

HOUSE OF ASSEMBLY

HANSARD
OF MEETING

HELD ON 10 OCTOBER 1974
1974

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ATTORNEY-GENERAL'S CHAMBERS.

GIBRALTAR.

NO. L 9/5 (16)

25 November 1974

The Clerk
House of Assembly
Gibraltar

REPORT OF PROCEEDINGS OF HOUSE OF ASSEMBLY MEETING
HELD ON THE 10 OCTOBER 1974

I beg to give notice of the following amendments:-

"Page 85: para 3: line 3:

✓ Delete "barrier" and substitute "area".

Page 85: para 3: 4 lines from bottom:

✓ Delete "out" and substitute "up".

Page 86: para 1: line 12:

✓ Delete "declaiming" and substitute "declaring".

Page 91: last para: line 1:

Delete "in" and substitute "on".

J. K. Havers

J K Havers
Attorney-General

Amended as above
Y. 26/11/74

OFFICE COPY

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fourteenth Meeting of the First Session of the Second House of Assembly held at the Assembly Chamber on Thursday the 10th October 1974 at the hour of 10.30 o'clock in the forenoon.

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 P Montegriffo OBE, Minister for Medical & Health Services.
The Hon A W Serfaty OBE JP, Minister for Tourism, Trade and Economic Development.
The Hon M K Featherstone, Minister for Education.
The Hon A J Canepa, Minister for Labour & 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 Zammit, 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 P J Isola OBE
The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi

ABSENT:

The Hon Major R J Peliza }
The Hon W M Isola } Away from Gibraltar.

IN ATTENDANCE:

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

PRAYER:

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES:

The Minutes of the Meeting held on the 10th July 1974, having been previously circulated were taken as read and confirmed.

338. COMMUNICATIONS FROM THE CHAIR.

Mr Speaker gave the following ruling:

"In replying to Question No. 183 of 1973 the Chief Minister stated that he would be asking me for a formal ruling on the admissibility of questions relating to external affairs.

On the 2nd January 1974 the Chief Minister formally wrote to me submitting this matter for my consideration. I have now done this and have written to the Chief Minister giving him my ruling which I will now read to the House:

- (1) It is clear that under the Constitution, Ministers are not responsible for foreign affairs, in that it is not one of the matters defined under the Constitution as falling within their responsibility, and consequently, *prima facie*, questions which refer exclusively to external affairs are inadmissible.
- (2) I am satisfied that in question No. 183 of 1973 the questioner was merely seeking information from the Chief Minister as to advice he had given to H.M. Government, and in accordance with the provisions of Order 15 of the Standing Orders of this House, I am satisfied that the question was admissible.
- (3) I would like to emphasize that I have given a ruling on a particular question, that is question No. 183 of 1973, that no general ruling can be made on the subject and that each question will have to be considered and ruled upon on its own merits".

HON M XIBERRAS:

Insofar as the Constitution allows, Mr Speaker, this side of the House welcomes the ruling you have just given. We think it is of considerable importance because external affairs though, as you have said, is not a matter for ministers, it is nevertheless a matter which deeply concerns the people of Gibraltar, and therefore this ruling is very welcome to this side of the House.

HON CHIEF MINISTER:

Sir, I would like to say that I never questioned the fact that the question was before the House and I answered it. I said I would be happy to answer as many questions as you ruled admissible. I am glad that we have a ruling on that question and that each one will be looked at on its own merits.

DOCUMENTS LAID:

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

THE LOTTERIES (AMENDMENT) REGULATIONS 1974.

Ordered to lie.

The Honourable the Minister for Medical and Health Services laid on the table the following document:

THE TRANSIT OF ANIMALS (AMENDMENT) RULES 1974.

Ordered to lie.

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

THE PORT (AMENDMENT) (NO.3) RULES 1974.

Ordered to lie.

The Honourable the Minister for Education laid on the table the following documents:

- (1) The Educational Awards (Amendment) Regulations 1974.
- (2) The Report of the Collister Working Party.

Ordered to lie.

The Honourable the Minister for Labour & Social Security laid on the table the following documents:

- (1) The Industrial Tribunal (Appeals) Rules 1974.
- (2) The Elderly Persons (Non-Contributory) Pensions (Amendment) Regulations 1974.
- (3) The Report on the Activities of the Industrial Training Board together with a statement of Receipts and Payments for the year ending 31st March 1974.
- (4) The Employment Survey Report, October 1973.

Ordered to lie.

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

THE POSTAL ORDER (AMENDMENT) (NO. 2) REGULATIONS 1974.

Ordered to lie.

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

- (1) The Seaside Pleasure Boats (Amendment) Rules 1974.
- (2) The Traffic (Parking and Waiting) (Amendment) (No. 3) Order 1974.

Ordered to lie.

The Honourable the Attorney General laid on the table the following documents:

- (1) The Supreme Court (Barristers and Solicitors) (Amendment) Rules 1974.
- (2) The Legal Assistance (Assessment of Resources and Scale of Contribution) (Amendment) Rules 1974.
- (3) The Legal Aid and Assistance (Amendment) Rules 1974.
- (4) The Fugitive Offenders (Designated Commonwealth Countries) Order 1974.

Ordered to lie.

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

- (1) Supplementary Estimates No. 2 of 1973/74.
- (2) Supplementary Estimates Improvement and Development Fund No. 2 of 1973/74.
- (3) Report of the Principal Auditor on the Accounts of Gibraltar for the year ended 31st March 1972, together with the Financial and Development Secretary's comments thereon.
- (4) The Financial Report 1971/72.

Ordered to lie.

ANSWERS TO QUESTIONS

STATEMENT BY THE MINISTER FOR LABOUR AND SOCIAL SECURITY

SUPPLEMENTARY BENEFITS

On 25 March 1974 I announced in this House that, as from the beginning of May, the householders' rates of Supplementary Benefits were being increased as an interim measure in view of the sharp rise in the cost of living at about that time. The time has now come to carry out a general revision of the Scheme, to coincide with the review of social insurance benefits which the House is being asked to approve as from next January. The increase in the basic rates is of the

order of about 22% since the last general review in October 1973. This means, in effect, that a couple who, in October 1973 received £7.80 a week, and who now get £8.40, will as from January receive £9.50. The single rate will be increased from £4.50 (£4.90 as an interim measure at present) to £5.50. The rate for persons living with relatives, etc, who are not on Supplementary Benefit will be increased from £2.30 to £2.60. It must be remembered that generally speaking people drawing this latter rate are not in need to the same extent as those living on their own, and it has not therefore been considered justified to increase the rate by the same percentage as for the basic rates. The House will note that the benefit will continue to be paid at the same rate as Elderly Persons' Pension. All other allowances, such as for children, for extra nourishment etc, will also be increased. The maximum weekly amount payable to a family is being increased from £13.60 to £16.00.

Needless to say, it is more than likely that the House will have to be asked to vote additional funds to meet all or part of these increases in respect of the period January - March 1975 during which they will take effect, but it is not possible to say at this stage exactly how much will be required because of the inter-relation that exists between Supplementary Benefit, Social Insurance Pensions and Elderly Persons' Pensions, whereby increases in one could, in some cases, be partly offset by savings in another. An approximate estimate however is £8000.

HON J BOSSANO:

Mr Speaker, I wonder if the Honourable Minister for Labour and Social Security would care to inform the House what the estimate rate of inflation will have been between October 1973 and January 1974 when the new rates come in, and how the increase in prices compares with the percentage increase in benefits, that is, whether people in real terms will be worse off or better off?

HON A J CANEPA:

Sir, I am satisfied that ⁱⁿ real terms ^{these} people will be as well off in January, 1975, as they were in October 1973. I should ~~recall to~~ ^{remind}

the Honourable Member that on that occasion, in fact, I ensured that they would be somewhere in the region of 6% or 7% ~~at that time~~ over the cost of living. I can further add that I am also satisfied that the real value of supplementary benefits will be higher than what it was, say, the previous year in 1972.

HON J BOSSANO:

Sir, is it not true that at present inflation is running at the rate of about 20% per annum and that over a fifteen month period, therefore, the rate of inflation is likely to be 25%

HON A J CANEPA:

Sir, I do not want to enter into a debate. I would dispute that because both in April and in July there were exceptional circumstances for the index of retail prices running at a somewhat higher rate. I think ^{that} if we average out the figure of 22% or 23% I have mentioned as being the basic increase will probably be pretty accurate and bearing in mind that they were previously protected to the extent of some 7% I think they have kept pace with inflation.

HON M XIBERRAS:

Sir, do I understand the Minister to say that he expects the rate of inflation to continue at about 22%?

HON A J CANEPA:

I never said that.

SUPPLEMENTARY ESTIMATES 1973-74.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, would you leave on Supplementary Estimates No 2 of 1973-74, I would like to make a not lengthy, general explanatory statement. Sir, the schedule of supplementary provision totalling £1,080,716 for the financial year 1973-74

now submitted for the covering approval of the House, is in respect of the final expenditure actually incurred in excess of the amounts provided for each of the subheads shown in both the original estimates at the time of Budget in that year and in the supplementary schedule No 1 already approved by the House in December, 1973, which totalled £176,000. Mr Speaker, Sir, I am conscious that the total of the schedule before us is a very large amount to bring to the House after the event. However, it includes certain very substantial items of expenditure which were already brought to the notice of the House through their inclusion in the financial statements accompanying the estimates of revenue and expenditure for the year 1973-74. Thus, Sir, the present schedule, taken together with supplementary estimates No 1 of 1973-74, includes the £300,000 shown as a lump sum in the financial statement 1973/74 for the estimated cost in that year of the 1972 Biennial review for non-industrials and then the further lump sum of £53,000 shown in that financial statement also for the estimated cost of 50p bonus with effect from 1st July, 1973. Similarly, Sir, these supplementaries now before us cover the expenditure in 1973/74 of the backlog of biennial review payment to non-industrials which in the financial statement 1973/74 was put in lump sum form at £225,000 in respect of 1972/73, and which we thought at that time would be spent in 1972/73 but out of which because of certain delays in settlement only £91,000 was spent in 1972/73. Therefore the amount of £134,000 was carried forward to 1973 and is included in the present supplementary schedule before us. Sir, again these supplementaries cover the cost of COLA which was reintroduced in 1973 but for which no provision was made in the 1973/74 estimates, deliberately as I said at the time of the 1973 Budget, because of the difficulty of assessment in advance. In fact the actual amount paid in 1973/74 in this respect was £102,000. Sir, thus on personal emoluments alone I have accounted for £589,000 in the two sets of supplementaries, the one which we took in December and the one now before us, and of that amount approximately £570,000 is included in the Schedule No 2 which is at present before the House. Sir, another £123,000 in the Schedule before us (No 2) is represented by expenditure authorised by law, increases under the Pensions Ordinance, £78,000, and the Elderly Pensions Ordinance £8,900, increases in employers' contribution to the Social Insurance Fund, £15,900, and increases in rates on Government properties, £20,000. The schedule then also covers water imports of £91,000 in 1973-74.

of which I am sure this House has been aware. Sir, this brings the total within this Schedule on the items I have mentioned to £784,000. Then again increases of cost at source of import account for a further £105,000. Fuel oil, £73,700, provisions and drugs, £22,500; printing and stationery £8,900. Thus, Sir, I have accounted for £889,000 of the total. The remaining £190,000 approximately is then made up of revotes from the previous year and numerous miscellaneous excesses on subheads as detailed in the schedule. Sir, it should finally be noted that against the total expenditure estimates for 1973-74 which have been brought to the House for approval, that is to say in the original estimates £5,950,000 in the Supplementary Estimates No 1 last December, £176,000; in the Supplementary Estimates No 2 now before us £180,000, these altogether totalling £7,207,000. Against these proposals for expenditure which had been necessarily to be brought to the House, there have, as we now know with the accounts of the year closed, these have been savings of £301,000 and the actual expenditure of the year was £6,906,250. Sir, these supplementary estimates should have been brought earlier to the House. We were very near readiness to the point of being able to do so before the summer recess but not quite. There would, of course, have been bound to be a final reckoning of supplementary estimates several months after the end of the financial year at best. I acknowledge that, Sir, we are bringing these things more up to date but I have made this statement in order to assure the House that there are not large sums of money now being brought for the first time for the covering approval of the House of which the House was not well aware in the past. Thank you, Sir. With your leave, Sir, I would now move that this House resolves itself into committee to consider Supplementary Estimates No 2 of 1973-74.

MR SPEAKER:

As usual we will call the number and the name of the head. We will then pause so that any member may raise any matter or any item in the particular head.

Head I, Audit - was agreed to

Head II. Cemeteries - was agreed to.

Head IV. Education

HON M XIBERRAS:

Sir, in respect of Item No 1 Personal emoluments - an extra £120,000, roughly, re biennial review. Will the Minister say whether this review was eventually carried out on the basis of parity with United Kingdom?

HON M K FEATHERSTONE:

Sir, I am sure the Honourable Member is well aware this was not carried out on the basis of parity with the United Kingdom.

HON M XIBERRAS:

The Honourable member is not at all well aware of it. In fact the Honourable Member is aware of the fact that teachers' claims have been based on the basis of parity for quite some time, as no doubt, the Honourable Mr Canepa must also be aware because he also has formulated claims on the basis of parity. Is it not a fact though that this last biennial review teachers received a certain proportion of UK wage and it was quoted as such? Tables were drawn up and what not.

HON M K FEATHERSTONE:

Sir, £580 of this money went to cover the salary of a new member, the Education Welfare Officer. £580 of this £119,872 extra we are asking for went to cover part of the salary of the new Education Welfare Officer. I say part of the salary because it is only part of a year in question.

HON M XIBERRAS:

On Books and Equipment. There were questions on the rate at which the price of books was going up. Does the Honourable Member remember this? Was it to do with the controversy surrounding the Revd Brother Hopkins - now in charge of a

Comprehensive School somewhere else. I give way to the Honourable Mr Canepa.

HON A J CANEPA:

The Lord be praised, I said.

HON M K FEATHERSTONE:

Sir, I do believe the Revd Brother Hopkins is at a Comprehensive School in Newcastle and a new member of his staff Revd Brother Fogerty, apparently said to him straight away "You haven't got a Comprehensive School here at all". Sir, £4,766 of this were extra indents which I approved, and the other £4,600 odd was due to increased costs.

HON M XIBERRAS:

Has the Minister worked out or is he concerned about the rise in the cost of books? In fact, are we getting fewer books before, for the money?

HON M K FEATHERSTONE:

No, Sir. I had allowed for this year 25% for the increase in the cost of books. On last year's figures the increase in cost was about 10%.

HON M XIBERRAS:

There was one point. This is the increase in fees payable to Evening Classes tutors.

MR SPEAKER:

That is item 13.

HON M XIBERRAS:

Item 13 yes. I was wondering whether Honourable Members of

this House are able to give evening classes in the Mackintosh Hall, for this money.

HON M K FEATHERSTONE:

Sir, I think that should be asked to members on his side rather than to us. I am not quite sure what he is getting at.

HON M XIBERRAS:

I see. So there is no constitutional bar from people teaching

MR SPEAKER:

Whether there are or there are not we are not going to discuss it now.

HON M XIBERRAS:

No doubt we will discuss it at later stage. As Mr Speaker is aware and the House is aware, I do have a motion on eligibility to this House.

Head IV - Education was agreed to

Head V - Electricity Undertaking

HON M XIBERRAS:

Sir, I think it was the Honourable the Financial and Development Secretary or was it the Honourable and Learned the Chief Minister - one tends to be confused as to who speaks for the Government on certain questions from time to time - but I think it was the Honourable the Financial and Development Secretary who spoke about the price of oil going down and the possibility of saving - no, I think it was the Honourable and Learned the Chief Minister, I think so. Now, do these supplementary estimates take into account the drop in the price of oil?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, no. They take account of the cost of oil in the last two or three months of 1973-74, that is in the first two or three months of the calendar year 1974.

HON M XIBERRAS:

This is a fact then that this is for the time when the price of oil was going up and we still have not reaped the benefit of the very high electricity rate that we are paying now, and so we can expect a saving in that respect and we shall not get other supplementary estimates, we hope, because people are paying more than they really have to at this point.

MR SPEAKER:

We are not going to discuss this aspect now.

HON LT COL J L HOARE:

If I may say, they went up from the 1st April, 1973.

HON M XIBERRAS:

Perhaps the Honourable Member could say what the price of oil is at present. Perhaps the Honourable Member has got up-to-date information.

MR SPEAKER:

That is not going to affect the Estimates you are voting on.

HON M XIBERRAS:

Sir, one has to apportion this money under this particular vote - this is a fact - I wouldn't like the public to think that we need to vote this extra amount. What I am saying is that in electricity charges the amount that is

coming in is higher than the amount that you need to pay for your oil. I think it was the Honourable the Financial and Development Secretary told us the price of oil was going down.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, here we are concerned with this additional expenditure on fuel oil of £74,000 which was required for oil we bought and paid for before the 31st March, 1974. Now, Sir, the Honourable the Leader of the Opposition's point is taken that at the time of the last Budget we raised the electricity charges to take account of the then current cost of fuel oil used at the Generating Station. There was some backlog. In subsequent months the price of fuel oil there used fell somewhat from the level which we had taken into account. If that situation happily continues, we may find that we have a surplus of revenue over expenditure on our electricity account and that will be a happy state, Sir.

HON M XIBERRAS:

Exactly, Sir. I am most grateful to the Honourable the Financial and Development Secretary for putting the case for a reduction in the electricity rate

MR SPEAKER:

I am not going to interfere but I think what we are voting is payment to date and nothing else.

HON M XIBERRAS:

Of course, Sir. I would just like to take this opportunity to remind the Government of its commitment to review the cost of electricity to the consumer in the light of this fall in the drop of oil which we have experienced.

HON CHIEF MINISTER:

We do not have to be reminded. We keep the matter under

continuous review.

HON M XIBERRAS:

I will be the judge of that. Sir, on item 10 - Installation, Testing and Inspecting - can the Minister for Public Works say why it is that electricity bills seem to come in fits and starts where at one time you get a very high bill and then you get a lower bill and then a distribution. This has to do with installation testing and inspecting I imagine, or has it?

HON LT COL J L HOARE:

Not at all. In any case I am not responsible for sending bills. That comes from the Treasury.

Head V - Electricity Undertaking was agreed to

Head VI - Fire Service was agreed to

Head VII - The Governor

HON M XIBERRAS:

Sir, the note on this item says "Overlap in appointment". What is this overlap in appointment? Is it the appointment between Governors? You see, the note goes on to say: "Biennial Review and cost of living addition to Hall Porter and Messenger". I wondered whether it cost that much.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Overlap in appointment undoubtedly will be an overlap of one of the Governor's staff. I need notice of that question, Sir.

HON M XIBERRAS:

Sir, notice of that question is hardly the phrase to apply to

this. What I am asking for is that if we are going to vote money, by the time we have an answer from the Financial and Development Secretary it will possibly be too late and we have voted this. All I am asking is how much is for the Hall Porter and the Messenger and how much is for the Governor?

MR SPEAKER:

The Honourable the Financial and Development Secretary has said that he requires notice.

Head VII - The Governor was agreed to

Head VIII - Judicial Supreme Court

HON M XIBERRAS:

In respect of Item No 3 Jurors, Assessors, Witnesses, etc. Is this an allowance for jury members? This is very important, Sir, because I think the jury service is in danger - and honourable and learned members in this House might know a lot more about this than I do - but I think that members of juries are finding it a big burden to attend to these functions. I am wondering what the position was in this respect? Perhaps the Attorney-General could tell us about it. I have received a number of complaints from people who have to be jury members that they have to turn up and then they are sent back and then they are called again and so forth. I was wondering whether under this head the Attorney-General might venture a comment.

HON ATTORNEY-GENERAL:

I cannot say off the cuff how long ago the present allowances paid to jurors were settled. Certainly, if any indication was given to Government that jurors were suffering a hardship because of the small allowances paid, then I think undoubtedly Government would consider whether these could be increased.

HON M XIBERRAS:

Does the Honourable Attorney-General have any idea of how much is said to a juror today?

HON ATTORNEY-GENERAL:

I have a feeling it is £2, Sir. I may be entirely wrong. This is pure speculation on my part as I haven't had cuase to look this point up.

HON M XIBERRAS:

I think this is a pretty universal problem in places that have juries, but I have heard complaints from people who have been called to serve on a jury and I was wondering whether the Attorney-General would be so kind as to find out what the position is in that respect. He can take it from me that there have been complaints to me in respect of this service.

HON ATTORNEY-GENERAL:

I will certainly undertake to let the Leader of the Opposition have what the fees paid at the moment are.

HON M XIBERRAS:

Thank you, Sir, on Item 4 - Legal Aid and Assistance. Perhaps the Attorney-General will let us know whether he finds that the legal aid and assistance afforded now is at the right level?

HON ATTORNEY-GENERAL:

Certainly the fees payable to counsel on legal aid have been increased. These were, in fact, rules which I laid on the table today. Also, in so far as the entitlement to legal aid in civil cases is concerned, we have raised the lower limit to bring a wider group of persons into the class of those who are entitled to legal aid. We raised both the income limit and the capital limit, so there will be more persons entitled and more

legal aid will therefore be payable.

HON M XIBERRAS:

Thank you.

Head VIII - Judicial Supreme Court was agreed to

Magistrates' and Coroners' Courts was agreed to

Head VIII - Judicial was agreed to

Head IX - Labour & Social Security

HON M XIBERRAS:

Sir, Item 3 - Expenses of Sponsored Patients sent for treatment to the United Kingdom. An extra £2,648 in respect of additional sponsored passages for accompanying relatives payable since May, 1973, which I thought was a very good thing. I remember the Honourable Minister for Labour and Social Security getting rather annoyed and throwing this back at me that in my time it was not done. May I now enquire as to how the scheme is progressing? Does he find - I think there is a means test involved here - Can I now enquire as to how the scheme is progressing?

HON A J CANEPA:

The information that I have is that it is progressing entirely satisfactorily. I haven't had any complaints brought to my notice.

HON M XIBERRAS:

The Honourable Member need not be suspicious of all questions that I ask. I was merely enquiring as to how it has been going. We think this is a very good thing. Has the Minister himself had any cases which he

felt that his department might not support financially? In other words has he been getting a flood of cases, heaven forbid, of people who wanted to accompany a patient in these conditions and who had enough money to go themselves?

HON A J CANEPA:

As far as I am aware people have been able to manage. Either they have been able to make arrangements with their employers, failing that the department through the medium of the Family Care Unit has come to their assistance to the utmost possible. I am very pleased with the way that the scheme has been going and, in fact, the numbers would indicate that certainly no patients have been deprived of the treatment through any difficulty in having an accompanying relative. The numbers for the last year were in the region of 35 to 40 which is well up on previous years. It is a scheme which in a very quiet way - because the numbers affected are relatively small 35 or 40 - is something to which I attach a great deal of importance and which I am glad to see is working eminently satisfactorily.

HON M XIBERRAS:

I am very glad about this, Mr Speaker. I wonder whether I might impose on the Minister and ask whether he has made any progress in the case of the bodies of persons who are unfortunate enough to die whilst undergoing sponsored treatment there. Repatriation expenses are rather high. Has the Minister made any progress in that direction?

HON A J CANEPA:

Sir, that was the subject of a question and I said at the time that I was reluctant to commit myself as a matter of policy and that I was prepared to look at each case on its individual merits. That remains the position. One or two cases were brought to the notice of the Director over the last few months and my enquiries have elicited the fact that no blanket rule, ~~as it were, to~~ ~~across the board rule~~ is necessary in this case. What *matter*

one has got to have is a humane approach and wherever financial assistance is required, whenever the family concerned are unable to ^{meet} ~~deal~~ with the ~~matter~~, the department will help them out. ^{problem}

HON M XIBERRAS:

Has the department helped out anybody in this respect?

HON A J CANEPA:

If assistance has been sought, Sir and it has been established that the relatives are unable to bear the cost themselves, the department will help them out. I am not saying that they have. I am saying that we will.

HON M XIBERRAS:

Has the department helped financially in any one particular case because I am willing to accept the advances made in respect of the relatives accompanying sponsored patients but at least not to my knowledge has there been a case of anybody being helped with the repatriation of the body.

HON A J CANEPA:

I do not think that there was any case in 1973-74, Sir.

HON M XIBERRAS:

Will the Minister then pursue the matter since it has been raised before in this House? Still on Head IX - Item 14 Accommodation of Labour. £11,168 for essential repairs including renewal of electrical installation and renovation of lavatory block, and Cost of Living Addition. Where, may I ask, did these improvements take place?

HON A J CANEPA:

At the hostel at Casemates, Sir. Both the installation and the renovation of the lavatory block are applicable to Casemates.

HON M XIBERRAS:

Would the Honourable Member give us an idea of the financial position in view of the heavy sums that are being committed to Casemates?

MR SPEAKER:

Not now.

HON M XIBERRAS:

Item 17 Elderly Persons Pensions - a scheme approved in 1973. The Honourable member is aware that this side of the House criticised - I imagine that these Elderly Persons Pensions are for the over 75's - criticised the manner in which the Minister had chosen to pay out these pensions whereby certain people on supplementary benefits did not get any increase over the rate they got for supplementary benefits, while other people with unlimited income theoretically could claim the £2.30 which the Minister was offering for the over 75's. I think that the Minister has suffered a change of heart since then

MR SPEAKER:

We are not going to review policy on each item. We are exclusively voting expenditure.

HON M XIBERRAS:

Mr Speaker, I am glad to say that on this particular instance the Minister has already done the work for the House. He has reviewed his own policy and changed it. What I was going to ask the Minister is whether those £8,906 were paid to people in the top income bracket? Did he get many applications from those? I think it is fair for a member on this side of the House to ask that question.

HON A J CANEPA:

Sir, I cannot say how many applications there were from the top income bracket. What I can say is this, that in the first quarter of this calendar year - in other words in the last quarter of the financial year 1973-74 because the scheme came into effect in January, 1973 - ~~during that quarter~~ there were about 180 persons not in receipt of an old age pension, a retirement pension or supplementary benefits, who applied for this pension. That was the number of people not in receipt of some other social security **benefits**. I do not know what the Honourable member opposite means by the top income bracket. If he means the capitalists of little Gibraltar I do not think there were many.

HON M XIBERRAS:

Well, I am very glad.

HON A J CANEPA:

If there were, they are paying the whole amount back in income tax.

HON M XIBERRAS:

I am very glad that there were only a handful because it would have been terribly unjust if there had been a good deal more than that. It would have been terrible to have denied it to the people in supplementary benefits and given it to the people who drove up in a Rolls Royce. That would have been very bad indeed. But now I understand that you have a clawback on income tax.

HON A J CANEPA:

That is right, Sir.

HON M XIBERRAS:

Well, I have no further questions on Head IX.

Head IX - Labour and Social Security was agreed to

Head X - Public Works

HON J CARUANA:

Mr Speaker, may I draw your attention to Item 5 - Unallocated Stores. A token vote of £100 having been approved in the provisional estimates and £19,852 being asked for as supplementary provision. Whilst I have no questions to ask as to the details of this expenditure, may I draw the House's attention to the Principal Auditor's Report 1971-72 where there is a paragraph of great concern to the House with regard to this vote. It says that whereas the maximum authorised balance for the value of stocks in hand at any one time is £100,000, at the end of 31st March, 1972, the stocks shown was in fact £167,430 in fact £67,430 more than the value of stocks authorised by law, and that in November, 1973, the Director of Public Works

MR SPEAKER:

We are not going to discuss that.

HON J CARUANA:

I am discussing the attention of the House to the fact that £ $\frac{1}{4}$ m has been asked for by the Director of Public Works to be the maximum sum allowed for stocks held in hand.

MR SPEAKER:

But how does that relate to this particular item?

HON J CARUANA:

Well, if I may finish, Mr Speaker, no authority has yet been given to go over the £100,000. When they do the book value are we in this House at the moment approving something against the maximum authorised balance allowed? We have been asked to vote £19,852 for unallocated stores and we

would like to know what is the present balance of unallocated stores to date because the maximum allowed is £100,000.

HON LT COL J L HOARE:

The Honourable Member has an interest in this because he was the Minister of Public Works at the time. Now, on the 31st March, 1974, the value of the stores for all the departments, PWD, Electricity and Telephones is £200,000. He will be pleased to hear that the limit has, in fact, been raised. We have now had authority to raise it to £250,000.

HON J CARUANA:

Precisely, Mr Speaker, the point of raising this matter at this moment, because we would not like to vote money in this House if we did not know that the maximum amount allowed had been approved. Since the Principal Auditor's Report has just been received by the House only a couple of weeks ago where he states that authority for any increase has apparently not been given, then I think the question is a perfectly legitimate one.

HON J BOSSANO:

Can I ask the Minister for Public Works how it is that the figure for 1973-74 is less than half for that 1972-73? Is it that less materials were used from unallocated stores in 1973-74 than in 1972-73? One would have expected the amount that needs to be voted here to stay either fairly stable or else to increase in proportion to the general rate of inflation, and yet this year we have got £19,000 whereas the year before we had £41,000.

HON LT COL J L HOARE:

Mr Speaker, they bear no relation at all. This is the value of stores which have not been used. You cannot compare what happened one year with what happened the previous year because you may have used different types of materials, different costs, and you may have

used a lot of what was already in stock. This item refers to what has been purchased this year or up to 31st March, 1974 which was not incorporated into works completed by the 31st March, 1974. That does not mean to say that the total value of the unallocated stores was that only, because you had residue of lots of other things. This is material purchased during that year which was not used during the year. This is why the overall total is £4m.

HON J BOSSANO:

But does not the amount, Mr Speaker, that has to be voted here reflect the amount that is used. That is, if the stock is reduced by a certain quantity of stores then, presumably, that is the quantity that is made good in that particular financial year. Is that so?

HON LT COL J L HOARE:

Not necessarily. It may be something special for a specific job and you wouldn't replace it. No, as stores are issued they are charged to a particular item which ~~is leaving~~ *includes* the expenditure not only of materials but of labour, etc. This is the value of stores which we purchased up to the 31st March, 1974. They may only have arrived in March so they couldn't be incorporated in work up to March and charged to a particular works item. This will happen always because you cannot get stores and put them straight into the work.

Head X - Public works was agreed to

Head XI - Public works Annually Recurrent

HON J CARUANA:

Mr Speaker, Item 57 - Purchase of water. The Watergate question. Could the Minister tell us whether out of these £90,792 for the importation of water, if any amount in this figure will be recoverable from purchases made to DOE or is this all purely what was spent for the import of water last year?

HON LT COL J L HOARE:

in the original estimates
This was the total cost to the department. We allowed nothing at all because we hoped that the distillers would be working in 1973-74 when, in fact, they weren't. Out of this £90,000, £57,000 was in respect of imports by a local firm between April and August - the time that they were operating. That came to £57,000. In May we got half a tanker for which we paid for our half only £14,036 and the bulk of that had to be repaid to the DOE because we borrowed it. No I am sorry, the first one went all into stocks. The second one in October 1973, which was also half a tanker and that cost £19,000 we had to use primarily to repay what we had borrowed from DOE because of the very dry summer that we had had.

HON J CARUANA:

What did it cost?

HON LT COL J L HOARE:

The half tanker cost us £19,000. I think I mentioned that when we went to ask for another tanker earlier this year the price quoted was £50,000.

Head XI - Public Works Annually Recurrent was agreed to.

Head XII - Public Works, Non-Recurrent was agreed to

Head XIII - Law Officers was agreed to

Head XIV - House of Assembly was agreed to

Head XV - Medical and Public Health was agreed to

Head XVI - Miscellaneous Services

HON P J ISOLA:

On Item 25 - Contribution to Gibraltar Broadcasting Corporation. I notice that there is another £5,559 re additional cost of weekend television programmes. Is that note, in fact, the reason for it? This of course, is not relevant to the Report we had. It is probably the year before.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This refers to 1973-74. I have looked to Head XVI in the 1974-75 Estimates where there is a note that the subsidy towards the winter programmes this year is £8,000. The figure I think is reasonable.

HON M XIBERRAS:

Item 7 - Passages of Officials. I see that the sum of £7,167 was underestimated. Is it that more officials have been eligible for passages to UK? Or is it because the airline ticket costs more?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, Sir, certain officials have entitlement to leave passage. This could be underestimated because it must always be an estimate of the numbers who will use these passages. Part of this is recovered from Her Majesty's Government and the recovery is in respect of those officers who are on OSAS inducement allowance terms.

HON M XIBERRAS:

I appreciate that. That much the note makes clear. The vote is £14,000. The supplementary provision is half that, which is £7,000. I was aware of the conditions governing expenditure under this vote but what I want to know is why the underestimation has taken place? Is it because airline flights are much more expensive despite the efforts of the Honourable Mr Serfaty? Or is it that more people have made use of this? It is a considerable under estimate.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, to the best of my knowledge this subhead covers passages on official business as well as passage on leave. That is not easily estimable in advance.

HON M XIBERRAS:

Sir, we would be quite willing to vote extra money for this year if the Chief Minister were to go to the United Kingdom once and for all rather than put it off, and put it off, and put it off. However, it is a question of judgement and he knows when best to go or when to arrive.

Head XVI - Miscellaneous Services was agreed to

Head XVII - Pensions was agreed to

Head XVIII - Police

HON J BOSSANO:

Sir, on Item 1 - Personal Emoluments, we have £95,000 for the cost of the biennial review and the cost of living addition. Can the Financial and Development Secretary give any indication of the sort of increase, that is, whether it was an average of say £6, £7 or £8 a week that is represented by the £95,000 as the result of the biennial review in 1972?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I cannot off hand. One might learn something from the estimates. I can say that the Police had a relatively favourable biennial review settlement.

HON J BOSSANO:

Mr Speaker, is the recovery of this money from the contribution of MOD shown up on the revenue side, or is

it the net figure?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This will be a gross figure. This will be gross expenditure.

Head XVIII - Police was agreed to

Head XIX - Port

HON M XIBERRAS:

Sir, Item 3, Running Expenses and Maintenance of Launches. Wasn't there a proposal to reduce the number of launches, or is there only one.

HON A W SERFATY:

They are thinking of replacing them, but not yet.

HON J BOSSANO:

The addition on Item 3, Mr Speaker, is due to the increase of fuel for the running expenses of the launches, but the original sum of £3,420 includes sums spent on the upkeep of the launches as they are, is that so?

HON A S SERFATY:

Yes.

Head XIX - Port was agreed to

Head XX - Post Office and Savings Bank

HON M XIBERRAS:

Item 16 - Uniforms. The increased cost and new issue of

raincoats. Am I to understand that these raincoats are part of the winter wear of the postmen along with a winter uniform and that the former the raincoats have arrived in Gibraltar whereas the winter uniforms for the postmen have not yet arrived and that there is a possibility that the postmen after facing the summer in bathing suits will have to face the winter in their summer uniforms?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We are to understand, Sir, and we must understand that money was spent in the year 1973-74 on new raincoats for postmen.

HON M XIBERRAS:

Well, let's hope, Sir, that this winter they wear something under the raincoat.

Head XX Post Office and Savings Bank was agreed to

Head XXI - Prison was agreed to

Head XXIII - Revenue was agreed to

Head XXIV - Secretariat

HON M XIBERRAS:

Sir, Item 14 - Staff car at Secretariat. I seem to recall the Chief Minister criticising my Honourable and Gallant friend Major Peliza for making use of his staff car too often in the past. Am I to understand that this increased expenditure - that the £120 is simply increase in fuel?

MR SPEAKER:

This refers to the Deputy Governor's Car.

HON M XIBERRAS:

I see.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The £120 is addition over the original estimate on the cost of a new motor car.

Head XXIV - Secretariat was agreed to

Head XXV - Telephone Service

HON M XIBERRAS:

Sir, Item 7 - Increase in charges raised by Her Majesty's Dockyard in respect of training apprentices. £368 out of a vote of £1702. Has Dockyard satisfied Government of the need for this increase? Could the Financial Secretary, perhaps, or the Minister for Labour explain what the increase is about?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, this increase in the year 1973-74 was certainly agreed by the Government with the Dockyard. At the time of the last Budget we had discussions about this and we still had questions outstanding of charges for attendance and explanation of charges at the Dockyard. That relates to this current year.

Head XXV - Telephone Service was agreed to

Head XXVI - Tourist Office

HON P J ISOLA:

Mr Speaker, I am glad to see that great use is made of the telex by the Tourist Office but that doesn't worry me. What worries me, Mr Speaker, is this London Office that closes on Saturday mornings according to the answer that has been

given today when, of course, most people go to London on a shopping spree. What worries me is that the cost of the London Office to the Gibraltar taxpayer is really escalating. The estimate for 1973-74 was £16,830 and the revised estimates in this House at page 73 of the Estimates for the London Office was £17,330 and now we find that it is £25,000, that has been the cost to the Gibraltar taxpayer of this Tourist Office. I suppose it is very nice to have an office in the Strand and all the rest of it but, really, how far is this going to go up, and what does this represent to Gibraltar in terms of economic benefit? It is all very well for the Minister for Tourism who is jumping to get up, but he told us it was only going to be £17,000 and now it is £25,000. £16,800 was the provision, he is asking for another £8,144 which makes it a £25,000 job for 1973-74. Their estimate for 1974-75 is £22,697 so that the tourist office has cost us more in 1973-74 than it is estimated it is going to cost us in 1974-75 which, of course, means really that the estimate for 1974-75 - I hate using these words - has either been doctored or is hopelessly out, Mr Speaker.

MR SPEAKER:

The note says that part of the increase is due to the redecoration of the office.

HON P J ISOLA:

Yes but they obviously redecorated it during 1973-74. Presumably they could have taken that into account.

HON CHIEF MINISTER:

Perhaps Honourable Member might allow the Minister to answer.

HON P J ISOLA:

Sir, if the Honourable and Learned the Chief Minister will let me finish, no doubt the Minister will then get his opportunity to answer. Really, it doesn't matter what I say because the Minister does not take much account of it. We would ask (a) how it is that the revised estimates presented

to us in March, 1974, of £17,000 is out by £8,000 in October, 1974 - that is one question - and the other question is; Is the Minister quite sure the London Office is not going to cost us

MR SPEAKER:

No, the second question is out of order.

HON P J ISOLA:

Well, I won't ask the second question.

HON A W SERFATY:

Sir, the work on the London Office which we had to do as the previous administration moved the office into a 5th floor and we did not agree with that - we moved it to the ground floor - was carried out in the year 1972-73 but was paid for in 1973-74. The original estimate for this work was £12,000 but Mr Serfaty, the Architect, stepped in and by the time he finished with the new design and got the work done by direct labour, the cost came down to £4,282 of these £8,144 and, of course, I would like to say that there were corresponding savings. This money is not really additional money, there were corresponding savings in the Tourist account for the year 1972-73 and in the Port account - honourable members will recollect that tourism responsibilities in their time was divided between two Ministers - if I may say so very bad arrangement. So there are more than enough corresponding savings to cover the whole of the cost of bringing the Tourist Office down from the fifth floor to more reasonable premises on the ground floor. As to the viability and the wisdom of having an office in London

MR SPEAKER:

No, in so far as the justification of the expenditure is concerned you are entitled to say whether it is advisable to have an office in London.

HON A W SERFATY:

I thought that the Honourable Member was referring to the 1974-75 cost of the London Office.

MR SPEAKER:

Yes, but I stopped him.

HON A W SERFATY:

Well, I think that in this year too we had already started with a part time Public Relations Officer which is included in the London Office accounts whereas it was under Advertising because we had a firm that did that work. We gave notice to that Public Relations firm and we then employed a part-time Public Relations Officer. I am happy to say that now we have a full time Public Relations Officer.

HON J BOSSANO:

Mr Speaker, in this vote there is an element included for COLA. Does this relate to the salaries of the staff employed in the London Office?

HON A W SERFATY:

Oh, yes, it must do.

HON J BOSSANO:

But are the salaries in the London Office, Mr Speaker, paid UK wages or Gibraltar wages?

HON A W SERFATY:

Well, there are two types of staff. There is local staff which we send to London and then there is the staff which is employed in London. The staff that we employ from Gibraltar is paid the difference in Income Tax, etc and those that we employ in England pay their own income tax.

HON J BOSSANO:

Is this a cost of living addition based on the cost of living in Gibraltar, or the cost of living in London ?

HON A W SERFATY:

I would prefer to say that it is based on the cost of living in Gibraltar.

HON M XIBERRAS:

The Honourable the Minister has made a couple of statements that are mystifying. The sense of paying a man a cost of living addition based on the Gibraltar rate of inflation when the man is living in England with his family

MR SPEAKER:

We are not going to discuss that principle now.

HON M XIBERRAS:

Sir, I thought my question was specific enough because it says cost of living addition.

MR SPEAKER:

You can ask as many questions as you please as to what this cost of living refers to, to whom it was paid and for what it was paid, but in respect of those particular payments and nothing else.

HON M XIBERRAS:

This is the officer who works in London and he is paid a cost of living addition according to the Gibraltar rate when, of course, other people if they move from

MR SPEAKER:

Yes, but that is what is out of order. I am not going to

allow under an item of expenditure discussion on the morality involved in the payment of cost of living allowance to a particular person by one standard or another. That is something you can discuss but not in this item.

HON M XIBERRAS:

Indeed it has been brought to this House by this side and it was discussed and we got the story of Brother MacMahon at the time. The other point, before I give way to my Honourable friend on my left is that Mr Serfaty, the Architect, - and we are very grateful for his services as an Architect - reduced the cost of this redecoration quite considerably in fact, he halved it, I think. He said that he did this by employing direct labour. Was this direct labour from Gibraltar sent to UK?

HON A W SERFATY:

No, these were UK workmen that we employed on a piecework basis and they did the job for that sum of money. No, it was not at Gibraltar rates. We came to an agreement with them on a lump sum cost.

HON M XIBERRAS:

Malta rates, then?

MR SPEAKER:

Order. We must not speak across the floor of the House.

HON J BOSSANO:

Mr Speaker, on this question of the cost of living addition. I wonder if we are really justified in approving that the cost of living should be paid on the increase in the Index of Retail Prices in Gibraltar, in view of the fact that in England the Index of Retail Prices is not rising as fast as in Gibraltar. Should not the Minister consider

MR SPEAKER:

The standards are there. What you can discuss is whether it should or should not have been paid. We must not question the system by which it was measured.

HON J BOSSANO:

If there is a Government Officer employed in London and the House is approving - which is a very laudible thing - that in order to compensate him for the increases in the cost of living he should be paid more, surely he ought to be paid more related to the pace at which his cost of living is going up. Since we all know that the cost of living is going up faster in Gibraltar than in UK, we are over-compensating him for the rises in his cost of living if we relate it to the Gibraltar one.

MR SPEAKER:

That would be a very pertinent thing to argue when we are discussing the cost of living but we are discussing a vote on a payment which was made in 1973-74 and not the issue of the cost of living allowance. I think you know what I mean and we are not going to have any nonsense about it.

HON M XIBERRAS:

I think you must excuse my honourable friend. We are probably underpaying the man on his basic wage.

MR SPEAKER:

Perhaps he was. Your right then is to vote against this particular item.

HON P J ISOLA:

Sir still on the London Office. I am very grateful to the Minister for his explanation. Whatever explanation he has, it has still cost £25,000 to run the Gibraltar office in London

MR SPEAKER:

We are not going to discuss the general cost of the running of the Gibraltar Office in London now. We are discussing whether it is right to vote an extra £8,144 on this particular item. You can breakdown the figure of £8,144 for as long as you like, but no more.

HON P J ISOLA:

Before asking us to vote the additional £8,144, could the Minister kindly tell us whether the London Tourist Office has a record of how many people made an enquiry personally at the London Tourist Office

MR SPEAKER:

No. I will rule you out of order.

HON P J ISOLA:

Well, let me put it this way. I notice that in the additional expenditure of £8,144 it is said that there have been increases in trunk calls, telex, stationery and postage. Am I right in assuming from that, Mr Speaker, that the work of the Tourist Office during 1974 was largely involved in extras in telex, telephone, stationery and postage as opposed to people personally visiting the place, in which case to have the office up above would be just as well as having the office down below.

MR SPEAKER:

That is precisely, Mr Isola, what is out of order.

HON P J ISOLA:

Well may I just then ask the Minister how much of the £8,144 is attributable to the increases in trunk calls, telex, stationery and postage.

MR SPEAKER:

That you are perfectly entitled to ask. Whether you get an answer or not is a different matter.

HON P J ISOLA:

It is very disappointing, Mr Speaker, that I do not get an answer, because I think that could settle once and for all the argument whether the Tourist Office should be in a main street of London or up in the fifth floor.

MR SPEAKER:

I think we have discussed this long enough now.

HON M XIBERRAS:

Mr Speaker, still on the same head of expenditure - Floodlighting and other illuminations. This is a revote from 1972-73. Would the Minister illuminate the House as to what this expenditure is going to meet?

HON A W SERFATY:

It is not what it is going to meet, it is what it has already met. I am afraid I have not got the details but it is mainly maintenance, I should say, because we have done very little new floodlighting in the last couple of years.

HON M XIBERRAS:

I take it, Sir, whether with these improvements even the Minister would be convinced that St Michael's Cave is a very good place to hold the Miss Gibraltar Contest next year.

HON A W SERFATY:

Oh, no.

HON M XIBERRAS:

Well, then the money is being spent for some other reason. Perhaps the Minister is going to stage something else at St Michael's Cave, since he spent £1,504 in improving the Cave then, perhaps, he has big plans for the Cave. He might as well have spent it on the Queen's Cinema, if he is going to use the Queen's Cinema regularly.

HON J BOSSANO:

Item 15. Caravan Site. The cost last year went up to over £2,500. Can the Minister tell us what is the situation? Are we likely to see this sort of cost maintained for very much longer?

HON A W SERFATY:

Sir, the aim of the Tourist Office and of the Government is to close the Caravan site. In fact, there were two caravan sites, one opposite the other, and we closed one and converted it into a car park. At present we are not allowing any new people to come into the original caravan site which is still open and that will die, I hope, a natural death.

HON J BOSSANO:

I assume that the Honourable Minister does not want the actual inhabitants to die a natural death. Does he feel there is any possibility of offering the people who are living permanently on the site an alternative place to live so that he can close it straight away.

HON A W SERFATY:

This is what I would have liked, but I cannot answer that one.

HON M XIBERRAS:

Item 14 - Tower of Homage. May I ask the Minister - or is

it the Financial and Development Secretary - because I have an interest in this Tower of Homage. I would refer to the gentleman who looks after the place who has, I believe, to work something like seven days a week and his salary was not all that good. I am glad to see that Government is paying him an increase in wages of £321. I wonder what his conditions of service are because, really, even though he does not have to do all that much he hasn't got a day off, as far as I can recall from chatting with him. What are his conditions of service now? Has he had a big increase? I do not expect the Honourable the Financial and Development Secretary to tell me straight off, but can I express the hope that people in this man's position have a good deal. They are retired people but some of them do not have a pension. I think this particular man does not have a pension and he is supposed to work something like I think it is 6½ or 7 days a week.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, we shall look at that.

HON A W SERFATY:

I would like to take this opportunity of paying tribute to the work that Mr Cavilla is doing at the Tower of Homage. He is not sitting down, he is doing a lot of improvements all around the place with a little help from the Tourist Office and I must pay tribute to that man.

HON M XIBERRAS:

Perhaps the Minister would like to help by trying to give him a salary which compensates him for the good work that he does.

HON A W SERFATY:

I will do what I can.

HON M XIBERRAS:

Sir, item 22 - Sundry Festivals. Am I right in saying that the £1,523 were needed for last year's fair and judging by the illuminations there it must have cost something extra.

HON A W SERFATY:

I would not know whether increased wages of £1523 on Sundry Festivals is all due to the Festival Week.

Head XXVI - Tourist Office was agreed to

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that the votes detailed in Supplementary Estimates No 2 of 1973-74 be approved.

Mr Speaker proposed the question in the terms of the Financial and Development Secretary's motion.

HON M XIBERRAS:

Mr Speaker, I think it has been most useful for the House to hear the Honourable the Financial and Development Secretary break up into its constituent parts this very heavy supplementary vote which the House is considering and is going to vote on now. It is just over £1m which is really very heavy as supplementary estimates go. I asked the Honourable Charles Gomez when he was standing in for the Honourable Mr Mackay at the beginning of this year 1973-74 what indications he had about the supplementary expenditure that would be needed in the course of the year.

He said even at that early stage that he expected that for one reason or another expenditure would be heavy. He has been proved right in this and my own suspicions have been proved right and those of any thinking Gibraltarians who feel that the cost of things in Gibraltar is moving at an alarming rate in an upward direction. It is moving, of course,

not only for the Government but for the man in the street as well, and whereas some might use this extra money which is needed for the Government as an argument for curtailing expenditure especially on wages - and we have spent £589,000 of these £1m on wages - others might be more objective about the situation and ask themselves the question: "If we carry on at this rate where is the money going to come from for Gibraltar?" I know it is a point which the Opposition will bring to the fore again and again whenever we have to vote in this House such sums of money - and of course at Budget time particularly - that Gibraltar is being squeezed against the wall by inflation which may be imported to a large degree but, as far as the Government and the people of Gibraltar are concerned, it is real inflation that has to be met if the standard of living is not to drop precipitously and big changes of an unfavourable nature are not to occur here. Therefore, I commend to the Honourable and Learned the Chief Minister the motion which he and his side of supported in this House, an amendment of my original motion, which calls for a permanent economic relationship with Britain, and I ask him to bear in mind that it is now October and from March to October we have had to raise £1m in a recurrent budget of nearly £6m in supplementary provision is a very substantial amount and of course we have the biennial review right on top of us as well. Now this, as I say, may give some an argument to use against the raising of wages, but the fairer minded amongst us might look at the position to say: "Which of these items could we really criticise and say it is not necessary". We have of course asked questions; we have prodded the Government because that is the job of the Opposition, to ask questions so that things that are not taken for granted as they have been by Honourable Members opposite from time to time. But there is no batch of items that the Opposition could have said: "Don't spend the money on that". Therefore the problem that faces the Chief Minister now is one of, I would suggest, what is the economic future of Gibraltar about which I am not going to say all that much, but what is the economic future of Gibraltar if we are going to need even supplementary provision at this rate, let alone at Budget time. There are, of course, great virtues in wage increases on the Government side and this £589,000 in wages which we are now voting for has to be matched by - although perhaps not matched, I am not going to go into the detailed figures - but will draw into the economy a corresponding amount from MOD and DOE. This, of course, is going to fertilise the economy and give people more money to spend which will improve the lot of the

trading community apart from the lot of the workers and will make the money circulate and maintain what the Chief Minister has called the "momentum of the economy" borrowing a phrase from the previous administration. But, perhaps, this particular time when the Government is facing a claim for parity of wages might be an opportune moment to remind the Chief Minister that even if he were perspicacious enough to see what the Gibraltar Trades Council is asking for - which I am afraid he is not, or he is pretending not to be - even if this were an ordinary biennial review, what is called for from the Government is a change in their thinking about the whole economic situation and wages situation of Gibraltar. Not simply a question of toting up the biggest bill that they can in respect of the biennial review and, therefore, the Government could do worse than to take in conjunction with these

Sup. Est. the claim they now face from the whole or practically the whole of the workers of Gibraltar for the principle of parity of wages to be accepted, they might do worse than to remember the motion which they agreed to in this House in respect of a permanent economic relationship with the United Kingdom. Against this background of the permanent economic relationship with the United Kingdom and this cause to fight for, then both the claim for the principle of parity of wages to be accepted and the supplementary estimates which are the subject matter of my address now, might seem a little bit less formidable. Perhaps the Chief Minister might give an indication to the House of his concern at the increase of £1m on this Supplementary Estimates but also that he is not forgetful of the motion that was passed recently in this House for a permanent relationship with the United Kingdom and that it will form a part of his general thinking on the economic problems surrounding Gibraltar.

HON CHIEF MINISTER:

I am going to say just this. That I am aware of the motion that was passed.

Mr Speaker put the question which was resolved in the affirmative and Supplementary Estimates No 2 of 1973-74 was passed.

The House recessed at 5.30 pm.

The House resumed at 5.55 pm.

Supplementary estimates Improvement and Development Fund
(No 2) of 1973-74

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, if I may again make a short introductory statement of these Supplementary Estimates. Sir, on the closing of the accounts of the Improvement and Development Fund for 1973-74, there was an excess in expenditure amounting to £386,012 which requires to be covered by a Resolution of the House. Part of this amount, £156,374, is in respect of schemes financed by Her Majesty's Government and that money has already been recovered. The balance of £229,638 had to be met from local funds and this is made up of £17,813 in respect of excesses over the grants made by Her Majesty's Government on schemes financed by them, that is to say small additions at the end for which it was not appropriate for us to seek reinvestment and then £211,825 on our own locally financed schemes mainly in respect of revotes from previous years and particularly on the new desalination plant at the Viaduct. Sir, I would take this opportunity to inform the House of the present state of the Improvement and Development Fund. At the time of the last Budget the revised estimated deficit at 31st March, 1974, had been put at £437,000. We now know that the deficit balance at that date was £306,000 but this is not an improvement in the state of the fund, it is merely due to a slower rate of expenditure on certain schemes than had been anticipated and no real improvement of course. By the end of September, 1974, the deficit had increased to £500,000 approximately, so that after taking account of the sum of £800,000 which we have all along proposed to raise by local borrowing in 2 sums of £500,000 and £300,000, after that the actual resources of the Fund stand at £300,000. Now against this we have commitments on projects already in our programme amounting to over £600,000 of which £350,000 is planned for expenditure this year and the remainder then being balance to complete. That situation, Sir, takes account of all the revenue surpluses that we have transferred in the past years to the Improvement and Development Fund including the additional £200,000 transfer in 1973 out of the surpluses of 1972/73. Sir, I have the honour to move that this House resolves itself into Committee to consider

Supplementary Estimates Improvement and Development Fund No 2 of 1973/74.

Supplementary Estimates Improvement and Development Fund No 2 of 1973/74 were agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to propose that the votes detailed in Supplementary Estimates Improvement and Development Fund No 2 of 1973/74 be approved and that the sum of £386,012 be appropriated to meet the expenditure detailed therein.

Mr Speaker then put the question in the terms of the Financial and Development Secretary's Motion which was resolved in the affirmative. Supplementary Estimates Improvement and Development Fund No 2 of 1973/74 was passed and the sum of £386,012 was appropriated to meet the expenditure detailed therein.

Motion re Wharfage Charges

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, containers which are arriving in the Port in ever increasing numbers, are being left lying on the quay some times for weeks on end principally because there is no incentive for importers to return them or remove them from the Port area quickly. Not only do they take up very valuable space but they also present an unsightly picture to visitors to Gibraltar. Sir, in an endeavour to improve the position it is intended to introduce a storage or wharfage charge as is the practice in other Ports. In Preston and Felixstowe for example which have been visited by the Captain of the Port, the charge was raised for the purpose of raising revenue with the subsidiary advantage that the imposition of the charges also ensured that containers would not take up valuable space

within the Port area for longer than was necessary. Sir, the same considerations appear to us to apply in Gibraltar and I have accordingly the honour to move the following motion:

- (3) "Be it resolved that this House do approve the giving by His Excellency the Governor, in exercise of the powers conferred upon him by section 52 of the Licensing and Fees Ordinance, of the following notice.

Title and commencement. 1. This Notice may be cited as the Licensing and Fees (Amendment of Schedule) Notice 1974.

Amendment of Second Schedule. 2. The Second Schedule to the Licensing and Fees Ordinance is amended by the addition immediately after Item 8 thereof of a new Item as follows:-

"9. Wharfage Charges

Wharfage charges at the following rates shall be paid to the Collector of Revenue in respect of containers left anywhere within the port, other than in a Government store, for any period exceeding seventy-two hours:

- (i) Containers of which no measurement exceeds twenty-five feet in length

For the first two weeks after the period of seventy-two hours £3 per week or part thereof and thereafter £6 per week or part thereof;

- (ii) Containers of which any measurement exceeds twenty-five feet in length

For the first two weeks after the period of seventy-two hours £4 per week or part thereof and thereafter £8 per week or part thereof".

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

HON P J ISOLA:

Mr Speaker, I would certainly like to hear a little more about this question of containers and how far it affects the local economy. Not necessarily because containers come to Gibraltar should one charge, because I remember, for example, with tourist ships or passenger cruise liners all the port charges being waived in respect of them because they are meant to provide a valuable contribution to the economy and one wants to attract them here. Is there any Government policy on encouraging containerisation and freight being brought in containers and is this sort of measure likely to discourage the continuation of this trade? Could I ask, too, has the Port Advisory Committee, a body about whom we regrettably hear very little in this House, been consulted on this, have they advised on this? Is it part of an overall scheme to tidy up the Port, to rationalise it, call it what you will? I think it would be useful to have some information on that and some assurances that voting for these charges, whilst bringing short term benefits, will not bring long terms disadvantages to the Port and the working of it.

HON A W SERFATY:

Perhaps I should explain a little background to this and that is that at least one important shipping company that is calling here very often

MR SPEAKER:

I want to point out that we are now ~~de~~ debating the motion Honourable members can therefore only speak once.

HON A W SERFATY:

As I was saying at least one, and others may well follow, are going to go for 100% containerisation. They are informing all their ports of call and they told us some time ago that in a matter of six months or so they will go for containerisation and we must be ready for them. There is no question of encouraging or discouraging them. The Honourable and Learned Member spoke about encouraging cruise liners by waiving all port charges. Well, this is

not exactly so. They have always paid port dues and now they are paying half the berthing charges. All berthing charges are not now waived because we found that this did not encourage them to that extent, and that the fact that we were waiving the whole of the berthing charges didn't make the slightest difference as to whether they come to Gibraltar or not. This is a parallel case because we are going to get the containers whether we like it or not and it is only fair and proper that they should pay for the space they are using and that they should be encouraged to take the containers away instead of leaving them for months on the wharf. I cannot say off hand whether this matter has gone to the Port Advisory Committee but we are definitely planning and surely the Port Advisory Committee is aware of the problem or perhaps the solution of containerisation to the transport problems and the Government is very much aware and we are thinking of improvements in the Port area that will take into account very much indeed the problems which will arise as a result of more containerisation.

HON J CARUANA:

Mr Speaker, no one will dispute the desirability of bringing more freight into Gibraltar in containers. I am, in principle, against this amendment to the schedule for the reasons I shall explain in a minute.

The Minister himself has admitted that Gibraltar is not a containerisation centre. We do not have any space other than alongside the wharf to put containers. Ships do not call regularly to Gibraltar and back to the same port. Sometimes they turn round to the port from which the containers came and any one who receives merchandise in Gibraltar will know that the return of the vessel will take anything from 5 to 8 weeks. Therefore to charge £3 per week after the first 72 hours is ridiculous and shows a lack of knowledge of the difficulties which people who bring containers to Gibraltar have. Nobody can move a container out of Gibraltar or out of the wharf within 72 hours. A container costs £200 to £300 to hire and on top of that the importer will have to pay £12 per month for the first week and thereafter £6 a week. This could bring an additional bill of about £50/£60 on top of the cost price of the goods landed in Gibraltar and this will have only one effect and this is that this price increase will be passed on to the consumer. I think, Mr Speaker, that

though this is a very well intentioned amendment, it lacks reality and does not take into account the real situation of shipping which comes to Gibraltar. Therefore for those reasons I personally - I haven't consulted with my colleagues - disagree entirely with this and I would like to have an assurance from the Government that the Port Advisory Committee have been consulted on this and not just the Captain of the Port and that all parties concerned have been consulted on the matter, especially importers and the consumers' representatives, /that what/ and we will find / the Government is attempting to introduce in this House today is extra cost for the price of articles that are imported to Gibraltar.

I cannot agree to this motion, Mr Speaker.

HON J BOSSANO:

Mr Speaker, I was hoping that someone from the Government side would answer or give some sort of indication whether the arguments that have been put by my Honourable friend, Mr Caruana, are in fact valid ones. I am not very familiar with this area of our economy but it seems to me that if the idea of putting these charges is to provide a dis-incentive to those who are negligent in the removal of these containers, there are two vitally important points that we would need a reassurance and that is that the person who is negligent in removing the container will not be allowed to pass on the cost to the consumer otherwise of course there isn't any question of a dis-incentive. All he has to do is to pass on the cost and I wonder whether the Minister for Consumer Protection has given any consideration to the effect that this will have on the prices of consumer goods. It seems to me that if it is easy to pass on the cost then the objective of providing a penalty for those who don't remove the containers will not work. The other point which I think follows from what my Honourable Friend had to say was, in fact, the sort of facilities that are available for the removal of these containers. It is reminiscent of the problem that we have when we look at the parking tickets where it was not sufficient to introduce a penalty for those who park if there isn't anywhere to park where it is permissible to park. The fact that the penalty exists is not sufficient. The facilities must be available

for people to be able to put their containers where they will not cause congestion then those who don't make use of the facilities are clearly not being sufficiently conscious of their obligations to the rest of the trading community and it is right to my mind that they should be penalised. I think clarification on these two points would be something that I would like to have.

Mr Speaker, there is to my mind a parallel between this and the parking ticket law where it was stated that the fact that you penalised somebody for parking in the wrong place is not enough if there isn't a right place to park and I think there is a close analogy with this. If it is right to my mind to penalise people who do not make use of the facilities that are provided, it is no good penalising people for not using facilities that do not exist.

HON CHIEF MINISTER:

I would just like to say two things on that. In the first place I agree that at present there is not enough room along the wharf and the Government have got plans which are not readily available now, nor am I going to deal with them now, to amply extend the area for containers in the Port.. It is a very definite and big plan which will form part of our development programme that we are taking to the United Kingdom, that I can say. I can also say that certainly if there is any question of neglect or force majeure or in any case of these containers are not removed in time, the question of adding on the cost of any penalties would not be allowed to be added on to the cost at source of any articles which are controlled. I am afraid that on the analogy with the parking ticket I am not altogether in agreement and, perhaps, the best answer to that is that perhaps there may be more container parking in future than there is car parking.

HON M XIBERRAS:

Mr Speaker, I wonder if the Government will reconsider this proposal in the light of what has been said by Honourable Members on both sides of the House. I have some experience of this area of our economy and I am quite certain that there isn't - Honourable Members opposite may act in a

capacity for some of the firms who are affected by this as well - and I think that the problem has been well put by my honourable friend, Mr Caruana, and the principle has been well put by Mr Bossano. It is fine for the Captain of the Port and for the Financial and Development Secretary, in order to clear up the Port as it stands, to help people to move their lorries out of the Port, to move their containers out of the Port, to move all sorts of things out of the Port. And then you have the policemen down at the end of Devil's Tower Road saying that you cannot park your lorry there or you have the Planning Secretary saying that he cannot give space for storage. So, as far as my Honourable Friend Mr Bossano has said, there is an analogy with the parking ticket. If you are going to penalise people for leaving containers or anything else in the Port area, then you must provide - especially if you are encouraging containerisation - you should provide or encourage or make reasonable allowance for storage space outside the Port. Anybody who has gone down the road towards waterport will see lorries parked on the side of the road, and I am sure the Captain of the Port has had a lot to say to the people who park their lorries there and then I am sure policemen have told people at the end of Eastern Beach that they cannot park their lorries there because this is, and quite properly so, parking space for people who use Eastern Beach. So you will get the query from transporters as you will get the query from people who have containers "Well, what will I do with them? What will I do with my containers? What do I do with my lorries?" Now, I think the Honourable and Learned the Chief Minister has supported what my Honourable Friends on my left and right have had to say. He has seen the need, as indeed I understand has the Port Advisory Committee, for a development of space or an extension of space in what we normally call the "pockets" area, the commercial wharves. This is very good and has been proposed by various Governments but it hasn't come about yet. It is dependant on the Chief Minister's visit to London, I understand from what he has said. Is this the opportune time, therefore, to introduce this motion or wouldn't it have been fairer to at least give some concrete assurance that there was going to be an extension of space available in the Port and then introduce your modification. I think the Honourable and Learned the Chief Minister has leant his weight to the argument which is being mooted from this side of the House. If the Chief Minister comes back from the United Kingdom and says: "Yes, we have enough money

to fill in the area between the "pockets", or if the Government decided that they could start reclaiming land as was done for the desalination plant, then people could be told: "The Government is doing something positive for you. It is not just harping at you. It is not just on your heels all the time and imposing fines here and there." I can assure Honourable Members opposite that even though it might be very well unsightly for tourists coming in to see a row of containers, say, on the second of those wharves and on the third, the most unsightly mess of course is men at work with piles of stuff and so forth and so forth, all crammed into a very short space working under very difficult circumstances, and the removal of containers from where they are now is not going to add very much room for manoeuvre there. Therefore, this side of the House, as my Honourable Friend Mr Caruana has quite rightly said, cannot support the introduction of this at this stage. It is quite a heavy penalty and the time for removal is rather short. I don't know whether the Honourable the Financial and Development Secretary has experience of how long it takes to get containers in and out of there and what the advantages are, of course, of having the stuff in containers. In other words it can be locked and it can be left there overnight. Also there is the question of paying duty on containers. When you take them out you pay duty and then one has to establish the question of the refund and so forth. All these demands would be reasonable if the Government had done something concrete at the same time to alleviate conditions in the Port. I don't think this is going to be well received by users of the Port and because it is something that might not be well received by users of the Port the Minister for the Port should have taken this to the Port Advisory Committee. I know that he has taken his proposals for the development of the Port to the Advisory Committee and it is not fair to take all the plums to the Advisory Committee to get their agreement whilst keeping from them things which they might not agree with. I don't know whether this has gone to the Advisory Committee or not, but if it hasn't it is very bad that it shouldn't have because that is not the way, I would suggest, to get the cooperation of this Committee and I believe this is the second one that he has had so far of this kind. Therefore would the Government reconsider this, hold it back, put it on ice until the Chief Minister comes back and if he gives a positive indication that there are going to be development of this kind this side of the House will have no hesitation in

supporting what is in abstract a sensible proposal but which is an unfair proposal at this moment for the lack of positive thinking to accompany it.

MR SPEAKER:

Are there any other contributors to the debate? I will then call on the mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, we are of course familiar with the points that have been brought against the proposal and they were discussed. The fact remains that as we know the container business is growing and one can envisage what sort of congestion we are going to have there if, as the Honourable Mr Caruana says, these containers are going to be allowed to lie at the Port as long as he suggested. We have heard representations by the Captain of the Port who runs the Port and we have considered these objections. We have a policy with regard to containerisation and as fast as we can there will be more space made available. In the meantime there is not space to allow containers to be left and certainly some incentive must be given to their removal. Sir, I still move in favour of the motion.

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

The Hon Sir Joshua Hassan
 The Hon A P Montegriffo
 The Hon A W Serfaty
 The Hon A J Canepa
 The Hon M K Featherstone
 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:

The Hon M Aiberras
The Hon J Bossano
The Hon P J Isola
The Hon J Caruana

The motion was accordingly carried.

Bills - First and Second Readings

(1) The Group Practice Medical Scheme (Amendment) Ordinance, 1974.

A Bill for an Ordinance to amend the Group Practice Medical Scheme Ordinance 1973. (No 14 of 1973)

HON A P MONTEGRIFFO:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Group Practice Medical Scheme Ordinance, 1973 No 14 of 1973 be read a first time.

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

SECOND READING

HON A P MONTEGRIFFO:

/of/ Sir, I now move that the Bill be now read a second time. Sir, the Group Practice Medical Scheme has now been in operation for the last 16 months. I want the House to believe me when I say that at least for part of that period I had a fear that the whole scheme would founder and that perhaps it would never get off the ground but rather crash on the ground as it was a new venture and we had considerable obstacles and vested interests to overcome. We had no yardstick to go by and we didn't know how the public would react. I am glad to say that the scheme is in an ascending course and that the public have come to realise that it is a good scheme and are cooperating to the extent that it is possible within the field which is known as

doctor/patient relationship which is always a very difficult field. Over 1,000 patients are now being seen on an average every week at the Health Centre or in their homes. I am not claiming perfection but I think that by and large the difficulties that we were encountering two or three years ago when we were short of doctors have been to a great extent overcome and people now get reasonable medical coverage. We have now reached a stage where we can look back and put our experience into good use. It is the right time to extend the scope of the scheme and thereby increase the benefits of its members. This Ordinance will endeavour to do just that. To start with the Bill proposes to extend benefits to cover medicines for members of the scheme and their dependants and **save** for the payment of 10p only per item in the prescription, medicines under the scheme will be free and regulations will be enacted to this effect. The reason, I will explain, why the benefits are being included as they were on the last occasion through regulations is because I would like to see even more benefits being included and if that is possible it is much easier and quicker and expeditious to do it through regulations. I think that suggestion came from that side of the House when the original scheme was introduced but, anyhow, I hope they will now agree to the proposal. The contribution is increased from 3p to 6p a week and for this outlay the contributor will be able to obtain for himself and his dependants - and dependants are now given a wider interpretation that I will come to later - medicines on payment of a low nominal fee, specialist consultation at the hospital and at home, and free pathological and radiological investigations in hospital. Now, civil servants have certain privileges built into their conditions of service under the existing Ordinance and in so far as civil servants in post who are now being insured are concerned, will continue to get the same medical benefits as before just for themselves. However, if they wish to include their dependants they have to pay voluntary contributions in the same way as any other uninsured member of the public. This is the position today before these amendments go through. Under the new insurance legislation which is to come into effect in the new year, all civil servants will be automatically insured in that sense and they will be no different to other members of the public. If you introduce a comprehensive scheme you cannot, in law, have certain privileged groups of people but, of course, the amendments to sections 3, 5, and 9 proposed in the Bill are, therefore, a consequence of this concept, but these amendments I would like to make

very clear are not in any way aimed at keeping the present civil servant in post of their acquired privileges. Whatever privilege they retain or they don't retain should be the subject of negotiations between employer and employee. We cannot have in an Ordinance which is comprehensive and a socialising measure, exceptions made or privileges retained in the statute for any particular group of people. The intention, therefore, is that the future civil servants should gradually be brought into the scope of an insurance legislation which did not exist in the past when the Government adopted the good employer practice of providing a medical scheme for their non-industrial employees which was no more privileged than schemes introduced later by private concerns for their own employees. Of course if we were to retain a comprehensive scheme the privileges that we have for civil servants previously, then we would have to go further and introduce into our own legislation exemptions for the privileges that other private employers are given on similar terms as the Government is. That is why I say that whatever privileges they have should be something that should be sorted out as between employer and employee. As regards the word "dependants", Clause 2 refers, apart from correcting the wrong spelling which before was spelt with an 'e' instead of an 'a', it is now more clearly defined and provides us with more flexibility to include relatives of registered person in the same medical card and avoid such persons in cases of hardship to pay the required contribution. In practice this is now being done but I feel it is much better to have it in law so that I wouldn't be placed in the invidious position of using the discretionary powers wrongly in the sense that I may make the wrong judgement and consequently now this is in the statute and the powers I had before in a discretionary manner are now in a way better defined. Furthermore, provision will be made under regulations for voluntary contributors to pay by instalments if they so wish. The voluntary contributors will now be in a very small minority because as a result of the legislation on pensions that my friend and colleague on my right will be bringing before the House later on or perhaps tomorrow, practically the whole of the population of Gibraltar will be insured or at least the concept of universal insurance will be more widely applied. I would very much like to end this introduction to the Bill by reminding the public that the Group Practice Medical Scheme is a partnership between the doctor and the patient and, of course, the nurses to run the scheme. But if the public were to see themselves

as members of a club they would then readily appreciate that it is their own personal contribution to the activities of that club and respect for its rules that ensures its success. The Group Practice Medical Scheme no less than your club needs the support and respect of its members if they wish to foster it for their own benefit and that of their families. I think, Sir, that I would be failing in my duty if I didn't thank the Transport and General Workers Union who supported the scheme throughout and who saw - if I may say so with certain inhibition before I get a brickbat from the Opposition - the scheme before the Opposition because we are bound to show to them as they had raised the matter in the JIC and they have agreed with the general principles and the contributions. Also I would like to say that whoever does it the credit should be taken and shared by all Members of this House and I would not like to say that I am here waiving a flag and saying that I myself have given something good to Gibraltar. Let us accept it as a joint effort of this 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 CARUANA:

Mr Speaker, when we first debated the Group Practice Medical Scheme there were various points which this side of the House put to the Government at the time. I am sure that that contribution was helpful in the introduction of some of the amendments which have been carried forward today such as the question of dependants and the question of unifying the service more rather than having a fragmented health service where the population was divided into various categories and each category received different and special treatment. I would like to see, in fact, that the civil service in time will agree to come within the general concept of any Government run scheme so that nobody stands on their own in any particular field of services being provided by the Government. I would like to refer, Mr Speaker, to Section 5 and whilst the principle of the Bill still remains, and appreciating that this

Ordinance is consequent upon the proposal to introduce a comprehensive health service later on this year, I would like to point out one small matter which will concern the public at large and that is that anything which obliges the public to pay a large fee is always a disincentive to participate in that scheme. By asking the public to pay £15.60 to register is a different kettle of fish to asking them to pay £3. Am I right? Is this registration fee? I see members opposite shaking their heads.

HON A P MONTGRIFFO:

If the Honourable Member will give way. Most of the population by the time this Bill becomes an Ordinance will be ensured and will be paying weekly through their insurance stamps. There will be a minority who will have to pay the full amount themselves - the voluntary contributors - but they don't have to pay in full. I think, perhaps, the Honourable Member opposite missed the point when I said that they would be given all facilities to pay by instalments. The third category, who are the old pensioners, those earning £10 to £15 a week only, there have been ways and means up to now and that is why the term "dependants" is being broadened to get them into the scheme without paying anything at all.

HON ATTORNEY-GENERAL:

Mr Speaker, perhaps I may be allowed to intervene on a point of clarification at this stage. There is already provision in the regulations for payment by instalment where there is a lump sum due. It is proposed that that will be carried on in the amending regulations. There will always be this provision for instalments.

HON J CARUANA:

I am very grateful to those two contributions, Mr Speaker, because it does clarify the matter and I do take note now that the lump sum which is to be paid by the public only refers to that public which comes under Section 2 of the Bill. I am grateful for that because otherwise it would raise the matter of having to pay a large sum. The other point I was about to make still applies even to these people and to this day there must be

a large number of the population who do come under section 4(2), that is, who do not pay the weekly contributions and the point I am trying to make now, Mr Speaker, is that this payment of £15.60 is required to be made on the 1st of January. I do take note of what the Honourable and Learned the Attorney-General has said that there is provision for weekly instalments and that clarifies this.

HON ATTORNEY-GENERAL:

I do not want to mislead the Honourable Member. In fact, it is quarterly instalments not weekly instalments at the moment. It could be less but I think the intention is to keep it at quarterly instalments.

HON J CARUANA:

My answer still holds because what I am concerned about are those people who after a hectic Christmas and New Years spending, might find it difficult to pay their part of the contribution on 1st of January. This is the point I was trying to make from the very beginning in a roundabout way. This is the same question as paying television licences, radio licences, and car licences all on the same date and this House has approved in the past facilities for staggering the payments. I would like to draw the House's attention that families sometimes do find it a bit hard to pay these contributions and I would like the Minister to take this into account because it could present difficulties in effecting payment in time.

HON M XIBERRAS:

Sir, I think the attitude of this side of the House has been made clear. This is the sort of step which the Opposition wanted the Minister to take when he introduced his interim scheme some time ago. It is something which was in the Integration with Britain Party manifesto at the election - a comprehensive health scheme - it has fallen to the Minister, the Honourable Mr Montegriffo, to do it and of course we support this sort of step. I should also add that it is relevant here to point out that what the Honourable Mr Montegriffo has had to say is quite true. This is a combined operation of both sides of this House and the Union. This side of the House contributed nothing

less than the building around which a lot of this scheme is going to revolve, namely, the Health Centre which by an unfortunate utterance the Honourable Mr Montegriffo called a white elephant. I suppose he would now say that this is a red herring. We do support this scheme, but a point that was made with reference to the interim scheme by the Opposition to which the Honourable Mr Montegriffo alluded in presenting this Bill is, what does the public get out of it? Here the Bill says you shall pay so much or so much if you are this category or that, but what does the public get out of it? The Honourable Mr Montegriffo said that the last time we had urged him to put this into regulations. I think the point that was made was "put it into the Bill" and he said: "We will not put it into the Bill, we shall put it into the regulations". Now this is only the second reading of the Bill and we support the general principles of this Bill. I wonder whether he would be prepared now to give an undertaking that he will give us the substance of the regulations when we come to the Committee Stage of this Bill because it is only fair that at least members of this House should know what the House is asking the public to pay for and certainly the public is entitled to know what it is going to be forced to pay for it in the yew year. I wonder whether the Honourable the Minister for Labour and Social Security has anything to add on the total size of the contribution which the normal working man is now asked to pay out of his basic wage if he takes into account this additional contribution that he has to make. I am thinking of such things as social insurance, employment injuries and so forth. Has the Government calculated the total amount that, say, a craftsman has to pay out of his wage in payments of this nature, social insurance, medical insurance and so forth? I passed a remark at some stage at the last meeting that the size of the basic wage was such that we would soon be committing quite a proportion of it in insurances and payments of this kind to Government which, of course, are all very well and good, they do provide you with security of one kind or another, but the total amount which is being taken out of the basic wage is one which we ought - members on that side of the House especially the Minister for Labour and Social Security - should be watching. I wonder, Sir, whether he might say something on that. I do not want to detract from the merits of this. We entirely support it and we will do all we can to improve on the Bill if we can and if not to give it an easy passage through this House.

MR SPEAKER:

I will now call on the mover to reply.

HON A P MONTEGRIFFO:

Sir, on the question of the contributions, that was precisely the one thing we wanted to consult with the Union concerned and of course they raised no objection. Infact, I may add that they wanted to increase the contribution in order to pay for funerals, not being aware at the time that the death grant was increased to £50 and also, Sir, possibly not being aware that we are a Health Centre and we would do our very best to see the people don't die at all. I referred them at the time through the Industrial Relations Officer that this was a matter that, perhaps, if they wanted higher death grants they should see the Minister for Labour. On the second point raised by the Honourable Mr Caruana I think I must stress again that we won't be asked to pay £15 after Christmas. At the most it could be £3.70, but I will take his point and, perhaps, if not quarterly it may be done every two months so that the money that has to be paid at any given time is less. I shall give due consideration to that because it has administrative repercussions. As regards bringing the regulations before the House when the Bill comes to Committee Stage and Third Reading, I am sorry I cannot do that because we are not ready at the moment but I have already given notice to the House of what the benefits are and for the benefit of the Honourable Leader of the Opposition and of the House as a whole I might as well repeat it. The benefits that the members will get is the payment of a nominal fee of 10p per item in the prescription otherwise the medicine is free. They will get specialist consultation at the hospital and at home free, as well as free pathological and radiological investigation in hospital. Under regulations it would be provided as it is provided now that people would pay by instalments and I undertake to look at the point raised by the Honourable Member, Mr Caruana, to see whether instead of quarterly instalments it can be done every two months so that that might prove less of a burden to those who have got to pay the money. I would like to stress here that people who have a small pension of £14 a week will not be asked to pay at all. You see, up to £16 for a family they would in any case be either entitled to the District Scheme - and I am not going to deprive them of that right - but if they wish to opt out of

the District Scheme and some people feel as the Honourable Member Mr Bossano will agree that they do not like to come under the welfare scheme, they feel it a little bit humiliating, without reason I suppose but they do, and therefore in these cases the Government will not make them pay. So I can assure the House that if I find that in any way the scheme could cause hardship to any section of the community, I would be the first to come and bring the necessary amendment to put that right.

HON M XIBERRAS:

If the Honourable Member will give way. I am grateful to the Minister for repeating the benefits that the public will get out of the scheme but I didn't hear him say anything about operations. I think, perhaps, the Honourable Member might say something about that before he ends his address.

HON A P MONTEGRIFFO:

That is not included in this scheme. Though, of course, under the Hospital Fees Rules which at the moment are very harsh, they will now get the free medicine and for operations which are still very high, the Hospital Fees Rules will be changed so that no one earning less than £35 will pay a penny for operations.

HON M XIBERRAS:

Thank you very much, Mr Speaker. The Honourable Member will recall that I sought from him a revision of these rules and I am grateful for his statement now which I understand is that no one earning less than £35 a week will have to pay. I am most grateful for the work he has done in this direction.

HON J BOSSANO:

I would like to add my voice to those sentiments. I think the figure of £35 has been very judiciously chosen by the Minister.

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

The Honourable the Minister for Medical and Health Services proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

HON M XIBERRAS:

May I ask up to what time the Leader of the House intends to sit, Sir?

MR SPEAKER:

It is proposed that we take the next Bill and then we will recess until tomorrow morning at 10.30.

(2) The Social Insurance (Amendment) Ordinance, 1974

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Social Insurance Ordinance (Cap 145) be read a first time.

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

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Sir, in a detailed statement which I made in this House at its last meeting, I gave details of the proposals which I was bringing forward for revising our Social Insurance Scheme but which, unfortunately, it had not been possible to publish in Bill form by then. Now that the Bill is before the House I am loath to tire Honourable Members by going over the same ground again so I shall try and summarise as briefly as possible what the Bill aims to do. Firstly, it will increase the basic rates

of old age pension and other long term benefits by about 40% as from January, 1975. The weekly rate for a single person will therefore go up from £4.45p inclusive of the present non-contributory supplementation, to £6.20p, and that for a couple from £7.10p to £10. Those who for some reason now receive a reduced pension will, generally speaking, receive a higher cash increase. This will be covered, Mr Speaker, by regulations. With regard to the short term benefits, the increase will be 25% making the basic rate for maternity grant £25 instead of £20 and death grant £50 instead of £40. In order to meet these higher benefits it has, not unnaturally, been necessary to increase contributions also. Employers will therefore have ~~to~~ 16p a week more and employees 14p a week more. But this, Sir, is in respect of adult men. The increases for women and young persons are somewhat less. One other important aspect, Mr Speaker, of this review which I have long considered necessary and which goes a considerable way towards meeting representations made to me over the past couple of years, is the provision that all employed and self-employed persons should be compulsorily insurable, irrespective of whether in the past they have opted to remain outside insurance when the occasion has arisen or whether they hold exemption certificates. Those entering insurance for the first time, Sir, or re-entering insurance as a result of this, are being given the option to pay arrears of contributions for the period during which they have been outside insurance. And such arrears, Sir, may be paid in one sum or by instalments over a period of not more than 5 years, and in any case before reaching pensionable age. Failure to pay arrears could, of course, result in a reduced benefit or non whatever, and the decision on this will, therefore be entirely up to the individual but whom I must encourage to do his utmost to pay arrears. I consider, Sir, this extension of compulsory insurance a major step towards the ultimate goal of compulsory universal insurance, and although I am under no illusions that there will not still be cases which especially because of age will not derive all or part of the benefits from the review, I am satisfied that the utmost is being done for the great majority. The only other feature, Sir, of this Bill to which I need make special reference, is the last clause - clause 13 I think it is - whereby the balance in the Government non-contributory social insurance fund at the end of the year is to be paid into the social insurance fund. The reason for this is that under another Bill also before the House in this session and as I duly explained in my statement of last July, non-contributory supplementation

of the long term social benefits is being discontinued for experience has shown, Sir, that it has come to be an administrative complication out of all proportion to the amount involved in relation to the basic benefit rates which have been increased so considerably over the years. The amount, Sir, of supplementation is being incorporated in the new benefit rates prescribed under this Bill and the balance of the non-contributory social insurance fund which successive administrations have been building up over the years by direct annual contributions from revenue mainly to meet the cost of this supplementation, will be paid over on a once for all basis into the Social Insurance Fund. One aspect of the review, Mr Speaker, which is not strictly part of the Bill but which I would like to mention as it will be dealt with by subsidiary legislation under this Ordinance, is the rationalisation which is going to be made of the very many rates of reduced pension which now exist and which apply according as the contribution record of the insured person falls short of the minimum necessary to qualify for a full pension. This, Sir, is being done in such a way that although inevitably not every one will receive either the same cash increase or the same percentage increase, those with smaller pensions will, generally speaking, benefit to a greater extent. Sir, having as I have said made a full statement on the provisions of this Bill at the last meeting, I have tried on this occasion merely to recapitulate on what the Bill sets out to do without wearying the House unduly, I hope. The Bill, taken together with the others which are also before the House at this session, all but achieves the final aim of pensions for all at the age of 65. It, therefore, makes a major contribution to the development of our social security system and improves, let alone maintains, the real value of our social insurance pensions. Sir, I commend the Bill to the House.

HON J BOSSANO:

Mr Speaker, I would like to say that I wish to echo most of what has been said by the Minister for Labour and Social Security and it is with some surprise that I am in the happy position of hearing him use all the arguments that I have been using over the past two years myself, I thought fruitlessly, because I thought I had failed to convince him on a number of points that he has raised. I am very glad to see that the pensioners in Gibraltar will not have to wait

for a change of Government. The House will recall that I said when he told us that the opportunity of paying arrears could not be given to people who were over the age of 55 because it would be unfair to those who had been in the scheme already and those who joined after 55 had had less than 10 years to pay would, in fact, be investing in a very sound proposition because they would have to wait less than 10 years to receive a pension, and after I had apparently failed to convince him that the arguments in favour were stronger than the arguments against, I said that we on this side of the House wanted to commit ourselves at that stage to doing it if/when we were returned to power. Fortunately that is something we won't have to do when we come back but there will be so many other things, Mr Speaker, that I don't think we shall have to worry too much about not having to do that. There will be plenty of other things to be put right. I think, Mr Speaker, that it is very important that the people who are being given this opportunity by the present Government to join the scheme, should realise that it is a wonderful chance to join the scheme by paying the arrears and to be entitled to a full pension and I certainly would like to join the Minister for Labour and Social Security in urging all those who are being given this opportunity now to pay the arrears and be entitled to a full pension and not look at the immediate short-term cost which unfortunately many people tend to do. They look at the immediate cost and they don't realise until they come to face old age and a decreased capacity to earn, it is only then that they realise that the lack of earlier provision is something that can put people in very dire straits. The opportunity to pay in instalments is something that is included here and I think that the fact that it should be in a manner approved by the Director perhaps will allow the Minister for Labour and Social Security some flexibility in taking into consideration the individual circumstances of those who may wish to exercise their right and their ability to meet the commitment that will flow from this. I put it to him that he should use any discretion that he has in this area taking into consideration the needs of the individual. As regards the compulsory nature of the scheme, Mr Speaker, again I have put to him in the past arguments that unless he did this he would have a perennial problem on his hands and anybody who followed him would also have that problem and it is that the multiplicity of rates imposes quite a heavy cost on the administration of any scheme. I think the rationalisation of the Social Insurance Scheme will reduce the overhead costs

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of the administration, will make his Department better able to cope with the job and will enable him to maximise the resources that he has available in helping those who are to be the beneficiaries of our social welfare provisions. I have no hesitation at all, Mr Speaker, in assuring him that the Opposition is fully with him in the measures that he has brought to the House.

HON. M. KIPERRAS:

The Opposition is fully behind this Bill and as on other occasions with complicated legislation such as this I would like to congratulate not only the Minister but also the people who have been involved behind the scenes in the preparation of this Bill. I think it is something which has been overdue for some time; the Minister has said that he has long contemplated this sort of thing, and it is welcomed. We shall, of course, all members on this side of the House keep an eye on the level of benefits in these changing times. But I think that the House would be niggardly with its praise if it does not also extend it to the Honourable Mr Bossano whom I might term almost the co-author of this Bill. I remember the Honourable Mr Canepa in the heat of debate turning down a number of propositions most vehemently which have found their way into the Bill and have made the Bill a better Bill. The question of the over 50's being able to pay. The question of instalments - the Honourable Mr Canepa had a very heated debate with the Honourable and Learned Mr Isola on this matter - he said it could not be done, there was very good social insurance reasons for not doing this. I am very glad that we have overcome these formidable difficulties and now it is possible to have legislation more to the liking of all members of this House and, of course, the public at large. The same goes I think for the compulsory nature of the contributions. Again, even though the Opposition was not as strong, I think the trend is quite clear that members on this side of the House have urged a compulsory insurance and universal pensions. I cannot recall but I think it is also in the INBP manifesto. However, it has fallen to the Honourable Mr Canepa to do this and we must not detract from his contribution to this. The Bill is very welcomed and I say this in all sincerity that if that this is one of the measures which it has given the Opposition most pleasure to support.

HON A J CANEPA:

Mr Speaker, the last thing I would wish to be would be inelegant. I am flattered, in fact I don't think I have ever heard such praise in this House, certainly not from the members opposite, ~~and~~ I am very grateful for their support on this measure. I will say this for the benefit of the Honourable Mr Bossano, because he wasn't here in July, but other members of the House will recall that when I made a very detailed statement and the Leader of the Opposition in his intervention then put a number of questions seeking clarification on that statement, I did say that this was excellent proof of the fact that regardless of what people outside this House may say, democracy does work, ~~and~~ that Government and Opposition does work, and that the arguments expressed in debate over a period of time by members on both sides of the House do influence one's thinking and taken together do make a significant contribution in the betterment, not just as in this case of our social welfare system, but in other matters. Sir, I think I should say that whilst the views of the Honourable Mr Bossano in particular and myself do coincide to a very large extent in respect of the measures which are before the House now, I have had my own thinking and my own approach to the matter and I have been criticised for a somewhat different approach. In fact when I introduced the Elderly Persons Pensions which is also part and parcel of the Scheme because the four Bills must be taken together, I did say that time would tell ~~whether~~ the approach that I was taking in using the Elderly Persons pensions as a vehicle for universal insurance and for pensions for all at 65, ~~time would prove the correctness of my thinking.~~ I was taking a different approach to what honourable members opposite were, I think they wanted pensions to be paid to everybody out of the Social Insurance Fund; I was taking a different approach, I thought that to those who had earned their rights pensions should be paid out of those funds, ~~but for~~ those who hadn't the community should ~~be~~ ~~the~~ ~~burden~~ and commit ~~themselves~~ to pay them, a smaller pension admittedly, but to pay them a pension if only as a gesture. But I was criticised and, in fact, Sir, earlier this year, in January, we had a very lengthy debate, a valuable debate to my mind in very many ways, but which really amounted to a motion of censure on me in particular for the policy of the Government, generally, in the field of ~~the~~ pensions in ~~one~~ 18 months of office. I am glad to see, Sir, in many ways that my thinking has been vindicated now. Sir, I was

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also criticised for being cautious. I was told in the previous revision, in May last year: "You can do a great deal more, you can do it all in one stroke" and I said: "No, I believe that in the field of social insurance you must build on solid foundations. You must be erecting a firm structure as you go along, and in the light of what you learn in one revision you can then build on that". I would like to say this, Sir, so that it will not all be euphoria. I would like to say that I submitted the proposals during the latter part of 1973 to the Government Actuaries for their comments and the House will recall that in May, 1973, following the Report of the Actuaries, the indications were that the money in the Social Insurance Fund, the balance in that fund with investment income, would be sufficient to pay the level of benefits that we had in mind up to about 1992, I think, ~~was the late~~. The comments of the Actuaries on this occasion, Sir, in respect of what is now being proposed were that they advised that the proposed contributions - the Honourable Mr Xiberras on the previous Bill asked me had I taken into account what the worker was being asked to pay. Yes, of course, in fact I made reference in my statement in reply to that - ~~but~~ the proposed contributions, the actuaries said, should be sufficient together with interest on the fund to provide the new scale of benefits for the next 10 years or so. We have now come down from 1992 to about 1984/1985 or so, and that thereafter there might be a deficit ~~if~~ the scheme remained unaltered for so long. They went on to say: "All in all we support the proposals although we might find it necessary to suggest amendments in the rate of contribution when we come to undertake our next report". I know that they are cautious, Sir, I agree, but we have done our own calculations in the Department, Sir, and although the Fund has built up over the years to what is not an unhealthy state, it takes very simple calculations to prove that we have been paying - and we are in this revision, Sir, - a great deal more in outgoing benefits, in expenditure, than what we are getting from contributions. The extent to which we are increasing contributions bears little relation to the extent to which we are increasing benefits. It may well be that remedial measures will have to be taken ~~at~~ a future date when, perhaps, Sir, contributions will have to be increased by a higher percentage than benefits. I put that before the House, Sir, because I don't want to be over cautious. I have, I think, taken a realistic approach and there is a great deal more to be done. The Leader of the Opposition

referred to the fact that they would be looking from their side of the House at the level of benefits. I will do that, Sir. I can give a commitment that my ultimate aim is to have yearly reviews of benefits and, possibly, contributions as well. I may not be able to do it between this revision and the next one, but I can assure the House ^{that} it is not 18 months since the previous revision and I am hoping ^{and} that the next revision will be before this House before ^{about} 18 months. That is my objective, Sir. I will also be keeping the level of benefits in mind. I am fully conscious of the degree of inflation ^{and} the extent ^{to} which the value of these benefits can be eroded. Thank you, Sir.

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

The Honourable the Minister for Labour and Social Security proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

The House recessed at 7.20 pm.

Friday the 11th October, 1974

The House resumed at 10.30 am.

The Employment Injuries Insurance Ordinance, 1974

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Employment Injuries Insurance Ordinance (Cap 49) be read a first time.

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

HON A J CANEPA:

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

Mr Speaker, the main purpose of this Bill is to increase once again as from January, 1975, the level of benefits payable in respect of injury or death arising out of and in the course of employment. More or less, in fact, in keeping with rising costs and with the level of other benefits under the Social Insurance Ordinance. The increase on this occasion, Sir, is of the order of 20% which means that these benefits will have risen by 300% over the last 18 months. The proposed new rates of benefit are clearly set out in the various tables in clause 8 of the Bill and I should, perhaps, mention that on this occasion it has not been necessary to provide for a corresponding increase in contributions. Provision is also being made concurrently with the equivalent provision being made under the Social Insurance Ordinance in the other Bill that we considered yesterday evening, to make employment injuries insurance cover compulsory for all persons in employment including those who have been exempted from the days when employment other than by way of manual labour and at a remuneration exceeding £5.00 per annum was not insurable. Sir, this Bill is yet another example of the continued concern of the Government in improving our social security system, generally, and I commend it 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, the new element I think in the Ordinance is the question of making it compulsory, as the Honourable Minister for Labour and Social Security has mentioned. I think at times people in democratically elected institutions tend to have misgivings about the state forcing citizens to make provisions for either old age or unexpected accidents and things of that sort. I think the argument that is sometimes used against the sort of

measure that we have today, the argument that it is an interference with personal freedom, is gradually being discarded everywhere in the world and it is time that we in Gibraltar accepted that it is in the interest of the individual himself that he should be obliged to make the necessary provision to ensure that those who depend on him are not left uncatered for when the unexpected happens. We are completely in favour of compulsory social legislation because, generally speaking, it is the people who are most likely to be in need who seem somehow to be those who most often lack the good sense to exercise an option to insure themselves when it is left open to the individual to either join a scheme or stay out of it. As regards the increases in the benefits this is something that needs to be kept constantly under review to ensure that the benefits that we provide maintain a certain relationship with the earnings that the working man takes home. It can be quite a blow to a family to have a sudden drop in take home pay when a man suffers an accident at work. Industrial injuries in Gibraltar, fortunately, are not all that high as compared with other places. The construction industry, I think, is one of the areas where we have got the greatest number of accidents but it is important precisely because the cost to the community is not all that large, that we should go as far as we can within the context of our resources, in the scheme to provide for those who are doing some very useful work for the community and are unfortunate to have an accident. We support this Bill fully.

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

The Honourable the Minister for Labour and Social Security proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Ordinance (Cap 113)

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance (Cap 113) be read a first time.

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

HON A J CANEPA:

Sir, I have the honour to move that the Bill be now read a second time. This Bill is really only part of the general review of our social insurance legislation which is being dealt with by means of the three other Bills which are also before the House. In the first place it will increase the rate of transitional retirement pension as from January 1975 by 100% to £4 a week for a single person and £6.40 a week for a married couple. This, in fact, means, Sir, a fourfold increase of 400% in a period of 18 months. Unemployment benefit is also being increased at the same time by 50% to a basic £5.40 a week for a single person, and £8.10 for a couple. An important feature of this Bill, Sir, is that it will do away with non-contributory supplementation as I have already explained in connection with the Social Insurance Amendment Bill which the House considered yesterday evening. The amount of the supplementation is being included in the revised benefit rates under that Bill and all references to it are, therefore, being deleted from this particular Ordinance. Perhaps I should explain and draw attention to clause 10 of the Bill which merely ensures that a handful of persons who were resident abroad but who are in receipt of a pension with supplementation at the old rates, but who will not qualify for the increase in the basic pension, will not, however, lose the right to the amount of supplementation which they already enjoy. These rights are being preserved in respect of this very small group of people. 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 principles and merits of the Bill?

HON J BOSSANO:

Sir, on the retirement pension I think the Honourable Minister for Labour and Social Security will probably agree that the recipients of this is a gradually diminishing category and I think we should make every effort to give as much to these people as we give to the general sum of pensioners. The cost is going to be a diminishing one as the numbers in the group fall down and there will be no new entrants into this category since it was a transitional arrangement due to those who were caught in a certain age group when the scheme was originally started. The new tidying up exercise is a move in the right direction I think and something that no doubt the Minister will follow later on by perhaps a much greater rationalisation of the different rates that are payable for different levels of contributions. I think the total saving that may come from splitting into many different categories is to a very large extent offset by the much higher administrative cost of paying so many different levels of benefits and it tends I think, Mr Speaker, to create a certain amount of friction among elderly people who are finding it very difficult in fact to follow the application of regulations and to understand why it is that they get one pension and perhaps the next door neighbour or a relative or a friend is getting more or less than they are. It causes a great deal of confusion and the more we can do to bring people into similar groupings I think the better it is for everybody as a whole.

HON A J CANEPA:

Sir, I just want to say that I do agree with the sentiments expressed by the Honourable Member opposite. Not just the sentiments but, in fact, the actual concrete proposal that he has suggested we should follow up, and I do agree that this is something which we can pursue in the next revision which will not be in the very distant future. We are now reaching a stage, Mr Speaker, when as the Honourable Member has said, a number of these people - thank God they are a hardy race in a way, for they are diminishing are gradually dying out - but these people ~~are~~ are being paid the retirement pensions out of the General Revenue of the territory, Sir. What happens is that if they have no other income, then they are entitled to and many do, in fact, have the pension supplemented by supplementary benefits.

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Any couple, Sir, getting this pension of £6.40 can have that made up to £9.50 under the supplementary benefit scheme. The money for supplementary benefit is coming out of the same purse and, perhaps, it could well be that in the next revision which I think will be relatively minor exercise compared to this one which is a major one in the sense that ~~we are bringing everybody back into insurance~~, we are making insurance compulsory, the next one may only have to be, apart from a revision of rates of benefits and contributions, ~~it may only have to be~~ a tidying up exercise and I think that the Government could certainly consider increasing these particular pensions substantially and taking these people out of supplementary benefit altogether since the cost to Government will be the same. So it is a point, Sir, that I will certainly keep in mind and pursue.

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

The Honourable the Minister for Labour and Social Security proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

The Elderly Persons (Non-Contributory) Pensions (Amendment) Ordinance, 1974.

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill for an Ordinance to amend the Elderly Persons Non-Contributory Pensions Ordinance, 1973, (No 27 of 1973) be read a first time.

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

HON A J CANEPA:

Sir, I have the honour to move that the Bill be now read

a second time.

One of the purposes of this Bill, Mr Speaker, as I intimated last July in the course of my statement on the subject of social security, generally, is to bring down the age at which persons may become entitled to elderly persons pensions from 75, as it is at the moment, to 70 in the case of men, and 65 in the case of women. These pensions, Sir, are paid from the Consolidated Fund and it is estimated that the measure proposed will involve Government in additional expenditure under this item in the estimates of my Department of some £48,000. The other purpose of the Bill, Sir, is to raise the flat rate of pension which initially was set in January this year at £2.30 per week to £2.60 a week. The measures which I have described, Sir, are intended to come into force in January, 1975, and these are of course concurrent with all the other changes in the social security scheme.

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, I cannot say that I see eye to eye with the Honourable Minister for Labour and Social Security on this particular piece of legislation. First, I think the increase which will come into effect in January of next year does not keep up with the rate of inflation since the pension was originally introduced. Secondly, I would remind the Honourable Minister that when he first introduced this scheme at the age of 75 I attempted to convince him that the choice of the arbitrary age 75 was difficult to defend and that if he wanted to carry out a measure like this, then it would be better to make it available to people at 65. Having failed to convince him of that I tried to bargain with him and get him to agree to 70, and he didn't agree to 70 then. I would like him to reconsider now and to introduce this measure at 65. The only thing that he achieves by delaying that, and presumably it is his intention just like he refused originally

to make the age at which people would get the pensions 70, and he is agreeing to do this now, presumably if he refused to bring it down to 65 now it will only be in order to do so at some time in the future. The only thing that he achieves by delaying this is to cause hardship to a limited number of people who may not be there when he agrees to bring in the legislation. I think the differential in the cost is not going to be so high because the legislation as he has introduced it, excludes an awful lot of people. This is not paid to people who are on supplementary benefits, it is not paid to people who are in receipt of pensions and it is clawed back from people who have got a certain level of income. So the net cost, and that is the important thing it isn't enough to put into the expenditures side of the estimates the gross cost he has got to give us some indication of how much he is clawing back because it is the net cost that we are interested in, knowing if he is going to argue that it is too high a burden on the finances. If he claws back a good proportion of this amount of money and if the people who are on supplementary benefits are not getting it, and if the people who are on pensions are not getting it, surely the only people who are going to get it are the people who are not entitled to a pension, who do not have an income of their own and who for some reason or other don't like the idea of asking for supplementary benefits because they feel that they are dependant on charity. Now, if there are people in that category who are between 65 and 70, surely, the Minister should take this opportunity to make this available to them. Why wait six months or a year and then come and do it and penalise the unfortunate people who have been caught in that time. I would put it to the Minister that the measures he has introduced to the House on this occasion, if he had been convinced or if he had been in a position to introduce these measures in January, 1973, when he rejected them completely, there would have been a good number of people who have been enjoying the benefits in the interim period in the other pieces of legislation I am thinking of, Mr Speaker, where people for example were originally denied the opportunity of joining the scheme who are now being given the opportunity. There will be people for example, Mr Speaker, who since the Minister first rejected the idea of allowing people to pay arrears if they were over 55, will have reached the age of 65. Those unfortunate people will not now be able to join the scheme because they have gone past the age. It isn't just a question

of the economic impact it is a question of penalising people for the rest of their lives and for some people it can mean that their last few days with us can be made that much more difficult. I think the Honourable Minister for Labour and Social Security has brought to the House this time a number of measures which we have been happy to be able to support. I would urge him to reconsider whether he could not meet the points that I have put to him and bring down the age at this stage since I am sure that even if he doesn't agree to do it now it will only be to agree to do it in the near future. Surely, he could try and do it on this occasion.

HON M XIBERRAS:

I rise to speak, Mr Speaker, simply to try to allow the Minister and the Government time to consider what my Honourable friend Mr Bossano has had to say. The Minister cannot be under any illusion as to the reaction which his proposal will bring from this side of the House because as has been said and for the reasons that have been mentioned, this side of the House has opposed this Bill since it was first introduced. The element of unfairness has been removed from the Bill by the income tax clawback arrangements and this as the Minister knows was as a result of pretty vehement argument from this side of the House and on that occasion when this was debated the Minister mentioned his overall plan.

We appreciate that he wants to do things by stages - he mentioned this yesterday again - we appreciate that he is working with the actuaries on this, well, not on this but this part of his plan and the rest of his plan for instance the universal pensions depends to some extent on the actuaries work or recommendations, but this is not, if I may say so, a good part of that plan it does tend to sacrifice this very small section of the community that may be needy for a period of time which is small enough in the context of this wider plan that the Minister has in mind, small enough to be able to claim that the financial reasons for sacrificing them are not weighty enough to justify the limitations of this Bill. The Minister said at one time that it will cost something like £60,000 to cover everybody in the way that we would like to see them covered and my Honourable Friend Mr Bossano has said that this must be the gross cost but not the net cost.

I wonder whether the Minister has since the matter was raised in this House been able to check his figures and find out exactly how much the proposals would actually cost. We agree with a lot of the things that he has said with reference to this overall plan but why delay, why spoil his own chances of having the legislation which is brought to this House badly received by the public at large? Why have at least a group of people who are going to be discontented and whose criticism is going to mar whatever praise he gets from the beneficiaries of the various bills which he has brought to the House? We mentioned this point when he introduced his first set of Bills to do with social insurance and increase in pensions. We said we did not like this and I am sure that he must be aware that there has been considerable criticism of this particular measure because of its limitations. Therefore, if a thing is worth doing, it is worth doing well and why, for this particular piece of legislation, spoil public acceptance of the others. The people on supplementary benefits could not if they were versed in these matters possibly accept a situation where the most needy are not helped by this particular piece of legislation. The means test implicit in the Bill deprives them of this extra £2.60p. It is an unfair situation and I don't think this says much in support of the Minister's own ideas of eventually doing away with supplementary benefits. Why delay improving the lot of those who are worse off whilst improving the lot of those who might very well be better off, namely, the recipients of the social insurance already. If there is an order of priority surely it is the people on supplementary benefits and not the others, or at least let him do it at the same time. The Minister has mentioned that there are difficulties about this because it involves a reconsideration of the supplementary benefit scheme and its place in relation to social insurance, but surely the Minister has had time enough now to consider this and if there is an expedient to be used to bridge the gap, surely that expedient need not be hard on a small group of people for a limited time who should be almost first in our consideration. Therefore, I hope the Minister will reconsider and, perhaps, delay the passage of the Committee Stage and Third Reading of this Bill for a little while, reconsider, and then the House could be unanimous in respect of all the measures which he has brought to the House.

HON A J CANEPA:

I obviously didn't think that I was going to get away without any controversy in respect of the four Bills which I was bringing to the House at this meeting. There are a number of points that have been put by the two speakers on the other side of the House, but there is one main point that I want to develop, perhaps in a moment or so, at greater length which does not seem to have in any way made an impact or doesn't seem to have *been* ~~been realised~~ *appreciated* by the two Speakers opposite as being a prime consideration ~~really~~ *for* in this delay in introducing finally pensions for all at the age of 65. I will dwell on that particular aspect in a moment. It is of course, Sir, a fact that it is the gross expenditure that I referred to - £48,000 - ~~it is a fact~~ *since* that this pension can be recovered in full. I don't think there will be very many cases where that will happen but certainly *in part* *it will* through income tax in accordance with the amendment to the Income Tax Ordinance which the House approved earlier this year. But the extent to which that is recovered, Sir, ~~that of course~~ will depend on the highest rate of tax payable by the pensioner and I am afraid that I am unable to say with any degree of accuracy how much of that additional expenditure on the elderly persons pension will be recovered in this way. The pension hasn't been in operation for the whole part of the financial year as yet, only for one quarter of the previous financial year, in fact, and now, Sir, this will come into effect in January and again it will only be for one quarter of the current financial year that the larger number of pensioners who will now benefit from the lowering of the age to 70 for men and 65 for women. *will be affected* This greater number of pensioners will only be in the financial year 1975-76 that they will have been in receipt of it for a full year and we shall *only then* be able to assess how much of the pension is being recovered, in other words, what the net expenditure would be. I have no doubt *in my* mind that it will be pretty considerable. If our experience with the clawback of family allowances is anything to go by, then not a very great proportion of the gross expenditure on this item will be recovered through income tax. I should like members opposite, Sir, to bear in mind that it is this improvement, this lowering of the age, that will entail the major element in our expenditure rather than the somewhat minimal improvement from £2.30 to £2.60 and that is the reason why at this stage the Government cannot undertake the commitment of improving this pension perhaps to the desirable level which it will

acquire in years to come. At the moment, there are about 180 persons in receipt of this pension who are not receiving any other social security benefit and the measure proposed whereby the age is lowered will, it is estimated, bring in about another 350 persons who are now not in receipt of either supplementary benefits or of any other social security pension, old age pension, or retirement pension. *and who* will be benefit~~ing~~^{ing} from this measure. A lot has been said, Sir, about people on supplementary benefits and I would hope that Honourable Members opposite will agree that the commitment which we on this side of the House have to people on supplementary benefit cannot be doubted. I think that ~~regular~~ increases improving the position of these people have become a regular feature of our endeavours in the last couple of years and expenditure on this item is shooting up at a very, very considerable rate. I spoke yesterday of a figure in my statement of some £8,000 additional expenditure. That will entail something in the region of £30,000 next year without making any provision for further improvement in the level of supplementary benefits to keep up with inflation. So it is a very considerable and a very definite commitment.

HON M XIBERRAS:

If the Honourable Member will give way. The Minister will recall that he mentioned that persons over 75 living with a family were not getting an increase in supplementary benefit and I appreciate why, because there is extra expenditure. Does he not consider it detrimental to the success of his overall plan that a person on supplementary benefits living with a family who thinks that he or she is getting a state pension should be given 10p or 20p as a pension. It is hardly worth the administrative expense. There are some people in supplementary benefit who say, get £2.10 and they only got 20p out of the pension. It is hardly worth the administrative trouble to pay them this and there is great resentment when they say "I have a pension of 10p". This is the point which I am trying to make.

HON A J CANEPA:

I know that this particular question was in a newspaper

and of course the facts weren't entirely correct. What happens in such a case under this pension, Sir, is that if you get ~~for instance~~ someone with an old age pension of £2.20 - and that was the particular case in point - *then* to ensure that that pensioner will not be worse off than someone receiving an elderly persons pension it ~~was~~ *is* made up by 10p to the £2.30. That, of course, Sir will disappear in ~~this~~ review because old age pensions are being increased to such a level that this particular person will not now be getting an old age pension and an elderly persons pension of 10p. His old age pension will be far above the level of the elderly persons pension and the object of the exercise when I introduced the elderly persons pensions ordinance last year was to ensure that no one would be worse off. That particular aspect will disappear now.

With regard to supplementary benefits, Sir, I did say in my statement yesterday that the House will note that the non-householders benefit is being kept in line with the elderly persons pension. The minimum, Sir, which anyone on supplementary benefit is getting is £2.30 at the moment and £2.60 in January. Therefore, there cannot be someone getting supplementary benefit and having any amount made up in the elderly persons pension. Both of them are in line. The Honourable Member has said that there has been no improvement in the position of those people. I did say again yesterday that we were not increasing the benefit to the same level as for other people - and he knows there are a very large number ~~of a very large group~~ in this category involving a great deal of expenditure - but I think the important point, Sir, is this: why am I reluctant at the moment to take this final step of lowering the age for men from 70 to 65?

It is a very important stage, Sir, in the development of the overall plan which one has of having pensions for all at 65. But *there are reasons quite* apart from the financial considerations - ~~and though there~~ *it is a consideration that have* to be borne in mind because we are undertaking a very heavy commitment under this item. Again yesterday we were asking the House for over £8,000 for a quarter of the year in respect of elderly persons pensions. It is a very considerable commitment and the Government does consider that the financial considerations are such that we ought to have these improvements gradually. But the main point has been missed and I hope, Sir, that if I develop that main point it will make it possible for me not to have to

delay taking the Bill, as I need to take it, through all stages at this meeting. I consider it would be a dis-incentive to people who are now being brought compulsorily into the Social Insurance Scheme and who may be near the age of 65 - ~~someone who could be 63 or 64 - it could be a dis-incentive for such a person~~ to put before him this less succulent carrot, I admit, of the elderly persons pension at the age of 65, as compared to payment of arrears and entitlement to a much higher old age pension. But there could be a number of people who will take the short term view which is - and I think Mr Bossano made the point when he appealed to people to seriously think about the arrears - ~~and I am afraid that there could be people who will say: "Why bother to pay arrears? I can wait until I am 65 and I will get an elderly persons pension".~~ If the spouse happens to be near the age of 65, as well then, between themselves, they can get at the present level of benefits a sum of over £5 a week. I am afraid that people could take the short term view. So that is the main reason which I had in mind for delaying this final step. It is something which is uppermost in my mind. I want to convince my colleagues - I am sure I will - that the final step must be taken at the next revision, but not now, Sir, and I hope that Honourable members opposite will believe me when I say I am sincere in my thinking. I also know the man in the street and I don't want him to take the short-term view. I want to bring people into insurance compulsorily, encourage them to pay their arrears and then, when everybody has been gathered in the net, ~~for the unfortunate few who are left out, this improvement can be made.~~ I hope, Sir, that Honourable Members will take that point.

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

The Honourable the Minister for Labour & Social Security proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

The Port (Amendment) Ordinance, 1974

it could be
 a dis-incentive
 for

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Port Ordinance to modify the provisions relating to compulsory pilotage areas be read a first time.

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

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to move that this Bill be now read a second time. Problems concerning the navigation of shipping in the somewhat confined ~~barrier~~^{area} of the waters of the commercial port are rising. At present, pilotage is only compulsory in those parts of the Port which are also part of Admiralty Waters. In other words, there is no compulsory pilotage for ships calling at or navigating through, the waters which lie outside the Admiralty Waters although power does exist in the Ordinance at the moment to make all areas of the Port compulsory pilotage areas. Fortunately, in practice, nearly all ships which call at the anchorage avail themselves of the service of a pilot on arrival. However, there is the occasional ship that does not take a pilot and is, therefore, liable to anchor in a position which might either cause obstruction to other ships or, perhaps, is dangerous by reason of the fact that it is in the prohibited waters of the aircraft runway approach. Such ships can be moved but time, as I am sure Honourable Members will appreciate, is a critical factor and the shifting of a ship cannot always be carried out expeditiously. Due to the close cooperation of the Flag Officer and the Queen's Harbourmaster, the difficulties brought about by our somewhat straitened circumstances have been minimised in recent years but it has become desirable and the increase in traffic has now rendered it necessary, that ships arriving anywhere in the Port or shifting their anchorage position, should be under the pilotage of the pilot who will be fully aware of the movements that are expected to take place in the Port. This will prevent ships taking up an obstructive or dangerous anchorage position and will enable the best use to be made of the anchorage area. It is proposed therefore to make all areas of the Port compulsory pilotage areas, and, as I have

said, this can be done under existing legislation. However, it is not considered necessary to make it compulsory for a ship to take a pilot when leaving the Port as this would be unnecessary on navigation grounds and would be unduly onerous on ship owners. Existing legislation, however, provides that a compulsory pilotage area is such an area for all purposes of navigation i.e. for leaving the Port as well. This difficulty can be overcome by amending the Ordinance, as we are doing in this Bill, to provide that when an area is declared a compulsory pilotage area there shall be power in the Order declaring a compulsory pilotage area to limit the purposes for which it is such an area. And so, when we declare the remaining areas of the Port compulsory pilotage areas it will be said these shall not be compulsory pilotage areas solely for the purpose of a ship leaving the Port. We cannot do that at the moment but we would propose to do so, and that is what this Bill does, it gives power to make a modified Order. Mr Speaker, I commend the 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 P J ISOLA:

Mr Speaker, we appreciate the reasons that have been put forward by the Honourable and learned the Attorney-General in moving this Bill. We see the point that if there is increased shipping in the Port of Gibraltar, efforts should be made to make sure that shipping is secure and that it goes to the appropriate anchorage and so forth. I am just wondering whether there have been any cases at all which has rendered this Bill necessary. Is this due to a desire to control all shipping in the Port or is it because dangerous situations have arisen? That sort of first question I would put in because obviously increasing the pilotage area increases the expense of ships that come to Gibraltar, ocean going vessels, which are, one would have thought, extremely necessary to the economy of the place and we wouldn't wish ships such as these with close time schedules being

delayed having to take pilots on board and also having the expense involved in taking pilotage. I think we would certainly like to have some assurances that this Bill is absolutely necessary. Then, Mr Speaker, I presume there is provision somewhere - perhaps that could be confirmed - under which certain ships can be exempted from the need of having pilots, other than excepted ships. I presume excepted ships that brings in the whole range of ships that use Gibraltar very regularly and are in the hands of certificated Masters who know the Port probably better than the pilots. But we would like to have assurances on these points because obviously extending the pilotage area has got financial implications for ocean going vessels that come to Gibraltar. We wouldn't like to agree to a measure like this without being assured on this point unless, of course, we are told that dangerous situations arise or are arising in the Port because of the lack of this compulsory pilotage area.

HON CHIEF MINISTER:

I would just like to say a word, not on the matter raised by the speaker who just preceded me that will be dealt with by the Attorney-General but, generally, on the point that though pilotage is not compulsory at all in the waters outside the admiralty, the pilots carry out a considerable amount of pilotage freely chosen by Masters of ships. In fact, we have had the case some years ago of a particular line who would not take pilots but on one particular occasion as a result of that and not knowing the waters very well lost their anchor and they knew better when they came again.

HON M XIBERRAS:

Mr Speaker, there is one set of people who will obviously benefit from this measure and this is obviously the pilots because they will have more work to do. It is right and proper that if there is a need for this sort of thing whoever benefits should, in fact, get the financial reward which results indirectly from legislation passed by this House. And the pilots I have personal experience of this do a very good job. However, I must say that I was surprised to see the Attorney-General moving this Bill and not to see the Minister for the Port present in the House on this occasion. It is a point perhaps too subtly made by

myself in connection with the motion moved by the Financial and Development Secretary about containers, there is a feeling amongst users of the Port that perhaps even successive Ministers for the Port have not pushed the interest of the commercial section of the Port as far as they might have. It is a strong feeling and therefore I would have thought it much more encouraging for those people who use the commercial port to have seen the Minister concerned coming forward to defend this Bill because this is going to be in the interests of whoever it is, the shipping lines, the pilots, or in the interests of safety even of the commercial port. It is very good to have safety and if this aspect has been neglected in the past then somebody or some people in the past have been at fault in this. But I warn the House that an attitude in the Port of rules and regulations, of more and more things to comply with, is not going to be well received unless there is also evidence and concrete evidence that improvements are going to take place, as well. If we have an administration or if we have a Minister and if we now have an Attorney-General who simply increase the list of rules and regulations and fees that have to be paid, or regulations that have to be complied with, and there are few advantages accruing to the users of the Port, be it shipping not necessarily from inside Gibraltar, and, perhaps, even from inside Gibraltar - and Honourable Members know I work as a shipping clerk for a shipping firm, though Honourable Members opposite also, I know, represent shipping firms in a legal capacity - if there is going to be an attitude of rules and regulations, then you are not going to get a very nice atmosphere in the Port. I think the Attorney-General should have mentioned the financial implications of this, small though they may be. As I understand it even a ship that anchors outside the detached mole, outside the Port, will be liable to pilotage as it comes in. Well, I don't know how many ships come in, say in a month, but I think the Attorney-General should have mentioned this in introducing the Bill. Because if there is considerable movement of ships that anchor outside, and if this is going to be a consideration in the mind of the master as he comes round Europa Point and he says: "Well, I would like to put into Gibraltar but I need a pilot". In the mind of the Master this may be a great disadvantage because in some ports, say in the port of Lisbon, it is a considerable disadvantage. It is engrained in the minds of Masters that once they take a pilot they also have to take an official, they have

to take pay some sort of duty and when you leave the Port you have a whole big bill to pay. I am not saying that this legislation before the House demands this, what I am saying is that it gets around that Gibraltar requires a pilot, the uninformed Master may think that he is also letting himself or his company in for a very long list of things as well. At the time places like Ceuta are developing by leaps and bounds - I am told, I haven't been there lately - we should be careful of this type of legislation. I have no doubt that the Attorney-General has in his wisdom looked at all these points but if he has not because of an oversight then, perhaps, he will consider this for the Committee Stage. I don't think it is worthwhile going, if this is a question of 'pilots' representations, going into this simply for the sake of that and I think the Bill needs to be justified for other reasons. I would still hope - there is still time - that the Minister for the Port will be able to contribute to the debate.

HON A W SERFATY:

Sir, all I would like to say is that I follow and have complete faith in the technical knowhow of the Captain of the Port. These are matters which have been cropping up even in the time of the previous administration. With regard to certain references made by the Honourable Leader of the Opposition.....

HON M XIBERRAS:

If the Honourable Minister will give way. It is precisely this attitude which I am decrying. Is the Minister aware of this? That the Minister himself should promote the policy and when he says he has complete faith in the Captain of the Port who is an excellent man by any standards, and I agree, he is not talking the same language as I am.

HON A W SERFATY:

Maybe not but he is a technical man and on technical matters I must accept the advice of the experts. On the question of the economical viability of the Port I am convinced that so far any step that we have taken in increasing

charges, charges for containers, port charges and berthing charges, these are things that the industry can take and I think there is nothing wrong in Government wanting to make the Port as economically viable as possible. I am surprised that the Opposition is not in agreement with that kind of policy. We must make the Port pay for itself at least and this is what we are trying to do, Mr Speaker.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, on a point of order. Is it unparliamentary to call another member a numskull?

MR SPEAKER:

It is a matter of opinion, isn't it?

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, as I did say in my opening speech.....

HON M XIBERRAS:

Sir, will the Honourable and learned the Attorney-General give way?

HON ATTORNEY-GENERAL:

No. As I said in my opening speech, in practice, nearly all

HON M XIBERRAS:

On a point of order, Mr Speaker, if the Honourable Member is addressing any Member on this side of the House as such, I would ask him to withdraw. I think it is in very bad taste and Her Majesty's Attorney-General should know better.

MR SPEAKER:

To withdraw what? What are you asking him to withdraw?

HON M XIBERRAS:

If he has addressed any member on this side of the House as a numskull.

MR SPEAKER:

It is no use telling me whether he has. If you tell me that he has then I will make a ruling.

HON M XIBERRAS:

I am speaking through the Chair and I am asking the Attorney-General.

MR SPEAKER:

The Chair has been asked whether it would be unparliamentary to call anyone a numskull and I have ruled that it would be a matter of opinion, but I haven't heard anyone calling anyone else a numskull.

HON ATTORNEY-GENERAL:

Mr Speaker, as I said in my opening speech on the second reading, in practice nearly all ships avail themselves of the service of a pilot, but that there were occasions when this was not done and it was considered appropriate now that all areas of the Port should be declared compulsory pilotage areas in the interest of Gibraltar, generally. The first point I must make is that the question of declaring a part of the Port a compulsory pilotage area is a matter for the Governor-in-Council under the Port Ordinance. Therefore, this House would have no say as to whether or not the remaining areas were declared a compulsory pilotage area. It has been decided that it is necessary - and these decisions are not taken lightly - it is necessary in the interest and

safety of all that the whole area should be a compulsory pilotage area. All this Bill does is to remove, or enable the onus to be removed, which that Order will impose. This is a mitigating Bill, if you like to put it that way, it enables less stringent terms to be imposed upon shipping in that it will not be necessary to take a pilot when leaving the Port. If Government as has been suggested had been unmindful of the interests of shipowners, then it would not have been necessary to bring this Bill at all. The areas would have been declared compulsory pilotage areas and whether they liked it or not the shipowners would have had to take a pilot when leaving the harbour. It is because we have this interest always in our minds that the Bill is now before the House.

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

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

The Supplementary Appropriation (1973-74) Ordinance, 1974

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to apply further sums of money to the service of the year ending on the 31st day of March, 1974 be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this Bill be now read a second time. Supplementary Estimates No 2 of 1973-74 in the total of \$1,080,716 have already been approved by the House earlier in the proceedings. Section

65(2) of the Constitution requires that the heads of expenditure should be included in a Supplementary Appropriation Bill introduced to the House to provide for the appropriation of these sums. Hence, Sir, the Bill which I commend to the House.

Mr Speaker proposed the question in the terms of the Financial and Development Secretary's Motion.

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

The Honourable the Financial and Development Secretary proposed that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting. This was agreed to.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I beg to move that this House should resolve itself into Committee to consider the following Bills, clause by clause.

The Social Insurance (Amendment) Bill, 1974.

The Employment Injuries Insurance (Amendment) Bill, 1974.

The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1974.

The Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1974.

The Supplementary Appropriation (1973-74) Bill, 1974.

The Group Practice Medical Scheme (Amendment) Bill, 1974 and

The Income Tax (Amendment) (No 2) Bill, 1974.

THE SOCIAL INSURANCE (AMENDMENT) BILL, 1974

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

Clause 4

HON A J CANEPA:

Sir, I have the honour to move that clause 4 of the Bill be amended by deleting the words "in the case of an employed person both of the insured person and the employer" which appear in parentheses in the fourth, fifth and sixth lines of the proposed new section 3A(1) and substituting therefore the words "both of an insured person and an employer".

Sir, I just want to explain that as this subclause stands in the Bill, the arrears which are to be paid by a self-employed person now being brought compulsorily into insurance, if he opts to pay arrears, are not specified and the amendment seeks to put that right so that there should be no question of misinterpretation.

Mr Speaker proposed the question in the terms of the amendment moved by the Honourable the Minister for Labour and Social Security.

HON J BOSSANO:

Sir, on the payment of arrears which comes later on in the same clause 3A, there is in fact a stipulation that this should be within a period of 5 years from the date of entry of re-entry into insurance or before reaching pensionable age, whichever is earlier. This would seem to me to put perhaps some people in a position where they might not be able to raise money in a lump sum if they are very near the age of 65. I wonder whether the Minister would like to do something in this clause or perhaps to give an indication whether the Department would be in a position to help people who might be required by the legislation - for example, somebody who is 64 who only has a year in which to pay the arrears, might be able to obtain a loan or something from another

fund in the Department to enable him to pay in a lump sum. It seems to me that otherwise we may find ourselves in a situation here where the person who wants to exercise the right to join the insurance scheme weeks before he reaches the age of 65 will be able to do so if he has got the money to pay all the arrears in a lump sum whereas another person who might not be able to finance the operation would be denied the opportunity.

HON A J CANEPA:

Sir, the point did exercise my attention. I am aware of the fact that people in that situation could find it difficult to get their hands on a sum of money before the age of 65 though I would hope, of course, that they would make every effort to do so but there could be some unfortunate people who might not be able to do so. I made enquiries and we considered whether, perhaps, that could be done after the age of 65 but I am told that about this in law, and I am satisfied ~~that~~ you cannot have someone paying ~~in~~ instalments after he has reached pensionable age and after he is in receipt of the pension. If we do get some people coming along and making representations I don't know whether some administrative arrangement could be made for them. I would certainly do my level best personally to seek ways and means of helping such an individual but I don't think that ~~it~~ can be written into the Ordinance. We will do our level best in the same way as Government as an employer did so on a previous occasion. There could be individuals who are not employed by Government and who are in a different category altogether. I can assure the Honourable Member that we will exercise our best offices to do whatever we can for them.

Mr Speaker then put the question and clause 4, as amended was agreed to and stood part of the Bill.

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

Clause 11

HON A J CANEPA:

Sir, I have the honour to move that this Bill be amended by the addition of the following footnote to the table in Part I of the proposed new First Schedule:- "where the person employed is over pensionable age only the employer's share of the contribution is payable".

Sir, this footnote was always in our legislation but at some stage or other in the course of reprinting it has been left out through an oversight and I am just bringing it back where it should be.

Mr Speaker proposed the question in the terms of the amendment moved by the Honourable the Minister for Labour and Social Security.

Mr Speaker then put the question which was resolved in the affirmative and clause 11 as amended, was agreed to and stood part of the Bill.

Clauses 12 and 13 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, 1974

Clauses 1 to 12 were agreed to and stood part of the Bill.

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

THE NON-CONTRIBUTORY SOCIAL INSURANCE BENEFIT AND UNEMPLOYMENT INSURANCE (AMENDMENT) BILL, 1974

Clauses 1 to 8 were agreed to and stood part of the Bill.

Clause 9

HON A J CANEPA:

Sir, I have the honour to move the following amendment to this clause.

That clause 9 of the Bill be amended by deleting the words "not exceeding 4 in number" in column " of the proposed new Part I(A) of the Third Schedule to the Ordinance.

Sir, in the last revision in May last year, following an intervention from the Honourable Member opposite, the Honourable Mr Bossano, this limitation was deleted from the law, ~~but~~, unfortunately, we have had a change of Social Insurance Officer in the meantime and in the course of redrafting it has crept back, ~~and~~ Obviously it would defeat the whole purpose of the amendment that we had just over a year ago and I am ensuring that the position remains as it was intended to be.

Mr Speaker proposed the question in the terms of the amendment moved by the Honourable the Minister for Labour and Social Security.

Mr Speaker then put the question which was resolved in the affirmative and Clause 9, as amended, was agreed to and stood part of the Bill.

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

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

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT) BILL, 1974.

Clause 1

HON J BOSSANO:

Mr Speaker, I beg to move that clause 1 of the Bill be amended by the deletion of the phrase "seventh day" appearing in the third line thereof and the substitution of

the phrase "sixth day". Mr Speaker, the seventh day of January is in fact a Tuesday and the sixth day of January is a Monday. I don't know whether there is a technical administrative reason for the choice of making the application of the new Ordinance the seventh day, but there is, in fact, an important distinction between the 7th and the 6th day of January and that is the validity of the argument used by the Honourable Minister for Labour and Social Security as regards the dis-incentive effect of lowering the age in the Elderly Persons Ordinance to 65. The argument that was put by the Honourable Minister was, in fact, that somebody who would have an opportunity of joining the Social Insurance Scheme compulsorily and electing to pay the arrears might decide, on balance, that he was better off by not paying the arrears and instead collecting the elderly persons pension. This logical argument was one that made some sense that there would be a dis-incentive effect. It appears to me, Mr Speaker, that if we look at the Social Insurance Ordinance the persons who will be under pensionable age on the 6th of January, 1975, under clause 3 of the Ordinance - it says that those who shall be insured under this Ordinance are those who on the 6th of January shall be under pensionable age - consequently we are talking about those whose 65th birthday is on the 7th of January. Because anybody whose 65th birthday is on the 6th January will not be under pensionable age on the 6th of January. Therefore it appears to me, Mr Speaker, that the dis-incentive effect will only apply to those happy people who reach the age of 65 on the 7th of January. By deleting the 7th of January from the Elderly Persons Pensions Ordinance and substituting the 6th of January we find that anybody who reaches the age of 65 on the 6th of January will automatically not be able to join the compulsory Social Insurance Scheme because he will not be under pensionable age on the 6th of January. Therefore, there cannot be any dis-incentive effect, Mr Speaker, I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the amendment moved by the Honourable J Bossano.

HON A J CANEPA:

Sir, there is a perfectly good administrative reason for

having the 7th January because it is closely linked to the payment of supplementary benefit and it is closely linked to the payment of old age pensions in respect of a number of people who at the moment, and until the whole scheme comes into force, will be receiving on a Monday ~~both benefits~~. If you put it on the 6th there is another week involved and for part of one week we are going to be paying at one rate and part at another. At the moment the week is reckoned from a Tuesday to a Monday. It must come into effect on that date so that it can be paid on a Monday.

both benefits

HON J BOSSANO:

Mr Speaker, can the Minister say whether he accepts

MR SPEAKER:

Are there any other Members who wish to contribute and then you will be able to reply. We are in committee and it would be completely in order for you to say what you like now, but I think it might be better if you make your contribution when you know the feeling of the other Members of the House.

HON J BOSSANO:

Mr Speaker, if I wanted to give the Minister for Labour an opportunity to answer me on something would it be in order?

MR SPEAKER:

Yes, certainly.

HON A J CANEPA:

I would like the Honourable Member to bear one thing in mind with respect to social insurance, generally, and that is that one allows a considerable period of time to Honourable Members to digest these Bills to analyse them carefully and give them an opportunity to move amendments, but if he springs an amendment on me like this and there

are administrative difficulties which, perhaps, I am not aware of because obviously my job is to set policy, he puts me in a very awkward position. I would ask him in the interest of good procedure, in the interest of trying to do one's level best to meet the point - because one sympathises with a lot of his sentiments - that he shouldn't approach the matter in this way. The Bill was published on the 9th August, and now amendments are moved the repercussions of which I am unable to assess, particularly if it is a technical matter. If it is a matter of policy I am still unable to assess what the implication of that will be.

HON J BOSSANO:

Mr Speaker, it may be that the Bill was published several months ago but the argument that was put by the Minister against lowering the age of 65 was put 5 minutes ago and this amendment is in answer to that argument. The Minister to my mind has put only one cogent argument against lowering the age to 65 and that was that it would be a dis-incentive effect for those people who would have the opportunity of exercising their right to pay arrears of insurance under the Social Insurance (Amendment) Ordinance that the House has just passed in Committee. It appears to me, reading that Ordinance and this Ordinance together, that this argument applies only to the people whose 65th birthday is on the 7th of January. In order to eliminate that dis-incentive effect I am suggesting we substitute the 6th for the 7th. I couldn't have decided that 3 months ago, Mr Speaker, because I had not heard the argument 3 months ago, I heard it 5 minutes ago. Now, if the Minister thinks that it is better to dwell longer on the arguments that he puts then the best thing would be not to try and take the Committee Stage immediately after the First Reading and then, obviously, the argument that he uses would be given greater weight. But if one takes the Committee Stage 5 minutes after the First Reading then I only have 5 minutes in which to assess the validity of the argument that he has put. It seems to me that only the people whose 65th birthday is on the 7th of January will be under pensionable age on the 6th. Those whose 66th birthday is on the 6th January will not be under pensionable age. They will then be 65, they will not be under pensionable age. They will not be able to exercise their right to pay arrears or join the compulsory scheme. Therefore they will be no dis-incentive against doing it. They will be prohibited from doing it. I may have misunderstood,

the legislation but it appears to me like that and in the short space of time it seems to me that if the argument that was put is not a valid one then the reason in supporting the Minister is not a valid one either and I cannot support him on not wishing to lower the age of 65. If I am wrong and he would like to put me right I would welcome it.

HON A J CANEPA:

Sir, the reason ^{for taking} ~~for getting~~ the Bill through all stages at this meeting is the fact ^{we} ~~we~~ do need the time between now and January to get this exercise implemented administratively. It is an exercise involving very many thousands of beneficiaries and would be beneficiaries. I don't think the second point applies, — may be, my understanding is wrong. I don't think it applies merely to people whose birthday would occur on the 7th January. What is the position of someone who is not so close to 65 but 63, 62, 64, years old and who has now the option or who is being given the option? He is being brought into insurance compulsorily, he is being given the option to pay arrears. He comes into insurance he, doesn't bother to pay arrears in the year or two years that he may have in which to do so ^{but} instead he opts to wait until the age is lowered to 65 and then he gets the non-contributory benefits. Isn't it a dis-incentive to him?

HON J BOSSANO:

I think, Mr Speaker, the validity of the argument of the dis-incentive applies to those people who will make a choice between now and January. If we say that there is a dis-incentive as regards somebody who may be 62, 63 or 60 in January and who says: "All I have to do is to wait another 5 years, and in 5 years time I am going to get the elderly person pension instead of the contributory pension", then equally there is a dis-incentive for somebody who is 65 who will only have to say: "All I have to wait is 6 years and I am going to get the 70 year old elderly persons pension". In terms of years the argument applies equally if we put the age at 65 to somebody who is 59 and who has got 6 years to wait or if we put the age to 70 and the person is 64 has got 6 years to wait. There is

no difference in the argument. There is a clear difference if somebody has got to decide between now and January and he has got to weigh on the one hand the real immediate benefit in January of £2.60 or a higher benefit and a disbursement of quite a lot of money. I think some of the people who may choose for the £2.60 may choose through inability to pay and I think this is tied up with the other question of the difficulties that they will be even administratively, perhaps, of providing people with a loan to pay arrears. But if the people are going to be caught between now and January and who will be 65 in January are the ones I am concerned with and the ones I think where the two things are going to be in balance, whether it is worth paying or not paying. I think those who are going to benefit in 6 years' time, that argument about not looking ahead 6 years applies equally to the age of 70 as it applies to the age of 65. Those people will be required by law to join the scheme. Their only choice will be about whether they pay arrears or whether they don't pay arrears. If they join the scheme, because they will be entitled to a reduced pension in 5 or 6 years' time when they reach 65 and because the Minister does not agree to make elderly persons pension an addition to their compulsory pension but in substitution of, they may find that in 6 years' time when they reach the age of 65 the reduced pension that they are entitled to will be deducted from the elderly persons pension if such a thing still exists in 6 years' time, and that therefore the difference will be small. The real dis-incentive effect only exists to those who are going to stand to gain in January of the forthcoming year. In 6 years' time anybody joining now - and they have to join compulsorily if he is 59 in which case he will have 6 years' before he reaches 65 - he will have to join and pay 6 years of insurance and he will then have a reduced pension which will be deducted from the £2.60. So the gain will not be £2.60 but the difference between the reduced pension and the £2.60 or whatever the relationship is in 6 years' time.

HON A J CANEPA:

Not entirely, Sir. Let us suppose that the date of the next revision were to be say July, 1976, a hypothetical date, then you have a group of people, Sir, ~~this period~~ of 18 months between January 1975 and July, 1976 - ~~there is~~

Social insurance

~~a group of people~~ aged between 63½ and 65 who will have a choice before them. They are being brought into insurance compulsorily now. They are being given an option to pay arrears. They could choose to do so, pay arrears over a period of 18 months, or enough to qualify for the reduced pension and on reaching the age of 65, say in July 1976, they get an old age pension, reduced or full. Alternatively, ~~they do nothing~~, they are being brought in compulsorily, they pay for the next 18 months ~~social insurance~~ but they don't pay arrears, they do not qualify for an old age pensions unless ~~there~~ at some stage in the past they may have had enough contributions to make up, and, nevertheless, they qualify - or at least they hope they do because they know ~~that~~ the Government's thinking, though, of course, I am not going to commit myself at this stage to say that in July 1976 I am going to lower the age ~~to~~ 65 - but they know that sooner or later it can happen, ~~maybe then~~, and they benefit in that direction. I am also concerned about that particular group.

HON J BOSSANO:

Mr Speaker, it does seem to me to be unfair to say to people that they joined compulsorily and then at the end of 18 months they get nothing at all. Now, presumably, if those people had no other income, they would be getting the £2.60 from the householders rate of supplementary benefits, so the net cost to the people involved does not exist and the only thing that would happen would be that if the argument that the Minister has used in the past in defence of the scheme that it removes the stigma of supplementary benefits is a valid one, then that argument applies equally validly to the group that he has just drawn attention to.

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 J Caruana
 The Hon L Devincenzi

The following Honourable Members voted against:

The Hon Sir Joshua Hassan
 The Hon A W Serraty
 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 amendment was accordingly defeated and Clause 1 stood part of the Bill.

Clause 2

MR SPEAKER:

Mr Bossano, I understand that you have an amendment to clause 2.

HON J BOSSANO:

The amendment I was proposing to move was the follow up to the original amendment. If I were to move this amendment now, in fact, given that the original amendment has been defeated in clause 1, it means that on this amendment the dis-incentive effect would apply to those whose 65th birthday falls on the 7th January. Since the Government is unwilling to support the reduction of the age of 65 even when there isn't any dis-incentive effect I imagine the enormous cost of those people who will be exploiting the situation when they reach 65 on the 7th January will be enough to deter them from supporting this amendment, I don't think there is any point in going ahead with it so I am withdrawing it.

Clauses 2 and 3 were agreed to and stood part of the Bill.

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

HON A J CANEPA:

Sir, I would like to take this opportunity to thank the officials in my Department and in particular the Director of Labour & Social Security, the Deputy Director and the Social Security and Insurance Officer who have helped me and advised me in formulating these proposals and also the Chairman and the members of the Social Insurance Advisory Committee who have ~~also~~ shown a very great interest in the matter.

THE SUPPLEMENTARY APPROPRIATION (1973-74) BILL, 1974

Clauses 1 to 3 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.

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) BILL, 1974

Clauses 1 to 7 were agreed to and stood part of the Bill.

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

THE INCOME TAX (AMENDMENT) (No. 2) BILL, 1974

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

Clause 2

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have the honour to move that clause 2(1) (ii) be amended by the deletion of the proposed section 8(3) therein, but not to proviso, thereto, and by the substitution therefor of a new subsection as follows:

- "(3) For any year of assessment in which a trade, business, profession or vocation is set up or commenced or in which any person becomes entitled to receive an annuity or income from the estate of a deceased person the assessable income of any person from such sources

that year of assessment shall be the amount of the income of that year and for the succeeding year of assessment shall be the amount of the income for a period of twelve months from the date on which income from such source first arose and the assessable income for the third year of assessment shall be computed in accordance with the provisions of subsection (1) of this section".

Sir, the purpose of this the forbidding looking amendment is simply to correct the omission of certain words in the printed copy of the Bill which was circulated to Honourable Members. It is considered easier to repeat it in full.

Mr Speaker proposed the question in the terms of the above amendment.

Mr Speaker then put the question which was resolved in the affirmative and clause 2, as amended, was agreed to and stood part of the Bill.

HON M XIBERRAS:

Mr Speaker, on the date of implementation of this Bill which is contained in Clause 2

MR SPEAKER:

I know that members have to consult each other but we have taken a vote already. Do say what you have to say but it puts me in a very difficult position after a vote has been taken. However, do go ahead.

HON M XIBERRAS:

Thank you, Mr Speaker. I would refer to the proviso in clause 2 (1) (i) which reads:-

"Provided that for the year of assessment commencing on 1st day of April, 1975, and for each subsequent year of assessment

the assessable income of any person from an office or employment, or from a pension shall be the income of that year of assessment".

I would welcome from the Honourable the Financial and Development Secretary some sort of elucidation, for the public, because I have received many enquiries about this, as to what the procedure is. There is talk of the need for a tax holiday of one year because people are being asked to pay in a very short space of time what they would normally have about a year to pay in. With the introduction of Pay As You Earn they would have to start paying on the new year straight away. I wonder whether the Honourable Financial and Development Secretary would say a few words on that.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I know that this point did, perhaps appear complex but it is quite simple. We start the system of PAYE, Pay As You Earn, on employees on 1st April, 1975, and from then on employees will pay income tax currently on the income received from the 1st April, 1975, then they are paying as they earn, they are paying on current income. Previously, the system broadly has been that employees paid tax on the income one year back. Now, in order that employees catch up and come to a current payment system what happens is that employees will never be assessed to income tax on their earnings in the year 1974/1975. What they will have done by the 31st March, 1975, is to pay all the income tax that was due on income which they had received up to 31st March, 1974. It would be misleading people to think that they are getting a year's holiday from paying tax. It is not like that, but it is true that tax will never be assessed on this current year's income.

HON M XIBERRAS:

I am grateful for that because if I may just very briefly quote from a letter sent to me by somebody who said:-

"I have enclosed my last two tax assessment forms, the one dated 22 February has been cleared already, the second has been commenced the beginning of this month with a payment of £37 which will be maintained montly until 31st December. By then, I should have received my assessment 1974/75 which amounts to £360. You will note that the last amount must be cleared in three months".

That was my point I am not saying that this does give a tax holiday. What I am saying is that some people are saying that there should be a tax holiday because they have to pay a certain amount of money in a very short space of time - so this will mean instalments of £120 monthly which is impossible. When PAYE is operative my arrears can only be paid at £20 a month. Three years income tax in the space of one year, is ridiculous. Either Government will have to cancel 1974/75 or allow a great deal more time for the arrears". I think this letter illustrates the point I was making earlier.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, we have been preparing for this move for quite a long time and we are fortunately coming along very well in the case of public sector employees the great bulk of whom have been working on voluntary schemes similar to PAYE to get themselves up to date. That has been happening in the Private Sector too, but I would not deny that there may not be cases where in order to get tax paid up to date on assessment in the current year relating to income in years before this, that there might not be cases where the amount to be collected would cause hardship. In such cases, Sir, we shall consider and make a reasonable arrangement, if necessary, to spread beyond the end of this year. But for everybody's sake, we would like as far as possible to be up to date by the 31st March and then running currently from then on.

HON M XIBERRAS :

I am grateful, Mr Chairman, for that, because I think the point is now clear that people would have to pay quite considerable amounts of money in much shorter time. However, even though the Financial Secretary can speak of the Public Sector - I assume he refers to the Government, not to the UK Departments - I also have a case of someone who out of a basic wage of £12 paid something in the region of £4 in one week, which is rather steep. I haven't got a letter from this particular person but I was promised it and it has not arrived in time. He does not work with the Government of Gibraltar, he works for one of the UK Departments, I think it is the MOD. There, I think, too much has been taken at one go in income tax.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, when I mentioned the Public Sector, I was including the UK Departments who, in general, I think, are operating such voluntary schemes as I have said I. As to the particular case, I can only say, Sir, that people do call at the Income Tax Office in cases which they find difficult and causing hardship and they will be received and their cases considered.

HON M XIBERRAS:

Sir, I think we should not try to interfere with the Bill at this stage but the point about assessments will probably be made in my Honourable Friend's motion on Income Tax Assessments which is coming later before the House.

Clauses 3 to 6 were agreed to and stood part of the Bill.

Clause 7

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that Clause 7 of the Bill be amended by the deletion in paragraph 7 (2) of the proposed Second Schedule set out therein of the words

"deduct tax at the rate of 15 per centum of the gross emoluments" and by the substitution therefor of the words "deduct from the gross emoluments tax in accordance with Code X of the tax tables".

Sir, Paragraph 7 (2) of the Second Schedule provides for tax to be deducted at the rate of 15% where an employee has not lodged with the employer the appropriate allowances certificate. When the Bill, Sir, was first drafted it was considered that 15% would represent the average rate of tax deduction. The experience gained over the last year, however, shows that this rate is already rather on the low side. Naturally where the employee has not complied and the employer is required to deduct in this way arbitrarily then we do want in fairness to have the average rate. Therefore, in order to avoid unnecessary amendment to the legislation in future it is proposed that no percentage figure for deduction should be stated in the body of the Ordinance but

rather that the Ordinance should provide for the deduction to be made by reference to Code X which will set out a flat rate deduction and which in the same way as other tables under the PAYE system of collection shall be capable of being amended by the Commissioner of Income Tax on the basis of the rates of tax ruling from time to time. Sir, Code X, in fact is a code like a lot more codes we shall have which distinguish people by the allowances due to them, married, single and so on.

Mr Speaker proposed the question in the terms of the above amendment by the Honourable the Financial and Development Secretary.

Mr Speaker then put the question which was resolved in the affirmative and Clause 7, as amended was agreed to and 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 Social Insurance (Amendment) Bill, 1974; the Employment Injuries Insurance (Amendment) Bill, 1974; the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1974; the Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1974; the Supplementary Appropriation (1973-74) Bill, 1974; the Group Practice Medical Scheme (Amendment) Bill, 1974, and the Income Tax (Amendment) (No 2) Bill, 1974 have been considered in Committee and agreed to. In the case of the Social Insurance (Amendment) Bill, 1974, the Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment) Bill, 1974, and the Income Tax (Amendment) (No 2) Bill, 1974, with amendment, and I move that they now be read a third time and do pass.

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

PRIVATE MEMBERS' MOTIONS

HON P J ISOLA:

Mr Speaker, I have the honour to move the motion standing in my name which states that "This House regrets that the work of the Select Committee on Air Communications is being retarded by the lack of response to a questionnaire forwarded by the Committee to the Deputy Governor nearly a year ago". Mr Speaker, it is of course a matter of some regret that a member of the Select Committee should find it necessary to have to raise in the House the lack of progress in the consideration by the Committee of the matters and were referred to the Committee by this House as long ago as 1972. Mr Speaker, soon after the Committee was appointed by this Honourable House it started to meet on a very regular basis, a lot of very useful information was supplied to the Committee by the Tourist Department, we were able to make a substantial amount of progress on how the different members of the Committee were thinking about a subject which, of course, affects Gibraltar very closely indeed and is vital to the economic development of Gibraltar as well as being of very great concern to the increasing number of Gibraltarians who find they have to use air services in and out of Gibraltar more often than before, people going on holiday and so forth. Mr Speaker, the Committee started taking evidence of parties interested in this subject and we found after some time of taking evidence that certain subjects arose in the course of interviews about which everybody appeared to know the answer but the Committee had no definite information as to what the real position was. Questions like the length of the runway, whether it should be longer or not. Questions about the load the runway can take, the sort of aircraft that can land in the runway, questions about what the landing charges of the airport in Gibraltar are as opposed to other places in the area including Heathrow Airport. Everybody thought that the position was this, the position was that and so forth, but the Committee did not really have definite information on the subject. Other questions arose about the Airport itself, its status, whether Ministry of Defence welcomed an increase in commercial activity in the airport, whether Ministry of Defence was satisfied with the facilities available to the Airport whether the Foreign Office have certain matters relating to the airport in a particular way and so on. In fact the whole number of issues that have been discussed really ad nauseum in this House, ad nauseum in the press and on which conflicting statements have been given by different interested parties. And of course the Select Committee got to a stage where really before it started to deliver and interview airlines and other members more closely connected with air

communications in and out of Gibraltar, the Committee really had to have answers to these questions. Now the people involved from whom we required answers were the Deputy Governor's Department, the Foreign and Commonwealth Office, the Ministry of Defence and, possibly, the Airlines technical information. The committee made a move to ask for representatives of these various institutions or various government departments to come to the Committee and give evidence on a lot of these points most of which were probably technical. The move was made by our Chairman on the matter and the reply came to the Committee that it might be more useful for the Committee to set out in the form of a questionnaire all the matters on which the committee required answer and for that questionnaire to be sent to the Deputy Governor who would process it through the appropriate Departments in the Government, if necessary, in so far as questions affected the Government locally - technical questions - or the Ministry of Defence or the Foreign and Commonwealth Office or any other person who could help with the answers. The Deputy Governor felt that this was, possibly, the best way of getting all the information collated and presented to the Committee. Then it was suggested that if we had any further queries on the matter we could possibly visit London if necessary or people come out here to get further information on the matter. It was in fact in reply to that suggestion that the Committee decided that it would be appropriate for the Select Committee to follow this procedure and members of the Committee together drew up a questionnaire of the matters that required answer. The number of questions, Mr Speaker, were in fact 33. A lot of them, Mr Speaker, were very purely technical questions to which I would have thought the answer would have been comparatively easy to find. There were a number - not a very large number - there were a number that were, I suppose in a way, policy questions in so far as the Ministry of Defence was concerned and even, possibly, in so far as the Foreign and Commonwealth Office was concerned, but again not questions that I would have thought were so difficult to answer. In any event, Mr Speaker, obviously if there were questions on which an answer could not be given or it was not possible to give an answer I suppose that question could be left out in the set of answers and an explanation given. In accordance with the request of the Deputy Governor the Committee submitted this questionnaire - my motion says nearly a year ago, in fact, Mr Speaker, it was just over a year ago I think the questionnaire was submitted in August, 1973 in accordance with the suggestions that had been made to the committee by the Deputy Governor. The questionnaire was sent in and the Select Committee agreed that no useful purpose could be served in meeting until a reply to the questionnaire had been received. In fact, it was envisaged that this would have been by about January or February when the committee might have taken up the

suggestion of further discussions in London if it was found necessary. But in fact, Mr Speaker, no reply came to this questionnaire, the Committee has not met for real business. It did meet in May in answer to a request by me to the Chairman that the Committee should meet. Concern was shown about the fact that the questionnaire had not been replied to and, in fact, if I remember rightly in May a member of the Committee, the Honourable Mr Featherstone Minister for Education, was in fact about to go to London at that time where the Deputy Governor was at the time and the Minister for Education kindly agreed to remind the Deputy Governor about this in London during his visit. And this he did. Then subsequently, Mr Speaker, we were still concerned that in August no reply had been received and a further request was made in August to the Deputy Governor about the reply to the questionnaire and, in fact, I said in the Committee that I felt that the matter should be raised in the House because in fact the work of a Select Committee appointed by this House unanimously was being obstructed or retarded is probably the most appropriate word, by the lack of response to the questionnaire. Meanwhile, Mr Speaker, as the House is well aware and as you must be well aware, a lot of things have been happening in the question of air communications as far as Gibraltar is concerned. Fares have been going up the flights have been changed as we heard only yesterday from night flights to day flights - technical reasons we are being told. It is pertinent to notice that from London to Gibraltar as from the 1st of November there isn't a single flight, there is no single flight that leaves London after 2 o'clock for Gibraltar in the afternoon. They are all earlier than 2 o'clock. I am not deploring that situation or not. All I am saying is that apparently technical reasons are being given for these things and the only Committee in this House that has been set up precisely to look at all these problems, to look at the question of fares structures as they affect Gibraltar, to look at the question of the possibility of an authority in civil aviation in Gibraltar. That committee is just not functioning at the moment and it cannot function until it gets replies to these questionnaires. Mr Speaker, it is not the intention of this motion today to place fault at all on anybody for this. Naturally, if the committee were to hear nothing more for another six months I suppose there would be a more strongly worded motion, obviously. But today the only purpose of this motion is that the House should concur with the concern of the Select Committee that it has had no reply to this questionnaire which in effect has brought the work of the committee to a halt. We have lost a whole year. In a thing like air communication, Mr Speaker, it is true a year is not perhaps that much, it is something that will go on, but there is an election

in 1976 and if this situation continues there would be a good chance that the Select Committee would not be able to report to the House before 1976 and the next House of Assembly will probably set up another Select Committee and we will never get this particular problem that affects Gibraltar so much sorted out or a unanimous view taken in the House on it or proposals put that affect so much the future of Gibraltar in this sphere. And accordingly, Mr Speaker, in commanding this motion to the House I do hope the House will agree that a year and a month is quite a time to wait for a questionnaire to be answered which the Committee itself were asked to give. One would hope that if the House concurs with this motion and regrets the situation as it is, that somehow or other this motion will get the desks of those people presumably in London who has seemed to have put it aside.

HON A W SERFATY:

Mr Speaker, I would like first of all to say so that this Honourable House does not get the wrong impression, that matters of air communications are being continuously dealt with by the Tourist Office, by myself, of course, as Minister for Tourism. In March, 1974, that is before that meeting of May - though I should also say that we met again in September, 1974 - I went to the Civil Aviation Authority

MR SPEAKER:

We are not here to review air communications. We are debating the delay in the reply to the questionnaire sent to the Deputy Governor.

HON A W SERFATY:

I was going to say, Sir, that on my trip to London to give evidence before the Civil Aviation Authority I mentioned this particular question of the questionnaire to the Foreign and Commonwealth Office and I pressed for a reply. I should of course say as the Honourable and Learned Member has said before me that the questionnaire has many implications, economical, technical and perhaps even political. But, of course, that is no reason why it should not be answered. I would like to say that the way the motion is put it does appear to people who are not aware of the details of how these things work that the

Deputy Governor has been sitting on the questionnaire and I am fully satisfied that the Deputy Governor has been pressing the Foreign and Commonwealth Office for a reply as I myself have done and our friend Mr Featherstone did. The Honourable and Learned Members mentioned something about - though I know it is not relevant to this point, but I think I should answer it - that it does not appear that between the 16th of March and 21st March there would be no night flights. Somebody must have got mixed up with the GMT time and as night flights are flights that land at 8 pm and in the GMT table it says quarter to eight, it is not really quarter to eight, it is an hour later. So I would like to explain that point for the benefit of the Gentleman opposite - I have information, I am happy to say, that this questionnaire - if we can get it through the post - will be sent to the Government of Gibraltar for transmission to the Select Committee, of course, next week. So I don't think it will be six months before we get it. That is all I have to say on the matter, Mr Speaker.

HON J BOSSANO:

I think, Mr Speaker, that the announcement by the Minister for Tourism of a reply in a week's time - Post Office permitting - is, of course, perhaps an indication that this motion has served to galvanize somebody, somewhere into action on this matter, and I think it is a very welcome effect of the motion.

HON CHIEF MINISTER

I would just like to say one or two words on this because it reflects sometime the frustrations we also feel in Government when matters are taken up in London and Government is then asked in the House to answer them if they are really part of matters within our administration when a final decision has to be taken in England. I can well see the frustrations of the Select Committee in feeling that this questionnaire has not been answered. I have no knowledge of the questionnaire, nor do I care, and if in fact there are questions there that were not answerable because they felt that they should not answer, then they should have answered those that had to be answered and had said: "We regret we cannot answer this one" and then there would have been a fight as to whether that one should be answered or not. I have no doubt in my mind too that apart from

any representations that may have been made, the fact that this has been put in the order paper has helped to expedite a reply. We have one or two other very important matters on which I might have to think about bringing a motion here, but I hope we don't get to that stage. Insofar as the Government as a government is concerned, until we see any justification for the delay, we could not say that it has not been justified and, therefore, we would withhold our decision on that in so far as it reflects on any body outside Gibraltar. I certainly would like to say, in so far as I have been able to find out in order to be able to make this statement, that I am fully satisfied that it is no fault of this part of the Foreign and Commonwealth Office, that is to say, it is no part of the Deputy Governor's fault that this has not been done. If it were I would be prepared to say so and share any criticism, but as it happens it isn't. We cannot, of course, vote in favour of the motion, but we will abstain and let it go. Perhaps in that way it will come not in 7 days but in 5 days.

HON M XIBERRAS:

Mr Speaker, I am glad that my Honourable and Learned Friend's motion has served some purpose and I am also very glad, as it appears, motions of this House are read elsewhere. Thirdly, I am very glad also that it is not the Deputy Governor's fault and his position is obviously crucial on certain matters but, of course, I dare say it is the Deputy Governor's name that had to appear in this motion in order to achieve the action which apparently is about to take place. On matters of this kind, the Opposition has often invited the Government's support and I am very glad that on matters of this kind we can help expedite things or press for things that are in the interests of the people of Gibraltar. However, since we have received assurance that it is not the Deputy Governor's fault that the answers to this questionnaire has been delayed, perhaps the House might consider a different course of action now.

HON P J ISOLA:

Mr Speaker, I am glad to hear that the fault does not lie in Gibraltar. I suspected, of course, that that was the case from our own deliberations in the Select Committee, but I didn't see how we could put a motion of regret in this House about the FCO or MOD because, in fact, our questionnaire was not sent to them by us. From the Committee it went to the Deputy Governor and, therefore, we couldn't see on this side of the House

how the motion could be worded other than as it was. However, as the Minister and the Chairman of the Select Committee has assured us that there will be a reply within seven days and that, therefore, the Committee will be able to continue its work, I would think that the purpose of the motion has been fulfilled - and it only had that purpose really, to get things moving - and I think in these circumstances because of the wording that we have been compelled to put to the motion, that in those circumstances it would be proper to us for the leave of the House to withdraw the motion, and this I would do, Mr Speaker.

MR SPEAKER:

Does the Honourable Member have the leave of the House to withdraw the motion? I have to ask because once it has been moved it can not be withdrawn without the leave of the House.

Leave was granted and the motion was withdrawn.

The House recessed at 1.00 pm.

The House resumed at 3.00 pm.

HON L DEVINCENZI:

Mr Speaker, I beg to move the following motion standing in my name. "This House welcomes the report of the Collister Working Party on Education and expresses its appreciation to the members of the Committee for the painstaking work done by the Committee and the thorough investigations carried out by them". Mr Speaker, as the motion standing in my name clearly indicates, the main object of bringing this motion to the House is to register certainly the feelings of this side of the House for the hard work undertaken by the Collister Working Party. They certainly have done a lot of work and I think that they have been very realistic in their approach. I have no doubt in my mind that they must have been confronted with many problems and certainly many different viewpoints. Nevertheless after going through them they came with their decisions which resulted in

the report of the Collister Working Party. Now, Mr Speaker, we have brought this motion to the House which is in sharp contrast to the Government side who have only gone as far as writing a letter of thanks to the Committee. I think, Mr Speaker, everyone would agree that it is in the House of Assembly, in the public forum of the Government of Gibraltar that such an appreciation should be mentioned. And I say the House of Assembly because by doing so it is very much a public statement and it will be recorded for posterity, so I think everyone will agree that it is the House of Assembly where this should be done. Now, Mr Speaker, I am not vindictive by nature and, therefore, though I have in front of me three Hansards which in some way or other deal with co-education and statements by the Minister, I will certainly be very brief of putting my motion forward. Mr Speaker, everything which is in these three Hansards has already been said in the House, this is quite obvious, therefore I will spare the House and I will certainly not bore the House with repeating what has already been said. However, I think I would not be doing justice to this House if I were not to at least recollect - and at this point I would just put away the Hansards - at least recollect to the House one or two statements made by the Minister. I think we all know, Mr Speaker, that the Minister made a categorical statement in the House that co-education would be implemented by September 1974. Also in answers to questions - we shall forget the dates because they are really irrelevant - again he continued with this thought in mind. I think it is obvious, Mr Speaker, that the Minister, possibly backed by the Government, was trying to bulldoze co-education regardless of the feelings of the people of Gibraltar. In a way, Mr Speaker, I think that it was partly, perhaps to a very great extent, due to pressure from this side of the House that the Minister came around to having this Collister Working Party. Mind you, Mr Speaker, statements made by Ministers as we are all aware do not count for very much. A statement is made to the House, which in a way is made to Gibraltar, and then it is completely disregarded. Mr Speaker, I said I would not quote very much, but I have in front of me the representations made by the Honourable and Learned Mr Peter Isola and myself to the Collister Working Party Committee and in very brief form I would say with all due modesty that our representations to the Committee are, in fact, the gist of what has been produced by this Committee. I do welcome the

laughter and the hysterics of the Chief Minister very much. Just for their record - this may bring more laughs - I am going to read just a small part of our representations and in case the Chief Minister hasn't read it, this is the Collister Working Party Report. We say very briefly that we welcome in principle co-education, but that we did not believe that the time was ripe to implement it in Gibraltar. I am sure that it has its merits and I would not propose to go into them, of course it has, otherwise we wouldn't welcome the principle of co-education. But we thought that the overriding factor in deciding one way or another would be the feelings of the people who are ultimately, particularly so the parents of children, ultimately responsible for the education of the children.

Mr Speaker, the Gibraltar Teachers Association as we all know were rather more in favour of co-education than against it, but nevertheless, perhaps, in their "wisdom" - and I say this in inverted commas - they also thought and considered that the overall situation had to be considered and therefore because the parents of the children were decidedly, by a very large majority against co-education, they have perhaps somewhat reluctantly accepted it. This again is in sharp context to the Minister who was, as I said before, trying to get it through regardless of the feelings of the people. Mr Speaker, we have heard it so often here by the Minister, he was absolutely convinced absolutely convinced, and nothing but nothing would allow him to change his mind. Apparently now even without changing his mind he has certainly accepted the recommendations of the Committee. It is possible, and I am not trying for a moment to cast any aspersions on the previous Minister for Education, perhaps he was following the advice of the Director of Education who unfortunately had to leave. And he left, but he was certainly not trying in any way to pay much attention to the recommendations of Brother Hopkins who as a result of leaving Gibraltar is now the Headmaster of the Number 1 Comprehensive School in England as far as the Christian Brothers are concerned. Mr. Speaker, I started by saying that the main object in bringing this motion was to thank very sincerely the members of the Collister Working Party and this I do once again and I trust that the Government opposite, who rules by pressure from this side of the House, will not take very badly my very mild references to the rather mistaken attitude of the Minister for Education, and will, because of the context and the contents of the motion as framed find it convenient if not wholeheartedly, to vote in favour of the motion.

Thank you very much, Mr Speaker.

MR SPEAKER

I now propose the question in the terms moved by the Hon Mr Lloyd Devicenzi.

HON A J CANEPA

Mr Speaker, some fifteen months ago, I remember telling the Honourable Mr Devicenzi when he moved a motion of censure on the Minister for Education, that that motion of censure had become a motion of censure against the previous Minister, namely himself, the mover of the motion. Under the guise of a motion which purports to thank the Collister Working Party for the very excellent report that has been produced, the Honourable Member has launched into a mildly scurrilous attack on the Minister for Education. As I said to him on that occasion, I say to him now. "People in glass houses should not throw stones."

I prefer the Spanish version to that "If you spit vertically upwards, the spittle is going to drop in your eye!" That is what, Mr Speaker, is happening here this afternoon. On this side of the House, Sir, we share the proper sentiment that there ought to be behind the motion, namely, the desire to thank the Collister Working Party for the excellent work, but I wonder, Mr Speaker, whether the action of the Government in writing letters of thanks to the various members of the Committee was not the proper action in the first place? Or is it that every time a Minister or member of the Government has to thank somebody he should bring a motion to this House to do so? If we were to do that, Sir, we would be in constant session for months on end. The fact is, Sir, that the Government has already thanked the people concerned, and the fact is that, perhaps, the Honourable shadow Minister did not do so and now somewhat belatedly he purports to do so in order to have an opportunity of criticising the Minister for Education. We have heard, Sir, that this Report embodies the recommendations of the Intergration with Britain Party to the Collister Working Party, and we were saying yesterday, rather jokingly, that at the next election we would not have a manifesto of our own, we would just have the Intergration With Britain Party manifesto and ask the people to return us because we could do our work better than they can. That apparently again is what happens here. But in welcoming this report, Sir, I would particularly welcome the views of the Working Party in part VI of the Report, on page 14 on Comprehensive Education. The matter which I am going to quote in a moment, in a short sentence or two - has been represented to them - they do not say *by* whom - I am wondering whether it was the Intergration with Britain Party that represented this to them. Namely, Sir:- "It has been represented to us, and we accept this, that the change to a Comprehensive System in Gibraltar while desired by the majority in all sectors of opinion, was introduced too quickly and without planning and preparation. This has led to a number of problems in the practical working of the system, a highly sophisticated and complex organism which those concerned are doing their best to overcome." End of quotation, Mr Speaker. I do not propose to discuss the Report, just merely, Sir, to thank the Collister Working Party for this particular view which is a downright criticism of the work of the previous Minister for Education. And that is why I say that this motion, not the motion itself, but the manner in which the Honourable Mr Lloyd Devicenzi has used it, is a reflection ~~of~~ his incompetence as Minister of Education.

HON M XIBERRAS

Mr Speaker, I do not think that the Honourable Mr Canepa is that naive that he expects his ministerial colleague to get away with this tremendous faux pas. That is French, and the last time I was in France was a considerable time longer ago than the Minister for Labour and Social Security was in Spain. Mr Speaker, as I say, the Minister

for Labour and Social Security is not naive enough to suppose that ~~the~~ tremendous faux pas of his Ministerial Colleague the Minister for Education, which very nearly had the most serious of very serious economic and other consequences on the progress of education, was going to go unnoticed and unspoken about when the work of the Collister Working Party, as is fitting, comes for commendation in this House. Whatever quotes - we shall come to Honourable Mr Canepa's quotation in a minute - whatever quotes one wishes to extract from the Collister Working Party's Report, there can be absolutely no doubt that that is an indictment of the decision of the Minister communicated to this House, on no less than three occasions, that it will be in the interest of Gibraltar, in his view, and he is the Minister, to move straight off into co-education. The Collister Working Party should be thanked, therefore, for correcting the Minister and for setting the seal on the arguments employed by my Honourable colleague Mr Devicenzi, on my right, and my Honourable and Learned friend on my left in this House when it was heard from Brother Hopkins that the Minister intended to do something very serious. He intended to rush into co-education, without the support of the Religious Orders.

MR SPEAKER

We are not going to discuss co-education. It is the Collister Report that we are talking about.

HON M XIBERRAS

The Collister Report does vindicate what we feel is the correct view in this matter - and we expressed this some time ago - and that is - that whereas co-education was a good thing in principle

MR SPEAKER

We are not even discussing the Collister Report. We are having a motion welcoming the Report.

HON M XIBERRAS

The Collister Working Party should be thanked for confirming that view, that whereas co-education is a good thing in principle, considerable preparation and acceptance of the idea was necessary before its introduction. This, of course, is diametrically opposed to what the Minister told us in this House some time ago. The Honourable Mr Canepa has referred to the rushing in of Comprehensive Education and, Mr Speaker, with your leave, I can just reply in a few

words. The Honourable Mr Canepa finished off at this point:- "without adequate planning and preparation. This has led to a number of problems in the practical working of the system. In the words of Mr Collister, a highly sophisticated and complex organism which those concerned are doing their best to overcome. Apart from this aspect, however, we considered that the system which is relatively a young one, even in Britain should be given a chance to develop over the next four years, to the point at which genuine Comprehensive Education is fully available to Gibraltar." And, of course, at least at that stage we did have the support of the teaching profession, of the Brothers and the Nuns in Gibraltar for the introduction of Comprehensive Education, which is more than the Minister for Education can say about his statements in respect of Co-education. Mr Speaker, the Collister Working Party was formed because Mr Collister came to Gibraltar and gave these excellent men and women the job of sorting out the mess the Minister had made. But Collister would not have been necessary had there not been a mess. I was in consultation with Mr Collister with my colleague on my right, the Honourable Mr Vevicenzi, and, I think, we should be grateful also to the man who gave the Collister Working Party its name, Mr. Collister. However, implicit in the work of the Collister Working Party, for which we must be very grateful in this House, there was a delay and there is even today. In this process of consultation there is a delay in the implementation of the furtherance of the Comprehensive system of Education. Because one of the things involved in the recommendations which are before the House at the moment, is the very vexed question of whether there should be one school or two schools, and whilst with the best of intentions and with the most admirable of results, the Collister Working Party proceeded with their investigations, the Minister had to sit and wait and not make a firm recommendation for the second stage of the Comprehensive School. The Collister Working Party sounded out opinion very thoroughly and we must thank them for this. They approached members of the public, they approached the Teachers Association, they approached the Parents' Association who in turn held meetings, it stimulated public discussion and I am sure Mr Collister must have been very amused at the time that this democratic process took. I am very glad that the Collister Working Party Report has been produced in time for the belated visit of the Chief Minister to the United Kingdom when once and for all, no doubt, we shall have agreement to the second Comprehensive School. Therefore, the Collister Working Party must be congratulated for covering in the shortest possible time the longest possible way to advancing the comprehensive system of education, and of course, the subject matter of the enquiry, eventual co-education. But the Report, essentially, one with which we are in agreement, and this is why we commend it, is essentially what the Intergration With Britain Party said in this House, said to the Collister Working Party and what the majority of people accept as reasonable. I am glad that the Collister Working Party has been able to get the agreement of, so it

appears, the religious Orders as religious Orders. Even the Chief Minister somewhat perturbed in this House by the effect which the imprudent statement of the Minister for Education might have on the religious Orders in Gibraltar. He smiles now, but he assured us then, if my recollection does not fail me, that he himself was educated by the Brothers in Line Wall College. This is all very well. We are all glad that this should be so and I am glad that the period which the Collister Working Party Report has recommended for a gradual implementation of this system is going to allow the religious Orders too, to arrive at a decision as to their future in Gibraltar. I think that the Collister Working Party should be thanked for healing this big breach that was developing between the Government of Gibraltar in the person of the Minister, and the religious Orders. I have no doubt that the Collister Working Party is material sufficient enough for the Minister to resign, because it is in direct contradiction of his stated policy. At the time of the motion of censure we only asked him to change jobs, asked the Chief Minister to change his job, but it is diametrically opposed to what the Minister was saying. There is one thing which the Collister Working Party has also done, one other thing, and that is it has produced a minority Report. A minority Report which condemns the views of the Intergration With Britain Party, I believe, as irrelevant. I can not remember the page in this report. Well, I leave Honourable Ministers opposite to decipher the implications of this recommendation and also their illogicality bearing in mind the fact that the Collister Working Party supports the views of the Intergration with Britain Party about which we are very glad. The Minister for Education has chosen to lay the report of the Collister Working Party rather belatedly again on the table in this meeting of the House. And he could not held smiling when he did so because I am sure he had forgotten, despite the fact that I asked him to lay the Collister Working Party Report on the table at the last meeting. I am sure we would have even more reason to congratulate the Collister Working Party on their work if the Minister now, repentant, accepts the recommendations of the Collister Working Party. He has had plenty of time for him to consider and reconsider and make his recommendations but he does not expect to get away with statements of policy and of the nature that he has made after a body set up by himself practically, has made the recommendations that it has made. I hope that we shall have more reason as I say to congratulate the Collister Working Party because its recommendations have been carried to fruition expeditiously. I hope that the previous antagonism of the Minister to the ideas which the Collister Working Party Report sets out will not in any way hinder him or slow him down in their implementation.

HON L DEVICENZI

Mr Speaker, do I understand by the silence of the Minister for Education that in spite of the fact that someone in the Government -

it might even have been the Minister himself, I do not know, I am beginning to doubt it - am I to be given to understand, Mr Speaker, that the Minister himself, should I say the proud Minister himself, is not capable enough to stand up in this House and thank the Collister Working Party publicly. I think, Mr Speaker, it bears repetition what I said at the very beginning that this is a public forum of the Gibraltar Government and, therefore, it is important that if one is to thank the Collister Working Party in a very effective and sincere way there is no better way of doing so than in the House of Assembly and not by a letter written by someone in the Government. It appears, Mr Speaker, that perhaps this letter which I am referring to has not even been written, it was merely a Press Release. Mr Speaker, it is normal for me and I think you rather appreciate my short speeches, and therefore, never stop me as a rule but I think you will bear with me if I just

MR SPEAKER

Not because they are short but because they do not transgress the rules.

HON L DEVICENZI

Thank you very much, Mr Speaker. Perhaps I would just add in answer to the Honourable Mr Canepa who has been the only one from the Government side who has said a few words on the Collister Working Party and not the Minister that, Mr Speaker, although perhaps it is irrelevant and one should not answer irrelevancies the reason why we introduced the comprehensive system - whilst I do accept rather in a hurry - was because it was the only way to do so. If we had not done so, we still would not have it. Perhaps it is better to be cruel and then to be kind. People were, perhaps, under pressure, there were lots of problems, but it is there and it is now as I understand it progressing to some extent, not as quick as we should like but it is there because we implemented it. Mr Speaker, may I just add once again publicly, in the House of Assembly our sincere thanks from this side of the House for the excellent work which I can not help repeating identifies the feelings of the Collister Working Party with that of this side of the House, it completely justifies all the recommendations and suggestions made from this side of the House to the other side of the House and which were not accepted but now they find themselves in a position where they can not do otherwise but to accept it.

HON A P MONTEGRIFFO

Mr Speaker, on a point of confirmation. Does that include paragraph 6?

You can read it publicly if you want and we will listen. Paragraph 6 in the report.

HON L DEVICENZI

Mr Speaker, I have just been reminded that it vindicates the Chief Minister for overruling the Minister for Education. Mr Speaker, quite seriously I do want to thank once again the Collister Working Party for its excellent work and I hope even if rather belatedly that the Minister for Education will even at a later stage bring out the necessary manhood to say publicly what I think he does not share in his heart. Thank you, Mr Speaker.

HON M K FEATHERSTONE

Sir, I am afraid that is a personal imputation which I would ask the speaker to withdraw.

MR SPEAKER

The most I can do is to ask him to withdraw if it is personal but I have not heard anything that needs to be withdrawn.

HON CHIEF MINISTER

I think we can give guarantees as to the manhood of all members of this side of the House.

MR SPEAKER

Order. May I have the words objected to repeated.

HON L DEVICENZI

Mr Speaker, I said to bring out his manhood. I never put it into doubt.

MR Speaker then put the question in the terms of the above motion, and on a division being taken the following Honourable Members voted in favour :

The Hon J Bossano
 The Hon A J Canepa
 The Hon J Caruana
 The Hon L Devicenzi
 The Hon M K Featherstone
 The Hon Sir Joshua Hassan
 The Hon Lt Col J L Hoare

The Hon P J Isola
 The Hon A P Montegriffo
 The Hon A W Serfaty
 The Hon M Xiberras
 The Hon H J Zammit
 The Hon J K Havers
 The Hon A Mackay

The following Honourable Members were absent :

The Hon I Abecasis
 The Hon Major R J Peliza
 The Hon W M Isola

The motion was accordingly carried.

HON M XIBERRAS

Mr Speaker, I have the honour to move the following motion: "This House urges the Government to review its thinking on the eligibility of teachers and other persons to participate in political activities and calls on the Government to strike a fairer balance between different sections of the community in this respect than there is today." Accustomed as I am to having piffling amendments brought by the Honourable the Learned Chief Minister to motions of this kind, may I first of all explain the general sense of the motion because I do not think Gibraltar would benefit very much if the Honourable and Learned the Chief Minister or his colleagues were to hide behind a small amendment of a technical nature in order not to face this, perhaps the most crucial political question, facing Gibraltar today as for a long time. Members are aware that the Government of itself can not change the law which governs eligibility to this House. But Members are also aware that there is very marked division of opinion between Members on that side of the House and Members on this side of the House. Therefore, the motion seeks to change Governments thinking on these matters so that there can be unanimity in this House in respect of this vital question on political activity. Mr Speaker, I have been engaged in promoting a fairer political representation ever since I came into active politics and that goes well before I was a member of this House. As a member of the Gibraltar Teachers Association and as a member of the Intergration with Britain Movement and as a practicing teacher at that time, I had the most varied and most unpleasant experience of being in theory a free man and yet subject to every single little rule and regulation which the administration threw at me in order to stop me expressing my political views for as long as I was a teacher. I speak, Sir, of my personal experience. I would also like to mention the personal experience of my wife and my family because as some Honourable Members of this House are only too well aware I was forced to resign in order to sit in this House from my post as graduate

teacher in the Gibraltar Grammar School just before the election, to give up 13 years of service, to collect a gratuity of £576, approximately, to incur the possibility of a house that I had got as a teacher being taken away from me, and today I am under notice to quit from that house, to live for 2 and a half years on £58 a month, making use for as long as it lasted of the gratuity which I had collected for my thirteen years of service in the Gibraltar Government, and if it is embarrassing for some, let it be embarrassing for some because we will get to some later on. If it is considered naive what I am saying, if it is considered a bit emotional, let it be so considered. I was, as I say, forced at one particular time to take the charity of my colleagues in Government in order to be a full time Minister in the Government of Gibraltar. My family had two children at the time and the circumstances in Gibraltar were such that they demanded full time attention in the particular ministries in which I was given by the Governor, on the advice of the Chief Minister. Mr Speaker, other Members of this House will not find these experiences alien to themselves. Let me start with the Honourable Mr Canepa opposite. Let me say that other members of this House, both now and in the past. One Minister of Education, for instance. The Honourable Mr Bossano, who I must mention, could have been very adequately making a living for his four children in a school, and so could the Honourable Mr Canepa be making a living in a school and, with all due modesty and in due appreciation of their work which I know closely, they could be making a most valuable contribution in our schools. But Honourable Members of this House are forced to make their living as best they can, here or there, and remain honourable Members of this House. I refer to some Honourable Members because other Honourable Members are not in the same category for such are the laws governing eligibility to this House.

Mr Speaker, the House is aware that in the case of teachers and other civil servants, such as Telephone Operator in the Medical Department, such as Craftsman in the Public Works Department, such as Labourer in the Public Works Department, are debarred from sitting in this House for as long as they hold those jobs. We know that this was the case for the Government of Gibraltar employees before the new Constitution. We also know that before the New Constitution - now getting old, 1969 - /were Members of the City Council, /though they were debarred from sitting not de- the City Council itself. I remember some pioneers who tried to break barred away from those shackles, even as they existed then, and I should like from to pay tribute to Alberto Risso, whom it is said took his wage, weekly sitting rather than monthly, because if he had accepted the promotion which was in the no doubt due to him, then he would not have been able to sit in this LegCo, House because in the City Council when you got above a certain level, a certain grade, you were not allowed to sit in the House. And that man gave up a very great deal of his time and his life for Gibraltar. But what a sorry state of affairs that this man could not become a Foreman, even though he was the same man with the same influence in the same job, because if he had, he would have gone over the brink and he would have been politically castrated. Mr Speaker, the House is aware that I have raised this matter from time to time, and I asked the Honourable the

Chief Minister, after consultation with him, about the possibility of amending the laws, or rather having new laws which would allow greater scope for people to stand for election to this side of the House. Let me explain that with the present Constitution, we have a less democratic situation now than we had before the new Constitution - not intentionally, mind you - because when Lord Sheppard was here for the Constitutional talks this was a matter with which my Party was very much concerned in the Constitutional talks because we wanted to get this House in order to be able to contribute in a proper and responsible manner. When Mr Tony Rushford, the lawyer from the Foreign and Commonwealth Office came over for the tightening of the nuts and bolts, the Constitution in principle having been already agreed, it was made clear that this House had the power to decide who would sit in it and who would not, subject to things like convictions, insanity and so forth which are set out in the Constitution. Mr Rushford's statement was made in the context of the Constitutional talks in which Lord Sheppard said: "The question of who shall stand for election is up to you in Gibraltar." And I remember he put down his lighter and said something like "Fine, let's go and have a beer", in his very endearing way. Well, even though the Constitution is not supposed to legislate because I asked Mr Rushford this question very pointedly: "Can the Constitution legislate?" And it was in relation to the natural law on divorce. I was informed that the Constitution was not intended to replace existing laws, or to abrogate existing rights. Any yet, though some may say that the Constitution would have made unconstitutional some acts that had been perpetrated in Gibraltar, and had been put in the law of Gibraltar, in this respect, and it has not done so, in this respect the Constitution has debarred people from the right to representation to the extent that the Chief Minister's own admission in this House 72% of the male Gibraltarians of working age would have to relinquish their job today if they were elected to be Members of this House. And the Chief Minister agrees that this is a most unsatisfactory situation and the Chief Minister has offered to make some redress to the extent of asking the UK Departments, or rather legislating in such a way that that allowance was made by the UK Departments of enabling their employees up to a certain grade - more or less the old Grade I or so - to stand in this House, all the way down to the Technicians and Labourers. In the UK Departments, not in the Gibraltar Government which now includes the ex-City Council employees as well. To that extent the Chief Minister has been willing to be flexible. There was a clear misunderstanding apparently on my part when he said: "We can enfranchise 3,000 at the stroke of a pen. Apparently the pen must have slipped because when we came to this House, the 3,000 had turned into something like 1,900 or so, which still left a considerable proportion of people who do not stand an earthly chance of even dreaming that they are going to become Members of this little tiny House of Assembly, in this tiny little place called Gibraltar. But even before these questions were asked in the House, my predecessor, as Leader of the Intergration with Britain Party, Major Peliza, had taken the matter up to the Chief Minister. And I remember, at my insistance, we tried to get the agreement of the Members on the other side of the House - they

were in opposition at the time - to something concrete, something we could agree to and something which would really make a difference to the disgraceful situation which exists in Gibraltar. And the Chief Minister was unable to agree then, as Leader of the Opposition. He still stood for limitations. And very serious limitations. There has been to-ing and there has been fro-ing, the Chief Minister has come to us and said : "You want to do too much. Why not be satisfied with a little bit now and then later on you can get more." And we are not because we are quite convinced that the Chief Minister does not want to open up this House of Assembly to other people. What were his representations to your Honourable predecessor, Sir, Mr Thomson, who formed a Committee which Major Peliza made representations on behalf of the Integration With Britain Party, on the question of full time Ministers and members allowances? The representations from the Chief Minister were that we should not have full time Ministers. This is very bad. This is going to

HON CHIEF MINISTER

If the Honourable Member will give way. It was not the propose of that Committee at all to go into the question of whether there should be full time Ministers or not. The terms of reference were to review the allowances of Members of this House.

HON M XIBERRAS

Whether those terms of reference would make the Committee competent to judge as to full time Ministers, is a different question, but I am concerned with the attitude of the Honourable and Learned the Chief Minister, himself, to that committee. I am concerned with the attitude of the Honourable the Chief Minister himself now, to the question of full time Ministers. Mr Speaker, this is a matter, as I said, of the widest concern. This is a matter which has been raised in every colonial territory practically. Certainly, as the Chief Minister knows, in the Bahamas it was raised when the Bahamas were ruled by the so called Bay Street Boys. People did not have a chance of getting there. It was a clique and the matter was raised at the time of Mrs. Judith Hart in Parliament.

Mr Speaker, the point I am trying to make is, in fact, that at that very time the Teachers' Association with a letter with which Mr Canepa may care or not to associate himself now, in a letter to the Secretary of State, the Teachers' Association protested about the question of political activities of teachers. I am saying that this is a very wide phenomenon extending to all Colonies and therefore it is very important because it is the rules governing eligibility which will determine what manner of people, or class of people, social class and otherwise, are going to represent the people of Gibraltar in this House of Assembly. Any my motion as you know, Sir, criticises the inbalance between one

class of people and another class of people. And, therefore, I have spent some time talking about the disability of one class of people, namely, teachers and others in the Civil Service even extending to the UK Departments today, and I shall now say something about the other class of people and compare them with a democratic situation outside Gibraltar. Mr Speaker, this, as I say, is a matter of the widest concern. It has been taken to Parliament and the answer of Mrs Judith Hart in Parliament was at the time - it must have been about 1965 or so - it was up to the territories. But it was to my mind a very bad instrument of Colonial policy not to allow the working class and middle class people of Gibraltar into this House of Assembly unless they were able or willing to give up quite substantially their own private welfare and their own private family interests. Mr Speaker, my Honourable and Learned Friend on my left, and Mr Solomon Seruya at the Constitutional Conference, both of them wrote down in the final communique that they agreed with some fulltime Ministers. Mr Seruya wanted to pay them, even in those days, £4,000. Well Mr Speaker, may I just say this. Mr Speaker, I hear some comment from Mr Canepa. Perhaps Mr Canepa with his experience

MR SPEAKER

No, I am not going to have people giving way. It is discretion as to whether people give way or not. We will never finish the debate if we do that.

HÓN M XIBERRAS

Mr Speaker, what I am saying is that it is much easier for a man to represent the people of Gibraltar in the House of Assembly if he is ensured, as he is in most other legislatures, that he can make enough money to keep body and soul together, at least till he gets into the Government and that is undoubtedly a factor influencing representation. And it is a factor that influences more people who are not so well off than people who have a private business or who have a private practice as lawyers or a private consultancy as architects and so forth and so forth. Therefore, I would suggest that it is perfectly within the terms of my motion. Well, there have been pioneers, people who have said: "Yes, we should pay them". We are very conscious of the expense but is the public of Gibraltar aware when they have told me: "You must be making millions up there" when I was a Minister, and I told them "Look, I live on £58 a month" and their mouth has dropped and they said "You must be joking. You are a fool." No Sir, I am an Honourable Member of the House of Assembly and an Honourable Minister. Well, Mr Speaker, there are members for the Association for the Advancement of Civil Rights opposite who do not believe in paying at least some Ministers rather more money. And the Chief Minister says: "Ah, for a very long time you were in Government and you did not raise poor Mr Xiberra's pay. We came in and we raised it before the

MR SPEAKER

I have already ruled you out of order on the question of pay. We are talking about the eligibility of members to this House of Assembly. The consequences of being elected is another matter.

HON M XIBERRAS

Yes, Mr Speaker.

MR SPEAKER

I will allow references to the fact that if they are not adequately paid it makes their eligibility more difficult, but no more than that.

HON M XIBERRAS

I entirely agree with your ruling, Mr Speaker. This is the kind of small mistake in the motion which precludes me from saying these things. I think I have said enough to establish the inter-relationship between one thing and another, the real problem facing a man or a woman who has to stand for election. Mr Speaker, I hope you will not rule out of order on the other third of the story. You see, Mr Speaker, Honourable Members of this side of the House and Honourable Members of that side of the House since this legislature began, Legislative Council and so forth, have not been debarred from this House or from holding office in the Government by virtue of the fact that at the time they were in the Government they carried on with their particular businesses and interests. As Honourable Members are aware this is not the practice, say, at Westminster or even in smaller legislatures where Ministers are paid a sufficient amount. Perhaps they are bigger than we are, they can afford more. This is fair enough. I do not know how much we would have to pay Honourable Members all around this Chamber for them to give up their interests or pass them on to their wives and have genuine democracy in this House of Assembly. I do not know. Will it be £4,000, £5,000 or £6,000 a year? Well, Mr Speaker, Honourable members here need not surrender these interests. So far they need not even have a declaration of these interests when they go into Government, not by law. Honourable members of this House are aware if they read The Parliamentarian, this excellent publication which tells us of other legislatures, are aware that the question of members' interests is one which is very much in the forefront of many parliaments. And I ask myself, how is it that a man can oppose a teacher being a member of the Opposition whilst he is still a Government teacher and at the same time agree with another man holding very wide and definite interests in matters that come consequently before this House, and say there is no conflict of interests there. Is that the situation of Gibraltar? That whereas one member can not take a job as telephone operator, the other

member can represent GibGal Ltd? Is that equity in the representative process of Gibraltar? That whereas one member would have to decide not to put on his politician's suit in the classroom and to take off his pedagogic suite in the House of Assembly, and this would be difficult for him, it would not be as difficult for another member to take off, let us say, his lawyer's robe when he comes to this House of Assembly. I ask the people of Gibraltar because this concerns them. Where is the clash of interests likely to be the greater? Who are the people who talk about sacrifice is necessary to come to this Chamber? Well, there have been some. I gather that the Honourable Alberto Risso was a man who said: "I am a simple man, I do not. I want to remain as I am." But let no lawyer - and we have members of this fraternity on this side of the House and I will come to the position of this side of the House and indeed, Mr Speaker, so are you. - Let no business man of flourishing businesses, let no architect come to me and tell me

HON A W SERFATY

On a point of clarification, Mr Speaker. If the Honourable the Leader of the Opposition is referring to me, I gave up architecture on the 1st of January 1973, and I have made a declaration to the Chief Minister on that.

HON M XIBERRAS

I am glad, Sir, that declarations are made to the Chief Minister. I could make a perfect declaration of my interests as a teacher any day.

MR SPEAKER

Yes, but we are now wandering away from the point.

HON M XIBERRAS

In any case, Sir, the Honourable Mr Serfaty happens to be an architect, perhaps, because he mentioned the word architecture this morning. And in any case I am not referring, of course, to the Honourable Mr Serfaty, but to the profession of architect, or to the profession of businessman. I am referring to that because I do not want to shelve the issue. I want the Honourable gentlemen on that side to face the issue. That is the real issue and my Honourable Friend, Mr Bossano, will have more to say about this. Where is the clash of interests greater? We know that in the case of the Civil Service two things have to be balanced. One is the principle that the Civil Service in the interest of democracy, not in its own interest or in the interest of the Foreign and Commonwealth Office, needs to be independant. And this is a principle which we fully subscribe to. And that interest must be balanced with the right of people to represent their kind in this House, and that is equally

important. If the leader of the Association for the Advancement of Civil rights has forgotten this, then it is right that he should be chastised for it. Mr Speaker, let us take two concrete situations. Let us take the situation which has arisen in respect of this Company, Gibgal.

HON CHIEF MINISTER

Mr Speaker, Sir, if there is going to be any question of allegations, I want to make perfectly clear that I have had nothing to do with the tender of sand at all with regard to Gibgal. Let it be known by the Opposition and by Gibraltar as a whole. In my chambers a company was formed and that is all I know about it.

HON M XIBERRAS

Mr Speaker, of course. But is the Honourable Member willing to make an equal declaration of interests.

MR SPEAKER

I will not have any allegations and I will not have any imputations.

HON M XIBERRAS

I am not making allegations.

MR SPEAKER

Yes you are, with due respect. You are supposed to be talking about eligibility of school teachers to the House of Assembly. I have heard very little about that for the last half hour.

HON M XIBERRAS

With respect, Mr Speaker

MR SPEAKER

There is no respect to be given. I am making a statement of fact.

HON M XIBERRAS

I am sure that you are, and I am sure that in your wisdom

MR SPEAKER

I have been very liberal but I must not allow it to get out of hand.

HON M XIBERRAS

Mr Speaker, I do not intend to get out of hand. The Honourable member has made a statement to the effect that he has had nothing to do with the

MR SPEAKER

The Honourable Member has been induced to make a statement by the imputations being made. With due respect to the speaker.

HON M XIBERRAS

Mr Speaker, I bow of course to your ruling and to your judgement. I might as well declare an interest in this business myself. Yes, I make £20 a week as a clerk at Messrs J H Ramage. The kind of job that I do is a very simple one. I have time off for my other functions which I consider to be of greater importance. Messrs J H Ramage are, of course, one of the companies involved in this. I was not responsible for putting in the tender

MR SPEAKER

I am not going to have any reference to the tender or I will stop the speaker from proceeding.

HON M XIBERRAS

And, of course, my bank account is

MR SPEAKER

I will not have any further reference to the tender and if I have another word on the tender I will ask you to stop speaking on the motion. I hope I have made myself completely and utterly clear.

HON M XIBERRAS

Mr Speaker, I bow to your ruling. Therefore, Sir, we have for one section of Gibraltar the same set of unjust rules all the way through, but

they favour one side of the community and not the other side of the community. That is the sense of my motion. I am not trying to get the Government to think for a moment that I am advocating for a fully fledged Westminster pattern. I am not saying that at all. I know that in a small community it is very difficult to get the right material for this chamber. If one looks at past legislatures one would find that there is a preponderance of self employed people, that the real working people are very few. Women, I think we have had two, Mrs Ellicot and Mrs Chiappe. We have retired people as well here. And that is the sort of legislature that this is. It is not the sort of legislature it should be, or the sort of legislature that is needed now for the problems facing Gibraltar or is going to be needed in three or four years time or even 2 years time. What I can not understand is why the Government or why the Chief Minister because he has spoken about this, is so concerned with one side of things but not with the other side of things. It has been proposed to him already. First of all there should be a full declaration of interests by members of this House, there should be

MR SPEAKER

This has got nothing to do with the eligibility of members to this House. Now, let us have the second point.

HON M XIBERRAS

Well, Mr Speaker, I thank you. I did not want to leave this in the balance. I think the basic point has been made. The basic point that it is inequitable. I shall have, of course, the right to reply in this motion and I think other members might be able to contribute.

MR SPEAKER

Are there any contributors to the debate?

HON CHIEF MINISTER

Mr Speaker, if I might just make a remark that Mr Bossano has very interesting things to tell us. I would like to say that I will be the only speaker on behalf of the Government and I would like to hear, since we are being urged to change our views, I would like to hear all the views.

HON J BOSSANO

Mr Speaker, I am glad that the Honourable and Learned the Chief Minister is interested in what I have to contribute. I hope that it does

influence his thinking on this matter. I think it is a very important matter facing the House. It is something, I remember, that has been discussed in a meeting when the Chief Minister made it quite clear as far as I was concerned that his view was that no public servant, using the word public servant in its widest possible interpretation, should be allowed to continue as a public servant and to be a member of the House, whether in Government or Opposition. He made it quite clear to me then that that was his view. I accept that he might have changed his view since then because we have seen on a number of occasions that the Government does change its mind and I think this is the whole purpose of having a debate in chamber. If we are all going to come here and say what we think and go away thinking the same as we came, then we would have wasted an awful lot of time. If we succeed in influencing each other by putting forward cogent arguments in support of the views that we hold, then there is a point in hearing each other. Now, I think the Chief Minister has to some extent realised that in that was his original position - and I certainly got the impression that that was what his original position was, it was wrong. I think he recognised it was wrong when he realised the enormity of the proportion who were, in fact, as he put it in answer to a question disenfranchised by the present system. The public servants, for example, include all the industrial workers in the MOD, as well as all the industrial workers in the Gibraltar Government service. I think the motion which refers specifically to teachers but also mentions other persons is concerned, primarily, with persons in public service. I think if you will allow me to say so, Mr Speaker, the question of money is not entirely divorced from this matter because it could well be for example that a person wishing to participate in Gibraltar's public life by standing for election and getting elected to this Chamber, might find themselves in a predicament. I think, Mr Speaker, that the question of remuneration is relevant to the extent that somebody might find himself under financial pressure from his employers and I think is the one dangerous element that there is in a democracy where people have to depend on a job that on the one hand we can say in the public service there may appear to be a certain conflict in having to accept the orders of Government during one's working hours and publicly oppose them outside working hours. There is, perhaps, a certain amount of conflict there, but there is also a conflict in being here and saying for example as I have said on many occasions, that the price of bread ought to be controlled and being told in another forum that since I am an experienced baker I could always get a job in the bakery industry which is perhaps true, I would always get it but I do not know how long I would hold it. So I think, Mr Speaker, that the financial pressure under which individuals who choose to present themselves for election and who actually have sufficient public confidence put into them that they reach the House of Assembly, should to whatever extent it is possible for the finances of Gibraltar to protect them, should be protected from external financial pressures, regardless of the job they do whether they are bakers or lawyers or whatever they do, they should be protected from external financial pressures.

which might make them, perhaps, diffident about giving full voice to the views that they hold on an issue

where their employers' interests might be affected. So I think to that extent the thing goes over a bigger ambit than purely the one of the public service. But I think the public service is the most obvious one because with such a large proportion of the male adult labour force in Gibraltar being classed as public servants in this very wide sense of the word where we have, for example, labourers, people working in the refuse destructor, gardeners in the MOD, they are all public servants and all these people are required by the present interpretation of our Constitution, to give up their employment because if they stood as members of this House it is suggested that there would be some incompatibility. Now, I myself feel that in Government it is very difficult to think of somebody being employed in Government and being himself part of Government. I see the greater conflict rather than being in the Opposition because I think in Gibraltar one of the things that we have is that people belong to a multiplicity of organisations. I am a trade unionist, I am now employed by a trade union in Gibraltar, I have been defending the interests of trade unionists in Gibraltar before I was employed by them. But now I suppose somebody could say that I have no choice but to defend them here because after all they pay my pay packet. This is an accusation that can be levied at somebody, that I have no choice because after all they can withdraw my pay packet if I do not behave myself. So one can see the dangers that exist in anything that seems to give rise to a conflict of loyalties and I think one should be man enough to face them when they affect oneself. I do not want to say anything about anybody else, I just look at my own situation and I think that if there are possible conflicts in my situation then, clearly, there must be possible conflicts in other people's situation unless they are very fortunate. I think our size makes it difficult for people to belong to just one organisation or one body and it is, for example, the case that at the moment most of the public service is involved in an industrial dispute with Government and what people say as trade unionists may conflict with their loyalty to the Government as civil servants, but one can not deny them their right to belong to trade unions and to speak as trade unionists because they are public servants. I think the same analogy applies to denying them the right if they are going to be useful members of this House of Assembly to participate in the House of Assembly. It is impossible to eliminate entirely conflict. As we can see, Mr Speaker, whatever one's job, whether one is in the House of Assembly and in Government or in the House of Assembly and in a private firm or in the House of Assembly and in a trade union, one can always point to a possibility of external pressure being brought in the House. And I think one can say the same thing, for example, of the House of Commons. There is always from the Labour side the accusation that it is the City of London who runs the Tory Government and there is always the accusation from the Tory Government that it is the Transport House who runs the Labour Government. I think in any situation one gets this sort of cross currents of influence and I think if one openly admits one's allegiance to a particular group then at least people know where one stands. I do not think anybody who wanted a defender of private enterprise and a defender of the wealthy would go about advocating that they should vote for me, quite frankly. I do not think that anybody should be surprised that I stand up and defend the working class. Those are the

people that, I think, put me here and those are the people I will defend. So at least one should not mislead anybody, Mr Speaker, and then the danger of external influence is minimised I think to the minimum. Taking this into consideration, Mr Speaker, it seems that the choice of a particular section of the community, a very important section of the community, that our Constitution puts in a special category and prevents from becoming full participants in our democratic system, is a bad one. For economic structural reasons in Gibraltar traditionally many of our brightest school children have joined the public service and this is particularly true of working class children who do not have an opening in a family business. Now, in fact, we have a situation where those who do have an opening in a family business can subsequently take an interest in politics, get elected to the House of Assembly, there is supposed to be no conflict between a family business and their presence in the House or between business interests and their presence in the House. Certainly the House and Gibraltar benefits from having somebody who has got something positive to contribute but it could equally benefit from having somebody who is either a mechanic or a school teacher or a clerk being a member of this House. I think it is not too difficult to draw the line somewhere and say: "Well, we would not want anybody who was in Government to be a Government employee because he would be in a difficult position if he were, for example, the Minister for Education and a school teacher then his headmaster would be in a very difficult relationship with him, clearly. I think this is accepted. But I do not think that his headmaster would be in a difficult position with him if he were a member of the Opposition and I think that being a member of the Opposition, for example, and being a school teacher would be a very useful thing when the House had to discuss something concerning education because we would have a man who not only knows as some present members of the House know education well from past experience, but would also be able to bring to the notice of the House their present problems. I think all of us can carry out this function now in the areas in which we work. There are small businessmen in the House who can bring to the attention of the House the problems of the small businessman when we are discussing something. I can bring to the attention of the House the problems of trade unionists. Lawyers can advise the House on how the law might be more unjust than it would appear to be to law members who know the law less well. This is the essence of a democratic process, that the community should be represented here. We have a difficult task I think, Mr Speaker, in ensuring that we are not creating unnecessary obstacles for people who can contribute something and who wish to contribute something and at the same time creating a system which is not unworkable. With goodwill, with a real desire to make our democratic

process as open as possible, as available to as many people as possible and consistent with good working practices for the Government with the elimination of clear areas of conflict, surely with the will to do this and with a clear recognition of the many advantages there are to be gained by attempting to do something that, perhaps, is more difficult to work with than what we have at present - no doubt it would be more difficult to work with - but when we think of all the other many advantages that we would gain in increasing the degree of participation and in giving this House a wider forum to draw from in terms of gaining opinions and views, surely the effort is worth making. Mr Speaker, that is all I want to say in support of the motion and I hope that I have not disappointed the Honourable and Learned the Chief Minister.

HON CHIEF MINISTER

Sir, I will certainly have to make up my mind on what I have heard now. No doubt other speakers will follow me and whatever that may be certainly it will not be very helpful in supporting their plea to the Government to change its mind. We can only hear just what we hear and I should have said before I asked for other speakers to come forward that I did not intend to make any amendments in order to take any advantage in terms of who speaks last or who speaks first, but since this seems to be my turn I shall do the best I can to deal with the situation which I know is a serious one. I know some ideas are very strongly held by members opposite but if I may pay a small tribute - and this is not an attempt at being patronising - the contribution of the Honourable Mr Bossano is certainly much more constructive than the rather aggressive and almost insulting attitude taken by the Leader of the Opposition in proposing the motion. That kind of language is certainly not conducive to making any Government change its mind on anything, let alone on a matter of this importance. I respect the fact that the Leader of the Opposition and members of his Party feel very strongly about this matter. I appreciate that and I appreciate that this has been going on for a very long time. But it is hardly fair to say that it is up to this House to change the qualification for sitting to say that this was felt passionately before he came into politics and to say how strongly they felt and the fact that for two years and 10 months they had a majority and they did not do anything about it. There must be something wrong there. Of course, there is something wrong. It is that it has been certainly ruled that it was not a defined domestic matter on which we could proceed because it affected the public service and, therefore, it is not my understanding of the situation - and I am only

speaking now in general terms since I shall deal with the particulars at a later stage - it is not admitted and I am not speaking for anybody but I am repeating what I have been told, it is not admitted (a) that the Constitution itself allows us to do what we like about eligibility of members here or (b) that Lord Shepherd made any formal undertaking at the constitutional conference that this was so, or that anything that Mr Tony Ashford or anybody with Mr Tony Ashford had any power to say anything beyond what stands in the Constitution and what was agreed at the constitutional conference. So, therefore, we see the difficulty. The difficulty is that no doubt it was found by the previous administration that they could not bring a law here to do what they wanted. If they could why did they not do it? Why did they not do it? They must have had some restraint. What were these restraints? When I was originally consulted on this matter by the Government of the time, I specifically asked whether that was considered and in regard to what I knew were the views of the Integration With Britain Party, whether the Secretary of State considered this to be a defined domestic matter or not, or whether it was a reserved subject. Because if it was a reserved subject I was prepared to give advice as the opposition. If it was not a reserved subject then I had nothing to tell the Governor or anybody else, I would say what I felt about it in this House when the proposals came forward. That is the position. They were in office two years and ten months and they were not able to bring one motion, one action on the part of a Government with a majority to carry out matters of such importance, but they bring it out from the Opposition. Maybe that is relevant in some respects. Maybe it is relevant relevant. I agree and if I may say so the Honourable Mr Bossano put the case very well because he did not avoid the difficulties, he faced them, some of the arguments did not completely convince me but he certainly faced the difficulties in an intellectual approach and saw that they were there. As I see that they are there, we see that they are there. We have brought up - and this is not the first time that the question of the civil rights has been "What are we doing, we have no right to be called Association for the Advancement of Civil Rights, we do not want to give the right to people to stand." Civil rights stands for something else as well. Civil rights stand for the principle of the impartiality of the civil service and of the fact that no democratic machinery can work properly if it has not got the utmost support without any question of party loyalty from its servants. Now I have tried in many, many meetings both with the Leader of the Opposition and with his predecessor, to try and see whether we could come to some kind of consensus and I have gone what I consider to be a long way to meet what I appreciate is a real problem, but

as so typical with so many things of the Leader of the Opposition, he wants everything or nothing and he is not able to have everything he loses the lot. This is the case with the question of the people in the Ministry of Defence and though he mentioned it today with an element of sarcasm, I think it is hardly necessary to repeat something that I had come to this House and I had said that I had got my figures wrong and I had made a mistake and I had apologised. I thought that would be the end in the true essence of a House of Assembly, of that incident. But no, Mr Xiberras must raise it every time with sarcasm and irony as if I had wanted to mislead the House. I explained the reasons, I apologised, I explained why it was that I made that arithmetical mistake but, of course, it is thrown at me today which to me seems as if he has done so much in the course of his speech which nearly came to an abrupt end. Now, because we have been trying to come to terms we have reached a stage where our separate proposals were put forward and there was no claim then, in our meetings with the Deputy Governor but there was no question of referring the matter to London. There was no claim. Well, we are going to do this, or "we are going to propose a Bill, you throw it out if you want to or the Government will throw it out". No, it is brought by motion. Why is it brought by motion?

It is clearly accepted, whatever may be said after I speak clearly accepted, that the passing of a bill in this House alone, and he knows this very well, will not be enough. So the matter is difficult and the matter is difficult in many respects and the Hon Mr Bossano has raised the matter in its various forms and he has made one distinction, certainly it has no future in some respects but he has made one distinction that was never made by the Hon Leader of the Opposition and that is the difference between being in Government service and being in the Opposition. That distinction has never been made. It was everything for everything. That was how it has been tackled all the time.

HON M XIBERRAS:

Nonsense.

HON CHIEF MINISTER:

It is not nonsense. There stand the rules and there stand the recommendations. First of all let me say this 72% - and I got my figures right at the time, I have not got them here - that giving the vote to people up to Grade I or equivalent in the Ministry of Defence would allow 36% to be given the right to stand for election if that was done and all that is required is agreement of both sides to put that forward as a joint representation to do that. Even that now whilst the rest carries on as I shall explain what has been happening in this matter. I appreciate that comparisons are invidious and that when one is in one position one thinks that somebody else is always in a more advantageous position in life. That is I suppose, life. But there are certain principles that one has to establish about what kind of House of Assembly we want and what kind of a civil service we want. Do we want a civil service, including a teaching profession, in which promotions might be made or appear to be made on the basis of political allegiance, depending on which Party was in office? Or a civil service in which divisions would occur among the staff on the basis of political allegiance?

HON M XIBERRAS:

Oh!

HON CHIEF MINISTER:

You can say all the "Oh's" you like but this is what you are going to get if you can teachers and other people in office or in the Opposition or exercising pressures. Or a

civil service in which the politicians as well as the senior officers will be unable to trust certain members of the staff in a particular situation? Or, as the Hon Mr. Bossano said before, a civil service in which political allegiance might prove stronger - political, I don't mean trade union allegiance, that is different - might prove stronger though nowadays it looks as if there is very little difference in some spheres. Political allegiance stronger than the loyalty to the employer thus leading to leakages of information? We know there are some sometimes. Sabotages of Government policies. Why not? Let the other Party pay for it. Let us take them out of office. Let the boys who are in the House of Assembly representing one Party try and undermine the rest of the people. Try it with members of the Party of a different political persuasion. All these things could happen if civil servants were freely allowed to participate as members of this House of Assembly. The Leader of the Opposition has made a very strong personal plea. Well, I doubt, with the greatest respect to him, whether the sacrifice that he made at the time is any bigger than the one that my Honourable Friend on my left who left, not if I may say so with the greatest respect a Graduate Teacher's job, but an Assistant Headmaster's job. But he doesn't go around the world crying about the sacrifices he has done for Gibraltar. He gets on with the job and doesn't try to cry on everybody's shoulder and saying what a wonderful man he is. Look at everything he has been giving up. This is all we heard when the Honourable Leader of the Opposition was a Minister for Labour. We don't hear those things now, and the sacrifices are bigger. We do not have that aurea of public relations in order to show what a wonderful sacrifice the Leader of the Opposition was making for the benefit of the people of Gibraltar. We get on with the job without this drama being put into the matter. We have ourselves an example of it. Has anybody ever heard in public, let alone in private, any groans on the fact of the great sacrifices he did? It was one that he did with his eyes open and I am very grateful to him because he is doing a job, a wonderful job, a much better job than his predecessor I am glad to say. We talked about teachers. There was a time when what was wanted was an ad hominem decision in order to allow Mr Xiberras to stand for election because the letter to which Mr Xiberras was referring previously did not refer to membership of the House of Assembly. It referred to the political activities of teachers and the fact that they could not write letters in their own names in the papers. It did not refer to standing for election. That came later when elections were in view. It all had to be done ad hominem for the benefit of the Hon Mr Xiberras. That is why teachers was the first one because he was a teacher. It may be said that the teacher is the least of the civil servants who could affect politics and therefore that he is away from the administration, but

he does not see files or letters and so on. There are other people who have different views. There are people who think that being in politics and being a teacher in Government service is a particularly mischievous part of the question of having civil servants in politics. Because the most important part of the teacher's job is the formation of the child in all spheres. How many teachers interested in politics would scrupulously keep politics out of the classroom. It is precisely the unscrupulous who want to bring politics and try and gear the children to their way of thinking. That is perhaps one of the most dangerous ones in the eyes of a number of people in Gibraltar, particularly parents don't want their children to be poisoned with any kind of politics let it be from one side or the other. They want to have their children taught impartially and properly and not by anybody who may be motivated by political ideas in order to spread them. In England - and we want to look to England for so many things we might look to this - teachers are not allowed to carry on teaching if they become Members of Parliament at all. Comparity they say. Let us not comparity on teachers on this question. We are not just going to follow what suits us and not what does not suit us. Incidentally, I suddenly do not want to be personal but I seem to think that of the conflicts that were mentioned by the Hon Mr Bossano one was I think at one stage - whether it applies to Gibraltar or not I could not care less - but I think following on the fact that Mr Frank Cousins became a Cabinet Minister, the Transport and General Workers Union passed a rule that no paid official should be a Member of Parliament or a member of Government, fair enough. A conflict of views, a conflict of loyalties, there it is.

Now, Mr Speaker, in an endeavour to meet this difficult situation I have suggested in my talks with the Leader of the Opposition quite a number of changes that could take us if not all the way, could take us some way towards relieving this problem of the number of people who are not entitled to sit in the House of Assembly. I said that we were prepared to agree that there should be an intermediate group in the civil service who should be free to stand for election, should be given unpaid leave from the date of nomination to enable them to conduct their campaign, should be reinstated if not elected, should resign from the civil service if elected and should be reinstated although not necessarily to the post previously held if he ceases to be a member of the House of Assembly after an absence not exceeding four years, one term, and he had no less than ten years service in order to be able to give him an opportunity to come back and he applies for reinstatement within a reasonable time. Now that was on the question of a grade of civil servant that we could do. With regard to people on the wage side, the telephone operators of the medical department, or the Public Works Department, industrial employees of the Gibraltar Government, I suggested that an

industrial employee should be eligible to stand for election without previously resigning, that on nomination as a candidate he should be given unpaid leave from the date of nomination, if he is not elected he would be reinstated in his previous capacity. I think I listened to both the Leader of the Opposition and Mr Bossano without attempting to ridicule what they were saying whilst they were talking. True that there was nothing that one could laugh at what Mr Xiberras was saying except the extent of his invective. I hope that Honourable Members will listen to me also perhaps because this question of convincing ourselves in the House of Assembly is not a one way thing of the Opposition trying to convince the Government. The Government may have good reasons sometimes to try and convince the Opposition at least of their views being put across.

HON J BOSSANO:

Mr Speaker, I am sure that the Chief Minister must realise that it is very difficult to take seriously that he is suggesting that one should take unpaid leave, for example, from being an industrial answering a telephone for four years and that the telephone should go unanswered until one returns from not being elected at a subsequent election of the House of Assembly.

HON CHIEF MINISTER:

I never said anything of the kind. That is attempting to ridicule. It is only 21 days from the day of nomination. The matter is far too serious but I will certainly cut my remarks to the minimum because I see that they have already made up their minds so what is the use. But, anyhow, for the record I would say that you could be absent from the service for four years and have the right of reinstatement. Somebody else would look after the telephone while the member was sitting here, no doubt. Unless they found somebody who again was anxious to get into the House of Assembly and could not accept the job. The period of the break would not count for annual increment or for superannuation purposes but if elected and whether or not he becomes a Minister he will be required to resign. But he would be entitled to reinstatement when he ceases to be a member. The Leader of the Opposition knows very well that following on our discussion the matter was taken to the Deputy Governor and in fact, when I said this morning that some things required a motion to get an answer, I was thinking also of this because this has been out for a long time and, perhaps if they come back with some agreement or some views, perhaps, we might get down and get something of it. I know that we were not discussing the question of interests but I would like to say this and I am sure that the Hon Leader of the Opposition will bear me out when I say that

I have always said from the beginning that we were fully prepared to agree on the question of declaration of interests. I said that from the very beginning and let me say now that the Ministers of the Government have signed not only a declaration of interest but a more positive declaration in respect of their own affairs. That that was a requirement of accepting office. And when the Honourable Mr Serfaty said that he had made a declaration to the Chief Minister the point was that I instituted a practice that we used to have in the City Council and that is that all Ministers who have any interests or contract which in any way, directly or indirectly affects the Government, should declare that interest in a book which lies in my office. If they hold shares in anything that might have an interest in Gibraltar they do it, and it is in pursuance of those instructions that I gave when I took office and carrying out the practice which used to exist in the City Council and which is normal in all municipal authorities in the United Kingdom because nobody suggests that Councillors in England should give up all their jobs. We know from experience that there is more conflict of interests, we will put it that way, in local authorities in England than in central Government and that is why he said that he had made a declaration. He had not made a declaration to me, he had made a declaration in a book that I gave instructions should stand there for all Ministers to make declarations of their shareholding or anything in any matter which can affect the Government. I accept, too, that declaration of interest may be different in respect of people in office and people in the Opposition. I accept that. Anyhow, I have never disagreed with the Hon Member on that aspect of that, though it was not part of the motion. Sir, our position remains, as the Leader of the Opposition knows only too well for a long time, that we are prepared to take steps to improve the position substantially and immediately by giving facilities to industrials and to those non-industrials in the intermediate group and it is, if I may say so, the idea of all or nothing that is preventing progress being made in this respect. There is an interesting cutting in the file here which I saw at the time and I put it here of the "Daily Telegraph" of the 29th of June 1974. "Whitehall Union joins row over 'backdoor MP's.'" "The Labour Government's plans to exempt its 38 policy advisers in Whitehall from rules prohibiting political activities by civil servants brought an angry reaction from the Civil and Public Service Association yesterday.. It is absurd and unjust that highly placed civil servants advising Ministers on policy should be allowed to take part in political activity when lowly paid clerks are not allowed to do so."

The Labour Member for Coventry attacked the Government, his own Government, and said "I don't think it is a good thing that the person who acts as a civil servant should be transformed overnight into a party political candidate." Now,

these are the principles that guide us. We know that there are limitations in Gibraltar. We want to enlarge them as much as possible but consistent with principles on which we cannot possibly give way because we attach as much importance to the democratic process as we also do to the membership of this House.

HON P J ISOLA:

Mr Speaker, I think that this motion is of considerable importance because I think it is a matter of great regret that since it was decided that the Constitutional Conference that the elected representatives of the people of Gibraltar would deal with this question of eligibility, nothing has come to this House ever since that date. I have been very interested to hear the Honourable and Learned Chief Minister's account of what happened at the constitutional conference as told to him presumably through the Foreign and Commonwealth Office. I have a very clear recollection of what was agreed since I happened to be sitting at the table there and there is no question about it in my mind that in that conference chamber with highly placed civil servants in the UK and Gibraltar and Lord Shepherd it was clearly said that the question of eligibility was for Gibraltar to decide, and nobody else. And Mr Speaker, roughly what we were talking about on eligibility was, in fact, incorporated into the Constitution. And unfortunately the lawyers who we are told can be useful in this House weren't very useful with the constitutional instruments when they were placed before the Government of that day or the elected representatives, all the parties taking part in the constitution. We thought that what had been said at the Conference or what had been agreed at the Conference had been satisfactorily put into the Constitution, and it said there "if it is so described by the legislature" and then it goes on to say the various things that we can do. We can decide who can stand, who can't stand, in fact, the whole sphere of eligibility was left to the legislature which is what we all understood had been agreed with Lord Shepherd, what we hadn't bargained....

MR SPEAKER:

That is a non-defined domestic matter.

HON P J ISOLA:

Mr Speaker, that is exactly the point that I am coming to. In my view if it is said to be today a non-defined domestic matter in my view it is a breach of the agreement that was arrived at the Constitutional conference. That is why it put "if it is so prescribed by the legislature". Now,

Mr Speaker, normally you and I perhaps not you, Mr Speaker, but certainly I and certainly the Hon and Learned Chief Minister who has far more experience in these matters than I have and, in fact, most people thought: "Well, that is up to us then, chums, it is the legislature". Now what do you think is the legislature in Gibraltar? Surely, the House of Assembly. Ah, but no. The last administration were referred to Section 24 of the Constitution." There shall be a legislature for Gibraltar which subject to the provisions of this chapter shall consist of the Governor and the Assembly." So now we are told that the legislature means the Governor and the Assembly. Well, Mr Speaker, my own view on this was - and I told my colleagues on the Government side at the time - my own view was that the elected members of the Government side of the day should have made up their minds and put a motion before the House and let's see what happens. Put a bill and let's see whether it would have been vetoed or whatever it is called by a Governor in an advanced Constitution like Gibraltar. But discretion was taken to be the better part of valour and the last administration took a very, very considerable time in working out, Mr Speaker, the whole question of the eligibility of standing for the House. Because when you talk of eligibility you are talking of everything that makes up the House of Assembly or a House of Assembly in any territory. My Friend, Mr Joe Bossano is always very much better than I can possibly be in putting the picture of a working democracy, a House represented by all the various interests in a community. Well let's face it, Mr Speaker, this House is not. This House is not represented by the various interests of the community. There are 72% of the male voting members of this community who are not represented in this House or who cannot be themselves representatives of the community in this House. And that must be a matter for great concern in this House. It's no use the Honourable and Learned Chief Minister saying: "First and foremost the impartiality of the civil service". But, Mr Speaker, unless you have a good working House of Assembly that impartiality may not be of much use to any democratic community as has been seen in many Commonwealth countries and Commonwealth territories, because the community is not fully represented in a legislature things have happened to the impartial civil service. But, Mr Speaker, no one on this side of the House is suggesting that you cannot have an impartial civil service, if you widen considerably on this question the eligibility no further than we can say that because a businessman is in this House he follows his own business interests and nothing else. No more than we can say if an architect or a bank manager - if I may refer to my friend opposite - or a lawyer or a doctor or anybody else. The whole question of declaration of interest, Mr Speaker, the question of what you pay your members is all linked. I would agree with eligibility. The need for declaration of interest is precisely because in a small community there are

many, many interests and we all know them. Some know them more than others, some less than others. This is the point, because when you talk of the impartiality of the civil service and the Hon and Learned Chief Minister does with a flourish is not allowed anywhere else in the world, he is absolutely wrong. He is absolutely wrong in his facts. This is the reason for the need for this motion. Because the Hon and Learned Chief Minister doesn't know what happens in other parts of the world. When Mrs Judith Hart spoke in the Houses of Parliament, she was precisely speaking about other territories, other Commonwealth countries and she was saying: "It is the policy of the British Government, it is up to each territory to have its own rules." And its only, Mr Speaker, I regret to say - and I don't refer to this one as a backward territory - but it is only in the backward territories in the Commonwealth and in the ex-Commonwealth, that the sort of rules that we have in Gibraltar are still enforced with the rigid colonialistic stick. And that is a fact. It is amazing to me that the Hon and Learned Chief Minister does not know this. When he speaks of the teachers in the UK not being able to stand for Parliament, again he is wrong, that is not the case. It is teachers employed by Local Authorities who cannot stand for their Local Authorities, not for Parliament. And when he talks of the impartial civil service in England, I agree with him. It is a very impartial civil service in England but there are - in case he does not know and I am sure he must know by now - three grades of civil servants classified in the British Civil Service. There are the restricted civil servants who are the sort of people that are sacred, the holy of holies. They cannot indulge in any political activity and they have protested and the reference in the Daily Telegraph that the Hon and Learned Chief Minister referred to was, in fact, the breaking of this holy of holies by the Labour Government of the UK, who thought that it was useful for a Government to have senior technical political advisors within the administration and who thought that these people should not be deprived of contributing their valuable experience on political matters and being allowed to stand for Parliament. But they had to be paid, Mr Speaker, they had to be given a status in the civil service, it is all very well for the Hon and Learned Chief Minister to ask why Mr Xiberras makes such a song and cry about the sacrifices he has made. It is all very well for the Hon and Learned Chief Minister to decry the efforts of my Hon Friend, but he hasn't had to meet those decisions himself or I, or a lot of members in this House. And I see no reason why people in Gibraltar who can contribute enormously to the public life of Gibraltar should be deprived of that opportunity because of the antiquated and colonialistic ideas being put forward in this House today by the Chief Minister. He has moved from his position, this is true, he has moved from an utterly rigid position to a slightly less

rigid position but it is not enough, that is why we are urging the Government to review thier thinking on the eligibility of teachers. Mr Speaker, it is well known, and I didn't bring my papers with me - because I did a lot of work on this question of eligibility of civil servants, and I produced papers on it and I compared with the position in the United Kingdom and I recommended that as far as that was concerned you had to put everything together, you had to put interest, declaration of interests, eligibility and pay together. No one is suggesting seriously on this side of the House that a civil servant who gets elected in what I call the intermediate stage, and becomes a Minister, should not resign. We would agree he would resign. What we said was that there were spheres in the Opposition where possibly there would not be a need for a civil servant to resign on being elected. But when you talk of the impartial civil service in the UK, and we have no doubt that it is impartial, we know that there they have three grades, the restricted grade, the intermediate grade and what is known as the "free" grade and the free grade who are roughly the people whom I think the Hon and Learned the Chief Minister wishes to enfranchise, are free to indulge in every political activity, stand for election and so forth. The intermediate grade, Mr Speaker, which goes up quite high on the scale, are also allowed to engage in political activities but must resign on nomination. What we did on this side of the House when the Hon and Learned Chief Minister says nothing was done in those times, I would reply that a tremendous amount was done but bringing the thing forward was stopped by two major factors. (a) the volte face on the part of the British administration of Gibraltar on what had been agreed at the Constitutional Conference. The requirements that the Governor should agree before it could go to the House of Assembly because it was a non-defined domestic matter. That was a breach of what was agreed and what Lord Shepherd clearly said to those taking part in the Constitutional Conference. And the second thing that blocked passage, Mr Speaker, was the attitude of the Hon and Learned Chief Minister as Leader of the Opposition. Because a very comprehensive paper was put forward on this. I will accept that the Chief Minister is going a bit further forward today, but all he would accept at the time was a reversal to the pre-1969 Constitution position, back to the old days where only a certain grade were.....

HON CHIEF MINISTER:

If the Hon Member will give way for one moment. It is not now that I have agreed to those proposals. These proposals were put forward at a joint meeting between the Leader of the Opposition and myself, I am surprised to see as far back as the 24 March 1973.

HON P J ISOLA:

I haven't come to that, Mr Speaker, I was referring during the life of the last administration. Because the Honourable and Learned Chief Minister was saying: "Why didn't they bring anything forward in two years and ten months?" And my answer to that is because there were enormous difficulties put in the way. If the Honourable and Learned Chief Minister had been here when I started speaking he would have heard me say that that was my view of how it should be done. I would have brought about a confrontation on the constitutional point, because I would have thought that they were right on that, but as I said discretion is the better part of valour. Discretion and also the possibility that the Official members on the Government side would vote on the motion in accordance with directions from Whitehall. Not only would that have created a constitutional crisis but the Government of the day would also have been defeated in the House, which was another consideration which had to be taken into account. That is why I said there were two factors that stopped progress during those two years and ten months. All the work was done. There were two factors that stopped it., one was the interpretation of the Constitution which, technically, was probably right but had been drafted in breach of what had been agreed at the constitutional conference, and the lawyers in the House weren't as useful as they might have been on that occasion, I must confess. And the second thing was, the obstructive attitude taken by the Opposition of the day then to progress on this matter other than on a very limited range, and when the Honourable and Learned Chief Minister says that my Hon Friend here wants everything or nothing I think that is an over simplification of the position. The problem that the Integration with Britain Party has in this is that once you go through the paraphernalia of the Foreign and Commonwealth Office and go through the whole thing on an agreed basis, that could then be the end of it for a very long time indeed. And, obviously, it would be wrong to compromise at too low a level of acceptability, Mr Speaker. When we talk of eligibility again, Mr Speaker, back to the impartial civil service, of course there are problems of loyalty in Gibraltar and nobody is going to convince me that everybody in the civil service - I think that they all do their jobs well subject to whatever the Public Service Commission had to say about these things, they all do their jobs and no one doubts that - but with a great number of them there are strong political sympathies one way or another. And this is inevitable in a small community. It is absolutely inevitable. This is one of the facts of life in the system of Government and Opposition which we put into play in the constitution. The fact that you are trying to just sweep it under the carpet doesn't change the situation, doesn't change the reality of the situation. It is precisely because we live in a small place, Mr Speaker, it is precisely because we live in

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a small place that you must be prepared to act on the principles that are acted in normal countries that have democratic experience. And, of course, the Mother Country is the obvious one here, the UK, where the principle of the impartiality of the civil service is sacred and I also believe it is sacred and we think the civil service is impartial. But the fact that certain grades are allowed to deal in political activities or stand for the House of Assembly won't change that. Mr Speaker, if we were to be worried about divided loyalties then I think we would seriously have to consider putting up that 72% not eligible to about 98%. Possibly the only person who could stand in a small house like this would be somebody like the Honourable and Gallant retired Col Hoare who is a pensioner and is not employed by anybody or doesn't work for anybody and has been away from Gibraltar for a long time and has come in his retirement to Gibraltar and stands for election and gets in. Rather like my Honourable Friend the Honourable and Learned Attorney General or the Honourable Financial and Development Secretary. If after their years of office in Gibraltar they were to say: "Well, this is a wonderful place I want to do something for it". They resign and they stand for election, I think we would all say: "Well, these people obviously have no particular interest to grind". But everybody else has, Mr Speaker, and I think the point my Hon Friend Mr Xiberra was trying to make is that we all have interests and that it is unfair that because there is an interest you wish to be protected from insofar as certain low grade civil servants are concerned, if you are to use that criterion for civil servants you should use the same criterion for lawyers, architects, doctors and business men. This is the unfairness of the situation. No one suggests that a lawyer or a doctor with a particular axe to grind, no one is going to suggest that when put in a public position he is going to act otherwise than in the interests of the public. If we were to suggest otherwise then we must make it ineligible and we must continue this ineligibility thing till we find there is nobody to stand. Goodness knows, Sir, certainly in my knowledge and I am sure the other side will equally admit, it is difficult enough to find candidates to be elected to this House. That is a reality, and the reason for that is because who in his senses, Mr Speaker - and I hope I am making no allegations of insanity on the part of my Honourable Friend here who might well today have been Director of Education if he had not undertaken this terrible step or, the Honourable Minister for Labour on the other side who may also have been his assistant, of course I do not know was senior in the service, one or the other. Who in his senses, Mr Speaker, is going to risk giving up everything to come for £400 a year on this side of the House. Now, of course there is one thing the Hon and Learned the Chief Minister forgot and that is my Hon Friend the Minister for Labour is very much better off thanks to the pressure from this side of the House than my

Hon Friend Mr Xiberras was when he was a Minister. The Ministers' allowances went up by 40% in our own quiet biennial review and we agreed with it. Our views are that it should be much more, very much more, Mr Speaker, because there is no reason at all why the same old faces should appear in this House year in and year out for years and years. In my view the reason why this occurs, Mr Speaker, is because we are not sensible about eligibility, we are not sensible in our approach to pay for Hon Members and Ministers and we are not sensible in a lot of things, Mr Speaker. I know that perhaps to convince the Chief Minister I should have spoken before him but then, of course, one also likes to hear what he has to say and what he has said has convinced me, Mr Speaker, that his attitude on this has changed not one bit. The only way this real progress will be made is by a constitutional conference in which this little section would be amended to ensure that it is the people of Gibraltar who decide what eligibility is required for the House of Assembly and no one else and then, of course, a House of Assembly in which the Chief Minister's views are in a minority. That is the only way it would regrettably seem to me this is going to happen.

HON M XIBERRAS:

Mr Speaker, I must first of all congratulate my Hon and Learned Friend for an excellent address and I don't have to do that for the Hon Mr Bossano because the Hon and Learned Chief Minister has already done it for me. But I second his motion on this occasion. Mr Speaker, there are just a few points which I think need putting right, some of which Mr Isola has already touched upon. The first is that this was raised from the Opposition now in a motion. It is quite so but we have done as Mr Isola said a considerable amount of work on this and as the Chief Minister himself admitted. In one breath he said that we had done nothing about it in our time in Government and then in the next breath he says "I had many, many meetings with the Leader of the Opposition and his predecessor."

HON CHIEF MINISTER:

If the Hon Member will give way. I said they had done nothing officially as a Government. You certainly did not even bring a motion here as you are doing now from the Opposition, and you had a majority.

HON M XIBERRAS:

Mr Isola has already explained that circumstance and no doubt the Hon and Learned the Chief Minister would have been delighted if officials had voted against the Government at that particular time and he would have formed a Government straightaway. He had to wait a little while longer for this.

HON CHIEF MINISTER:

Yes, but I got it.

HON M XIBERRAS:

Yes, I know and by what means as well. You see, the attitude of the Chief Minister has not changed at all. He has bolstered up the independent civil service, he has spoken about the terrible dangers attending a teacher in politics and so forth, for the children. He has drawn in the parents, and so forth. Let me tell him again a little bit of my experience as a teacher. What has been confirmed in certain reports produced by the teaching profession in the United Kingdom, and that is that it is the man who does not take an active part in politics who is most likely to influence the children because he will try his ideas out on the children and not in the proper forum which is the House of Assembly or the Committee Room. That has been accepted by the National Union of Teachers in the United Kingdom and also the Labour Government. I have spoken about the Association for the Advancement of Civil Rights but the Hon Members opposite are also the Gibraltar Labour Party, and the Gibraltar Labour Party has views that do not accord one bit with the British Labour Party because the Hon the Chief Minister was saying that the civil servants union in the United Kingdom was complaining that the Labour Government had pushed in political activity to a very high range, that is into the administrative class of the civil service to civil servants who are in when decisions are taken who offer top advice. And yet it was the Labour Government that did this. Of course he is the Gibraltar Labour Party and there is quite a difference. He is absolutely wrong of course to suggest that teachers cannot be Members of Parliament. Apart from the fact that a Member of Parliament in the Opposition in the United Kingdom gets something like £3,500 plus secretarial facilities and so forth for being in the Opposition and speaking once ever so often and going to committees and we talk ourselves silly here, of course, and he doesn't have half the responsibility of Hon Members opposite or even if I may say so, as Hon Members on this side because the responsibility is more concentrated. Apart from that, teachers in the United Kingdom are employed by the Local Authority and are not employed by the central Government. But let us come to the central Government. The Hon the Chief Minister knows it because he showed it to me - the MacManus Report on the Civil Service - and there all the grades of the civil service are given different political participation. And since then, of course, there has been progression. I believe that the Fulton Report on the civil service also contains certain recommendations in this respect. What the Chief Minister cannot deny is that as far as the clerical class is concerned, at least they have some freedom, at least they can

write a letter in the newspaper about a certain matter without having to bother with this Colonial Regulation I was taken up by the Administrative Secretary at the time and called up and said "You cannot write this. What do you want to do, change the world? This is a Colonial Regulation. You cannot write in the Press." I wrote an article in the Press being a teacher. I do not know what the Hon and Learned the Chief Minister was doing at the time but I heard that after one of my speeches in Mackintosh Hall, not being in the House of Assembly but simply voicing an opinion in the Mackintosh Hall, there were very urgent consultations in Council of Ministers at the time by the politicians of the day. I remember that I do not know which side he was leaning on, whether he was going to stop me or to encourage me. Neither. But, perhaps, he knows about my Hon Friend who started his course to this House by speaking in a political forum whilst he was still a teacher and a member of the Committee of the AACR.

HON A J CANEPA:

If the Hon Member will give way, for very many years I have been a member of the Committee and I had never taken any active part in politics because there was a tacit understanding, it was a code of conduct in the civil service to which I had to ascribe because I was employed as a teacher, that I would not take an active part in politics. In fact, I did not do so until following the formation of the Integration with Britain Party when two other teachers took an active part in politics. When the dam burst then I followed suit. What was good for the goose was good for the gander.

HON M XIBERRAS:

I would have said that being in the Committee of the governing party in Gibraltar was taking part in political activities. I would have said so, and that was a long time before. But, no matter, I am talking about if I did it and Mr Alfred Guerreco did it in his time, Mr Eddie Ficardo did it and the then Mr Adolfo Canepa also did it, and the Chief Minister of the day to my mind did not express his displeasure at all, at that particular time.

HON CHIEF MINISTER:

On a point of order. It is not a matter of whether they were writing letters or taking part. It is a matter of eligibility to the House. The whole thing is different.

MR SPEAKER:

I did not want to interrupt the speaker because I have done it often enough today and I do not want him to think that I am interrupting him too often. The question of civil servants participating in politics outside the House has nothing to do with the eligibility of civil servants to the House.

HON M XIBERRAS:

I was talking about the MacManus Report, Sir, and saying that the different gradings in the MacManus report allowed for different types of political activities and that in fact, in Gibraltar there is no such grading at all, and that the attitude of the Chief Minister to this question of moving towards this House of a political not only a career - but political participation to the highest level of eligibility to this House. Mr Speaker, it is no good raising this tremendous scare about the impartiality of the civil servant because he knows, and he must be sincere with himself, he knows that what my Hon Friend Mr Peter Isola has said is absolutely correct. You could go through the civil service and say - well, not every member but a good number of people - he is inclined this way, he is inclined the other way. I have no experience about promotions on the basis of political allegiance. I don't know. With the short time we were in Government and these things are not done over a short time when they are done and wrongly done. There is polarisation in the civil service and this does not help. I disagree with it. I disagree with this polarisation which the authorities have to turn up a blind eye to. We have a hypocritical situation where everybody knows who sympathises with which Party and we are going to keep a rule in existence which says civil servants, even of clerical grades, should not belong to a Committee of a political Party or should not speak in public on these matters. That is colonialistic and if the Chief Minister supports.....

MR SPEAKER:

We are again parting ways.

HON M XIBERRAS:

Mr Speaker, the Chief Minister said that this is the first time he had heard this side of the House - when Mr Bossano spoke - make a distinction between the Government and the Opposition. Now either he has a very short memory or he is absolutely mistaken in saying so, or I don't know what. This is in our representations and in the paper presented by Mr Peter Isola and I made reference to it today in my speech. Let me make it quite clear for the Chief Minister. We are not advocating - and he knows this - we are not advocating that a teacher should be

able to remain a teacher in a Government school and sit on the Government benches as a Minister. That is not what we advocate. We are saying, and this is one of our borderline cases in fact as he knows, and this is why I wanted to get his agreement on this, to make sure that there was understanding by both sides of the House on this and there was cooperation in its fair implementation. We said "Let us try a system in which a teacher stays in a Government school and there is a convention that he does not speak on the matters affecting that department." He needn't pull that face now because he knows this has been put down. He knows this.

HON CHIEF MINISTER:

Yes, I know it, and it is a denial of the right of representation. Anybody who votes for a teacher is being denied his right to speak here for education because a teacher has been elected. I think there would not be a bigger travesty of popular representation and democracy.

HON M XIBERRAS:

What a sanctimonious attitude to take, Mr Speaker. What a sanctimonious attitude to take when somebody says "I am willing to enfranchise 3 % of the 72% that cannot stand unless they cease to teach altogether". How many people are stopped from coming to this House or how many more people are stopped from coming to this House by the Chief Minister's method or by our methods? And who has democracy really at heart on this question, and representation really at heart? Mr Speaker, the Chief Minister spoke about poison and he also said that I was arguing ad hominem, because of myself. Well, this is a fact. But he has a member next to him who has been involved in this question.

MR SPEAKER:

Yes, but we are not going to go into that again. You can make a reference but let us not go into details.

HON M XIBERRAS:

The reference is that it works even without being represented in this House. It is perfectly compatible for two members of opposite political parties such as Mr Canepa and myself to work side by side and not to interfere with the running of the school. That is my experience. It is perfectly possible and it has happened over a good many number of years. If I say teachers, I also say nurses. I have been talking about teachers a lot but the same applies to nurses. Of course, our doctors cannot take part if they work for the Government. This is also because that is another sort of people who are not able to stand

for this House. In fact, if we were to trace as I once did the number of people who left the Grammar School stream into positions where there is no right of representation unless you resign your job, in my time when I did it about 1966 or so, it was something like 67% of those people. Of the remainder, take how many go into a particular sector of our economy, how many goes to a particular side, a social side of the community, economically speaking, and what are you left with to represent the others? Well, you are left with the chap who says "Look, I'm sorry. I am very willing but I cannot come to this House of Assembly because I cannot speak English", and there lies the problem. A bilingual community in which working class people are less adept at expressing themselves than other people and on top of this disability of language we impose a disability on their eligibility to this House. So we get in full political debate and we get the representation that we do get which is completely partial of one side of the community. Well, I am sorry that we cannot change the Chief Minister's mind. I am sorry the Chief Minister has taken my speech as being aggressive and insulting but at this particular moment of time I feel that particular way, this strongly, about it that he and members of the Government should tell me and members on this side and on the other side that there could be a greater clash of interests Mr Speaker in the case of a teacher or a nurse than there could be in the case of a lawyer, an architect, or a businessman. That to me, is not British fair play. That is not fair representation, and I resent it.

Mr Speaker then put the question in the terms of the above motion and on a division being taken the following Hon Members voted in favour:

The Hon J Bossano
The Hon J Caruana
The Hon L Devincenzi
The Hon P J Isola
The Hon M Xiberras

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 following Hon Members were absent:

The Hon W M Isola
The Hon Major R J Peliza

The motion was accordingly defeated.

The House recessed at 5.45 p.m.

The House resumed at 6.05 p.m.

HON J CARUANA:

Sir, I beg to move the motion standing in my name which reads as follows:

"This House is concerned with the lack of privacy available to the public when making enquiries at the Income Tax Office, and resolve that the amenities available for receiving the public, the public being proved forthwith." Mr Speaker, I think this is a matter which everyone has an interest in and where everybody is eligible for taxation, in great contrast to the previous motion. It has been represented to me by quite a number of people who have gone to the Tax Office to make enquiries that it has been very embarrassing for them that when they have asked about their personal problems and put their personal problems they are answered by the young lady or the gentleman behind the counter through the little opening in the wall and that when there are more than one person in that very small enclosure which hardly measures more than possibly 10' x 6' at the most, everybody around gets to hear about everybody else's business. Since more than ever before since more people are going to the Tax Office on enquiries in view of the assessment of taxation and increase in taxation and changes in taxation all round, it is a legitimate complaint and therefore it is something that we trust that by bringing it to the notice of this House that the powers that be will see it fit to produce the necessary funds to improve the facilities or a change of venue so that when the public go to make an enquiry they can be at least heard in isolation from anybody else. And it is with this view in mind that I bring this motion to the House and trust that it will be supported by the House entirely. I have used the word "forthwith" not to pressurise the Government into doing anything against their will but to bring into the forefront the necessity to do this without any delay because it is a great source of embarrassment and annoyance to the public. I have been to the Tax Office and I never got down to discussing my problem, I just turned round I understand also that some people have also had the same experience. They have to write in and this leads to mistakes and therefore a person might be paying more tax than he need do so. Therefore, my motion is no reflection on the work that is being done at the Tax Office. On the contrary we hope that this motion will greatly enhance the amenities available for that very important department which is growing in importance everyday. Mr Speaker, I commend the motion standing in my name to the House.

Mr Speaker then invited discussion on the motion.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, this is an administrative matter affecting the Income Tax Department which is my responsibility I am, therefore, answering for the administration. Sir, I accept that this is a valid and useful proposal. I am grateful to the Hon Member for it. Of course, Sir, it is my Hon Colleague, the Minister of Public Works who's Department does the work and it is my Department which provides the funds. We have many good proposals put to us including from elected Ministers and the Honourable Chief Minister, too, but I do accept also as the Hon Member opposite has said that at this time particularly the Income Tax Service to the public ought to be as good as we can make it. The two little windows in the little room serve well enough until the time came in the past year or so and more and more people were having to question their assessments and seek information about their income tax. Sir, we shall heed this motion and devise the best arrangement we can, perhaps, by way of setting up some division between the two windows, little cubicles, perhaps, placed where the person seeking information can sit down. Sir, the only word in the motion to which I must draw attention is "forthwith" and that I trust will be allowed to be taken in the sense of as soon as we can get round to do this. Sir, I hope that we will all of us concerned with public affairs and the public service, too, will in all matters in this same spirit put service to the public first. Thank you, Sir.

MR SPEAKER:

Does the mover wish to reply?

HON J CARUANA:

I thank very much the Hon Financial and Development Secretary for receiving this motion in the way he has and I do trust - because one has lost confidence in a lot of assurances that one has in this House - I do trust that this very important but small matter will be taken very seriously and put in hand and not just shelved.

Mr Speaker then put the question in the terms of the above motion which was resolved in the affirmative.

The motion was accordingly carried.

HON CHIEF MINISTER:

Mr Speaker, that is the end of the Agenda and I now formally move that the House be adjourned sine die.

MR SPEAKER:

I now propose the question which is that this House now adjourn sine die, and in doing so I would like to inform the House that I have received notice from the Hon Mr Caruana in which he asks for leave to raise a matter on the adjournment the matter being the unsatisfactory replies given by the Hon the Financial and Development Secretary and the intervention of the Hon and Learned the Attorney-General, to questions 112, 115 and 116, together with the most disturbing circumstances surrounding the arrival of the first consignment of sand in Gibraltar under the new Government contract. I would like to explain that under the Standing Rule in question which is rule 25B(4), notice of an intention to raise a matter in the adjournment must be served in writing before 5 o'clock the day before it is intended to raise the matter unless the Chairman or the Speaker in his discretion dispenses with notice. I will dispense with notice because the matters which the Hon Member wishes to raise on the adjournment were touched upon by the House yesterday morning. He did not have enough time to consider the implications, the meeting is coming to an end sooner than expected, and unless I use my discretion he will be debarred from raising it on the adjournment. I therefore, grant the necessary leave. In doing so I will call the Hon Member's attention to the fact that whereas all rules of debate apply, there is no division at the end of the debate and the time of the debate is limited to 40 minutes.

HON J CARUANA:

Thank you, Mr Speaker, for this discretionary allowance of yours at this stage and I shall proceed forthwith with the matter which the Opposition consider to be of the greatest public importance and concern. Mr Speaker, before I go into substance I would say that I regret that it fell upon the Financial and Development Secretary to reply to questions which overlap his department and the Public Works Department. I would have rather preferred that in the greater part the Hon Minister for Public Works would have contributed to it more because he has been in the thick of it all before then and a lot of the substance involves his department. We are bringing this motion at the adjournment, Mr Speaker, because of the answers given by the Hon the Financial and Development Secretary which we find most unsatisfactory at least on three questions: Nos. 112, 115, 116. There is in my view the possibility that inadvertently the matter is being attempted to be clouded over in the answers given by the Government and I shall explain several of these shady - in the sense of darkness rather than in the sense of illegality. We are also bringing this forward because certain questions of legality have been raised as to the validity of the tender, the date on which the company was incorporated, the date on which the

tender was awarded, the statement made by the Financial Secretary that there had been an oversight, the statement by the Financial Secretary that consultations had been carried on during and after but before the contract was awarded. We are also concerned about all the assurances given by him and accepted by the Government and then the Hon the Financial Secretary saying that they were most satisfied with those assurances when everybody knows that it was most unsatisfactory and that the contract was in breach in at least 3 of the clauses in it. We are also very concerned with the manner in which the Trade Licensing Committee has been approached and that this matter has not been taken in Committee, and we have to take into account representations and objections made by parties concerned in this matter, objections which to all intents and purposes, whilst they were listened to by the Trade Licensing Committee, were futile because the decision had already been taken before their case had been heard. We are also very much concerned with the question that non-EEC persons have been granted a trade licences in Gibraltar and, therefore, puts the whole question of the Common Market and the whole of business in jeopardy. Mr Speaker, when we see that the Government has fallen backwards to help this concern - and I shall not attempt at this stage to go into ~~dates~~ because all that was gone into yesterday - that the cry of the Government that Gibraltar is for the Gibraltarians and the Right to our L and has been made a mockery of, and those are sentiments which I admire because I am a Gibraltarian and I think that I have a right to my land as well but not in the sense that the Government puts it. But here is an issue where the Government should have firmly by Gibraltarian interests before our outside non-EEC interests. I will say too that it has been brought to my knowledge, in comment, that the Government was going to save £12,000 in the process and it is questioned whether, in fact, the economic thinking of the Government was wise because out of those £12,000 which they reckoned was going to be saved in the purchase of sand on an overall programme in Gibraltar of millions of pounds, the percentage saving is ridiculous. The Government is not taking into account the possible loss in taxation, the possible loss in foreign exchange, the fact that trade has to be paid in foreign currency if the vessel is a Portuguese vessel, according to Portuguese Law, and more so that it will make things more difficult for operators in Gibraltar and the Government by its ~~action~~ has forced an operator away from the Port of Gibraltar to other Ports, which I view With great concern. We on this side of the House have attacked monopolies in Gibraltar and we will continue to attack monopolies in Gibraltar wherever they arise. But this raises a matter of great importance. We all know that if there is a lot of loose money going around in the world, Speculators are not investing in the stock market because it is at its lowest and, therefore, they are looking for places like little Gibraltar to make quick business deals in the foreign exchange market. I remember in this context the Hon Mr Featherstone in the 1969

election mentioning that Gibraltar was going to be flooded by foreigners but the foreigners he meant were Englishmen. Is he not worried that we are going to be taken over by a flood of Portuguese now. Mr Speaker, the principle still stands. The Honourable and Learned Chief Minister can hiss but he will remember that in the July meeting I raised in this House when we were considering the extension of the Trade Licences Ordinance that I expressed my concern. With your leave, Mr Speaker, I will read it because I believe it is relevant. I said: "I agree with the extension of the life of the Ordinance provided that the Government gives me an assurance as possibly a mouthpiece of the people interested in this matter that countries who are not in the EEC are not entitled to trade in Gibraltar either in partnership or otherwise with EEC members, and that they will have to go through the whole procedure of replacing the trade licences before they operate and not turn a blind eye as is the case of local companies". And I got an answer from the Hon Financial and Development Secretary and he very properly referred me to the Trade Licensing Committee. Now we find that the Trade Licensing Committee have not been fully consulted on the matter as it should have been in this case. Each member was approached individually for their signatures. This is the case because we have the evidence and testimony of members in the Trade Licensing Committee on this case question. The matter of the granting of this licence to Gibgal was done on a personal basis and was taken by a messenger to the offices of the various members at the time present in Gibraltar. This fact has been established. But I am referring to the fact that the Hon the Financial and Development Secretary replied to me in that vein I accepted then. I have lost faith in assurances from that side of the House. The Hon Chief Minister also contributed in this. And he said to me: "With reference to the remarks made by the Hon Mr Caruana, I agree with the matter raised by the Financial Secretary but he may be pleased to know that insofar as the Financial Secretary or whoever presides can convey to the members of the Committee the views of the Government on any matter. These are not binding on the Committee". But we have gathered through the questions and answers the other day that the ideas of the Government were very strong on this issue but they were not represented to the Committee and therefore, this leaves a big question mark in the whole affair. The Chief Minister continued: "Whoever presides can convey to the members of the Committee the views of the Government on any matter. These are not binding on the committee. The points that were raised by the Hon Mr Caruana are if I may say so with respect better addressed to the Select Committee in order that future legislation does give that protection that he is seeking. The concern for which I fully share." So we find, Mr Speaker, that over and above this, and before the Trade Licensing Committee had been consulted and as early as August the Government gives a letter of intent to Gibgal - I am reading now, Mr Speaker,

from a release which all the members of the House have received from the parties concerned in this matter - "Granting it the sand importation contract subject to them satisfying Government on a number of operating and financial prerequisites. This would appear to presuppose that Gibraltar would secure the necessary Gibraltar Trades Licence prescribed by law." So the letter of intent was given to this firm long before an application had been made for the Trade Licensing and long before the Committee had considered the matter fully. And this letter of intent we are told, Mr Speaker, in this report had been hawked around Portugal trying to secure the facilities to bring sand. That is to say, a person tenders for a contract, he gets letter of intent for the contract and on the strength of that letter he goes out to make arrangements to secure the contract. What did the department concerned investigate in this matter? If it has been established and admitted by the Hon the Financial Secretary that the tender closed on the 21st and this firm was not incorporated till the 29th - and he corrects me and said it was on the 28th - I beg to say the 29th, who did the Government investigate before the closing date of the tender? I say that we are concerned with the answers given by the Hon the Financial and Development Secretary because he said it might be a slip of the pen. I am not alleging any imprudent motive but it is certainly very bad English, "The Government, however, obtains bankers reference and reassurance from the British Embassy in Lisbon in regard to the standing of the parties form in the company". That is all one sentence. And this gives anybody to understand that the bankers reference and the assurance came from the British embassy. I will give way, Mr Speaker, but I will correct it because later on the Financial and Development Secretary sitting down and in his very quiet voice said that the bankers reference had been asked in Gibraltar. I give way, then, if that is not clear.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The bankers references were asked in Gibraltar, yes.

HON J CARUANA:

Mr Speaker, the bankers references were asked in Gibraltar and we were told here in this very bad English that "Bankers references and reassurances from the British Embassy in Lisbon". Now I know.....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I am usually rather careful about my English. Bankers' references and reassurances as to these references from Lisbon.

HON J CARUANA:

Reassurance from the British Embassy. Not reassurance on this reference. I accept. This is not a very big point at this stage, but, Mr Speaker, I can give personal testimony to the Hon Financial Secretary and he can use his special privileges as Financial Secretary to enquire from Barclays Bank, Gibraltar Heights, that I personally at my expense asked for bankers reference of one of the parties concerned and I can tell you in the privilege of this House that I had two negative answers from Lisbon on the standing of one person. I dropped one of these parties like a ton of bricks. Then, Mr Speaker, the Hon Financial Secretary goes on to say that they have produced a written guarantee from the suppliers in Portugal and the Government obtained confirmation of the reliability of this supplier from the British Embassy. This Embassy also confirmed that there were no export restrictions. Of course there are no extra restrictions of sand we have been having it now for the last six years, we know this, we don't need the British Embassy to tell us there are no extra restrictions for sand. But one important matter the British Embassy did not tell us in this answer and that is that there are trade restrictions on machinery from Portugal. That I am sure that the Hon the Financial Secretary did not know. So, Mr Speaker, we come to another answer given." The Embassy also confirm that there were no extra restrictions. The availability of carrying vessels was established by an assurance to the Government by a Portuguese shipping firm that it had assumed the responsibility for the transport of the sand on the contractor's behalf." They had an assurance from a Portuguese shipping firm and yet we find that as late as 30th of September these people were still looking for a vessel and the only vessel that could obtain was one which was casually in port, a Cypriot vessel, and luckily it happened to be there otherwise the Government would have been lamed with tremendous claims from contractors. Yet the Hon the Financial Secretary after knowing these facts says that he feels that the assurances have been kept. Even today, Mr Speaker, we are told in one of the passages here by the Chairman of Stevedoring Company that "one of the parties of this firm requested a meeting with the Chairman and indicated that he had had a series of meetings with the Gibraltar Government and suggests acquire sand in Portugal through him for the forthcoming tender". This is on the 12 of August, the tender has not even closed, it is closing on the 31st and this chap is saying he had a series of meetings with the Government. Can we enquire with whom he had these meetings in Government? I have got a pretty good idea who he had it with. It wasn't the Hon the Financial Secretary. He had several meetings with the Finance Officer. I would like to know whether he had meetings with the Minister for Public Works?

HON LT COL J L HOARE:

Mr Speaker, with your leave. I have not met either of the partners to this affair at all in any capacity.

HON J CARUANA:

I am very pleased to hear this Mr Speaker, because at least it puts the name of this legislature in good standing since it has been alleged that one of the members of this company has been saying to our disgrace that he has one of the Ministers of the Gibraltar Government in his pocket. We want to repudiate this, Mr Speaker, because this reflects on the whole House and this is why I am glad that the Minister has said this. So we.....

HON CHIEF MINISTER:

If the Hon Member will give way. I have heard him described as a Minister for the Opposition by Portuguese people. The Minister for the Opposition.

HON J CARUANA:

Mr Speaker, I thought the Hon and Learned the Chief Minister said earlier on in the meeting that he had nothing to do with individuals of this firm.

HON CHIEF MINISTER:

I have heard Portuguese people speaking of them as Ministers of the Opposition.

HON J CARUANA:

Well, this is a term which is loosely used. Sometimes they confuse the Government for solicitors in different capacities. Mr Speaker, we are very concerned and we allege and we put it forward to this House that the contract has been violated. This is the one way of raping Gibraltar, by giving contracts outside Gibraltar interests. If the Chief Minister will insist on interrupting me I am afraid I will not be able to be Honourable enough to give way to him next time he chooses to stand. We are very concerned that many of the facets of this contract have not been met. The Hon the Financial Secretary said when questioned from this side as to why the Public Works Department had put the machinery at the disposal of this firm, that they had sympathy and that they had wanted to unload the vessel. Well, it is very explicit here.....

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry Sir, it is not that I had sympathy with the unloading of the vessel but that I had sympathy with the thought at the time of the contractors that they might after all use the services of the Stevedoring Company for their benefit.

HON J CARUANA:

Mr Speaker, it is still contradictory. We take it that the Government had the most positive assurance that the firm had all the loading facilities. Quite coincidentally they changed their mind at the last moment when the vessel was leaving Portugal and said that they were going to give the unloading to the Stevedoring Company and they are asking Stevedoring Company for the unloading of the vessel on the 30th of September when the vessel is arriving on the 2nd or 3rd of October with two or three days' to go. This is cutting it a bit thin. But the unloading facilities, Mr Speaker. Who is going to pay all this cost which the Government of Gibraltar has borne?

MR SPEAKER:

There are approximately 16 minutes left. If you wish to get some reply to your queries you must allow time. You can take up all the time if you want to but of course you cannot expect a reply from anyone.

HON J CARUANA:

It is my full intention to give adequate time for an answer. Who is going to pay for all these expenses Mr Speaker? Who is going to pay, for example, for the mechanical shovel which was there for several days? Who is going to pay for the time of the foreman who was there for two days? Who is going to pay for 3 labourers who were there for one day? Who is going to pay for the one ton lorry? Who is going to pay for all this? How is the contractor going to pay for all this, Mr Speaker? I know he is going to pay with money. I will come to the question of money later. But the contractor was responsible under clause 10 for the unloading of the vessel and under clause 13 for the loading of vehicles and yet the Government is doing this for them and then, Mr Speaker, may I ask the Hon the Financial Secretary who hired the cranes from DOE? Who hired the cranes from Messrs Mackley? Who will be responsible for the damages incurred by both DOE cranes and Mackley's cranes? Was section 19(a) of the contract fulfilled to the letter where all liability falls on the contractor and was the proper insurance certificate presented at the prescribed time before the tender was awarded. These are questions which involve public money and which have to be answered in time. If all this is taken into account, Mr Speaker, the contractor has to pay for all this then, Mr Speaker, can I ask the Government what did it cost this contractor to bring the sand to Gibraltar? What did it cost to sell this sand? Then, Mr Speaker, we will all have a big surprise. We will find that the sand has almost cost at a conservative estimate twice the price of what it costs today.

Has Government or any department of the Government received any representations that they have lost money in this consignment and that they intend to increase the price of sand and did Government discourage them from increasing the price of sand at this stage? Is Government still satisfied that this tender and that the people who are committed to this tender are reliable people to do this kind of thing? These are entrepreneurs. They have never sold sand before. Did the Government investigate what was their experience? Is this not normal procedure, to investigate the experience and the history of a firm in a particular line? Can any Tom, Dick or Harry come to Gibraltar and say "I am going to pay the Government of Gibraltar £X for a contract", and he gets his contract because he says so. These are most unrealistic figures. They can be proved unrealistic and it is up to the Financial and Development Secretary to investigate what was the landed cost of the sand and what is the final cost of the sand loaded on lorries. If it comes over 2.7 the Financial Secretary better take action because one person can lose money once but he will not lose money twice and then Gibraltar will find itself with no sand and this is another aspect to have concern for us, continuity. It can be very expensive for the Government saving 30p per ton in sand and finding itself afterwards with £30/40/50,000 in claims from contractors and this can happen even with sand available there. Mr Speaker, in view that we consider that the legality of the tender might not have been valid and the question of the Trade License I urge the powers that be, that a Public Inquiry be instituted forthwith to investigate this matter from beginning to end. If somebody does not take action, we shall take action on this side and write to the proper authorities. We want to investigate the date, the conditions, the circumstances of this contract so that if nobody is at fault let us find out before we get into trouble and before it costs the Gibraltar taxpayer money. Thank you, Mr Speaker.

HON F J ISOLA:

Mr Speaker, I would like to ask the Financial and Development Secretary to bear with me. I would like to make a point that this arises out of the questions. Before the Government grants a monopoly - and this is a monopoly that the Government is granting - it is not a question of breaking a monopoly as it has been said, it is a question of the Government granting a monopoly as it has been said, it is a question of the Government granting a monopoly and there are obviously good reasons for it. Clearly in Gibraltar, the reasons that prompts the Government to grant a monopoly of sand is continuity of supply and concern that the building industry should not be brought to a halt and this is, presumably, is why any tenderer is fully looked into. One thing I would like to say here is that in my view a lot of the trouble that has occurred in this has been due to the fact that the Government has put out of its tender for sand much too late in the day. There has

not been adequate time and this is why a lot of things to my mind appear to have gone wrong. Another point I would like to make quickly, Mr Speaker, is that when I was questioning the Financial and Development Secretary about the attitude of the Trade Licensing Committee prior to them hearing the application, I was told this wasn't important this obviously didn't affect their attitude at the hearing of the application. What I think was very significant was that two questions later on the sand, two sand questions later, he told the House that the tender for the sand had been accepted on September the 13th 1974, and earlier on he told me in answer to a supplementary that he got the attitude of the committee on September 13th 1974. Therefore Mr Speaker, one is drawn to the conclusion that the attitude of the Committee or three members of the Committee - and there are only five including the Financial Secretary sitting there at the moment - was a significant factor in the mind of the Government in granting the tender and the Government by then thought that no matter what objections came the tender would be granted. That, Mr Speaker, to my mind is a travesty of the Trade Licensing Ordinance procedures. No application could have gone to the Trade Licensing Committee until 14 days had elapsed after putting the advertisements. In fact, the Licensing Committee met on three days after those 14 days had elapsed. Haste, indecent haste, it does no good to the sense of fairness or the appearance to be just in any Government or public committee. Mr Speaker, I have a lot of other things to say but in deference to the Financial and Development Secretary I would ask him to give the House two assurances. (1) that the terms of the tender and the contract will be enforced in every respect and (2) that the tenderer will be required to produce all the machinery that is necessary for the contract. This should have happened Mr Speaker, with every respect to the Financial and Development Secretary, this should have happened before.

MR SPEAKER:

The Financial and Development Secretary is going to have exactly 9 minutes to answer a tremendous amount of questions which have been asked.

HON P J ISOLA:

Mr Speaker, I was thinking of giving him 8. In my experience of sand - if I may put it that way - in the past, no company has got a contract for the importation of sand until the Government of the day has seen the machinery actually there. I remember a case where a company was not given a tender by the Government although it was less than the successful tenderer on this particular point, the non-existence of a crane on the part of the tendering company, the cheaper tendering company. These are matters, I think, that require a lot of enquiry and investigation and I think we need an answer of why all this haste in this particular contract.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, it seems to have been suggested that the tender was illegal and there seems to be some criticism about the fact that the tender was by individual persons and the contract was subsequently granted to a company that is.....

HON P J ISOLA:

If the Hon the Attorney General will give way a minute. The answer to the question was that Gibgal Limited had made the tender and the question that arose was that if Gibgal Limited was not incorporated at the time of the tender then there was no tender. There was only one tender. That is the point that needs answering.

HON ATTORNEY GENERAL:

The contract, I would submit, is entirely legal between Government and Gibgal Limited irrespective of whether there was any irregularity over the licence. Even if no licence at all had been granted and Gibgal could not have carried out their contract because they hadn't got a licence, it would have still been a valid contract. The question of the licence is entirely immaterial to the contract between the Government and Gibgal Limited. Even if the tender had been by Gibgal Limited which was not incorporated at that time, there was no doubt it was incorporated by the time a contract was granted, and even though the proper tender procedure may not I say, may not, have been carried out, there is now a valid contract between Government and Gibgal Limited.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, at the weekend there were indications in the press that there was a lot of confusion and misunderstanding and lack of knowledge about what had happened on this sand contract and it would be a good thing if the House and the public were made better aware. I tried, Sir, at one point in questioning this morning to broaden the issue rather but I was not able to do that and I have too few minutes now. I am not going to spend the few minutes I have trying to answer 25 particular detailed questions but I am going to say one or two things. First that the tender board proceedings are the business of the official side of the Government and for that I am responsible and in that there are no political influences whatsoever. If there is any suggestion to me that I have been politically influenced in the conduct of the tender board proceedings then I suggest that this complaint should be put to the Deputy Governor. Sir, the proceedings of the Trade

Licensing Committee are confidential, as I explained in questioning. The Trade Licensing Committee is set up under the Ordinance to consider the applications. The Trade Licensing Committee is not subject to political influence either and if there is any suggestion that I as Chairman - and of course it was with the authority of this House that I did not act as Chairman in this particular case - that there is any political influence there, then I repudiate it, I deny it and I say no more. Now Sir, ever since the closure of the frontier we have had very unusual arrangements for the importation of sand into Gibraltar. The Government have given a concession to import and the concessionnaire has brought the sand, unloaded it at the quay and it has been taken away. No one has ever pretended that that was a satisfactory arrangement. Why were we late in going to tender this year to renew that arrangement? Frankly, because we thought maybe it might not be necessary. We were investigating the possibility of obtaining sand from Talus quarry and we left that rather late. If there has been bad administration this is my fault. We were rather late in going to tender, that is true. The Master Builders have represented to the Government Sir on several occasions in the past about the high cost of sand. Everyone knows that building costs in Gibraltar are extraordinarily high. I do trust that the House and the public would be in sympathy with the Government in any efforts, we can make to reduce the price of sand. This is what we were seeking to do throughout. I am asked to give assurances that every word in the tender documents would be fulfilled. I am not disclosing any secrets to the House when I say that over years of course the tender documents with regard to the import of sand have not been scrupulously observed. It must be known that there have been periods when shipments were delayed, when the reserve stock requirement ran low. I believe there was a time in 1970 when we had to go to Eastern Beach for sand because we had ran out. The tender documents speak of a fixed price but that did not prevent the contractor last year from coming to the Government and negotiating an increased price in the middle of the year. We administer these things but there is room for flexibility. The price of sand before this new contract was given was 20% higher than it will be now and that is having no regard to the fact that with the tender of the unsuccessful tenderer there was a request to the Government to be willing once again this year as last year to take account of price fluctuations. We have accepted a tender of a fixed price for the 20,000 cubic yard of sand which come under the tender at a fixed price that will not be added to because of any additional cost and that is a fixed price for the period. Now Sir we made a judgement a very earnestly considered judgement not ignoring such considerations as the value of security to supply of sand. We made a judgement, we took account of all these things, I will say here that I would be very much less happy if I were defending this evening a decision to reject a more favourable price tender that we were given and that if it had been so on grounds that we could not get round our administrative problem. Now get round is wrong, rather get

through with our administrative procedures. I would be very much less happy because that then, in conscience, I would have known that I would have acted against my better judgement. The terms of the tender will be enforced within reason as they have been in the past. Certainly we have not paid for any machinery, the contractor will. The Honourable Member opposite has been Minister for Public Works and I think it will not surprise him, it happens a lot in Gibraltar - that the Public Works Department comes to the help of one or another. I will say this quite frankly because the public will not, perhaps, understand one of the points. After the objections had been made at the Trade Licensing Committee on the 23rd September, there did come to be concern abroad in Gibraltar, I said that this morning, about the effect on the Stevedoring Company. At that point we encouraged if it had been helpful to the Stevedoring Company to undertake the unloading which one might have thought, in one's simplicity perhaps, one would have thought it having been represented that this was a substantial part of the business. That is why the contractor did not, as he first intended bring his equipment in the same ship with the first shipload.

MR SPEAKER:

I am sorry to have to interrupt the Hon Financial and Development Secretary's speech, but I am afraid we have exceeded the time allowed by 2½ minutes. My difficulty is that we must not establish a precedent because I will be accused later on of having done it in one instance and not on another. There is nothing I can do. I am very strict with the application of the Standing Orders and I am afraid that I have to put an end to the debate on the adjournment.

HON M XIBERRAS:

Sir, just before you adjourn. I would like to thank the people involved in the production of the Hansards. I think we have seen a dramatic improvement in their output and I believe we are now almost up to date. At one stage, I think we were a year behind and since this side of the House raised the matter some time ago I think it is only fair to congratulate the people involved, for the production of the hansards which I may say is going to prove very useful because references are being made even now.

MR SPEAKER:

I am most grateful for those words and I will now put the question which is that this House will now adjourn sine die. This was agreed to and the adjournment of the House sine die was taken at 7.00 p.m. on Friday the 11th October 1974.