was a good point. If you can show evidence of an increase in the Cost of Living then the UK employers will give the 50 pence. Apparently I was mistaken in that interpretation, and if I was mistaken in that interpretation, then we are dealing with a much more serious matter, surely. I don't want to make the matter more serious than it is. We are dealing with a question of the UK Departments refusing to follow something which has happened over a good number of years: that is, that the Official Employers act together, and moreover, not giving a reason for this. Surely it cannot be a valid reason now to say that the increase in the cost of living does not justify the payment, and if there is no reason then perhaps the Hon and Learned the Chief Minister might tell the Hon Members on this side whether he can find out what the reason is. We can't have the UK Departments, who contribute in such large measure to the economy of Gibraltar, playing the "dead bat" to this particular issue, saying absolutely nothing, giving no explanation, knowing that soon we are going to move into another aspect: that is, the formula payments. What happens at the time of the formula payments, do we have to produce extra evidence that the prices have gone up or not?

HON CHIEF MINISTER:

I think perhaps the two things are not related in terms of the attitude of the other Official Employers in the JIC in the sense that there is a commitment to negotiate a new formula settlement from the 1st July. They are committed to that and what the formula will be is the matter of negotiation, so I don't think that that has anything whatever to do with this particular thing. I cannot really answer for other people:

this statement, and I mention the word because I had authority to say so, and I said so at the time, it was: "I understand that the UK Departments will be open to receive further representations from the Trade Unions Side in JIC when they are aware of the April IRP figure, and the likely trend in prices." All those have happened: The Unions have made their representations, the other side of JIC have not given way; You are now asking as to "urge";together we will urge, but I haven't got the reason. And I haven't got the reason because we have not been told the reason, other than the rigidity of the agreement of October, but this is not a new reason, this has not come forward since my statement was made. It is all very well, and we can be here till Doomsday trying to find out why some other people are not doing things that we would like them to do. Let us have this united message from here and let us hope that that will have an effect. This is as far as we can go as a Government.

HON M XIBERRAS:

To end, Sir, Would the Hon and Learned the Chief Minister please write to the Chairman of JIC and put the question which I am putting to him and come back to the House with and answer. I think this might add strength to the motion. The arguments already put are clearly not acceptable in view of the line taken by the UK Department, that if there was evidence then they would reconsider, and the agreement was subject to that conditioning of the agreement which they themselves have admitted, and I shan't contribute any more to this.

HON CHIEF MINISTER:

I am afraid I cannot undertake to do that in the sense that this would losethe impetus, because the next meeting of the House will not be tomorrow. All I will say is, in order to keep the Leader of the Opposition informed, that resolution when it is passed, and I hope it ispassed as united as possible without bring in anything else in order that the message is clearer from this House, that I will take it up at the highest level and will keep the Leader of the Opposition informed of any replies thereto.

HON P ISOLA:

Mr Speaker, the only thing I would like to say on this is that the wording of the motion has been changed: "urges in the strongest possible term." I think my Hon Friend, Mr Bossano, complained about the statement made by Official Side of JIC, in reply to the Union, and he was told in reply by the Hon and Learned Chief Minister that it was already known that the Government was paying the 50p. I think that an important point of principle is involved. If the Government

had paid the 50p, as was announced in the last meeting of the House, because it felt that the claim was justified, then in my view it should not be party to any statement and should clearly exempt itself from any statement that says that the claim is not justified. The statement made at JIC to the Union Side was that: "the claim and graph presented by the Trade Union Side at the special JIC meeting held on the 17th April have been examined by the Official Side but we can find nothing new in either which would cause us to change our views," and then without going into technical detail, "from the professional advise we have been given we consider that firstly it is wrong to talk about food prices only, to take account only of the food index is about as meaningful as taking account only of the rent index; secondly the whole basis of your argument is statistically unsound, the official side therefore have nothing further to addto their statement of the 25the March 1973. In so far as bring forward the payment of the 50p due on the 1st July 1973 is concerned the Official Side are unable to agree."

Mr Speaker: that statement came from the Official Side to the Union. It is not unnatural for the union to think that the Government, the Official Side, whatever that means, in JIC thought the Union had no basis for their claim but because the Government, for political reasons for example wished to give the 50p it gave it. I think there is a very important matter of principle involved in the changing of the wording. When we changed the wording from "prevail" to "urges in the most strongest terms," I think the first thing the Gibraltar Government should tell us in this House is that they will not be party to a communique that says that something is not justified, when they have found it to be justified. Therefore, any such communique should say, for example; "Has been examined by the Official Side, but all members, other than the Gibraltar Government can find nothing new. The Gibraltar Government feel it is justified." It is only by putting that sort of pressure, Mr Speaker, that the Official Departments of the United Kingdom can be pressurised to toe the line. By realising that in public the Gibraltar Government is not prepared to associate itself with a statement with which it does not agree. And, therefore, when we have changed the wording from "prevail upon" to "urge in the strongest term," it is not because we think the Government has no weapons at their disposal, we feel that the Government do have a number of weapons at their disposal, such as public disagreement in the statement, refusing to be party to a statement, and so forth. I may be wrong, Mr Speaker, in what I say but this is as I understand the statement that was given to the Union.

HON CHIEF MINISTER:

Will the Honourable Member give way. As far as we are concerned there has been no public statement, and if there should be a public statement we shall see that the position

of the Gibraltar Government is stated very clearly. As far as we understand it these are confidential minutes of meetings between the Union and the JIC insofar as the public is concerned. It may be alright as far as the Union is concerned but this is not the public stand of the JIC, this has arisen, by virtue of negotiation, I am not in any way defending them, but let us get our priorities right. The first part of the consideration that were read out there were in connection with the reintroduction of COLA, which is a completely different problem to the other one. The other one is only dealt with in three lines: "we are not in a position to meet the Union claim to pay the 50 pence." Well, you could never say that the Government Representative was a party to a decision when in fact his Government has been paying it. This would be ridiculous. He is only there just to see what is happening.

HON P ISOLA:

Mr Speaker, that is not quite satisfactory, if I may say so. I mean paragraph 4 of the statement says: "In so far as bringing forward the payment of the 50p due on the 1st July 1973 is concerned, the Official Side are unable to agree."

Mr Speaker, the point I wish to make is that this was certainly a statement made to the Union, which I understand has quite a number of members, and I presume the Union will have to communicate it to its members. I don't know whether it was confidential or not, it doesn't say anything about being confidential or not, but even if it was confidential, the Government cannot and should not make itself a party in our view, to any statement of this nature. That is why this motion is coming out, and the Government Representative on JIC should be left in no doubt as to what he should do, and he must not be, in our view, a party to any statement that derogates from the merits of the claim, and the decision taken by the Government of paying the 50p. A decision, which as I understood it was not a political decision of saying that they had given some more money but a political decision taken as a result of the Government realising that the claim was justified and what further justification can we have that the claim was justified when most of private industry has followed in its wake. This is why, Mr Speaker, on the question of "prevail upon," and "urges in the strongest possible terms," the message that the Opposition wants to go out quite clearly is that the Gibraltar Government in JIC is not going to be a party to any sort of statement that derogates from its stand in the House, and that it will not allow, for bargaining purposes, or negotiating purposes, or tactical purposes, any statement to go, either in public or to the Union in Confidence, which gives the Union any sort of impression that the Gibraltar Government in JIC is a different person to the Gibraltar Government in this House.

HON CHIEF MINISTER:

Mr Speaker, I can asure the House that if this has happened, it has not been with any deliberate intent and it is quite clear that it is contrary to a decision taken and communicated to this House. This will be made clear and we will certainly not be party to any public statement which doesn't make the position of the Gibraltar Government clear. I hope that is enough.

HON P ISOLA:

Well, Sir, in view of this, I now "bless" the amendment.

MR SPEAKER:

I am delighted to hear that! I then call upon the mover to reply if he so wishes.

HON J BOSSANO:

Mr Speaker, I won't hide the fact that I am a little bit disappointed that more members on the Government side have not at least stood up and... Yes, Mr Speaker, I think it is important not just to vote when the time comes to vote, but to stand up and say, and I am particularly disappointed, Mr Speaker, that the Minister for Information and Sport, the Hon Mr Zammit, has not spoken. And I am particularly disappointed that this is so, Mr Speaker, because he seemed in his election speech to be so concerned about real prosperity. He said earlier on today in the House that he stood up when he had something real to contribute. I think there was a chance for him to stand up and contribute something very real in this debate and I am sorry he hasn't done it.

However, that being so I have no option but to make the closing contribution in support of this motion, which is going to be carried because the Government has decided to to support it. - It would not otherwise have been carried, unfortunately - and to say, Mr Speaker, that it is of enormous importance to the prosperity of the working people of Gibraltar that the House can be seen to agree on something that is vitally important to our economy; Vitally important to the Welfare of our working people; necessary and just. That the House can be seen to agree and to bury whatever political differences may exist in order to be united on something where strength is essential. I commend the motion to the House. (Tapping on the table)

MR SPEAKER: put the question which was resolved in the affirmative.

The motion was accordingly carried.

HON CHIEF MINISTER:

Mr Speaker, I now move the adjournment of the House sine die.

MR SPEAKER:

I now propose the question which is that the House do adjourn sine die.

HON J CARUANA:

Mr Speaker I had given notice that under Standing Orders 25b(3) and (4), I intend to move at the adjournment a matter of the greatest seriousness, th t is the unsatisfactory answer given to Question No 75 which I put to the Minister for Medical and Health Services.

MR SPEAKER:

I will call the movers attention to the clock, which stands now at approximately 7.37. We have therefore 40 minutes to debate the motion. And may I remind the House that there is no vote taken at the end, but that all other rules of debate apply, including the fact that Members can only speak once.

HON J CARUANA:

Mr Speaker, as you have rightly said no vote is taken at the end of this debate, but I do hope that the relevant persons and authorities in Gibraltar take what I am about to say seriously, because of the great and serious principle at stake in the question which I am raising.

Earlier on in this session, Mr Speaker, the Minister for Medical and Health Services confirmed, in answer to one of my questions, that two provisionally registered Housemen working at the hospital had been authorised by his department to carry out private medical work outside the hospital, at a general practitioner's Clinic. This, Mr Speaker, is a very serious departure not only in practice but also in law. The Minister at the time stated that these two Housemen had been given authority to do this on the grounds that he thought it best in the public interest, he also admitted that the law might have been technically in breach as a consequence of that decision.

Firstly, Mr Speaker, I would like to say that whatever is said in the course of my statement no blame is intended, to be placed on the two Housemen concerned, as no doubt these two persons wished to help the community in the best

way thought possible, but I do most certainly wish to censure those responsible persons who aided and abetted that decision and that action.

The Minister for Medical and Health Services is fully responsible under the defined domestic matters in Gibraltar for anything which takes place in the ambit of Medical Services, and as such he must answer to these serious charges, which might easily jeopardise the professional prospects and future of these two Housemen. When asked by me to put an enquiry, as a let off on his responsibility, the Minister at the time, categorically turned down my suggestion on the grounds that he had considered the matter and that he thought it best in the public interest. But we would like to remind the House that the Government has no authority whatsoever to allow Housemen to work as general practitioners outside the hospital under the standard set by the British Medical Association, the General Medical Council, or even the Law of Gibraltar.

The minimum standard of service, qualification, and responsibilities of general practitioners is set by these two eminent bodies in Great Britain. Since the two Housemen in question are still studying and are only serving in Gibraltar in order to qualify and be entered in the Medical Register in the United Kingdom, they should abide by the rules and regulations not only existing in Gibraltar, which in the majority of cases is at par with those in Great Britain, but certainly abide by the rules and regulations setby these two professional bodies. Under the relevant Ordinance, the Minister may register general practitioners in Gibraltar if they satisfy certain minimum conditions. It has always been the custom and practice, Mr Speaker, to follow the British Practice in such cases. The Minister in Gibraltar has no right under the law, as I have said before, to undermine the standards and rules of the two professional bodies in Great Britain, especially when it applies to students in medicines. And to say this, Mr Speaker, with your permission, I would quote from the relevant parts of the medical register of the General Medical Council. This reads as follows: "The Medical Register was instituted by the Medical Act of 1858 in order that persons requiring medical aid should be enabled to distinguish qualified from unqualified practitioners. By an Act of Parliament no person who is unregistered is a legally qualified or duly qualified medical practitioner. Provisional registration enables a newly qualified doctor to be employed as a House Officer in approved hospitals, and to apply in due course for full registration covering all forms of mdical work. Both provisionally and fully registered doctors, are subject to the Council's disciplinary jurisdiction." This is why I say, Mr Speaker, that these two Housemen may unfortunately find disciplinary action being taken against them by the British Medical Association, if professional people in Gibraltar think itproper to persue this matter further. The Minister in Gibraltar should be the last person to undermine those standards, and to allow this breach of the Medical

Register of the General Medical Council. His duty in Gibraltar should be to uphold those standards and to improve upon them, certainly not bring medical standards down. I do not accept, this House should not accept, and the law does not accept, that because there was a shortage of doctors, because a doctor decided to go on holiday for two weeks to wherever he went, or for whatever reason he went, that Housemen should be allowed to break the law and practice as general practitioners. It has always been the practice by General Practitioners in Gibraltar before going on holidays to make arrangements either with the Naval Hospital Authorities, or with counterparts and friends in the United Kingdom, for cover to be given for a mere period of two or three weeks. A break and a practice which has consistently been done in Gibraltar. Therefore, we do not accept the reason put forward by the Minister at the time of this question. And to say at the same time, Mr Speaker, that the two Housemen were working outside the hospital under supervision is also invalid, because the inference is that in a hospital the Housemen are suitable because of the supervision, but that outside the hospital if they had supervision they would be equally suitable. This is not the case. In a hospital you have the whole pyramid of the profession, starting with Nursing Auxiliaries, Nurses, Sisters, Matrons. Housemen, physicians, Consultants, and what have you in a general practice, irrespective of the supervision, this is not the case.

The law is explicit in Gibraltar and I will end, Mr Speaker, by reminding the House that there are two Registers in existence in Gibraltar, part 1 and part 2. Part 1 deals with the medical registration of fully qualified doctors who have gone through the whole apprenticeship and training, and part 2 is that which enables a provisionally registered person to be registered under that part. The relevant ordinance, Mr Speaker, is the Medical and Health Ordinance 1973, which by the way, this House only passed earlier on this year.

HON ATTORNEY GENERAL:

On a point of order, Mr Speaker. The Medical and Health Ordinance is not in force yet. It has been assented to and it comes into force on a date to be appointed by the Governor. The date that has been appointed is the 1st of June. That was in last week's Gazette.

HON J CARUANA:

I bow to the Hon and Learned Attorney General's legal ruling on this, but I wonder, since all these Ordinances were copied from existing Ordinances, whether in fact the existing Ordinance does not bear the same relation. I stand to be corrected.

However, Mr Speaker, assuming for a moment that this Ordinance, the new one, might or might not have been, because the new

one consisted of many parts; the registration of Midwifes, Registration of Nurses, Registration of Dentists, Registration of Medical Practitioners, and Registration of Provisionally Registered Doctors. The law which this House has approved says the following, and I have no reason to suspect that the law does not exist even at this stage as I am going to read it: Under section 8 of the relevant Ordinance, the Medical and Health Ordinance 1973, it says the following: "Any person who is provisionally registered under the provision of sub-section 1 shall be deemed to have been registered for the purposes of this Ordinance provided that; (a) such person may only practice in a Government hospital." Mr Speaker, whether or not this new Ordinance has been approved, or whether or not the old Ordinance contains that, there is certainly very much a breach not only of the spirit but of the law/which this House approved only a couple of months ago.

MR SPEAKER:

Before I call upon the Minister to reply does any other Hon Members wish to speak on the matter. I will then call on the Minister to reply.

HON A MONTEGRIFFO:

Mr Speaker, in fairness to the Hon Member opposite, I think I ought to say that the relevant Section he has quoted from the new law which is coming into operation of the 1st of June, equally applies to the present law, so his arguments are valid insofar as the accuracy of what he has said: that we have got a law at the present moment which only registers Housemen as provisionally registered doctors to work in hospital. But Sir, this is not the point at issue in the present discussion, and at the end of my short speech - to take a couple of words from the Hon the Leader of the Opposition's intervention this morning - I shall try, if only because I have a very bad cold, to be as succint and as clear as my throat will allow me to be.

Sir, what has surprised me very much is that in bringing this motion before the House the Opposition has divorced it from the context of the wider spectrum of the state of the general practice in Gibraltar, which I am sure the Hon Member Opposite, and indeed the whole House is aware, is something that we cannot be very pround of and perhaps not very much within the spirit or the rulings of the General Medical Council or even the British Medical Association, and I would have thought that showing the anxiety they have shown in criticising that two registered Housemen should have indulged during a specific period, for doing medical clinics outside the Hospital, they should have mentioned not one word about the difficulty wich gave rise to the particular situation which they are so severely criticisng. But let me put the Hon Member opposite right in one point.

I am not in charge of the Register and neither am I the man to Register. That is completely divorced from the duties of the Minister.

I said at the time the question was put that I was only asked as Minister whether two civil servants would be allowed to work outside. It wasn't for me to judge on the question of whether or not the Medical Board was acting in the correct way. What I judged was, whetherin the particular circumstances of the case, it was right or wrong to depart from the strict interpretation of the law.

Why are Housemen allowed to practice in hospitals? Because theoretically-and let us face the fact, let us be realistic about this - theoretically they are working with other doctors within the complex of the hospital. But what is the practical reality of the situation? Most of the time they are working on their own. After five o'clock they are the front line doctors in the hospital, with the exception that were they to find themselves in difficulties they can call on the senior officer on duty. If this particular process could be applied to outside practice I am sure, because it stands to reason, that there would be no objection on these doctors doing outside work. But it so happens that because in this case they were only required to do this work for a short time, and because there were exceptional circumstances, and because in Gibraltar it is very difficult to find a doctor, with four or five doctors available, let alone when there were only three - and I may add that only yesterday morning I was rang up at 10 o'clock in the morning by a person who was in great pain who asked: "For God's sake find me a doctor." In the relevant and particular circumstances and because we only needed to do this for a short time, and because - and this is the crucial point - and because we were able to carry this out in exactly the same conditions as were applied to their work in the hospital, it was allowed. And let me add here, to correct a newspaper, which has not been mentioned to-day but has been mentioned on other occasion during this debate - I do not believe in free commercials and therefore I am not going to mention the name - that I did not say in this House that I had broken the law: I had said that the law might have been broken technically, as has been ably put by the Hon Member opposite, but the spirit was kept.

I do not think, Sir, that the public interest has been served in any shape or form by bringing this motion, although I can quite accept sincerity of the other side. And I say that it is not being served though possibly some professional vested interest might have been served. And I say this because the whole case of the Opposition falls to the ground completely. The Hon Member said that he hoped that the two Housemen would not suffer as a result of wishing to help the community. That is precisely what was done; an attempt during a short period to help the community. And although they have helped the community, as a result of bringing this motion they may instead of receiving thanks get a kick. But on this strict interpretation of the law let me relate a Biblical passage which is

very relevant. And that is about the man who was travelling along a road on the Sabbath - or on a Sunday if you want to put it that way - and saw an injured man on the side of the road. Strictly speaking that man should not have been touched on hte Sabbath, but the spirit of the law was kept by showing brotherly love and serving the public interest. This is what was done in the case under debate and that is why I said that no enquiry was necessary.

MR SPEAKER: then put the question that the House do adjourn sine die which was resolved in the affirmative

The House adjourned sine die.