

HOUSE OF ASSEMBLY

HANSARD

OF MEETING

HELD ON 2 DECEMBER 1974

TELEPHONES A. 4882

OFFICE A. 70071 EXT. 36

CLERKS A. 70071 EXT. 37

ATTORNEY-GENERAL'S CHAMBERS.

GIBRALTAR.

No. L 9/5(17)

7 January 1975

The Clerk
House of Assembly
Gibraltar

Sir

VERBATIM REPORT: MEETING HELD ON 2 DECEMBER, 1974

Page 7: 10 lines from the bottom: delete "may be"
and substitute "are".

Yours faithfully



J K Havers
Attorney-General

Done
CAP: 8/1/75

REPORT

MINUTES OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The fifteenth Meeting of the First Session of the Second House of Assembly held at the Assembly Chamber on **Monday** the 2nd December 1974 at the hour of 11.30 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon A P Montegriffo OBE, Minister for Medical & Health Services,
(Acting Chief Minister).
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 and Social Security.
The Hon I Abecasis, Minister for Housing.
The Hon Lt Col J L Hoare, Minister for Public Works and
Municipal Services.
The Hon H J Zammitt, Minister for Information and Sport.
The Hon J K Havers, OBE QC, Attorney General.
The Hon A Mackay, CMG, Financial and Development Secretary.

OPPOSITION:

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

ABSENT:

The Hon Sir Joshua Hassan, BE MVO QC JP, Chief Minister.)
The Hon M Xiberras, Leader of the Opposition.) **Away from Gibraltar on official business.**

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 October 1974, having been previously circulated were taken as read and confirmed.

Papers to be laid.

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

- (1) The Industrial Training (Hotel Catering) Apprenticeship (NO.2) Order 1974.
 - (2) The Industrial Training (Levy) (No. 2) Order 1974.
 - (3) The Employment Injuries Insurance (Benefit) (Amendment) Regulations 1974.
 - (4) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations 1974.
 - (5) The Non-Contributory Social Insurance (General and Miscellaneous Provisions) (Amendment) Regulations 1974.
 - (6) The Social Insurance (Overlapping Benefits) (Amendment) (No 2) Regulations 1974.
 - (7) The Social Insurance (Voluntary Contributors) (Amendment) Regulations 1974.
 - (8) The Social Insurance (Contributions) (Amendment) Regulations 1974.
 - (9) The Social Insurance (Insurability and Special Classes) (Amendment) Regulations 1974.
 - (10) The Social Insurance (Benefit) (Amendment) Regulations 1974.
- Ordered to lie.

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

The Traffic (Parking and Waiting) (Amendment) (No. 4) Order 1974.

Ordered to lie.

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

- (1) The Copyright (International Conventions) (Amendment) Order 1974.
 - (2) The Efficiency Decoration Regulations 1974.
 - (3) The Efficiency Medal Regulations 1974.
 - (4) The Gibraltar Regiment Regulations 1974.
- Ordered to lie.

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

- (1) The Pensions (Amendment) Directions 1974.
- (2) Supplementary Estimates No. 3 of 1974/75.
- (3) Supplementary Estimates Improvement and Development Fund No 3 of 1974/75.
- (4) Statement of virements approved by the Financial and Development Secretary.

HON A P MONTEGRIFFO:

Sir, I beg to move under Standing Order 7 (3) that the Order of Business should be changed and the House should at this stage proceed to deal with public business.

MR SPEAKER:

Under Standing Order 7 (3) this is a motion on which a vote is taken, there is no debate and it can be presented without notice. Is it agreed that the order of business should be changed so that we can now start on public business?

This was agreed to.

THE ORDER OF THE DAY

MOTIONS

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to move the following motion:

"Be it resolved that the Supplies (Protection of the Community) Ordinance, 1973, shall not expire on the 31st December, 1974, but that its validity shall extend until the 31st December, 1975, and it shall then expire unless its validity be further extended by resolution".

Mr Speaker then proposed the question in the terms moved by the Honourable Attorney General.

HON P J ISOLA:

Mr Speaker, it would certainly be interesting to know the grounds on which the Government propose that the life of this Ordinance should continue. Under the Ordinance that was passed by this House, the date of expiry was given as the 31st December, 1974. At the time Honourable Members will recall that this side of the House voted against this Ordinance on the grounds that we were putting in the statute book a law that gave blanket powers to the Government to deal with any situation which they considered to be an emergency. It was felt at that time that the grounds for passing that particular bill into law had not been made out. It is strange, not to say the least, that a motion should be put in extending the life of an Ordinance to which strong objection was put on this side of the House, without any explanation being given for its extension. In those circumstances and in the absence of any explanation why the life of the Ordinance should be extended, of course this side of the House will vote against the motion.

HON A P MONTEGRIFFO:

Mr Speaker, I agree entirely that some explanation must be given and my intention is, of course, to give an explanation. Let me start by saying that I accept perhaps the validity of the argument used by the other side of the House at the time. We thought ours were also valid and as the Government one has got to take the consequences whatever action one takes and we thought that ours was more valid than theirs. I think that the motion has been brought to the House because we feel that during the forthcoming year the dangers that were foreseen or at least the Government thought would happen in 1974 might be more potential in 1975, especially with the scarcity of commodities in the world. One other reason why we have brought the motion is that as you all know we have started subsidising sugar, albeit temporarily and we have found some practical difficulties. I wouldn't like to disclose the actual events because people may get wise to it and make it worse. People are taking advantage of the practical difficulties of rationing and abusing it in certain cases.

I wouldn't like to mention as I said before the incidents which have come to our notice and, therefore, we may well need these powers perhaps to stop those abuses and see that fair share is given to all and not that some people for whom the subsidy was not intended, abuse it. But there is something more that I would like to say on this, Sir. The fact that we haven't used it during the year doesn't prove that the legislation was useless. It only proves one thing and that is that the Government, faithful to the pledge given to the House, would only use it in very exceptional and specific occasions.

HON J BOSSANO:

Mr Speaker, I think the existence of the law in itself does not of necessity mean that it will be used in one or another particular way but the law as it stands and as it was originally drafted, in fact, gave the Governor the power to intervene when there was any disruption or interference with the normal supply or distribution of food, water fuel or light to such an extent as to be likely to deprive the community or a substantial proportion of the community of these essentials. There is one obvious case where a disruption or interference with supplies takes place and that is in a situation where there is industrial action. I think the right to take industrial action must be more than simply a paper exercise and if, in fact, as a natural consequence of industrial action there is interference with supplies, what I would not like to see is a law that gives the Government the right to come in and order people to cease taking industrial action or anything of that sort.

HON A J CANEPA:

Sir, on behalf of the Government I want to take this opportunity to reiterate most solemnly the pledge which I think the Chief Minister gave when the Bill was passed through the House of Assembly insofar as the effects of industrial action are concerned. In fact, one could say that already there has been some disturbance of supplies and yet the Government has not ~~sought~~ ^{sought} resort to the provisions of this Ordinance. The Government does not intend, Mr Speaker, to avail itself of the powers which it has under this Ordinance in respect of any disruption of supplies to the community arising from industrial action. Therefore, Sir, having given that solemn undertaking I hope I have disposed of that particular point. What we do want, Sir, is to have the safeguards on the statute book, the powers which are necessary in case there are difficulties of supply, ~~there are~~ ^{and} shortages arising from the world situation. Sugar has been given as one example, cooking oil could be another one. There is a serious shortage

rationing oil

of ~~it~~ and that is why the price is shooting up enormously, ~~and that is what the Government merely and purely intends to do.~~
It is for that purpose alone that we want these powers extended to the end of 1975.

HON. MAJOR R J PELIZA:

Mr Speaker, I am very pleased to hear the assurance that the Minister has given and I think we are all very glad to hear that repeated on this occasion. You will recall that this side of the House voted against the Ordinance at the time for the same principles I think that we will vote against now i.e. that there are in fact emergency powers which the Governor can use if it came to the situation where they were required. Therefore, we feel that this is quite an unnecessary piece of legislation and we feel that we shall obviously vote against it again. As to the emergency rationing that the Minister has mentioned, surely if this is the case and if this has to be permanently in our statute book then why have this Ordinance which expires at a given date? I would have thought, if it is the policy of the Government to have these safeguards in the statute book, then the Ordinance should so be phrased that it would clearly indicate that this is purely and simply for the rationing of supplies and nothing else and leave it permanently in the statute book. As it stands today I feel that this side of the House will vote against the motion.

HON L DEVINCENZI:

Mr Speaker, following up what my Honourable and Gallant Friend Major Peliza has mentioned now and accepting the assurances given by the Honourable Minister for Labour and Social Security, is it not possible, Mr Speaker, to incorporate in the law that it would not be used for strikes or industrial action. Otherwise we are left open with situations whereby the Government might consider at an appropriate time to use it and perhaps find a very good excuse for doing so. Rather than have assurances could we have it incorporated in the law? May I also say, Mr Speaker, en passant - and I do not for a moment even hint that there is any similarity between this law and one of the clauses in the offer made by our friends over the border - but surely at an international level it could be thrown at us that even in Gibraltar there are laws that could be used to stop industrial action. Thank you, Mr Speaker.

MR SPEAKER:

I will then ask the mover to reply.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I would like to start by reminding members of this Honourable House that last year when I spoke on this Bill, I explained that it did have what might almost be called an impeccable pedigree. It has lain on the statute book in the United Kingdom since 1920. There have been since that time Governments in the United Kingdom Conservative Governments, Coalition Government and Labour Governments all of them with a sufficient majority to repeal legislation of this nature if it was felt to be unreasonable or capable of abuse. I think it is a valid argument to say, Mr Speaker, that the fact that it has lain untouched is that it is recognised there by persons of all shades of political opinion as being necessary. The next point is that it has been suggested there is already power in Gibraltar to declare an emergency and thereafter make emergency regulations. That is true. Under the Emergency Powers Order in Council the Governor can declare an emergency and regulations can be made for very much wider purposes than are included in this Ordinance. I explained when I spoke last year that Government would prefer to avoid declaring an emergency if it could do so, would prefer not giving itself complete powers to make regulations but would prefer by this particular measure to regulate these supplies which are essential to the community. Again I would reiterate what my Honourable Friend the Minister for Labour and Social Security has said that if the Government wanted to abuse its powers then with what has happened already regulations could have been made under this particular Ordinance. They have not been made. It is a measure of our integrity and our understanding of the feelings of the other side of the House that we have not extended the Ordinance indefinitely. We ~~may~~ ^{are} be extending it for a year and it may well be that if the world situation has simmered down then and sugar, oil and other commodities are no longer scarce then this legislation can be allowed to lapse. It is the case of better safe than sorry. If it becomes necessary to ration sugar then we don't want at the moment to declare an emergency. We can do so under this particular Ordinance. Therefore I would urge members to think, ~~examine~~ ^{examine} their hearts very deeply and feel whether they cannot, in view of what has been said and the reasons for this legislation, they cannot support my motion.

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

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

The following Honourable Members voted against:

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

The motion was accordingly carried.

Supplementary Estimates No 3 of 1974/1975.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that this House resolves itself into Committee to consider Supplementary Estimates No 3 of 1974/75.

The House resolved itself into Committee.

Head II Cemeteries - was agreed to

Head VII The Governor - was agreed to

Head XI Public Works Annually Recurrent was agreed to

Head XIII - Law Officers

HON ATTORNEY-GENERAL:

Mr Chairman, if I may be allowed to say a word of explanation on this. As members will see the original figure all told was £400. This is, in fact, always a token figure as out of this vote comes any damages that may be awarded against Government, any fees we may have to pay - we don't do so now luckily - for briefing Counsel. We now have a full staff. These particular expenses were incurred in bringing witnesses from the United Kingdom for a case in the Supreme Court. It is not lack of thinking on our part that we have to come for this sum. We can never tell at any time just how much we are going to have to put into this vote.

HON MAJOR R J PELIZA:

Could the Honourable and Learned Member tell me what case this is about? It would be interesting to know particularly because witnesses came from the United Kingdom.

HON ATTORNEY-GENERAL:

It was a case in which a Gibraltarian was charged with assisting in the export of cannabis to the United Kingdom. There were several witnesses who were living in the United Kingdom who had to be brought out here for the purposes of this case.

Head XIII Law Officers was agreed to.

Head XVI Miscellaneous Services.

HON P J ISOLA:

Sir, item 16 regarding the initial cost of financing the Gibraltar Regiment Cadet Force. Could we have some idea of what all this is about? Where it is being formed from and so forth?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, yes. The House does indeed deserve some reference to

this plan. I am glad to say that it has been found amongst many who are aware of it, a very welcome plan to establish in Gibraltar an Army Cadet Force connected with the Gibraltar Regiment. We come to the House on this occasion for approval for the £1,600 which will be the Government's share of the cost of establishing the Cadet Force. There will, of course, fall on Government subsequently a share of the recurrent costs. By present estimates these would involve Government in a sum of the order of £2,000 a year. The division proposed is a 50/50 split between the Ministry of Defence and the Government. It is intended to be an Army Cadet Force of the size of 60 to 80 to begin with.

HON P J ISOLA:

Could I ask what is the age group involved? Is it proposed to raise the Cadet Force in the schools for 15 years olds, 14 or 16, or is this going to be for older people? I think it is of some interest, the philosophy behind it and so forth.

HON A P MONTEGRIFFO:

Sir, as it has been put to us it follows the pattern of other Cadet Forces in the United Kingdom. It is something that the Regiment feel they should have from where they could then get more recruits for the voluntary force and certainly it is not the intention of the Government, otherwise it would not have supported the scheme, to create the sort of para military force in youngsters that we get in totalitarian countries. I want to dispel any idea that there is any sinister motive behind it.

HON P J ISOLA:

Sir, Item 22 - Financial Aid to Cultural and Sporting Societies. We agree with this but can we be told roughly the nature of the grants and in relation to what?

HON H J ZAMMITT:

Yes, Sir. The new grants came about because the Gibraltar Commonwealth Games Association is one particular new set-up in Gibraltar. Members may recall that last year some members from various Associations went to New Zealand and it was too late in the day for Government to make any contribution towards that but they went there by some other means. This year, of course, we have an

application from this particular Association together with another thirty eight applications from other sporting clubs and it was found impossible to make any contribution that would be of any value unless there was an additional £500 available to put Associations on their feet.

HON P J ISOLA:

Mr Speaker on Item 23. We do raise a query on the contribution to the Gibraltar Broadcasting Corporation of £15,000. As you are no doubt aware this particular organisation has been a matter of considerable controversy in this House for reasons that have been explained ad nauseam in a number of debates we have had in this House. A report was made on the Broadcasting Corporation and

MR SPEAKER:

May we have questions on the particular item.

HON P J ISOLA:

I am coming to the question, Mr Chairman. A committee was raised on this and recommendations were made and a number of questions have been asked on it and, in fact, some are down for answer later on in this meeting. Accordingly we certainly would want an explanation as to why the House out of the blue has been asked to vote an additional £15,000 without any statement having been made by Government on the future of the Gibraltar Broadcasting Corporation.

HON A P MONTEGRIFFO:

Sir, I think that at the last meeting it was decided for the moment to carry on with present Managing Agents and the present contract. Under the terms of the contract the Government meets the cost of any inflationary situation that develops during the year and that is all that we are doing now. This in no way prejudices any debate or any discussion that may arise from the report that was submitted by the experts who came to do just that. The breakdown of the figures more or less is the increased freight staff salaries and COLA which amount to £5,000 and about £8,000

to keep up the present standards which I am sure even if it is not up to the standard that we would all like at least we would not like to see it lowered. To keep up those standards we are forking out £8,000 which is the amount in freight and more costly films etc, etc.

So it is really keeping to the terms of the contract that we still are bound by for the moment.

HON J BOSSANO:

Sir, surely it is precisely this which has been discussed so often before in the House, that the obligation to foot the bill rests with the Managing Agents who are the ones who gain when there are profits to be made. They have to foot the losses and they get the profits. Now, in fact, if what we are being told is that the Government is now underwriting all the expenses that GBC incurs as a result of inflation, then it is a new situation and certainly it would mean that for all intents and purposes GBC is already nationalised, if we are all footing the bill. Is this the case?

HON A P MONTEGRIFFO:

Not quite. The principle has been accepted by the House before though I know the views of the Opposition has been that the situation was unsatisfactory and that we should have some other contract. However, while we are bound by the present contract we are bound to pay for anything which is due to inflation that we are experiencing. This is, I must say in all fairness, not to improve anything at all but just to be able to meet the cost of the service they are rendering at the moment. It was very fully scrutinised by the Honourable the Financial and Development Secretary and we did not accept the figures as submitted to us and these were reduced to the tune of, I stand to be corrected, about £1,800. We did not accept of the whole figure submitted to us £1,800 otherwise, perhaps, we would be paying £1,800 more. I am sure that the whole issue of GBC will be debated in this House at length and perhaps at some other stage but at the moment I do not think we are doing anything new or anything that might prejudice any debate or any decision that may ensue arising out of the debate.

HON J BOSSANO:

I think, Mr Speaker, if one takes for example the £5,000 that the Honourable Minister has mentioned as being the element that is due to increased COLA payments, one assumes that these are past COLA payments which staff have received and which the Managing Agents are now attempting to recover from Government, obviously the employees of GBC are in as great a need of COLA to protect their standard of living as everybody else in the community. But if, in fact, one has a situation where there is for example negotiations between an employer

and employees and then they can come along and pass on the bill to Government because of the inflationary situation and the Government has got no control over the situation because it is not directly involved, it is a very dangerous precedent to establish. Certainly some members of the Government must be aware that there are parallels in other situations where Government has taken a firm stand and said "If you negotiate something with your employees or with the Union then you cannot expect to come to Government and allow the Government to increase your prices so that you can recoup your costs". In fact this is what is happening here. The only thing is that the community instead of paying as consumers more are paying more as taxpayers. The only effect that that has is that we all pay more whether we have television or not. There is no difference between doing this or letting any other sector of the community give increases to employees and then pass on the costs to the customer. Setting such a precedent to my mind is something that may have repercussions in other areas.

HON A P MONTEGRIFFO:

I cannot accept that because I can assure the Honourable Member opposite that if they were to have - and probably they would disagree with me - a huge wage increase at Television House and they wanted to pass it on to the consumer as taxpayers, I am sure the Government would take the same stand as it has taken on other occasions with other employers. I think it was mentioned here by my Honourable and Gallant Friend Major Peliza at one stage in some of the debates, that these people were being underpaid and that Government should provide some money in order that at least their salary should not be too far off from what Government was paying. Here we are practically paying COLA basically and increments, that is all. I do not think we are departing from or creating a precedent to which the Honourable Member Mr Bossano referred.

HON MAJOR R J PELIZA:

Mr Chairman, I would like to know for what period this amount is required. I do not think it is stated in the estimates and perhaps the Honourable the Financial and Development Secretary would let us know.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The period is the Financial Year 1974/75 and it does not provide funds for the payment of COLA throughout that year either. That will be for subsequent discussion.

HON MAJOR R J PELIZA:

This is what I find rather questionable in that I think the Government knows how strongly the Opposition feels about the money spent on television, not of course as to any reasonable wages being paid to members of the staff as the Acting Chief Minister stated that obviously this side of the House had made it quite clear. But I think in every aspect of television in Gibraltar we have been pressing very hard for this to be reviewed and arrive at some conclusion which should be unanimous or very nearly so to this House and therefore eventually I think, serve the community impartially and to the best ability of those working there. What I find odd is that a report was submitted early this year, it was the intention to have, I think, a Select Committee

MR SPEA ER:

This is not what we should be discussing. We are going to discuss exclusively the advisability of the expenditure of £15,000 for the particular purpose for which it is stated it is going to be spent.

HON MAJOR R J PELIZA:

Mr Speaker, but in order to explain why

MR SPEAKER:

Yes, but we must be very careful not to go into other issues.

HON MAJOR R J PELIZA:

No, of course, In order to explain why I think this side of the House is going to vote against this I think that one should give the reasons why.

MR SPEAKER:

We must not go into the question as to whether the report should have been debated by now. That has nothing to do with this. I think that is what the Honourable speaker is going to refer to.

HON MAJOR R J PELIZA:

Mr Speaker, we feel that because this matter has not yet been brought to this House in all its wide aspects it would be against the responsible attitude of the Opposition to vote for these £15,000 at this stage.

On a vote being taken on sub head 23 - Contribution to Gibraltar Broadcasting Corporation - the following Honourable Members voted in favour:

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

The following Honourable Members voted against:

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

Sub head 23 was accordingly passed.

HON J BOSSANO:

Sir, on item 35. I wonder if we could have some indication of how the Household Survey is proceeding whether the response has been good or not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman Sir, I think this Household Survey has proceeded very well and that the response was good and I may say that this first survey was very useful for further surveys of the housing that we shall need on a more technical plane for the programme of repairs and

modernisation that we hope to press ahead with the new aid funds.

HON MAJOR R J PELIZA:

Is this going to be made public and when? Have you got any idea?

HON A P MONTEGRIFFO:

Sir, we have not yet considered the question of making it public but since you have raised it we will give it due consideration. If it is possible of course we will publish it - there is nothing to hide - if on the other hand there is certain information there that might prejudice any members of the public or put them in an awkward position we may not. We will certainly give due consideration to the suggestion put forward by the Honourable Member.

HON MAJOR R J PELIZA:

I don't mean to make it public individually, I mean overall so that we have a good idea of the situation, the number and so on. Obviously it would certainly be undesirable to talk about individual names. I don't want the Honourable the Acting Chief Minister to get the impression that I am asking for that by any means. I was thinking of the overall figures as I think it would be very interesting socially to know what the position is.

HON A P MONTEGRIFFO:

I take note of that and I can assure the Honourable Member that if the advice is that it can be done I will go along entirely with the suggestion of the Honourable and Gallant Member.

MR SPEAKER:

There is one final item on Head XVI which is a token sum of £1000 for the sugar subsidy.

HON A J CANEPA:

Sir, as the House will note it is a token sum only, in fact, I wish the cost of the sugar subsidy were merely £1000. The cost is in the region of £8,000 to £9,000 per month and as members of the House are

probably aware the subsidy came into force on the 22nd November. One good point about it, Sir, was that the very fact that I announced it publicly in October led to a considerable damping down of panic buying that there was at the time and we were able to delay the actual implementation of the subsidy by over a month because of the fact that people started to use some of the sugar which they may or may not have been hoarding like Mrs Margaret Thatcher. I think that it would not be in the public interest for me to announce for how long the subsidy is going to continue, so if I am going to be pressed from the other side I will not be able to answer that particular question.

HON J BOSSANO:

Mr Speaker, one aspect of the policy of subsidising items such as sugar is that there is, of course, an offsetting saving under the cost of living formula because of the fact that the Index of Retail Prices fails to go up

MR SPEAKER:

We are not going to discuss the principles of the subsidy of food, I think you would be anticipating a question which you have put on the Order Paper.

HON J BOSSANO:

I am not anticipating Sir. If I may be allowed to finish...

MR SPEAKER:

I will let you finish provided you do so within the rules.

HON J BOSSANO:

What I wanted to say, Mr Speaker, was that there would be an offsetting gain which would accrue not just to the Government of Gibraltar but to the MOD. What I would like to know is whether MOD has shown any indication of a willingness to assist in the cost of this at least to the extent of the saving that they are making through not having to pay additional COLA.

HON A J CANEPA:

The British Government, generally, has not shown any willingness to do so. In fact, when the matter was raised with Mrs Judith Hart she just ruled it out completely. She just was not prepared to discuss it.

HON J BOSSANO:

Sir, but has the matter been brought to the attention of the MOD as an employer in Gibraltar that the action of the Government of Gibraltar will in fact mean a saving for them on their wage bill? There are a number of areas where the MOD makes contributions to the expenses the Gibraltar Government. In fact, we have just considered the Cadet Force of the Gibraltar Regiment where one could say that this is something of particular interest to the MOD and we are going 50/50 on that. I would have thought the sugar subsidy was something they could come along 50/50 with us.

HON A P MONTEGRIFFO:

Sir, it is a point worth considering. We took it at the highest level hoping that not only the MOD but all the services employers generally would come along. It was not viewed with very great favour, in fact, with rather great disfavour. Perhaps we might think next of a social tax to which all employers contribute and we can use for subsidy. It is a thought that the Honourable Member has just put into my mind. It may well be to do it that way and then everybody would have to contribute.

HON L DEVINCENZI:

Mr Speaker, both the Acting Chief Minister and the Minister for Labour and Social Security have said that Mrs Judith Hart said "no". Some people seem to be under the impression that it was within the context of the EEC negotiations going on at present that it was a flat "no", or

MR SPEAKER:

We are not going to discuss here the reasons why Mrs Judith Hart refused to give a subsidy for sugar in Gibraltar.

HON L DEVINCENZI:

I am not asking that, Mr Speaker, I am merely saying that if Mrs Judith Hart said "no" whether in the communique that was published by the Government it did give that impression or not? Is it just the British Government or is it because of the EEC, that is all I wanted to know.

HON A J CANEPA:

Sir, the reason behind the subsidy of course stems from difficulties, or rather lack of results which the Government has encountered in exploring alternative sources of supply, and of cheaper sugar, and in representations that were made to the British Government early in October when we were hoping to come in on the deal which the Minister of Agriculture was able to negotiate. We made those representations initially through the Foreign and Commonwealth Office and nothing came of that. The Governor himself, on behalf of the Government, was asked and made very strong representations, and that having failed, Sir, we decided to take the matter up directly in London and ask Her Majesty's Government to come to our assistance on the subsidy scheme. That is the background to it.

HON J BOSSANO:

There is one point, Mr Speaker, that I would like to get clear from my own understanding of the present situation. We know that, in fact, there is a world scarcity of sugar and that this has put up the market price tremendously and obviously the subsidy will be to a certain extent conditional on fluctuations in the market price. If the price comes down then the subsidy could be smaller or there might not be a need for it. But is it a fact that we are paying on top of the very high world market price, an EEC export levy for sugar that we are importing, and if this is so are we not for all practical purposes, in fact, making a payment to the EEC through a subsidy which in fact goes to pay the levy?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, I think not. Our sugar supplies come from the UK and it is therefore at the EEC price plus the export levy. The EEC price not a world market price plus the EEC levy.

Head XVI - Miscellaneous Services was agreed to

Head XVIII Police was agreed to

Head XIX - Port

HON J BOSSANO:

Mr Speaker, on item 3, the running expenses and maintenance of launches. Can Government give an indication whether in fact they are proposing to continue with the present launches. This is something that was raised at the beginning of the financial year and the Government informed the House that there were no plans to replace the existing launches at this stage although it was something that had been considered. Is it still the case that there is no immediate plan to replace the existing launches?

HON A W SERFATY:

Sir, the question of replacing launches has been considered and is being considered. The present launches have a number of years lease of life according to my information and certain economies might be effected. On the other hand the cost of launches is pretty high, so the matter will have to be reviewed when the preparation of the 1975/76 Estimates is considered.

HON J BOSSANO:

One point, Mr Speaker, is that the Government might do well to look at whether, in fact, the whole launch needs replacing or the engine. I believe that it is the engines that are requiring particular cost of maintenance which is in this subhead but the hulls of the launches are in perfect condition and they cost very little money to maintain. I think that the Government should bear this in mind when they look at the situation and they may find that the most inexpensive way of keeping this service up to the standard required would be that any replacement should be of the engines and not of the whole launch.

HON A W SERFATY:

Mr Speaker, I will need expert advice when I go into that but my impression so far has been that the launches require complete replacement. I will certainly go into the matter before the estimates.

HEAD XIX PORT was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I now have the honour to propose that the votes detailed in Supplementary Estimates No 3 of 1974/75 be approved.

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 Supplementary Estimates No 3 of 1974/75 was agreed to and passed.

(3) SUPPLEMENTARY ESTIMATES IMPROVEMENT AND DEVELOPMENT FUND NO 3 of 1974/75.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this House resolves itself into committee to consider Supplementary Estimates Improvement and Development Fund No 3 of 1974/75. This was agreed to and the House resolved itself into Committee.

(A) HOUSING was agreed to

(E) OTHER DEVELOPMENTS was agreed to

(H) CAR PARKS

HON J CARUANA:

Mr Speaker, Car parks £6,100 required to meet tender price for the completion of Car Parking at Queensway Hotel. Will the Government state whether, in fact, this money is the sum required to complete the works at this stage or will we have to vote further money in the new year?

HON LT COL J L HOARE:

Sir, what we are asking for at the present time is an additional £6100 out of the £45,000 originally approved in estimates time and £19,000 for the Fish Market project. The tender price for the works currently being carried out there forms a substantial part of the total project. Resurfacing of the road, putting in the channels, storm drains etc is not included in this sum. This is merely to meet the tender price of £25,000.

HON J CARUANA:

This is precisely what I wanted to get, Mr Speaker. The road is in a very bad state and I don't want to go into this but it is with the utmost regret that we have to vote this amount of money. I think the work carried out here is one of an extravagant nature. I almost put a question for this meeting on this particular issue and after giving it a little thought I regret I scrapped it but the project for car parking at that area seems to me to have been squandering public money in the same kind of way as one recalls the Piazza was built. Vast amounts of concrete and slabs and another example of public money being squandered.

(H) CAR PARKS was agreed to

(I) ROADS was agreed to

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I now have the honour to propose that the votes detailed in Supplementary Estimates Improvement and Development Fund No 3 of 1974/75 be approved and that the sum of £169,045 be appropriated to meet the expenditure detailed therein.

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 it was agreed that Supplementary Estimates Improvement and Development Fund No 3 of 1974/75 be passed and that the sum of £169,045 be appropriated to meet the expenditure detailed therein.

BILLS

FIRST AND SECOND READINGS.

(1) The Trade Licensing (Amendment) (No 3) Ordinance 1974.

HON A W SERFATY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Trade Licensing Ordinance 1972 (No 22 of 1972) 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 W SERFATY:

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

The object of this Bill, Sir, is to improve a couple of details of the present Trade Licensing Ordinance. Clause 2 exempts companies incorporated in Gibraltar under the laws of a member state of the European Economic Community, nationals of a member state of the EEC with a valid permit of residence issued under Part 9 of the Immigration Control Ordinance or persons who either do not require a permit to reside in Gibraltar or who have a certificate of permanent residence issued under the Immigration Control Ordinance from the provisions of subsection 3 of section 12 of the Trade Licensing Ordinance. That is that they will not in future have to wait three months before an application for a licence can be granted. Clause 3 allows the Licensing Authority to delegate to its Secretary the task of issuing renewals where the renewal is on the same terms as the original licence and Clause 4 extends the life of the Trade Licensing Ordinance until the 30th June 1975 in the hope that by then the Select Committee which is studying ways and means of improving this vexed question of trade licensing will have completed its work.

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 P J ISOLA:

Mr Speaker, this particular bill, which we support, the terms of which have more or less been agreed between the Government and the Opposition, of course emphasises the need so that the Select Committee should report as soon as possible to the House. There are, it is true, a great number of difficulties and we are reluctant to agree to any amendments to the Ordinance that do not come as a result of recommendations from the Select Committee. Therefore, the amendments that have been brought in are really of a practical and urgent nature insofar as it does seem to be an unnecessary hardship on applicants from EEC countries or Gibraltar to have to wait three

months for their licence, although in respect of non-nationals of EEC the law will remain the same, that is, that they will have to wait for three months. The law will remain the same until such time as the Select Committee reports. The other amendments we have agreed to again a practical one, the question of the licensing authority, we have agreed this in order to make life a little easier for the Licensing Authority and I think they should be grateful for this indulgence from this side of the House having regard to the fact that we have not been able to obtain the cooperation from the Licensing Authority in our deliberations that we would have liked to have had. But, perhaps, that we can put right in due course.

Mr Speaker, there was one other point that I had forgotten about and that is that there was another amendment that this side of the House might wish to consider. We are not asking the House to put it in because of the motion there is before the House with regard to the composition of committees and that is, of course, under the Ordinance the Gibraltar Trades Council representatives have to be appointed after consultation with the Gibraltar Trades Council. I understand there is a possibility that those representatives will wish to attend meetings of the Trade Licensing Committee and I understand that problems could arise as to whether the persons nominated who have never attended do in fact represent the interests of the Gibraltar Trades Council or not. I would hope, and I am sure that the member responsible for this particular Bill will cooperate as much as possible to ensure that if the Gibraltar Trades Council do send representatives back to the committee, the representatives will in fact have the blessing of those nominating them. I appreciate this can bring problems but we hope they can be sorted out and that there will not be need for further amendments to the Bill when the House next meets on it, if it does, before the end of June 1975.

HON ATTORNEY-GENERAL;

Could I, perhaps, Mr Speaker, just stress one point. My Learned and Honourable Friend Mr Isola said that this is necessary to extend to nationals of member states and Gibraltarians. The prime purpose was to benefit Gibraltarians but we cannot benefit Gibraltarians as against nationals of member states and that is why they have been brought in.

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

HON A W SERFATY:

Sir, I beg to give notice that the Committee Stage and Third Reading of this Bill be taken at a later stage at this meeting.

This was agreed to.

The Social Insurance (Amendment) (No 2) 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:

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

Mr Speaker, under section 10A of the Social Insurance Ordinance, entitlement to the increases in benefits in the July 1973 review was made subject to the person entitled to the benefit having been ordinarily resident in Gibraltar or insured under the Ordinance for two out of the three years immediately preceding the date of entitlement. Within the spirit of this amendment, Sir, claims for maternity grants from non residents have been dealt with as qualifying for the increases without the Department having realised that the person entitled to the benefit in the case of maternity grants is the wife and not the insured person himself. Strictly speaking, therefore, only the pre-1973 rates of benefits were applicable. It is now proposed to amend the Ordinance retrospectively to provide that the residential or insurability condition may be satisfied by either the person entitled to the benefit or the person on whose insurance record title to the benefit is established. It has also been noted, Sir, that as the same section 10A now stands, a non resident worker who works in Gibraltar for virtually a lifetime contributing religiously to the scheme but who stops working and goes away from Gibraltar for, say, more than a year before reaching pensionable age, forfeits his rights to the progressive increases since 1973 and on reaching pensionable age he would only be entitled

to the rates which were in force prior to July, 1973. Needless to say, Mr Speaker, this is inequitable and was never intended in the first place so it is now proposed that the qualifying conditions should have been met for an aggregate of 104 weeks, that is, two years, since the 2nd of July, 1970, instead of as at present during 104 weeks out of the three years immediately preceding the date of entitlement. I should point out, Sir, that this date of the 2nd July, 1970, is arrived at as being the earliest date from which the residential or insurability condition may be reckoned at present. Mr Speaker, 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?

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a Second time.

HON A J CANEPA:

Sir, I beg to give notice that the Committee Stage and Third Reading of the Bill should be taken at a later stage in these proceedings.

This was agreed to.

The Elections (Amendment) Ordinance 1974.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Elections Ordinance (Cap 48) be read a first time.

Mr Speaker then 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.

As Members will be aware, our Elections Ordinance provides that the Registration Officer shall prepare a register of electors every four years. As this would mean that persons who became qualified as electors shortly after the publication of one register would be disenfranchised until another register was prepared four years later, there is a provision in the Ordinance which allows the Governor to order a supplement to be prepared from time to time. Now in the case of an election register there is laid down in the Ordinance what is known as a qualifying date. That is the date on which persons must satisfy the electoral qualifications in order to be included in the register. There is, however, at present no qualifying date in respect of a supplement as being the date on which persons must satisfy the electoral qualifications. It is now proposed to prepare a supplement to the register which was published late in 1973. The Registration Officer has, however, no qualifying date by which he can determine whether a person is entitled or eligible to be included in the supplement and until this omission from the Ordinance is rectified there is nothing the Registration Officer can do.

Clause 2 of the Bill remedies this defect in the Ordinance. Now it would be possible to lay down a specific date as being the date in any year on which a supplement is prepared which shall be the qualifying date. However, it is considered preferable to be flexible on this particular point and to give the Governor power when he orders a supplement to be prepared to state what shall be the qualifying date in relation to that supplement. As it cannot be certain when is the best time to produce the supplement and it is desirable that as many persons as possible should be included in the supplement, the advantage of flexibility is obvious. I should say that certain provisions already in the Ordinance and in the Rules where dates are specified for particular acts in relation to the preparation of a register can already be amended by the Governor by Order. In fact, he can use those powers without any controversy in relation to the preparation of the 1974 register and, therefore, the power we are now giving of a flexibility is nothing new.

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?

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON ATTORNEY-GENERAL:

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of this Bill be taken later today if this Honourable House should so agree but at any event at a later stage in this meeting.

This was agreed to.

The Friendly Societies (Amendment) Ordinance 1974

HON ATTORNEY-GENERAL

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Friendly Societies Ordinance (Cap 63) by providing for the keeping of accounts in proper form of friendly societies and for the auditing of accounts of such Societies by raising the amounts payable on the nomination or intestacy of a member and to make other minor amendments thereto, 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.

Our Friendly Societies Ordinance was enacted before most, if not all, members of this Honourable House were born. It was in fact enacted in 1888 and based on equivalent legislation in the United Kingdom at that time, namely, the Friendly Societies Act of 1875. Three very minor amendments were made to our Ordinance in 1948 and even more minimal amendments in 1970 and 1972. I think it is fair to say that the present Ordinance leaves much to be desired in the safeguards which it provides for members of Friendly Societies against the funds of the Society being misused or mismanaged and the present Bill is aimed largely at improving the safeguards which exist at present in somewhat sketchy form.

The safeguards relate mainly to the keeping of books of account and balance sheet in a form that gives the true and fair view of the affairs of the society. These provisions which we are now incorporating in our Bill are based on similar provisions introduced into the United Kingdom in the 1960s and are identical with provisions which this Honourable House without any dissension introduced this year into the Co-operative Societies Ordinance to give protection to members of such societies. Quite obviously it is in the interests of members of Friendly Societies that their accounts are audited by responsible persons. In the case of small societies it is considered that it would be an undue burden to require these accounts to be audited by chartered accountants or any person holding a requisite qualification. In the case of such societies the Bill provides that the audit must be by a person acceptable to the Registrar of Friendly Societies. In the case of larger societies, none of which exist in Gibraltar at the moment but which may do in the future, there is a provision that accounts must be audited by a person holding a specific qualification - they are the ones set out in the Bill. I am sure that members will accept this as being reasonable and they will appreciate that inevitably the accounts of a large society are bound to be more complex than those of a small society and really genuinely require the auditing by a chartered accountant. The remainder of the Bill is aimed at making more realistic certain monetary limits which are laid down in the Ordinance at present. Thus, at present, if a member of a society has given instructions to his society to pass money on his death to a specific person, the society may do so but only to a maximum of £50. In the Bill we raise this sum to £200 and in addition, following United Kingdom legislation, we have made provision for the first time for a nomination which has once been given to be revoked and secondly we have required the society to keep a list of any nominations made by its members.

The Ordinance also allows the trustees of the society where a member has died intestate to pay the sum of £50 to such person as to the trustees seem a person entitled in law to receive that sum. This gives the power of an immediate payment without the necessity of the person obtaining letters of administration which can be processed involving a certain amount of time. There can be an immediate payment on an intestacy and now we are raising this from £50 to £100.

Clauses 9 raises by a small amount the fee which the Registrar may charge for making an entry on a mortgage or other assurance registered in the Supreme Court and clause 10 raises the penalty which may be imposed on a person obtaining by false representations any property of the society.

Clause 11 raises from £50 to £200 the maximum interest which a member may hold in the loan fund of the society, and clause 13 raises the amount of benefits which a person may receive from a society. As will be seen the sum by way of gross benefit is raised from £200 to £500 and the amount of annuity is raised from £50 to £104 that sum being, as members will appreciate, £2 a week.

And, lastly, clause 8 increases the sum payable by any person who demands of the Registrar to be supplied with a copy of the Rules of any registered society. We have, if I may say so, again followed the United Kingdom here. It seems good sense to us, it seems by this we are striking the right balance and we are protecting members of societies in Gibraltar.

Mr Speaker, Sir, 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?

There being no response Mr Speaker put the question which was resolved in the affirmative, and the Bill was read a second time.

HON ATTORNEY-GENERAL:

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

The Gaming Tax Ordinance, 1974

HON FINANCIAL & DEVELOPMENT SECRETARY

Sir, I have the honour to move that a Bill for an Ordinance to provide for the imposition of tax on bingo cards 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 & DEVELOPMENT SECRETARY

Sir, I have the honour to move that this Bill be now read a second time. Sir, it will be recalled that at the time of the Budget I announced that one of the measures which the Government proposed to introduce in order to raise the necessary tax revenue was a tax on gaming. The intention is to tax Bingo, stakes on turf racing and football pools. The Bill before the House today deals only with Bingo. Further Bills will be introduced in due course in respect of the other two forms of gambling. Mr Speaker, Sir, in introducing a measure of this nature it was necessary to consider very carefully the form that the tax would take and the best method of control which could be exercised over its collection. The present Bill, Sir, provides that only Bingo cards purchased from the Government may be used by any promoter of a bingo session and that these cards should bear a tax which will be collected at the time when the cards are purchased. The cards will also be paid for to the Government. Provision is being made to replace at no cost to the promoters of any bingo cards they may already have had in their possession before the coming into force of the Ordinance and furthermore ^{taxed} cards which for one reason or another may have to be returned unused subsequently to the Government, will have the tax refunded though not the cost of the cards. Sir, permission is also being given to exempt from the tax bingo sessions held in private houses or on private occasions where the value of the prices paid is only nominal. The date when the Ordinance will come into force is left open as the cards printed for the Government have not yet been received, Sir. 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 P J ISOLA:

Mr Speaker, these measures were part of the measures announced during the Budget. We placed no objection to them nor do we propose to raise any objection to them now. It would, however, be interesting to know from the Financial & Development Secretary how much it is estimated that this particular measure is likely to bring in in revenue during a particular financial year?

MR SPEAKER:

Before the Honourable member replies, does any other honourable member wish to say anything?

HON A P MONTEGRIFFO:

The only thing I would like to add to that is that things are better said than done. We had hoped that whatever this would yield in any year, it would have yielded as much as possible during the current one. Unfortunately, this is not so because we have had a lot of complications and consultations in order to find the best and simplest way of collecting the tax. I think it achieves two purposes, for those who want to carry on the luxury of bingo who will help with contributing towards our revenue. Those who feel that the luxury is becoming a bit expensive perhaps they can channel their money to more productive purposes. So on both accounts I think it is a good Bill.

HON J CARUANA:

Can the Honourable the Financial and Development Secretary say whether this Bill will also apply to the Casino at Bingo sessions, or will they continue as at present.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to say first of all that I am not a gambler and do not enjoy it at all, so the Government will not get any money out of me, but I think one has to realise that this is a form of entertainment and it would be a shame since entertainment is rather limited in Gibraltar, if this entertainment was going to be taxed out of existence in our small community and, therefore, I would say that whilst perhaps it is a fair form of taxation under the present circumstances, since it is rather an easy thing to say: "Well, we tax those who play bingo" and no one is going to shout about it, it is very likely that this could really happen and, therefore, it could be escalated to the stage where this form of entertainment becomes extinguished altogether. So whilst I think I am certainly not objecting to the tax I think it is important that the Government should think carefully before they start increasing the amount of tax applied to them.

HON L DEVINCENZI

Since four speakers have spoken in a row all I can say that No 5 is Bingo.

HON ATTORNEY-GENERAL:

Two matters I would like to deal with, Mr Speaker. Firstly, of course, there could be no increase in tax without the Bill coming to this Honourable House to do so. So if anybody then felt strongly of course they could air their views. The second point I would reply to the Honourable Mr Caruana is that this Bill will apply to the Casino. It will apply generally throughout Gibraltar except to the two specific exceptions which are set out in the Bill.

HON M K FEATHERSTONE:

Sir, I do not hope that the Honourable Major Peliza wants us to subscribe **here and now** that there should never be a tax on entertainment because I think, perhaps, he might like to declare an interest here, I will, drinking to some people is an entertainment and we do have a pretty heavy tax on that.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I am left to answer that our estimates of yield of the bingo tax is £30,000 in a full year.

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

HON FINANCIAL & DEVELOPMENT SECRETARY:

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

The Pensions Increase (Amendment) Ordinance, 1974.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Pensions (Increase) Ordinance, 1973 (No 30 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 FINANCIAL & DEVELOPMENT SECRETARY:

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

Sir, when introducing the Pensions (Increase) Ordinance I explained that it was necessary to provide against the granting of double benefits to officers in respect of an increase provided under the Ordinance and a cost of living allowance which might have been taken into account in the calculation of his pension. In order to achieve this purpose the cost of living allowance was declared to have ceased to be a pensionable emolument. However, quite independantly of this, in negotiations in the Joint Industrial Council, it has been agreed that the cost of living allowance should be declared to be a pensionable emolument and this agreement was later extended to the non-industrial staff also. Sir, the main purpose of the Bill, therefore, is to restore the cost of living allowance as a pensionable emolument and at the same time to make provision to ensure that the double benefit I have referred to should not accrue to the pensioner. This is provided in clauses 3 and 4 of the Bill. The opportunity has also been taken to give effect to the suggestions made to the Secretary of State that the legislation should now be brought into line with that of the United Kingdom by abolishing the requirement that we have here that a widow should have attained the age of 60 before she could qualify for an increase in her pension and by increasing the age of the children from 16 to 17 while they could qualify for increase.

Finally, Sir, I should explain that at the Committee Stage of this Bill I shall be proposing to move an amendment of which I have already given notice to correct an omission in the Ordinance when it was enacted. At the moment a pensioner does not qualify for an increase in his pension until he has obtained the age of 60 unless he is retired on grounds of ill health. There are however certain officers who are required by law to retire at the age of 55 and it was always the intention that such officers should not be denied an increase in their pension until they had reached the age of 60. 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?

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to give notice that the Committee Stage and Third Reading of this Bill be taken at a later stage in the meeting. This was agreed to.

MR SPEAKER:

Gentlemen, we have a decision which is yours to take. My estimation is that with another $\frac{3}{4}$ of an hour we might complete the work of the House that it has been agreed to complete and then adjourn until the Honourable Members at present away from Gibraltar return. It is your decision whether you want to recess now and come back at 3 o'clock or whether you want to stay on and finish with the work.

HON A P MONTEGRIFFO:

Mr Speaker, if we can clear the business by 2 o'clock I have already spoken to the Acting Leader of the Opposition and he agrees that we should carry on.

The Supplementary Appropriation (1974-75) (No 3) Ordinance, 1974.

HON FINANCIAL & 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, 1975, 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 & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that this Bill be now read a second time. Sir, there is need only now to make further appropriation for expenditure which was approved in Supplementary Estimates No 3 this morning and I commend this Bill containing the formal requirement.

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.

There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, I beg to give notice that the Committee Stage and the Third Reading of this Bill be taken at a later stage in this meeting. This was agreed to.

The Financial Procedure (Amendment) Ordinance, 1974.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that a Bill for an Ordinance to amend the Financial Procedure Ordinance, 1973 (No 1 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 FINANCIAL & DEVELOPMENT SECRETARY:

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

Sir, the Financial Procedure Ordinance came into force with effect from 1st April, 1973. Its provisions, therefore, govern the accounts for the year 1973/74 which are at the moment under consideration by the Principal Auditor. In practice this is a good Ordinance. However, it has not been altogether easy to administer in some respects and certain of its provisions have given rise to doubt in their interpretation. The purpose, Sir, of the present Bill is to provide greater flexibility and greater clarity in these respects which have proved desirable in the light of the experience we have gained of the operation of the Ordinance. And as I have indicated it is desirable that these amendments should be in the statute book before the audit of the accounts for the year to which they relate. These amendments, Sir, I may add, are brought forward after the closest consultations with the Principal Auditor and also

with the audit Advisor in the Foreign and Commonwealth Office. Sir, clause 2 of the Bill authorises specifically the investment of monies held for account of a special fund as defined in the Ordinance. At the moment this could be done only by regulation which would have to be made under Section 14 and by implication under section 15 of the Ordinance. This is a point obviously desirable for clarity, Sir. Clause 3 authorises the making of advances for the purposes and up to the amount stated therein. At the moment advances and deposits have jointly been declared a special fund according to the definition of the Ordinance. The position then is that the extent to which advances may be made is related to the extent that deposits are taken but there is no reason whatsoever why this should be the case. Sir, perhaps one word of explanation at this point is that the limit of advances may seem to have been pitched high at £200,000. The reason for this is that a large part of these advances is the payment of wages to industrial staff of the Government which is charged first to advances before it is allocated to heads and subheads of expenditure. These are brought to account for allocation to heads and subheads of expenditure in the Budget at the end of each month. This is a perfectly fair practice but it does explain why the limit of advances required is as high as £200,000. Sir, clause 4 of the Bill regulates the acceptance and management of deposits, something which is not at all covered by the present Financial Procedure Ordinance. Then there is consequentially on these amendments the provision for the deletion of the Advances and Deposits Fund - that is done by Clause 10 of the Bill. Clause 5 adds a new subsection to section 22 of the Ordinance. This existing section requires that the investments held for account of the Consolidated Fund should be revalued at the middle market price at the end of each year and that any difference resulting therefrom should be transferred direct to the Consolidated Fund. This is to avoid that the revenue and the expenditures of the year should be distorted by these adjustments. The purpose of the new clause is to deal in the same manner with adjustments which may have been made during the course of the year, that is to say simply if on the Crown Agents advice we switch from one security to another then we do not at that point of time need to credit revenue or debit expenditure at the time. That will be done at the end of the year, and these are transactions which really have no direct relation to the outcome of the budget forecast. They do, of course, affect the reserve position in the Consolidated Fund. Sir, clause 6 amends section 23 of the Ordinance in three ways. First, it recognises that the annual statements of account are not primarily or even necessarily prepared for audit purposes although that implication could have been read into the Ordinance. Secondly, it provides that a statement of the amounts which may have been authorised to be written off as abandoned by the Financial and Development Secretary should be included with a statement of the

accounts which he presented once a year. At present the Financial and Development Secretary is required to bring to the House for approval the write off any sum in excess of £250 but this, Sir, it is proposed is not necessary or practicable. Then, finally, it is proposed that the Governor should have powers to extend the nine month period for the rendition of the statements of accounts nine months, that is to say after the end of the financial year, for the accounts to be passed from the Treasury to the Principal Auditor who then in his turn has 3 months according to the law to study these accounts before they are laid. Sir, I am very conscious that in the past the submission of the annual accounts to this House has been slow but we have caught up and we shall be within the nine month period plus 3 months the Principal Auditor in the case of the 1973/74 accounts and the 1972/73 accounts are well on their way to this House also. However, when we were amending and tidying up this Ordinance it did seem right that if for any reason we should again fail - I hope it shan't ^{but if} we did fail again - that this should not put us in breach of the law. Sir, clause 8 corrects an error in section 33 of the Ordinance which uses language to suggest that Improvement and Development Fund expenditure is concerned with an appropriation law, which of course it is not, it is passed by Resolution of this House, that the appropriation is by Resolution of the House. Clause 9, Sir, repeals section 35 and 36 of the present Ordinance, as the Improvement and Development Fund has already been declared a special fund and, therefore, there is no need as is done in section 35 and 36 to provide specifically in respect of these matters. That is pure clarification, Sir. 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:

Mr Speaker, I would like the Financial and Development Secretary when he replies to explain to the House whether, in fact, under the provisions of section 2 of the Ordinance which refers to the investment of monies in special funds, the funds held in liquid form by the different special funds can either be put on deposit in the Consolidated Fund, that is, whether they can be lent to the Consolidated Fund and, alternatively, whether these funds can be invested in Gibraltar Government long-term securities. The Cote Currency Ordinance, for example, has been adjusted to take account of the fact that the Gibraltar Government is issuing additional debentures and there is now a possibility that that particular fund can be invested in local funds. I would like to know whether the application of this Ordinance to all the special funds means that a proportion of the money held in different special funds can also be invested in the local

securities instead of all the money being invested in similar securities of other Governments of other territories. There is the question of advances being made from the Consolidated Fund to special funds and I would like to know whether the operation can work in the opposite direction.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I look at the list of special funds as defined in the Ordinance and they include such funds as the Gibraltar Government Scholarships Fund the Improvement and Development Fund, King George V Hospital Fund, Lord Thomsons Bequest, Local Loans Sinking Funds, Non-Contributory Social Insurance Benefit Fund, Pilotage Fund, Public Trustee Fund. It is clear to me, Sir, that it would not seem appropriate that monies from these funds could be placed in the Consolidated Fund for use by the Government. On the second question on whether these monies can be invested in Government securities, unless we are prevented from so doing by the ordinance which I think not then the answer would be, yes. I think, Sir, that it would be desirable that this should be possible. My Honourable and Learned colleague the Attorney-General gives his first reaction that he does not think that without the approval of this House this could legally be done but that it could be done by means of Resolution of this House. Sir, if that is a satisfactory answer that we would in any case in point we would certainly be willing to consider this course.

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

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken at a later stage in this 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 Port (Amendment) Bill, 1974.

The Trade Licensing (Amendment) (No 3) Bill, 1974.

The Social Insurance (Amendment) (No 2) Bill, 1974.

The Elections (Amendment) Bill, 1974.

The Supplementary Appropriation (1974-75) (No 3) Bill, 1974.

The Pensions (Increase) (Amendment) Bill, 1974, and

The Financial Procedure (Amendment) Bill, 1974.

The Port (Amendment) Bill, 1974

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

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

The Trade Licensing (Amendment) (No 3) Bill, 1974

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

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

The Social Insurance (Amendment) (No 2) Bill, 1974

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

Clause 2

HON A J CANEPA:

Sir, I have given notice of an amendment to this clause. I beg to move that there be inserted in the Bill as clause 2 thereof, with the existing clause 2 renumbered as clause 3 a new clause as follows:

"Amendment of Section 3A. 2. (1) Section 3A of the Social Insurance Ordinance is amended as follows:

(i) by the deletion in the proviso to subsection (1) of the words "on or before the 6th day of January, 1975" appearing therein and by the substitution therefor of the words "on or before the 3rd day of March, 1975"; and

(ii) by the addition to subsection (2) (b) of a proviso as follows:

"Provided that in the case of a person reaching pensionable age between the 7th day of January 1975

and the 3rd day of March, 1975, both days inclusive, arrears shall be paid on or before the 3rd day of March, 1975."

(2) The provisions of this section shall come into force on publication in the Gazette."

Mr Speaker, the reason for this amendment is that due to circumstances beyond our control, there will be no time to accept options and payments of arrears before the 7th of January, 1975. The amendment, Sir, therefore does two things.

- (1) It extends by two months the period during which options and payments of arrears of contributions may be made, and
- (2) It enables those reaching pensionable age during the extended period to pay their arrears after reaching pensionable age but before the end of the period of grace. Mr Chairman, I commend the amendment to the House.

MR SPEAKER:

I now propose the question which is that the amendment to the Bill proposed by the Minister for Labour and Social Security be made.

HON J BOSSANO:

Mr Speaker, it is regrettable that there should be circumstances which prevent the Minister from being able to carry out his original plans but there is that saying about an ill wind and if as a result of these regrettable circumstances there is going to be a period of grace which will give senior citizens a further opportunity to pay these arrears, then, I think, it should be welcomed and we support the inclusion of the section which will give people an additional three months in which to pay their arrears.

Mr Speaker then put the question which was resolved in the affirmative and New Clause 2 was agreed to and stood part of the Bill.

Clause 3 (old clause 2) was agreed to and stood part of the Bill.

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

The Elections (Amendment) Bill, 1974

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

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

The Supplementary Appropriation (1974-75)(No.3) 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 Pensions (Increase) (Amendment) Bill, 1974

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

Clause 2

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, as I have already given notice, I propose to withdraw an amendment to this Bill which was circulated to Honourable Members on the 18th November and to move instead the following amendment. That clause 2 of the Bill be deleted and substituted by the following clause.

"Amendment of Section 3. 2. (1) Section 3 of the Pensions (Increase) Ordinance 1973 hereinafter referred to as the principal Ordinance is amended as follows:-

- (i) in subsection (2) thereof by the insertion of the word "or" at the end of paragraph (c) thereof and by the insertion immediately thereafter of a new paragraph as follows -

"(d) has retired before the age of sixty years by reason of a statutory requirement to retire at a lesser age, or, if he retired before attaining such lesser age, has attained such lesser age";

(ii) in subsection (3) (b) thereof by the deletion of the word "sixteen" appearing therein and by the substitution therefor of the word "seventeen"; and

(iii) by the repeal of subsection (4) thereof.

(2) The provisions of subsection (1) (i) of this section shall be deemed to have come into force on the 1st July, 1972.

(3) The provisions of subsection (1) (iii) of this section shall be deemed to have come into force on the 1st December, 1974."

Mr Speaker proposed the question in the terms of the above amendment. There being no response Mr Speaker then put the question which was resolved in the affirmative and New Clause 2 was agreed to and stood part of the Bill.

Clauses 3 to 5 were agreed to and stood part of the Bill.

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

The Financial Procedure (Amendment) Bill, 1974

Clauses 1 to 11 were 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 Port (Amendment) Bill, 1974; the Trade Licensing (Amendment) (No 3) Bill, 1974; the Social Insurance (Amendment) (No 2) Bill, 1974; the Elections (Amendment) Bill, 1974; the Supplementary Appropriation (1974-75) (No 3) Bill, 1974; the Pensions (Increase) (Amendment) Bill, 1974 and the Financial Procedure (Amendment) Bill, 1974 have been considered in Committee and agreed to. In the case of the Social Insurance (Amendment) (No 2) Bill and the Pensions (Increase) (Amendment) Bill, with amendments. I now move that they be read a third time and passed.

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

HON A P MONTEGRIFFO:

Before moving the adjournment of the House I would like first of all to say how delighted we all are to see the Honourable Mr Willie Isola back in his usual seat - though he is absent at the moment. I am sure that he has had a pleasant stay in hospital despite the fact that hospitals are not always pleasant institutions to be in. Lastly, Sir, I am sure I am voicing the feelings of the House when I say that we should record our best wishes to both the Chief Minister and the Leader of the Opposition both of whom are keeping a watching brief for us in the United Nations. Now, Sir, I have the honour to move that the House should adjourn until 10.30 am on Monday, 16th December.

HON P J ISOLA:

On behalf of the Opposition I wish to associate myself fully and the Opposition with the remarks that have been made by the acting Chief Minister on both points.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned to Monday the 16th December, 1974, at 10.30 am.

The adjournment of the House was taken at 2.00 pm on Monday the 2nd December, 1974.

MONDAY THE 16TH DECEMBER 1974

The House resumed at 10.30 a.m.

PRESENT:

Mr Speaker 1 (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 and 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 and Social Security.
The Hon I Abecasis, Minister for Housing.
The Hon Lt Col J L Hoare, Minister for Public Works and Municipal Services.
The Hon H J Zammitt, Minister for Information and Sport.
The Hon J K Havers, OBE QC, Attorney General.
The Hon A Mackay, CMG, Financial and Development Secretary.

OPPOSITION:

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

ABSENT:

The Hon Major R J Peliza - Away from Gibraltar.

IN ATTENDANCE:

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

RECORDING OF PROCEEDINGS.

Mr Speaker informed Hon Members that as there was no electricity supply it would not be possible to record the proceedings by means of the normal recording equipment.

The Hon the Chief Minister suggested and the Hon the Leader of the Opposition agreed that the possibility be investigated of having stenographers to take a record of the proceedings. This was agreed to and the House recessed at 10.45 a.m.

The House resumed at 11.10 a.m.

Mr Speaker informed Hon Members that a team of stenographers would record the proceedings.

SUSPENSION OF STANDING ORDERS.

The Hon M Xiberras moved the suspension of Standing Order 19(1) to enable him to move a motion, of which he had given notice the previous day, at the appropriate time in the order of business.

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

ANSWERS TO QUESTIONS.

Questions asked by the Hon Members together with answers thereto and supplementaries are attached to these minutes as Appendix 'A'.

PRIVATE MEMBERS' MOTIONS

HON M XIBERRAS:

Mr Speaker, I have the honour to move the following motion: "This House regrets the failure to achieve an interim settlement whilst the conciliator Mr Singleton was in Gibraltar and is gravely concerned with the rapidly deteriorating situation now that he has left."

Mr Speaker, as I mentioned earlier this motion was read by myself to the Chief Minister on the telephone at about 8 o'clock last night and the Chief Minister informed me that he would put it to his colleagues as to whether his side of the House would be prepared to vote to suspend Standing Orders so that the motion could be taken in this meeting. I had no hint or knowledge of a demonstration and I agreed at the time that the motion should be taken at the end of the business which was already before the House. I think it is right that the motion should now be taken in the most sober and responsible manner possible, and that as a result of this motion some progress may be made towards a settlement of this current issue which has recently divided Gibraltar in a most serious way. Mr Speaker, there can be no doubt that the issue to which I refer involves the public interest. The Opposition is aware of the question of the dispute, extremely alive to the fact of a possible escalation and we have not spoken before in the House openly on the issue because we did not want to be accused of jumping on the band-wagon.

Therefore, the Opposition has an obligation to the public to speak in the public interest. The Opposition's duty to speak was all the greater once the conciliator, Mr Singleton, had left and the public had been informed that no progress had been made during his stay here. It is a matter of great regret for the whole of Gibraltar that this has been the case, and therefore, my motion refers to the failure to achieve an interim settlement whilst the conciliator was in Gibraltar. Our concern and interest is heightened when one sees for the present no new initiative taking place. One sees a situation of total deadlock and a situation which can be described with no exaggeration as ugly in the extreme.

Mr Speaker, the Chief Minister has said that this is the first time that Standing Orders have been suspended but this is not the first time that the House has met with a demonstration happening at the same time. I refer to the issue of conscription and I am sure that as on that occasion we will be able to debate the issue with no bias and I am sure that this debate will go some way towards alleviating this problem which we are all facing. Mr Speaker, this is not the time to launch an attack against any party in this issue. This is the time to look ahead and try to see what can be done to solve the problem.

What the public sees as Christmas approaches is an escalation beyond anything we have seen before. There have been strikes and general strikes before but I say to members of this House that the situation this time is much more serious. In this House there have been exchanges between Honourable Members and there have been addresses between members on the other side of the House, and I trust that in the debate that follows my presentation of the motion, Hon Members will be able to keep personalities, passion and recrimination as far removed from the subject as possible and we should turn our collective mind to how a solution may be found. I believe that the situation has changed quite considerably since the time the dispute was about parity. The issue of parity has been resolved in a sense by reference to a Committee of inquiry and we on this side of the House, would be glad if this recommendation were to be followed. We think it has succeeded and we think it will be possible to come to an agreement on the claims and that the whole issue of the dispute can be discussed in a more objective manner once the interim has been settled. But Hon Members must be aware that a final settlement will not be achieved unless there is a settlement of the interim dispute. My Party, I must say, is not responsible for the Trades Council having asked for parity. My Party stands by parity, as Hon Members on that side of the House know, because we have put this to the Government before now, but my Party wishes to reject categorically any insinuation or allegation that has been made

that the whole of the GTC is following a political directive in this. That is not possible bearing in mind the great number of workers concerned and the fact that there are members of every kind of political persuasion in the Committee and Hon Members should know that. May I say that on this interim dispute my Party is completely free to make representations in the usual manner and Members must see that. I think it is important that the public should be aware that as a result of this debate the Opposition is not prepared to blame either party taking part in the dispute. I can describe at great length the inconvenience which the situation is causing in Gibraltar, but I am not prepared to blame in this debate one side or the other. However, I will be prepared to blame once the situation develops. I have not yet had time to study the Chief Minister's statement in reply to my question on the industrial situation, and I did not catch all that he said, but I would ask the Chief Minister to bear in mind the seriousness of the situation when he answers my queries. I would like him to give me an indication of what the possibilities are of a settlement and what he intends to do as Chief Minister and most of all since the whole point of this motion has been that we should be able to take some steps to undo this deadlock. I would be grateful if he would state to Hon Members in this House whether he is prepared to have talks with myself and my colleagues on the situation. I think that this kind of procedure which has not only become possible now but has become absolutely necessary, would give hope to the whole of Gibraltar in their present predicament. As Hon Members are aware I have the right of reply to the motion standing in my name and Hon Members can be assured that there will be no provocation from Members on this side of the House. We should ensure as early as possible that the public in Gibraltar should be made aware that the Government, together with the Opposition, are doing their best to find a solution even at this late stage.

MR SPEAKER:

I will not tolerate this behaviour from the public gallery. Any form of interference be it by way of clapping, as we have just had, or otherwise, are contrary to the Rules of the House. The public are by leave entitled to attend meetings of this House but they are bound to observe the rules as members do. If members treat each other with the respect and dignity that this House warrants the same must apply to the general public. This is the Gibraltar House of Assembly, your House of Assembly, and I feel sure that you all wish to behave in a manner which will not impinge the dignity of the House. Members must be entitled to speak and transact their business without suffering undue influence or having their rights interrupted or feeling inhibited in any manner.

Mr Speaker then invited discussion on the motion.

HON CHIEF MINISTER:

I must express my appreciation to the Hon the Leader of the Opposition for the manner in which he has introduced his motion, and insofar as the terms of the motion are concerned, nobody could fail to regret that it has been impossible to reach an agreement on the interim. Anybody who thinks - and I shall measure my words, and I say, this in all honesty - anybody who thinks that anybody in public office relishes what has been happening, must have his head examined. Of course we regret the failure; of course we would like a solution, but there are other difficulties and in the first place I would like to say that the Government by itself does not bear the responsibility for the action taken by the official side in this dispute. I would like to remind the House that on this occasion the Government shares the responsibility with other official employers.

The statement I made earlier was as factual and as uncontroversial as possible and, Mr Speaker, you will understand that it is not easy to restrain oneself in the light of insults and of other kinds of measures and threats which are being exercised against me, but I am prepared to forget everything and accept this for the good of Gibraltar, and if everybody thought in the same way then it would not be difficult to reach some form of agreement.

Now, I would like to say that I welcome the suggestion that there should be talks between the Government and the Opposition, which perhaps might lead to a better way of reasoning, and I am sure pave the way which might lead to industrial peace. But before we go on to the talks and to air the situation as much as possible, I have to make a number of reservations because I could not agree with all of what the Hon Leader of the Opposition said, and this is a reservation which I want to make in all honesty, but I agree to talk about the problem. The other reservation I want to make is that I do not believe that the problem will be solved overnight. I do not know what the conciliator, Mr Singleton, was advising to the other side any more than I imagine the GTC know what he was advising the Government. He expressed to me, as no doubt he expressed to members of the Trades Council, regret at the failure to reach an agreement in this industrial dispute, and I would pay tribute to Mr Singleton in that he tried, I am sure as hard on one side as he tried on the other to bridge the gap. We are hoping to enter into these talks as soon as possible but we would like to make quite clear that this resolution is not the solution to the problem. We are prepared to explain matters to the Opposition, we are prepared to come to terms with the workers but I must say that just as the workers have principles, so has the Government got principles by which we have to abide, but we hope to reach an agreement soon because if we do not I feel it would be disastrous for Gibraltar.

HON J BOSSANO:

Mr Speaker, I am rising at this moment to talk on the motion, and I would like to say two things. One is to express my own regret of what has taken place and the serious danger that I see to the whole fabric of our society, and to the continuation of the democratic institutions in the way the situation has developed. I would also like to give an explanation of the events in which I have been intimately involved. I cannot, I believe, proceed on the motion dispassionately because I am, myself, too intimately involved in the actions that have taken place, as a result of my employment in the GTC, being a TGWU negotiator.

MR SPEAKER:

I cannot allow you to go into a detailed review of all that has transpired in connection with the current industrial action on the negotiations which have taken place in this respect. You must keep to the subject matter of the motion and of course in so doing you are free to make general references to anything which may have a bearing on the matter.

HON J BOSSANO:

Thank you, Mr Speaker, I will be as brief as possible, I think it is important that members should know why the escalation at the moment is one that follows a previous escalation.

The biennial review started with the Union tabling a claim on the same lines as what had been debated in 1972, when Mr Cousins was in Gibraltar. In that particular dispute, Mr Urwin, in the presence of the Chief Minister, suggested a new approach which would forget everything that had taken place before and hopefully accord a new claim which might be agreed by both sides. Following this, the GTC agreed to go along with the new proposals which involved negotiations by an intermediary and what agreement had been reached on the interim would be removed and the necessary atmosphere for an analysis of the issue of the wage and salary structure of Gibraltar would be presented at an independent inquiry. When negotiations on the interim started, the official side made an offer of 10%. The reaction of the GTC to this was to state quite categorically that their understanding of the proposal put in London by Mr Urwin was that the interim was to be agreed. This in fact, had already been put by the Chief Minister in a meeting, and he also had given that impression from the way he had spoken to me in London. The GTC, Mr Speaker, amounts to 90% of the workers, and if my understanding of the situation is correct, the essence of the dispute is that the GTC wants a lump sum as

an interim award and the Official Side do not agree to this, but are offering instead a percentage. Thus there have been many meetings and negotiations taking place between the two parties involved, but they have not succeeded in coming to an agreement favourable to both sides. When it was found impossible to convince the official side on the claim the GTC was making the negotiations boiled down to nothing, but then an effort was made to get the negotiations going again through the good offices of a conciliator and representations were again made to the official employers during the course of several meetings which lasted a very long time, 3 to 4 hours each. The Staff Side put forward their arguments for a £6 lump sum. These arguments, in fact, represented a move by the Staff side which had originally suggested the figure of £10. This new suggestion by the staff side was put to the official employers to provide protection against increases in the cost of living from 1st July, 1972, to 1st July, 1975, but again this was rejected by the Official Employers.

During the negotiations between the two sides with the conciliator, the official employers agreed to improve their offer and to pay from January 1st onwards any excess in the increase of COLA over the 70p they had estimated, undertaking to commit themselves to pay the COLA figures for April 1st 1975. The GTC representatives indicated that they could not recommend these proposals to their members. Late on Saturday evening it was put to the Official Side that the GTC might be prepared to accept a variation of the Official employers offer, whereby the percentage would be reduced from 10 to 7½ while the flat rate would be increased from £2 to £2.50, and the official employers intimated that if this was the case they would be prepared to agree to this, if it were put to them formally by the GTC itself. But at the general meeting held last night by the GTC, these offers were formally rejected by the Committee.

This is the situation now, Mr Speaker, and the tragedy of this situation is that the men involved in the negotiations should feel that reason, argument and logic failed to provide a necessary and happy solution to this dispute. If one takes the time to study the background of this situation, one wonders whether argument and logic and talk and reasoning is really a valid way of solving problems, and this is the line of thinking that has, I think resulted from the failure of negotiations and meetings which have taken place between the parties involved. Thank you, Mr Speaker.

HON M KIBERRAS:

Mr Speaker, may I first of all mention something which the Chief Minister said about.....knowing that he will not give me a reply because this is the final intervention on the subject, but nevertheless this is important. It is important, I should say, to know what the position of DOE and MOD is. I think everybody would like to know, as on the occasion of the 50p when there was a division between the official employers and the UK Departments, everybody would like to know whether there has been a division now. I do not know whether the Chief Minister will say if there was some sort of division there.

HON CHIEF MINISTER:

I can assure the Hon Leader of the Opposition that there has been no division whatsoever between the official employers and the UK Departments on this.

HON M KIBERRAS:

I thank the Hon Chief Minister for that. That makes the position much more clear. I think that during my remarks on the motion, I did not put any blame on one side or the other, contrary to what the Chief Minister may say. My appeal has been one for an effort to be made by all concerned to try and reach a solution. I am not aware, Mr Speaker, of what went on when the conciliator, Mr Singleton was here, but if these talks materialise between the Government and the Opposition, we shall certainly be asking questions as to what position was reached whilst the conciliator, Mr Singleton, was here and we shall be putting forward our own tentative suggestions. I know that the Chief Minister spoke about the different opinions and ideas of members involved. This is an important factor which inevitably occurs in most industrial disputes. There are different opinions and ideas and I think it should be recognised that there are ideas of members on both sides. In fact, my Hon Friend, Mr Bossano, has expressed several which he holds true. Therefore, Sir, what I gather has been the outcome of this debate is that at the earliest opportunity the Government and the Opposition will meet to discuss the situation, Government explaining the position, the Opposition making suggestions. I think that this is a good result which has been achieved by the debate and I look forward to the possibility which now exists and which did not seem to exist before, that a solution may be found. Finally, Sir, I thank Hon Members for agreeing to take this motion before its appropriate time and I trust that, as I say, it will be conducive to a better climate.

Mr Speaker then put the question in the terms of the Hon M Xiberras' motion which was resolved in the affirmative and the motion was carried unanimously.

The House adjourned sine die on Monday the 16th December 1974.