HOUSE OF ASSEMBLY

HANSARD

OF MEETING

HELD ON 25 NOVEMBER 1975

OFFICE COPY

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Twentyfirst Meeting of the First Session of the Second House of Assembly held at the Assembly Chamber on Tuesday the 25th November 1975, at the hour of 10.30 o`clock in the forenoon.

PRESENT:

Mr Speaker . . . . . (In the Chair)
(The Hon A J Vasquez CBE, 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 Information and Postal Services.
The Hon Lt Col J L Hoare, Minister for Public Works and Municipal Services.
The Hon H J Zammitt, Minister for Sports and Housing.
The Hon J K Havers, OBE QC, Attorney General.
The Hon A Collings, Financial and Development Secretary.

OPPOSITION:

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

ABSENT:

The Hon J Caruana

IN ATTENDANCE:

Mr P A Garbarino, ED (Clerk of the House of Assembly)

PRAYER

Mr Speaker recited the prayer.

OATH OF ALLEGIANCE OF NEW MEMBERS

HON A COLLINGS

I, Allan Collings, swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

HON CHIEF MINISTER

Mr Speaker, I would like to welcome Mr Collings as the new Financial and Development Secretary on behalf of this side of the House, as I am sure will be done by the other side, and wish him a happy, fruitful and peaceful stay amongst us.

HON M D XIBERRAS

Mr Speaker, I would like to associate myself with those words, welcoming Mr Collings. I am sure he can contribute greatly to the work of this House and may I take this opportunity very briefly which for other reasons we were not able to do the last time of establishing on the record our appreciation for the work of the Hon Alistair Mackay. In fact these feelings were communicated to him in the little reception we held for him before he left.

MR SPEAKER

May I also welcome Mr Collings and may I express the hope that you will join in the happy antagonism of the House which I think is always done in the best interest of the people of Gibraltar.

HON A COLLINGS

Mr Speaker, Sir, may I thank the Hon the Chief Minister, the Hon the Leader of the Opposition and yourself, Mr Speaker, for those kind words, and I can assure the House that I shall place myself at its service at all times.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 14th October 1975, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

The Animals and Birds (Amendment) Rules 1975.

Ordered to lie.

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

The Town Planning (Exemption of Change of Use) Regulations 1975.

Ordered to lie.

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

The Educational Awards (Amendment) (No.2) Regulations 1975.

Ordered to lie.

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

(1) The Employment Injuries Insurance (Benefit)(Amendment) Regulations 1975.
(2) The Employment Injuries (Claims and Payments)(Amendment) Regulations 1975.
(3) The Social Insurance (Benefit)(Amendment) Regulations 1975.
(4) The Social Insurance (Claims and Payments)(Amendment) Regulations 1975.
(5) The Social Insurance (Contributions)(Amendment) Regulations 1975.
(6) The Social Insurance (Voluntary Contributors)(Amendment) Regulations 1975.
(7) The Social Insurance (Overlapping Benefits) (Amendment) Regulations 1975.

Ordered to lie.

The Hon the Minister for Information and Postal Services laid on the table the following document :

The Postal Order (Amendment) (No.2) Regulations 1975.

Ordered to lie.

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

The Motor Cycles (Wearing of Helmets) Regulations 1975.

Ordered to lie.

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

(1) The Consular Conventions Ordinance (Application) Order 1975.
(2) The Belgium (Extradition) (Amendment) Order 1975.
(3) The Fugitive Offenders (Designated Commonwealth Countries) Order 1975.

Ordered to lie.

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

The Pensions (Amendment) Regulations 1975.

Ordered to lie.

ANSWERS TO QUESTIONS

The Order of the day.

MR SPEAKER

The Honourable the Minister for Medical and Health Services has given notice that he wishes to make a statement, and I therefore call on the Honourable Minister.

HON A P MONTEGRIFFO

Mr Speaker I should like to inform the House that as from next January a campaign will be started in which free vaccination against Rubella (German

measles) will be offered to all girls aged 11 - 14. (Though this is not included in my prepared statement, this has nothing to do with the permissive society). In sponsoring this vaccination campaign we are mainly looking at and protecting tomorrows generation as well as providing for a healthier community. Rubella is normally a mild infection of no serious effect which a few days in bed will cure. However, if the disease is caught in the early stages of pregnancy the consequences for the unborn child could be most serious and could result in blindness, deafness and abnormalities of the heart and brain. The mother too will be saddened by the worry of bringing up a handicapped child.

Anti Rubella vaccination provides protection to mothers and through them to their unborn children. It may seem that the age of girls to be vaccinated is rather low but the vaccine has to do its work long before the need for protection arises. Also, because of possible harm to the baby it must not be given during pregnancy, or to a woman who is likely to become pregnant the following 8 weeks.

For this campaign to be successful the co-operation of parents is of utmost importance. Their daughters can have free vaccination at the School Clinic and arrangements for attendance will be made through the school. Of course I will add that the matter raised before in question time about having their parents concerned is adhered to.

I therefore strongly urge them to co-operate in order to protect both their children and their children's children.

MOTION RE SUPPLIES (PROTECTION OF THE COMMUNITY) ORDINANCE 1973

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 of December, 1975, but that its validity shall extend until the 31st December, 1976, and it shall then expire unless its validity be further extended by resolution."

Mr Speaker, Sir, Members of this House will recall that I spoke at some length when the Bill was introduced into the House in December, 1973, and I spoke again in December 1974 when the life of ~~what was then~~ the Ordinance was extended. I do not wish to reiterate all the arguments and points I made during those two speeches, but if I might very briefly recapitulate ... as it is a year since we considered this matter. The Ordinance is based on the United Kingdom's Emergency Powers Act, 1920. That is an Act which has stood the test of time in the United Kingdom and of course has been accepted by Governments of all shades of political ~~allegiance~~ opinion. The advantages of having this legislation in Gibraltar is that we can control supplies necessary for the public without the need of declaring an emergency under the Emergency Powers Order in Council, 1939. Any declaration, of course, of emergency under that Order in Council gives an extremely wide power to make regulations and we do not wish unnecessarily

to take those powers. The original reason of course for the enactment of this legislation was that it appeared highly likely that it would be necessary to ration oil. In 1974 the oil crisis fortunately had subsided, but as Honourable Members would be aware there was the great possibility of a shortage of sugar. I am happy to say that at the present time there does not appear in sight any particular commodity which is liable to be on short supply suddenly, but as Members know, crisis can blow up in the world at very short notice, and for that reason it is considered prudent that we should retain this legislation.

I would finally remind Members that the Honourable and Learned the Chief Minister in 1973 gave an undertaking that this particular legislation would never be used in the case of an industrial dispute: that was repeated last year by the Honourable Minister for Medical and Health Services, because Members will recall that the Honourable and Learned the Chief Minister and the Honourable the Leader of the Opposition were in New York at that time and were not present for the particular debate in the House. Mr Speaker, Sir, I repeat it now. I am authorised by the Honourable and Learned the Chief Minister to give that undertaking again: that this would not be used in the case of an industrial dispute.

MR SPEAKER then proposed the question.

HON M D XIBERRAS

Mr Speaker, we on this side of the House, my colleagues and I, do not agree that this legislation should be extended, especially as the Honourable and Learned the Attorney General has given no valid reason why it should be extended other than to say that a world crisis comes from time to time. We are aware that the powers given to the Government by this Ordinance are rather less than the virtual state of emergency which could be declared by publication of the Governor's Order in the Gazette, but nonetheless the Honourable and Learned the Attorney General should realise that the powers of this Ordinance are extraordinary. And because they are extraordinary we should not like to see such powers in the Statute Book unless there is some valid reason for having them there.

The assurances the Honourable Member gave about the powers not being used to stop industrial action are noted, but in the present circumstances where, as far as we can gather, and I repeat that, as far as we can gather from the Honourable and Learned the Attorney General there is no

impending crisis - and I emphasise that had the Honourable and Learned Member said otherwise we should certainly have reconsidered our position - since no crisis has been announced by the Honourable Member then we would have to vote against the extension of this Bill.

If the Bill were to be passed by the House of course such an assurance as I am going to give would be relevant, but if the Bill were not passed by the House then we on this side would be willing to vote the powers to the Government at a moment's notice and as quickly as can be done in a small place like Gibraltar by calling an emergency meeting of the House of Assembly. So it is not as if the Government were going to be deprived of these powers in any real emergency.

The Honourable and Learned Member will recall that our original objection when this Bill was brought to the House for the first time was that Government had failed to make a case for it. And I think these arguments apply with even greater force today. If there is any indication given officially, or extra officially, of some sort of crisis then certainly we will support the Bill. But this is not being done and I do not think it is good practice for this House to entrust the Government with special powers when the Government has failed to make a case for such powers.

MR SPEAKER

Any other speaker on the motion?

HON L DEVICENZI

Mr Speaker, I would just add one thing to what the Leader of the Opposition has just said, and that is that I fully support what the Honourable Leader of the Opposition has said but perhaps one would be inclined to be perhaps slightly more in favour of the Bill if at least the Government were to have suggested - and I am not agreeing with this either just to make this point - not just given an undertaking but to have incorporated this undertaking into the Bill, which would give the Government no powers to use the Bill against industrial dispute and anything of the sort.

HON CHIEF MINISTER

Mr Speaker, I ought to say just one word, and that is that

I did think about this when the matter was brought up by the Attorney General. The problem is that whereas the law remains as it is, by resolution, if the resolution is not carried out before the end of the year, if it is either now or at any meeting - if we do have a meeting before the end of the year, I do not know whether there will be sufficient business to warrant a meeting or not, then the Ordinance itself lapses and we would have to go through all the stages. There could be a time next year, there could be a short hiatus because it is an election year, in which it might be of great importance to a Government in a situation of crisis to have powers such as this in respect of supplies. That is why I felt that on balance we should keep it another year and allow the incoming administration to have the same weapons that this Government has had to deal with an emergency until they found their way about. This I think is an important matter because it could be - as the Attorney General has said - it could be that supplies would require to be maintained. I think we ought also to take into account, as the Leader of the Opposition himself has said, that it is much less powerful than invoking a state of emergency under the present legislation. We all know the effect that that would have outside Gibraltar in respect of any matter which might be small. In fact there has been for a long time a state of emergency in the United Kingdom and people perhaps do not realise this. It is not necessary to do that here and I think the resolution keeps in being something that we have already passed, with which the Opposition have never agreed not because reasons were not given that there was something impending, but even when that was given, so we are not surprised that the Opposition do not agree. They have never agreed to it, we can understand their point of view, but we feel we have a duty to the community to keep this Ordinance in the Statute Book.

HON MAJOR R J PELIZA

Mr Speaker, it seems to me by the arguments used by the Honourable and Learned the Chief Minister that what he is saying is that we should have this permanently in the Statute Book. Surely the Bill could be taken through all its stages in a matter of minutes - well less than an hour - and I think that could equally be done again if such a situation arose between one Government and another as regards a vacuum as I think the Honourable Chief Minister was referring to, well this is obviously a situation that would have to be faced if it arose. In that case of course we have the other standing piece of legislation that could be used in an emergency and which in fact is even more powerful than this one. But I

think the circumstances in which that would arise are indeed very remote and hardly I think powerful enough to bring into the Statute Book a kind of law that I think is repu gnant to most people.

HON J BOSSANO

I agree with what the Honourable and Gallant Member has said in that if the legislation in question is going to be a permanent feature of Gibraltar's legislation, then it seems rather a wasteful process to simply repeat all the arguments once a year and then have the Government using its majority for keeping the law there f or another year. It gives us an opportunity of airing the arguments once a year but it does not seem to get us any nearer to agreement than we were when the original Bill was discussed. Certainly if there are s ets of circumstances in this coming year because there may be a period of hiatus between an outgoing administration and an incoming one, there might be a valid argument in keeping the law going for one more year. But in that case I must of necessity express misgivings about the undertaking given by the present administration that the law would not be used in the event of an industrial action because we would be passing a law to an unknown incoming administration who might or might not feel that they are bound by the undertaking given by the outgoing administration.

HON CHIEF MINISTER

Is the Honourable Member assuming that we are not going to come back into office? Is that not a very strong assumption tc make?

HON J BOSSANO

Mr Speaker, I know that I am risking a lot in assuming that there is not going to be a repetition, all I am saying is that there might be a remote possibility - in fact maybe I did not express myself well - there might be a remote possibility that the Chief Minister might not be returned to power, in which case, you see, his successor might not feel bound by an undertaking which represents the policy of his Government but not the policy of the incoming Government. Certainly if what my Honourable friend Mr Devicenzi suggested was done, that such a clause form part of the law, certainly from my point of view I would feel less unsure about the prospects of having this in the Statute Book. Of course if we had the Bill before the House it would be possible to propose an amendment, but since what we have is a motion extending the life of the law unchanged, as far as I can see there is nothing one can do about it either to support the law as it stands or oppose it.

HON A J CANEPA

Mr Speaker, perhaps in order to meet the remote possibility that a more right wing and more repressive government than the present administration might come into office after the next election, to avoid that, I think

that I could move an amendment which would only extend the life of the Ordinance until the 30th of September 1976, and that might meet the point of the Honourable Member opposite. So if that is acceptable, Mr Speaker, I would so move that the motion be amended by the deletion of the . . . .

MR SPEAKER

Would you write it down on a piece of paper and pass it on.

But if what you are trying to do is to find out the feel of the House and of the Opposition, I think that if I have any knowledge of how they are thinking, it is the principle of the Ordinance which is repulsive to them and not the duration of the Ordinance itself. Is that correct? It is the principle of the Ordinance and not the length of its life.

HON A J CANEPA

I beg to move that the motion be amended by the deletion of the words and figures "31st December 1976" appearing in the third and fourth lines of the motion and the substitution thereof of the words and figures "30th September 1976".

MR SPEAKER then proposed the amendment.

HON L DEVICENZI

Mr Speaker, as you rightly assumed, it is more the principle than the date which matters to the Opposition. I just wondered, Mr Speaker, whether the Government themselves are keen in having this Bill.

HON CHIEF MINISTER

Yes.

HON L DEVICENZI

I can see that the Chief Minister speaks for the Government, yes, we all know. Mr Speaker, by this amendment it looks to me as if the Government wants to sort of reassure themselves of something which in a small place like Gibraltar, where communications are so easy there is not a need at all for it. I think this is like having a car with six wheels just in case you get three punctures at the same time. If there were to be an emergency it is most unlikely that we would have one overnight. We are bound to see the thing coming and if that were to be the case one could easily legislate or do whatever one has to do in a very short period. I think that even this inconvenience is better than having a Bill which to my mind is unpalatable to most people.

HON J BOSSANO

May I just say as regards the amendment that I am in favour of the amendment in that it will give presumably the new Government the opportunity of deciding in September next year rather than having three months, which of course could have been changed, but nevertheless it is a good thing I think that we should not leave things hanging around the neck of whoever has got the job of running Gibraltar after the next election. So I am in favour of the amendment as it is, and certainly for my part, although I do not particularly like the Bill as it stands, my major concern is in fact that it should not be used in an industrial dispute, and since the undertaking is there until September 1976, I will not be opposing the motion after the amendment is carried, if it is carried.

MR SPEAKER then put the question, and on a vote being taken, the following Honourable Members voted in favour :

THE GOVERNMENT

The Hon Sir Joshua Hassan
The Hon A P Montegriffo
The Hon A 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 Collings

The Hon J Bossano

The following Honourable Members voted against :-

THE OPPOSITION

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

The amendment was accordingly carried.

MR SPEAKER

Right, therefore, we have now the original motion as amended. Does any Honourable Member wish to speak on the original motion?

I will then ask the mover to reply.

HON ATTORNEY GENERAL

There are only two points, Mr Speaker, which I would wish to make. It seems to me remarkable that the Opposition should say: if there were a crisis we would be very happy to support legislation to enable the crisis to be controlled, but we want to wait until the crisis is upon us. That seems to me bad housekeeping.

HON M D XIBERRAS

I for one said no such thing. I said: "if there were any evidence of an impending crisis", not if there was a crisis.

HON ATTORNEY GENERAL

Let us say, evidence of an impending crisis, then we would be prepared to come and give the necessary powers. And the second point I would make is the point made that there could be quickly called a meeting of this House in order to pass any legislation. There has to be at least 7 days notice for a meeting: I agree it is unlikely that a crisis could be upon us in less than that time, but it could, and in that case if the appropriate notice could not be given we would be in a jam, up a gum tree.

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

THE GOVERNMENT

The Hon Sir Joshua Hassan
The Hon A P Montegriffo
The Hon A 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 Collings

The following Honourable Members voted against:

THE OPPOSITION

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

The following Honourable Member abstained

The Hon J Bossano

The Motion was accordingly carried.

BILLS

THE TRADE LICENSING (AMENDMENT)(NO.2) ORDINANCE, 1975.

The Hon the Minister for Tourism Trade and Economic Development moved that a Bill for an Ordinance further to amend the Trade Licensing Ordinance 1972 (No.22 of 1972) be read a first time.

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

The Bill was read a first time.

HON A W SERFATY

Sir, I have the honour to move that the Bill be now read a second time. I regret to have to come, I think it is a third time, to this House to request an extension of the life of this Ordinance but the Select Committee, and I am sure members of that side of the House are as aware of this as are members of this side, that the Select Committee have been in difficulties on this matter, EEC Regulations etc., but I am happy to say that we are now looking at what may be the right solution to this problem and I hope that within six months we shall be able to report to this House.

MR SPEAKER then invited discussion on the general principles and merits of the Bill.

HON L DEVICENZI

Mr Speaker, I support the Bill before the House. All I would say, Mr Speaker, if I remember rightly and I do realise that we have in the Select Committee members of the Government and my colleagues on my right, that the Chief Minister rightly said when I myself kept on bringing Bills to the House seeking an extension to the Youth Employment Welfare Bill, that perhaps it would be better to allow the Bill to go on indefinitely and thus avoid the need to keep on coming to the House, to the amusement of many people who are kept on being reminded of the fact that this Select Committee keeps on with Bills and leave it on indefinitely.

HON M D XIBERRAS

The Honourable Minister for Tourism has given perhaps the most optimistic statement than on the previous occasions that this Bill has come to the House. I think quite frankly that it does no credit to this House that this Bill, far ranging as it is and affecting the lives of quite a number of people, affecting quite a number of business transactions and affecting the future of quite a number of businesses should be on a temporary basis. One wonders as to whether one should give any credence to what the Honourable Member is saying that there is a solution in sight for this problem. Perhaps he is just being optimistic.

HON A W SERFATY

If that is what he thinks, perhaps he should ask the Honourable Member on his left.

HON M D XIBERRAS

Mr Speaker, I do not think the Honourable Member on my left would have the same judgement as the Honourable Chairman of the Select Committee. I think the Honourable Chairman is much more optimistic than my Honourable and Learned Colleague. But I do believe that it is not to the credit of this House that this Bill should come again and again.

There are people who have made representations to me saying: is this going to be changed; should I take steps to establish a new business. There is evidence that the smaller businesses are being affected, lists of articles to be sold, for instance, are to be produced by people who want to set up a shop, and yet the main purpose of the order is, to my knowledge, being flounted in quite a number of cases, and the protection which was supposed to be afforded to Gibraltar business is not in fact being given by this Bill, which by means of the Select Committee we were trying to redeem from a really sudden death.

The Bill was not to our liking at the beginning and we are trying to make the best of a bad job, but it appears that so far the Select Committee has not progressed. We have had to my mind no real indication that the Select Committee is on something really productive, and so we are living from day to day with a Bill which does no one much good, certainly not Gibraltar. It does not offer any measure of protection. Everybody knows this, it does not offer in the big cases any measure of protection. We have an authority which is exercising powers, I think somewhat ackwardly, because it is such a difficult Bill to judge cases by. And in the meantime we might be putting off the evil day when the House realises that there is nothing to be done about this problem. Now, I may of course sound too pessimistic about this, but really what the Honourable Chairman of the Committee has told us repeatedly is not really enough evidence to go by that there has been a break through in this Committee.

Now, I think that if the situation were to be the same in six months' time I for one would not favour renewing the powers under this Ordinance for yet another six months.

HON P J ISOLA

Mr Speaker, I do wish the Minister proposing the Bill had not interrupted the Honourable the Leader of the Opposition and invited him to ask me the question, because having invited remarks from me I can only say that I do not really share the optimistic remarks made by the Honourable Minister in moving the extension of the Bill. I know that he has a philosophy of optimism inbred in him. I think it is fair to say that there has been a certain amount of progress on the details of a new Bill, but although they are important details they are not the fundamental issue in the Bill, which is the fundamental issue of protection of which the Honourable Leader of the Opposition has spoken. On that point, the fundamental issue of protection, it is there that of course we have met serious difficulty, and although we are now pursuing another line which perhaps will achieve the same result I do not think we can be certain of success. I can assure my Honourable friend, the Leader of the Integration Party, that we are trying very hard to produce a solution and that we do realise that the Select Committee is liable to fall into considerable public disrepute if it does not come up with some answer. But there are some basic fundamental problems connected with our entry into the European Economic Community that inevitably are proving quite a stumbling block. But let us hope that in the period of six months we do come up with something that can at least be put/to the House for its consideration.

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MR SPEAKER

Does the Mover wish to reply?

HON A W SERFATY

Yes, Sir. I would like to say that I believe the Honourable Leader of the Opposition is too pessimistic. I remember saying when this Ordinance was first passed that I did not like the Bill, we did not like the Bill on this side of the House, but we considered it then a necessary evil. I honestly believe that it has given some measure of protection to Gibraltarians, and I believe, I certainly will not commit myself and less so in the Select Committee, that there has been a kind of breakthrough in the thinking and that it may be possible that within the next few months we will be able to report to this House.

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

The Bill was read a second time.

HON A W SERFATY

Sir, I now move that the Committee Stage and Third Reading of the Bill be taken at a later stage of this meeting.

This was agreed to.

THE IMPORTS AND EXPORTS ORDINANCE (AMENDMENT) 1975.

The Honourable the Financial and Development Secretary moved that a Bill to amend the Imports and Exports Ordinance (Cap 75) be read a first time.

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

The Bill was read a first time.

HON FINANCIAL AND DEVELOPMENT SECRETARY

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

Sir, since I was not present at the conception of this measure, and since also I was not in attendance during its period of gestation, I hope I may be forgiven and have the indulgence of this House if I make perhaps more frequent references to my notes than is customary the practice.

Sir, the main purpose of the Bill is to make good certain defects and shortcomings which exist in the present legislation. Apart from certain provisions of a war-time measure which were incorporated in the principal Ordinance, the legislation which is on the Statute Book at the moment has remained basically unchanged for well over half a century. It is not, therefore, surprising that the Ordinance fails to take account of the many changes in practice and procedure which have occurred since then, not least in the manner of documentation of the imports and exports and in the manner prescribed for their clearance through Customs. These defects and shortcomings have inevitably given rise to doubts and disputes about the correct interpretations of the law. The Bill now before us, therefore, seeks to bring the Statute legislation more generally into line with the procedure and practice adopted in the United Kingdom and in other countries of the European Economic Community.

So the first matter which must be attended to is to define what is meant by the expression "import", and I must confess that it comes as something of a surprise to me to be confronted by a piece of legislation on the subject of the importation and exportation of goods. To find that nowhere in its context is the word "importer" defined. As a result of this lack of definition there have been difficulties and disagreements over responsibilities: for example over the responsibility for the loss of goods. The Bill therefore now defines the word "importer" in Clause 2, and the House will note that the expression includes, and I now quote: "any owner or other person for the time being possessed of, or beneficially interested in the goods".

It is also necessary to re-define the expression "ad valorem". This expression appears in the existing Ordinance but it is an inprecise definition. And because it is inprecise, inevitably again it has led to argument and disagreement over the costs that should properly be included in computing the value of goods for duty purposes. It is therefore proposed to repeal this definition and to replace it by provisions taken from the corresponding United Kingdom and EEC legislation, describing in detail the manner in which the valuation of goods for the purposes of the duty of customs is to be arrived at. Broadly speaking this is the actual costs of goods in Gibraltar to the importer immediately before payment of the customs duty.

The present Ordinance stipulates that all goods arriving at Gibraltar by sea must be landed at the public quay at Waterport. As the House is fully aware of course in practice this has long since ceased to be strictly complied with and goods have, so I am informed, been landed for a considerable period at the North Mole, where a transit shed in fact exists for that very purpose. In clauses 4 and 6 therefore of the Bill this fact is now recognised and the amendment seeks to legalise the practice of landing goods at the North Mole as well as at Waterport - landing being of course in every case goods landed by sea.

As things stand at the moment imported goods into Gibraltar are entered on what is known as a Form 'C'. Now this form is a simple declaration of the arrival of the goods which is presented to the Customs by the importer with the relevant invoices, and is the basis on which the Customs determines

liability for Customs Duty and the amount of Customs Duty that is payable. The information of course is also used for statistical purposes. This process can be a slow business, and understandably there have been complaints about the delays which are sometimes involved. The Bill therefore seeks to change this procedure and to introduce an entirely new system involving a composite form, which is both a form of entry and of declaration, and to place on the importer the responsibility of completing this form together with the amount of duty which in his opinion the goods are liable for. The information will then be verified by the Customs and it is the Government's hope that once importers become familiar with the system it will enable the flow of goods through the Customs to be considerably speeded up and will remove to a great extent the delays which have been the subject of complaints in the past.

Now, Sir, the House will expect that copies of the tariffs will be made available to the importers. Certainly they will. They are, so I am informed, currently being printed. Moreover, until importers are familiar with the new procedure the Government proposes to make special arrangements at the Revenue Offices at Waterport to advise and assist importers in the correct completion of the new entry forms. Moreover, as Honourable Members will doubtless be aware, the Revenue Adviser and Administrator, on whose advice to a large extent the new procedure has been devised, has already explained the procedure to traders and importers at a special meeting held, if my memory serves me correctly, last Thursday in the John Mackintosh Hall. And I can assure the House that the Revenue Adviser, and indeed all members of the Customs Department, will be ready to give whatever further assistance may be necessary to ensure a full understanding and smooth operation of the new system.

The next matter which I shall refer to is the time when Customs Duty becomes due and payable. This is at the moment laid down in Section 31 of the Ordinance where it is provided that duty is due and payable either before the goods are removed from the place at which they were landed, or from the Government Store where they have been warehoused. So it is proposed to replace this Section by three new ones, in order to distinguish between the time when duty is due and the time when duty is actually payable. The new Sections make no change in the time when the duty is payable and the existing provisions of the Ordinance are reproduced, but the time when duty becomes due will now be the time of the importation or exportation of the goods. Importation being the time when the vessel carrying the goods comes

within territorial waters, or in the case of goods coming by air, the time when the aircraft lands at Gibraltar. In the case of exportation: the time on which any duty becomes due will be when the goods are actually shipped for exportation. The new provisions relating to the time when duty becomes due makes it necessary to include a provision to remit duty in certain cases. Accordingly, Clause 11 of the Bill makes provision for a new Section of the Ordinance which gives power to the Financial and Development Secretary to remit duty in those cases where it is established to his satisfaction that goods on which duty is due have been lost or destroyed by unavoidable accident before duty has in fact been paid.

A further new provision deals with the production of information in connection with the importation or exportation of goods. Clause 12 introduces a new section which empowers the Revenue to call upon an importer or an exporter to furnish information in connection with any goods for which he is concerned. It also permits the Revenue to require the importer to produce documentary evidence in relation to the importation or exportation of goods for which the importer is or has been concerned. And where any person is so called to produce documents he will now be under a legal obligation to retain those documents for a period of not less than one year. Both these requirements are, I understand, the general practice in similar legislation elsewhere and the period one year is, I am reliably informed, well within normal commercial practice.

A further measure which is included in the Bill is aimed at speeding up the actual passage of goods through Customs. This the House will find in Clause 13. As the law stands at the moment duty must be paid before goods are introduced, introduced being used in its legal sense, into Gibraltar. It is now proposed to allow the actual payment of duty to be deferred in special cases on the making of a deposit or on the furnishing of satisfactory security.

Finally, Sir, it is only sensible and practical to allow importers and exporters time to familiarise themselves with the new procedure and take such advice as they may need from the Revenue Officers. Moreover, new forms will have to be devised and printed and sufficient copies of the tariffs must be available for the use by importers. For this reason, therefore, it is proposed that the new measure should only take effect from a date to be fixed by the Governor in Council in the Gazette.

Sir, I commend the Bill to the House and beg to move.

MR SPEAKER then invited discussion on the general principles and merits of the Bill.

HON L DEVICENZI

Mr Speaker, may I ask for some clarification from the Honourable the Financial and Development Secretary on Clause 2, where it says "persons being possessed or beneficially interested in the goods". Could he amplify what is meant by beneficially.

MR SPEAKER

No, no, this is not the Committee Stage. You can speak on the general principles now. At the Committee Stage you will be able to do that most certainly.

HON L DEVICENZI

Mr Speaker, I would appreciate that because before one can speak on the Bill one ought to know . . . .

MR SPEAKER

He will be able to answer you. He has the right of reply.

HON MAJOR R J PELIZA

Mr Speaker, anything which speeds up the delivery of goods from ship to shop, as you might say, is welcome, and anything that reduces the cost in the person of doing that is even more welcome. Any new idea that could make things much smoother I think it is obviously a step in the right direction. People who have to deal with the arrival of merchandise in Gibraltar and have the duty to go and pay the fee of importation know how many hours are wasted in queues in order to pay the duty and be able to get the goods through Customs. Therefore, it seems to me that the Ordinance is intended to benefit those who have to deal with Customs at the time of importation. However, it seems that if the system envisaged at present is implemented, as I understand those concerned have been instructed, it seems to me that they are if anything more complicated than before. At least this is what I am told, and that in many instances it will require extra staff at the receiving end to be able

to prepare the forms in question. Since obviously I am sure the Government is as interested as the importers in making the operation smooth and quick, would it not be in the interest of all concerned if a definite procedure is not instituted until some time is given to see what happens in practice. I do not know to what extent the associations concerned have been consulted and to what extent their views have been given the force of a legitimate argument that they must have put forward. If they have not, I hope the Government will do so before the Ordinance is passed. At the same time I would very much like to clear one point which is to do with the value of goods, which apparently according to the information given is the value of the goods at the time of importation. Up to now, as far as I know, the cost of the actual goods have been increased by freight and insurance, but as far as I know the question of handling, the unloading from ship to wharf, have never been taken into account.

HON FINANCIAL AND DEVELOPMENT SECRETARY

If the Honourable member would give way for a moment I think I might . . .

MR SPEAKER

I would rather that the Honourable Member would take notes of all the points that are being raised and he will be given an opportunity to reply.

HON MAJOR R J PELIZA

I would very much like the Honourable the Financial and Development Secretary to clear this point: whether in fact in future the actual handling from ship to wharf will also be included in the cost of the item, as well as perhaps the movement of the goods from the wharf through Customs. Now, this I think is going to be extremely difficult to measure, and it will I think complicate matters considerably. I should say that the value of that may not be all that much and yet it will create considerable headaches I would say for those who have to fill up the form. I just do not know to what extent this is in fact exempted, but I do not see this anywhere specified in the Ordinance, or whether in fact the amendment does not interfere with that position at all.

I think the points I have made should be of general interest, but above all I do hope Government have that consideration: Gibraltar is a small place, small businesses & large businesses, the staff available is limited, they have to do in many instances many jobs, not just one, very few, very few firms can afford to have just one clerk to go to the wharf to clear these things, and everything that creates problems with the importation of goods, I think would not be to the benefit of the consumer. Obviously any extra cost in staff in bringing goods through will eventually be passed to the consumer. So I do hope that if a scheme is devised that this is done with the advice and consent of the people who will be working the scheme from the merchant side, and that time is given before the final thing is decided upon to see how it works in practice.

HON L DEVICENZI

Mr Speaker, if I may just ask your guidance here. The Honourable and Gallant Major Peliza was about to ask the Honourable the Financial and Development Secretary a question and I am sure you rightly ruled that it should be left for later. Now, the thing is, Mr Speaker, I would certainly go along altogether and I would agree that one would not go into arguments of any nature whatsoever, but how can one speak sensibly on something if one is not aware of any particular fact. If I were to ask the Financial and Development Secretary a question and were able to clear the point for me and satisfy my question this would be enough. I would not propose to debate the matter.

MR SPEAKER

There are three different stages to a Bill: the first reading which goes without debate: the second reading which is used exclusively to talk about the general principles of what the legislation is trying to achieve, without going into the details, and, therefore, you might feel that it is a good thing to amend the Imports and Exports Ordinance or that it is not a good thing, that the principle involved could be such that the Bill itself should not be touched or should be touched in a different way. That is what we are going now. Now the third stage we come to is when we consider the Bill minutely Clause by Clause, and then each clause will be examined minutely by the House. It will be in Committee Stage and therefore you are not restricted as to the number of times you can speak, then you can ask all questions as to detail, as to what that particular clause and the particular section in the clause warrants to do. That is the explanation. At this stage all we are dealing with is the general principles and the merits of the Bill.

HON L DEVICENZI

Thank you, Mr Speaker, for that. I am glad that we shall not in any way be restricted and I am sure we shall go through the Bill clause by clause without any haste whatsoever.

HON P J ISOLA

Mr Speaker, I would like to echo the words of my Honourable and Gallant Friend, Major Peliza, generally on this Bill, that the Bill is welcomed if in fact it will provide a more efficient and speedy way of clearing goods which are imported into Gibraltar, at no extra expense to the Government in the sense of extra staff, and if possible at no extra expense to the trader in the form of clerical assistance. Certainly we would like to be reassured on thos points because although it is absolutely true that by adapting our legislation to EEC and UK legislation on this we should be benefitting from the experience of all these countries in dealing with import duty and importation of goods, but on the other hand we have to realise that we do not have in Gibraltar the facilities in

the superstructure to deal with what is possibly a complex procedure. I do not know.

I would like to be reassured on the question of the valuation of goods. I would like to be reassured that this is not likely to bring about lengthy arguments between the Revenue Department and the importers as to the value of the goods. I think I heard the Financial and Development Secretary say that the value of the goods would be the cost to the importer at Gibraltar. I do not know whether that is what the Bill says. I think that is the value on which import duty should be paid, the cost of the goods, or the real cost of the goods to the importer at Gibraltar, but I notice that in the definition of the valuation of goods in Section 3, there is talk of the market value of the goods, a sale in the open market between buyer and seller. I do not have much experience in these sorts of valuations, but I hope this does not mean the price of the goods in the shop. I would like to be reassured of that.

Then under sub paragraph (2) we are told the normal price of any imported goods are determined on certain assumptions. One of the assumptions is that the seller bears all costs, charges and expenses incidental to the sale and to the delivery of the goods at that place. Does that mean that freight charges and other charges to Gibraltar are not included for the purposes of valuation of the price of the goods on which import duty is payable.

I have noticed under Clause 2A(3) of what a sale in the open market presupposes and I wonder whether the definition there is not going to lead to a considerable amount of argument as to whether there has been - I presume that is what it is intended to catch - there has been a side benefit somewhere along the line to somebody which is not declared. I thing a perfectly proper provision in principle but are we going to have a lot of arguments, a lot of enquiries, and a lot of expense in relation to working this out in practice in Gibraltar.

With regard to the definition when duty is due and when it is payable I do not think there is very much difference between what was there before and what there is now, but I have noticed there in Section 8 - in the new 31A - when goods are brought by sea, the time when the goods are deemed to be imported is when the ship carrying them comes within the territorial limits of Gibraltar. I think it would be helpful to have some definition on what one in present times. Does this include territorial waters, and if so, what are they? I think that might require more definition.

The only Section here, Sir, I may be wrong, that seems to make provision for speeding up the process is the last Section, under which goods can be imported by the importer giving security by deposit of money or otherwise. I think that Section properly used could be of benerit, but again I hope there will be a simple procedure for paying these deposits. That the payment of a deposit is not going to involve a more complicated procedure for the importer than the present system under which I think they give a letter of guarantee or some such thing.

Mr Speaker, I think all Members of the House would welcome a simplification of the import procedures which will not involve any loss of revenue to the Government, but I hope the Financial and Development Secretary is right when he says that the amendments that he proposes to the Imports and Exports Ordinance for the updating of the provisions more in consenance with modern technique and modern times will in fact produce an acceleration, will in fact produce greater efficiency and so forth, and not just substitute one system for another without any real improvement as far as the public is concerned, and of course as far as the Government revenues are concerned, too.

HON J BOSSANO

Mr Speaker, I hope we shall have an opportunity to go rather slowly through the Sections because otherwise if we are just having to be preparing amendments at the same time as we are getting some explanation of obscure points it would be rather difficult I think, since whatever explanation the Honourable the Financial and Development Secretary gives at the end will not be subject to further questioning unless he gives way in the middle of his explanation.

M
MR SPEAKER

At the Committee Stage you will be able to go into details and you can ask as many questions as often as you like.

HON J BOSSANO

Mr Speaker, the new definitions I think are at the heart of the Bill. Obviously it is important I think to have definitions that are exhaustive enough to try and eliminate loopholes which might permit the avoidance of duty, and I think that there is an indication that some of these Sections are obviously intended to prevent undervaluation of goods in order to avoid paying duty where in fact the benefit can be somehow remitted through the back door to the person who is originally selling. I think it would be useful to the House certainly to have clarification on the question of the landing costs of the goods in Gibraltar and whether in fact duty will be payable on the landed costs including freight and handling. Also a matter which is not very clear to me from my reading of the Bill is the question of goods arriving by mail, where I believe the practice until now has been that duty is payable on the postage of the

package. I would like to know whether the Bill as it is adjusted at present continues that practice or whether in fact duty will not be chargeable on the postage stamps of the package or anything arriving by mail. In fact, since the arrival mentions the question of arrival by aircraft or by sea, I assume that mail will be included in one of these two categories. It also means I suppose that in the unlikely event of the frontier being opened we would have to amend the Bill to allow duty to be paid on stuff arriving by land, as well as by sea and by air.

HON L DEVICENZI

Mr Speaker, I think not much more can be said with regards to the general principle of the Bill that have not been covered already. I think we shall have to argue the Bill in detail at the Committee Stage.

I would just like to say, Mr Speaker, that I think everybody is aware that perhaps the Revenue Department is famous or infamous - the Revenue Department, Mr Speaker, is a place which is hated perhaps by most importers, not because it is a place where you pay duty but because of the time consuming element that has existed since I can remember. I think systems have come and gone but somehow the Revenue Department always appears to be an inefficient place. I am not saying for a moment that it is but that is the impression created to importers who for the very small fee that they have to pay spend half an hour of even up to an hour there. I would like the Honourable the Financial and Development Secretary, in his reply later on, to mention if he could whether the Chamber of Commerce has been fully consulted vis-a-vis this amendment to the Imports and Exports Ordinance. I think this is very very relevant. The experience of the Chamber though not always right can be a contributing factor towards making this amendment more worthwhile.

Finally, Mr Speaker, as the Honourable Mr Joseph Bossano has mentioned, perhaps one would have liked to have seen here some amendments vis-a-vis the duty that one has to pay on postage, which sometimes can be more so, value-wise, than the actual value of the goods. I think this makes a bit of a mockery of the spirit of any Ordinance.

MR SPEAKER

If there are no other contributors I will invite the Honourable the Financial and Development Secretary to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, the House is rightly concerned that any measure of this nature should make the task of the importer, or indeed the exporter, easier; that it should be aimed at speeding up the flow of goods through the Customs. I share that concern. However, as I said at the beginning of my presentation, I have presented let us say a piece of legislation which is already in adolescent form and consequently I have not yet had time to satisfy myself precisely where the delay - if there are delays - exist in our system. I certainly believe that this measure should speed up the flow of goods and it should make the importer's life somewhat easier. But I can assure the House that I not only share their concern that this should be so, but that I shall in the course of my time heremmake it my business to ensure that procedures do not unnecessarily slow up the passage of goods, or make people's life unnecessarily complicated or frustrated. Honourable Members were also much concerned as to whether or not the new provisions relating to the valuation of goods were, I think I might interpret the general sense of their remarks, as being any more precise than the ones that are being replaced. Mr Speaker, Sir, I think, without very much doubt, that the valuation clause as it now stands certainly is much more precise, but clearly there are going to be areas of interpretation which Honourable Members will certainly wish to probe more deeply when we come to Committee Stage. I do not think in reply it is necessary for me to go into matters of detail.

One other point which I must take up: the Honourable and Gallant Member, and also I think the Honourable Mr Isola, were much concerned that the Chamber of Commerce had been consulted. Once again I must say that since I was not present at the birth I do not know, frankly, but I am informed that there were consultations with bodies such as the Chamber of Commerce who will be rightly concerned in this measure. The Honourable and Learned Chief Minister has informed me that it was in fact they who organised the meeting with the Revenue Adviser at which he explained the nature of the measure now before him.

May I conclude, Sir, by saying that I sincerely hope that this measure will do what it is aimed to do, which is to speed up the flow of goods through the Customs and reduce the areas of disagreement, of dispute, and of delay and frustration. And I repeat my assurance that in my time here, if I find that there are procedures which are unnecessarily cumbersome I shall have no hesitation in proposing amendments designed to remove those frustrations.

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

The Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY

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

MR SPEAKER

May I then bring to the attention of the Opposition that the Committee Stage of the Bill is not being taken at this meeting and that therefore they will have an opportunity to seek whatever information they may need from the Financial and Development Secretary between this meeting and the next meeting which might clarify certain matters, over and above anything that they may want to ask of course without limiting their rights in the House.

I think this will be a convenient time to recess until tomorrow morning at 10.30.

The House recessed at 7.30 p.m.

WEDNESDAY 26 NOVEMBER 1975

The House resumed at 10.45 a.m.

THE LICENSING AND FEES (AMENDMENT) ORDINANCE 1975.

The Hon the Attorney General moved that a Bill for an ordinance to amend the Licensing and Fees Ordinance (Chapter 90) be read a first time.

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

The Bill was read a first time.

HON ATTORNEY GENERAL

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

Doubts have arisen in the past as to whether a licence covered the whole of the premises in respect of which it was issued, or whether a separate licence was required for each room on the premises from which liquor was sold. In practice a single licence has been issued by the Treasury, of course if the licence has been granted by the Licensing Authority, to cover all rooms. It is considered, however, that it is more satisfactory if there should be a single licence in respect of each room in the premises from which liquor is sold and the Bill before the House makes provision for this. Insofar as a fee is concerned, a single fee will be charged in respect of the first two rooms on the premises. So premises with two bars will have two licences but will only have to pay a single fee. Thereafter, in respect of each other room on the same premises from which liquor is sold, again a licence will be issued, the fee will be 1/5th of the total fee. That is what I might call the main provision of the Bill.

At the moment where there is a hotel licence, the liquor can be sold at the same hours as ~~for~~ under a tavern licence, but to bona fide guests in the hotel, residents, they may be supplied with liquor at any time. Now, Members will have seen that when the Bill was published there was an extension to this provision to include the guests of such residents. So if I go to visit a friend of mine, shall we say - I have some - in a hotel, and we want a drink after hours I can now buy him a drink and he does not have to go on buying drinks all through the night.

Now, Members will have seen that I have tabled an amendment to be made at the Committee Stage to provide that an hotel licence should only be granted in respect of premises whose principal purpose is to provide accommodation for tourists in Gibraltar. And the reason for this is that we do not want premises which might provide accommodation, you might almost call it boarding houses accommodation, for them to be able to go on supplying liquor all through the night. It would be very difficult to control, to decide whether in fact they were supplying liquor to residents and their guests, or whether in fact they were supplying liquor to a person who came on to the premises, was not a resident or a guest but was merely concerned with getting a drink. Now, in the amendment I had proposed as Members will see that the

question of whether an hotel provided accommodation principally for tourists should be decided by the Financial and Development Secretary, with a right of appeal to the Governor. Government has had second thoughts on this and I shall be tabling a further amendment at Committee Stage to provide that it is the Licensing Authority who will decide whether the purpose of the hotel is to provide accommodation for tourists, whether that is its principal purpose. In fact we are taking away from the Executive the right to decide and conferring it on the Licensing Authority. It seems to Government that this is the proper and right thing to do.

Now, the other purpose of the Bill, and there are many references to this, is to remove from the ambit of the Licensing and Fees Ordinance what are called Licensed Eating Houses. These are defined, in the Rules not in the Ordinance, as premises which have not got an intoxicating liquor licence and which provide ready dressed provisions for sale on the premises. We have decided to take out from the Licensing and Fees Ordinance the references to Licensed Eating Houses, and of course to remove reference to these Eating Houses in the Rules. But instead, Eating Houses will be included in a new Shop Hours Order, which Members will recall governs the hours of opening of shops. They will be included in that Order as restaurants which will be defined, I am speaking of the future, as places which provide ready dressed provisions for sale either on or off the premises. So Eating Houses which are no longer controlled by the Ordinance will be controlled under the Shops Hours. Until the Shop Hours Order is made the provision of the Licensing Rules, and these are Rules which are going to be made shortly, will continue to apply to Eating Houses and they will be controlled thereunder.

The only other provision of the Ordinance which relates neither to Hotels or to Eating Houses, is Clause 7. Now, this is of no very great importance. Under the Ordinance there is power to issue a Beer Merchant's Licence, and the holder of a Beer Merchant Licence is authorised to bottle beer and to sell such beer for export or consumption in Gibraltar. He can only sell the stuff he has bottled himself, he cannot sell any other beer, and by Clause 7 of the Bill we are now giving the holder of a Beer Merchant's Licence the right to sell not only beer he has bottled himself but beer which he has bought already bottled. I think I can fairly say that bottle, of course, in this case, will include cans.

Mr Speaker, I commend the Bill to this House.

MR SPEAKER then invited discussion on the general principles and merits of the Bill.

HON W M ISOLA

Mr Speaker, I have listened with great interest to Her Majesty's Attorney-General speaking on this Bill which I find somewhat unsatisfactory. I see that the object of this Bill - basically, I am talking about the hotels - is the fact that it is considered more satisfactroy that a single licence should be issued in respect of each room. But in actual practice this is not at all feasible. Let us for example take Rock Hotel and let us look carefully at Section 8 of the principal Ordinance which is being amended. That Section says "in the case of an hotel or tavern licence, the rooms in the house or premises in which the business is to be carried on and shall apply to such house or premises or part thereof or room therein as the case may be and to no other place."

Let us now take the case of the bar at the Rock Hotel. We need a separate licence for that room, fair enough. Then we have the lounge. Now, according to the Bill as it stands if someone sits in the lounge and orders and pays for a drink, that means that that lounge must also have another licence according to the law as it stands, because it says: "or part thereof or room therein as the case may be and to no other place". Does Her Majesty's Attorney-General really think that it is feasible that an hotel should have in a lounge a separate bar, a separate licence because as I see the interpretation of this, that is what it really means.

Now let us go further, let us assume that you want to have a drink in the terrace of the Rock Hotel. That is a completely different room to the bar itself: does that mean that no drinks can now be served outside in the terrace? Because again as the Bill says it is "the room and no other place". Let us assume that a visitor wishes to go to the garden of the Rock Hotel: At present we have an hotel licence which covers all the rooms and every part of the hotel. According to this Section, if you are sitting in the garden of the Rock Hotel you are not allowed to serve a drink because according to this it says "and no other place". So it means that the Rock Hotel, to be within the spirit of this law, wouldhave to get a separate licence for

the garden. And this goes on in respect of any other hotel , the Caleta Palace and the Holiday Inn. We have for instance to go back again to the Holiday Inn, where there are two restaurants, there are two rooms there. Does the Attorney-General, according to his new Ordinance, mean that we must have two licences for the two rooms, one for the main room downstairs and one for the coffee bar? I think, Mr Speaker, that the draft Bill being presented to this House is not satisfactory. I am also informed that the most important body of the people, the Hotel Association, have not been consulted on this somewhat important Ordinance which affects . . . .

MR SPEAKER

Has the Honourable Member referred to Clause 2 of the Bill which defines a room? Clause 2 of the Bill I think would answer your point.

HON W M ISOLA

Yes, but I am talking about Section 8.

MR SPEAKER

Yes, but you are making the point as to the drinking of intoxicating liquor sold.

HON W M ISOLA

Well, I am actually doing that en passant, but I am also talking about the lounge itself which does not include . . .

MR SPEAKER

It says: "A room includes any tent, booth, structure of place in the open air from which intoxicating liquor is sold, and the area surrounding such places within which liquor is consumed". I am just bringing it to your notice.

HON W M ISOLA

I am much obliged, Mr Speaker, but that includes any booth, tent or place in the open air from which intoxicating liquor is sold". But it is not sold in the open air, it is

sold from the Bar. What I am trying to say is that in this case it says: "will include any tent, booth, structure or place in the open air from which intoxicating liquor is sold". It is sold in the open air, but what I am saying is this, that the drink is not sold from the open air, it is sold from the bar and taken out to the open air.

MR SPEAKER

But you must go on reading.

HON W M ISOLA

And the areas surrounding such place from which liquor is consumed. That is open to interpretation. But according to the Ordinance, the explanatory note wants to make this perfectly clear. It is not made perfectly clear, it is open to interpretation. What I am trying to say is this - but let us forget that for the moment and let us go to the lounge - according to Section 8, the lounge would at this stage have to have a separate licence. In the Holiday Inn we have two restaurants, one next door to each other, and you would have to have two licences, which is ridiculous. Then you have a bar next door to the restaurant: that is three licences, and then another licence upstairs, four, and if you have a drink in the lounge, that would be five licences. And if you go to the swimming pool, you would have to have another licence.

I think, Mr Speaker, that this Bill has been rushed for some unearthly reason, I do not know why. If the Government wishes to increase the fees of the hotels, by all means increase the fees if Government considers them too low, but the Government is just giving an excuse to the hotels to start increasing their prices to meet the cost of the licences. Apart from that, Mr Speaker, I think that this is part of the tourist trade and I do believe that the Minister should have first of all consulted the Hotels Association on this Ordinance and not rush it through the first and second and then third readings in this House. I think we need far more attention to this Section, far more thought is needed to be given to this Bill than has been given up to this stage.

I have a letter here, Mr Speaker, from a firm of Solicitors, addressed to the Minister for Tourism, referring to certain good valid points, dated the 27 of October, to which the

Minister has not replied, and suddenly, since that letter has been brought, this Bill has been rushed through.

We welcome, Mr Speaker, obviously, the amendment by Her Majesty's Attorney-General as to what is an hotel. I think that is a good safeguard, to make sure that we control places. Had this Bill been brought in line with, for instance, the Licensing and Fees Rules I would not have minded, but at present the object of this operation is that, for instance, according to the Licensing and Fees Ordinance, if you are in a restaurant in the hotel you can drink up to one o'clock on weekdays and two o'clock on Saturdays, and if certain parts of the hotel are used for dancing then they can go on till 4 o'clock in the morning. But surely we should streamline the whole of this operation in this Ordinance and bring all this completely up to date. So that guests in an hotel, if they wish to have a drink in a dancing room till 4 o'clock, and then they wish to go to another bar and drink, they should be able to drink there till 4 o'clock in the morning, if they so wish. Now this has not been taken into consideration, this is what the hoteliers want.

HON ATTORNEY GENERAL

If the Honourable Member would give way. This is a matter not for the Ordinance but for the Rules, and Rules are being published on Friday which will enable, where a licence has been issued to a hotel and dancing is carried on in one room, intoxicating liquor to be consumed in other bars in the same hotel.

HON W M ISOLA

Mr Speaker, I am absolutely delighted, but if only Her Majesty's Attorney-General would have informed us about this at the beginning we could have saved time.

HON ATTORNEY GENERAL

. . . . at the same time as I moved the Bill.

HON W M ISOLA

I appreciate that but when one is . . . .

MR SPEAKER

Let us not have a debate. It is your prerogative to say what you like whilst you are holding the floor.

HON W M ISOLA

When one is considering a Bill it is always very interesting to know what the Rules are about, because if I had known what the Rules were about I would not have been talking about the hours, and then of course the whole concept of what I am talking about would have lost its importance, I would not be wasting the Houses' time. I do not often talk in this House, but when I do talk I like to feel that I am talking sense. I am very glad to hear about that, of course, I am very glad because that was something which I was very interested in having and knowing. Now that I know this I would like to remind Her Majesty's Attorney-General about this particular question of the different types of licences. We are not against, in principle, for instance, that they should have two licences and they should take 1/5th more, but I feel, Mr Speaker, and I am not a draftsman, but I do feel that as that Section stands, again it is open to interpretation and is not yet clear. Because if the spirit of that Section is carried out it would mean that either the hotel can only sell drinks in the bar itself, or they must get a licence for each particular bar, plus of course every room in the hotel. Otherwise, as I see it, it says this perfectly clearly here: "and shall apply to such house or premises or part thereof or room therein as the case may be and to no other place". So it would mean, as I see it, I hope I am wrong, I may be wrong and I stand to be corrected, obviously, but it would appear to me that in each particular room separate licences would have to be issued, and I am sure that that is not the spirit in which . . . .

MR SPEAKER

Order, I cannot have the procedures interrupted.

HON W M ISOLA

Her Majesty's Attorney-General in his opening speech said it is more satisfactory to have a licence in respect of each room. What I am trying to do is this, that if that is the case, as the draft stands at present, it means that each particular room would have to have a licence, and perhaps if

I could be interrupted by Her Majesty's Attorney-General to say that this is wrong, perhaps I would not continue to proceed on this particular point.

HON ATTORNEY GENERAL

Mr Speaker, Sir, I am grateful to the Honourable and Learned Member.

The point is that it is the place from which the liquor is sold. Now if an order is placed in a room in which liquor is not itself available for sale, the order is taken off to a bar and then it is brought back, that place in which liquor is consumed does not require to be licensed. What you have got to look at is where the sale actually takes place. Now, I accept in thecase of the Rock Hotel, if liquor is on sale in the lounge, then that will have to be licensed, but if an order is placed in the lounge or an order is placed on the terrace, taken off to the bar and a drink is brought back, then the lounge will not have to be licensed and the terrace will not have to be licensed. The vital thing is where the liquor is actually sold.

HON W M ISOLA

Mr Speaker, that is exactly what I am trying to say! this is absolutely ridiculous. If I go to the lounge and I do not go to a bar and I sit in a lounge and I order a whisky and the waiter comes along and says that that is half a crown, not in the lounge not in the bar, that lounge has to be licensed.

MR SPEAKER

No, it hasnot, it has just been explained. It is not where the order is placed, it is where the order is served that has to be licensed. That is the explanation which has been given and I would not know whether that is correct or not.

HON W M ISOLA

If as I see it at present I have a drink in the lounge, where they have a tray with the liqueur there at the Rock Hotel, and I leave the dining room and I go to the lounge where

there is a tray with drinks and I order a liqueur, according to this Section that lounge must have a separate licence, which is to my mind absolutely ridigulous. That we should have a licence for a lounge, a licence for a bar, and another licence for the restaurant, another licence for the disco downstairs, I mean this is going backwards, it is not going forwards. I feel, Mr Speaker, that no thought has been put into this Ordinance at all, I am sure the hotels would not object to pay more if they had to pay more. If the object is to get more money from the hotels by all means get more money from the hotels but do not make their lives a misery by having to have about six different licences. I mean this is really ridiculous. Let us assume for instance, for arguments sake, that I am downstairs by the porters lodge and I want to have a drink whilst I am waiting for my bus, do you mean they have got to have a licence, they do not have a licence for that but they have got to get a licence because it is part of the lounge. I mean, what is the object. If the object is to streamline that is not streamlining at all. And again I see no object at all in rushing this Bill through the first, second and third reading through this House without even bothering, completely side-tracking, the Hotels. And apart from that the whole argument of this is to my mind completely ridiculous because I thought the object of this adding a licence was so that you could say: "Well, the Arcadia Bar in the Caleta Palace Hotel is licensed until midnight, the Catalan Room is licensed until 4 o'clock, so we can control. But now I am told, Mr Speaker, and I am very grateful for the information, they are are now coming out with the Rules saying thatif you are in a hotel which is permitted to hold dances all these places can remain open until four in the morning. So what is the point of having a licence in respect of each particular place in which drink is sold? Mr Speaker, quite frankly, I feel I am a reasonable person, but just I do not appreciate, now that these licensing Rules are being changed, and I am very grateful for the information and I welcome the changing of these Rules, now that these Rules are being changed, I completely cannot see the idea of having a licence in respect of each particular room in which liquor is sold. I just cannot see it, in view of the fact that the Licensing and Fees Rules are being published. And, Mr Speaker, before we come to Committee Stage I would be very grateful if Her Majesty's Attorney-General were to send me, or let this Side of the House have a copy of the Rules which are coming out in effect in February, so that at least when we come to Committee Stage, I will know a little more of what the Rules are going to be.

HON A W SERFATY:

Mr Speaker, talk about rushing this legislation. I well remember in 1969, that is 6 years ago, a committee composed of Mr L W Triay, Mr A V Stagnetto and myself made these very same recommendations that we are now trying to put into the Statute Book. Six years ago. I agree that we are now trying to pass this Bill in the same meeting, but that is only because we want to make this law applicable from the 1st January because the Brewster Sessions that are taking place in December.

Now when my Honourable and Learned Shadow speaks about the amount of money we are going to get from the Hotels, let us appreciate, quite apart from the fact that the Lounge of the Rock Hotel unless they have a separate bar will not haveto pay a fee, that a hotel will be required to pay two fees if it has seven separate bars, because there is only one fee for two bars and the remaining separate bars only pay 20 per cent of the fee. So I do not think that is at all really very difficult on the Hotel. The Honourable Mr Isola mentioned a letter I had received from a certain firm of Solicitors, or Barristers I should say. Well, the letter has not yet been answered because I have been trying to meet, as the Honourable and Learned the Attorney General has already said, the points made in this letter which I thought were very reasonable. I got the point through the Council of Ministers only a few days ago, so the letter will eventually be answered and the points made by this firm of Barristers has really met with the agreement of the Government. And I have another letter from the tenants of a certain street in Gibraltar regarding the hotels and this point I have also tried to make. The letter has not yet been answered but it will eventually be answered. The point has been made and the point has been taken by the Government. I believe more in action than in writing letters, though letters have to be written too of course.

I would not be telling the truth if I did not say that it was I who tried to get these points about guests in hotels being able to have drinks and to invite their friends in the hotel after normal hours, and I believe I am right in saying that my Honourable Shadow agrees with this. It is good for tourism, we are growing in tourism, whatever some people may say, and this is a good thing towards the conversion of Gibraltar into a holiday resort. And as to the Rules, when these are published or circularised, my Honourable Shadow will be able to see that we are also meeting the point and I hope, honouring the agreement, because of course I am much better at development and construction than on legal matters, but I think that they shall be quite pleased to see that we shall be honouring the agreement and the points that have been made by the representatives of the Bar Owners in Gibraltar on the question of opening hours etc. So I think what we have done is put our house in order to the satisfaction, I sincerely hope, of all concerned.

HON P ISOLA

Mr Speaker, there are a few problems which have already been pointed out with regard to the selling of drinks in hotels, and the attention of the House has been focussed more or less on the question of hotels. I do not know whether these problems could arise outside by virtue of the definition of the area surrounding the place. A point I would like to make is, where drinks are sold rather depends on the circumstances I would have thought. Somebody buys a drink from a waiter in an hotel, in a lounge, and pays for his drink in that lounge, I would have thought that the place where the drink is sold is in the lounge. The fact that the waiter has gone 100 yards down the road to a bar to collect the drinksdoes not detract from the fact that the drink has been sold at the lounge, because that is where the man has sat, has ordered his drink and has paid for it. Perhaps that is a point that might be looked at. Then if you ask for room service in an hotel, in the sixth floor of the Caleta Palace - I do not know whether it has six floors, but anyway in the top floor, in your room - is that the area surrounding the bar 200 yards down some steps, lifts, can that be properly called the area surrounding such a place? Again the same problem, where is the drink sold, in the room or from whatever bar the waiter serves it. And if they in fact have a stock of drinks on each floor, is it suggested that there should be a licence for room service in each floor of an hotel, because that is where the waiter keeps the drinks? Then there is a further possibility, we all hope that the Minister for Tourism will encourage the modernisation of hotels, there is the possibility that that excellent practice carried out by some hotels in London will catch on in Gibraltar's luxury hotels, and that is where they put a little fridge in each persons room in an hotel and the person takes the drink from the fridge and it is charged to his account. Will that mean that each room would have to be licensed? I would hope nott, Mr Speaker, otherwise the Minister for Tourism I think would be chased out of Gibraltar physically by the Hotel proprietors. I think some thought should be given on the maximum number of the licences that an hotel should have, possibly four or five at the most, and after that let them sell drinks wherever they like because if they have too many places selling drinks then the greatest check on that would be the guests themselves. They will not want to have a bar in every floor and every different place. So I think that is something that should be considered. Perhaps I have taken it to a ridiculous extent, I am not sure, but I think one would hope one is enormously impressed with this idea of hotels putting little fridges in people's rooms from which they can buy themselves drinks, and I would hope that they will give more thought to this.

I can understand the urgency for the Bill and perhaps I do not know what my Honourable and Learned Friend who has spoken on behalf of the Opposition would think about this - provided we get assurances that these points are going to be looked at and resolved, I think the suggestion about the Licensing Rules that the Honourable and Learned Attorney General has made about hotels is an excellent one. I also think that the suggestion in the amendment that is to be proposed that only bona fide hotels are going to be given this privilege is also an excellent one because it is perfectly obvious that it is not difficult to describe oneself as an hotel, just a place where people can sleep and they can have food and lodging, and this extension which enables residents and their guests to pay for and buy drinks after hours could be a very big flaw in the Law and the cause of many great annoyance of residents in different smaller places, and, therefore, I think it is absolutely necessary to have some definition of what an hotel is. Although in principle one welcomes the further amendment that we have heard is coming on this line from the Honourable and Learned Attorney General, that the Licensing Authority is going to decide what is and what is not an hotel. In principle, that is sound because they are people whom I suppose are dealing with the licences and therefore this discretion should be on them. But in saying this I would urge the Honourable and Learned the Attorney General to give some consideration in the Licensing Rules to definitions of a hotel and possibly method of proof, because it so happens that in the case of an hotel the person who is in fact in the best position to designate premises as an hotel is possibly a Civil Servant. He knows from his colleague the Director of Tourism and his statistics and so forth whether a building is in fact an hotel or not, a genuine place for tourists or not, whereas the Stipendiary Magistrate may not have that information readily available. Some thought might be given to putting in a provision in the Licensing Rules similar to the one that exists today under which the Commissioner of Police for example gives a certificate of no objection for extended hours. Some similar certificate coming from somebody who can tell us whether a place is a genuine hotel or not, I think that would help the work of the Licensing Authority.

I think there must be improvements in our licensing procedures and of course one welcomes any steps in that direction.

I notice Eating Houses have been taken out. I think most people would agree that Eating Houses should not be open

till any hour of the day or night, but perhaps I am not fully aware of the Shops (Time of Closing) Order on Eating Houses. I presume they will still be able to open at reasonable hours, and some provision will be made for that.
Th at is all I have to say.

HON CHIEF MINISTER

Mr Speaker, Sir, there are three points which have been made by the last speaker which are important. I think he has taken the definition in Clause 2 a little to the ridiculous if I may say so, but we have time between now and Committee Stage to have a good look at what has been said and see whether there is anything that can tighten the definition in order to meet the point raised. The other one which is a very relevant one, and that is the urgency of the legislation, and that is that it must be ready so that all licences from tne first of January are made according to the new procedure, otherwise it would create considerable administrative difficulty. I think, indeed, that applications are being made in anticipation of this and the Stipendiary Magistrate will have to exercise a certain amount of tolerance in the change in order to be able to cope with it. But it is true, as my Honourable Friend Mr Serfaty has said, that this is a matter which has been wanting review for a very long time and has not been tackled. I remember my Honourable and Learned Friend's predecessor, Mr Hickling, telling me that the position of the Licensing Law was in a shocking state and that it was about time that it was tackled. We did have this Committee which was appointed towards the end of the time of the last Government. Unfortunately it was not possible to proceed and the Government that took its place did nothing about it. But there was this cross-section committee which was appointed and that it is important that this should go through all stages before the end of the year.

The other point raised about the Eating Houses, that will be dealt with under the Shop Hours as the Attorney General has said, but it is also a matter which has been the subject of considerable complaint in that some of these Eating Houses that sell dressed food to be eaten out of the premises stay open up to 4 o'oclock in the morning. Some people who are on their way home from somewhere else, not in a very sober state, finish up by wanting to drown the drink with eats at that time of the night and that creates problems. I remember a petition was addressed to the Honourable Attorney General by the neighbours of a certain very prominent part

of Main Street saying that a certain shop that was selling potatoes or something like that, was really the substance of great nuisance. In fact I remember there was a case of wounding arising out of a row there. With regards to the main substance of the Bill I do remember the difficulty experienced - I can say this because I had nothing whatever to do with it professionally, but on the point of view of Government - I do remember the difficulty experienced by the Casino because under the present law a separate extended hours certificate had to be obtained in respect of each of the places from where drinks were given and the Police was happy to give it about one and not about the other, referring to the Grotto Bar. And I think that under the new legislation, all these difficulties will be erased.

No doubt, even if we make an effort to put it right, there may be some anomalies that may arise, but we will look at them. This is not a matter of political thought, it is a matter of an administrative common sense approach to a matter on which the contribution of all Members of the House is very welcome. In fact we should all put our heads together to see that what comes out of the discussion is a proper working Ordinance that will meet the requirememts of our community.

MR SPEAKER

Well if there are no other contributors, I will ask the mover to reply.

HON ATTORNEY GENERAL

Mr Speaker, Sir, Honourable Members will remember no doubt the first word of my speech on the second reading. It was "doubt". I would say to my Honourable and Learned Friend Mr Isola, that the Licensing Justices ruled some years ago that under the law as it stood then and the law as it stands now, a separate licence is required in respect of each room in premises in which liquor is sold. That is the position at the moment. I accept that in fact the Treasury do not issue a separate licence for each room but according to the Licensing Authority, and their decision was not challenged, a separate licence is required for each room. And now what we are doing is that we are making that quite clear, we are removing any doubt in the existing Ordinance.

The definition which I have used in the new Clause 2 is not, may I say, a figment of my imagination, it comes out of

corresponding legislation in the United Kingdom. I accept that problems might arise of interpretations, but as my Honourable and Learned Friend the Chief Minister has said, this is a matter which we are all concerned to do what is best for Gibraltar. It it should be found that the definition does cause problems then I can give the undertaking that this will be considered and we will try to remove any anomaly.

My Honourable and Learned Friend Mr Peter Isola suggested that perhaps a Civil Servant might be a more useful person perhaps to give a certificate as to the use principally by tourists, and he quoted the example of the Commissioner of Police giving a certificate of non-objection. But where there is an application for an extended licence, because premises are used as a restaurant or because premises are used for dancing, that is nothing to do with the Commissioner of Police, it is the decision of the Licensing Authority. The certificate of non-objection of the Commissioner under the Rules relates, and this has quite recently come to me for consideration, as to whether the proprietor is a fit person or whether unsuitable persons are using the premises. Now, in deciding whether the room is habitually used for dancing or habitually used as a restaurant, the Licensing Authority can call evidence, evidence will be adduced before him. Now, in this case, where the question arises as to whether the principal purpose of an hotel is to provide accommodation for tourists, it is the Licensing Authority to decide but he will have evidence, possibly from the Director of Tourism, as to the facts of the matter. We think it must be a judicial decision, but of course the expert - if I might put it that way - on the point will be the Director of Tourism, who will give evidence and of course that evidence will be taken into consideration by the Licensing Authority.

The only other point which I would make on this question of dancing, and if one room in which dancing takes place has extended hours, the extension will apply to all other rooms in the premises, that will only be for the hotels. It will notbe, let us suppose you have premises in town where there are three bars and there is dancing in the top bar, then the other two down below will not get the extension. Now, by virtue of having a separate licence for each of these bars you can make the extension apply to a specific bar. If you have a single licence having three bars and there is an extension to one of them it is difficult, if not impossible, to cut down the extension to that part of the premises in which dancing is carried on. But if you get three licences, because liquor sold from three different rooms, you can do it.

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

The Bill was read a second time.

HON ATTORNEY GENERAL

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

This was agreed to.

THE INCOME TAX (AMENDMENT)(No.2) ORDINANCE, 1975.

The Honourable the Financial and Development Secretary moved that a Bill for an Ordinance to amend the Income Tax Ordinance (Cap 76) be read a first time.

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

The Bill was read a first time.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I have the honour to move that this Bill be now read a second time. Mr Speaker Sir, May I once again ask the indulgence of the Chair and of this House to rely heavily upon my notes.

In my experience, Sir, measures which are introduced by a Financial Secretary do not as a general rule auger well for the tax payer's pocket. In the nature of things, and especially in this area of inflation and escalating costs, it is unfortunately seldom that a Financial Secreatry is in a position to alleviate the tax payer's burden and to offer consessions and relief. It is therefore not without some small pressure, Mr Speaker, that in the course of my maiden appearance in this House I should have the opportunity to pilot a measure which has as its main purpose tax reliefs to a large sector of our community. Let me hasten to add, however, in case any conclusions should be drawn from the fact that the advent of a new Financial Secretary and the introduction of a range of tax relief are purely coincidental.

Sir, as I have said the principal purpose of this Bill is to introduce a range of personal reliefs and concessions and to give effect, or to reflect perhaps I should say, Government undertakings to carry out a review of the allowances not later than the 1st April 1976, and indeed to do so in the context of a more general review of the Income Tax structure as a whole.

This undertaking was given following many representations made to Government in April last year, and indeed to the Honourable and Learned the Chief Minister personally. That study was carried out last summer and the Government has now considered the recommendations which were made to it by the Fiscal Adviser who was appointed to carry out that study, Mr H. W. T. Pepper. In addition to providing for increased personal allowances, the Bill also seeks to afford additional relief to working wives and to our senior sitizens.

Now the principal relief which is proposed in the Bill relates to the various allowances which are generally described as "personal allowances". Personal allowance itself to start with is increased by £100 from £450 to £550; the allowance for a wife goes up by £200 from £300 to £500; and a wife's earned income allowance, which applies when a married woman elects not to be treated as a single person, has also been increased from £450 to £550. The allowances for children have likewise been increased. For the first child it is proposed that the allowance should be raised from £125 to £200; and for each additional child it is proposed that the allowance should be increased by £50, from £100 to £150.

Provision is also being made to deal with the case of a tax payer who is resident in Gibraltar for only a period of the income tax year.

The allowances for a wife, the wife's earned income allowance, the allowances for children and the relief which may be claimed in respect of life insurance premia and contribution to a pension or provident fund have been apportioned in accordance with the number of months that the tax payer claiming them is actually resident in Gibraltar.

The second main area of relief relates to our senior citizens.

Firstly the exemption limit itself is being raised. At the present moment persons over the age of 65 whose incomes in the case of a single person does not exceed £800, and in the case of a married person £1150. These levels are being raised to £870 in the case of a single person and to £1305 in the case of a married couple. That is, below those levels their incomes are relieved as tax.

Secondly, it is proposed to give further marginal relief to the elderly who have small incomes. As the law stands at the present moment income of less than £200 above the tax exempt levels is reduced by an amount equal to 20%, or at least the tax is reduced by an amount equal to 20% of the excess. In this kind of case the Bill which is now before us provides for proportionate increases in the personal allowances of 15% of the difference between the income chargeable to tax and £3,000. No additional relief will be given where the chargeable income is in excess of £3000.

I should perhaps at this stage just remind the House that Old Age Pensions, as distinct from Elderly Persons Pensions, are not chargeable to tax, Old Age Pensions being specifically exempted.

Now, I think this may probably be confusing but I think I should give

perhaps two short examples of how this additional relief will effect hypothetical couples. In cases of a married couple, for example, with a total income of £1800 p.a., including an Old Age Pension of let us say £500, that couple would today pay in income tax £52.50p: under the new provisions which I have just announced that same couple will in future pay no tax at all. The second example relates to a single person who let us say has an income of £1300. p.a. also including an Old Age Pension which I shall put at £300: that person today would pay in tax £45, next year he would pay only £18.60p.

For the benefit of any Honourable Member who could care to consult further examples I have had some of these prepared and I will gladly make them available to any Honourable Member who may wish to have them.

A further relief to the elderly which it is proposed to give is to raise the income level at which the Elderly Person's Pension is clawed back. In the case of a married couple the new level will be £3050 as opposed to the present level of £2450.

Now, the third area in which the Government proposes to make changes is in the treatment of married womens income. It is now proposed, subject to certain provisos which I shall mention, that the earned income of a married woman should be treated independantly of her husband's income. This means in future that a working wife will for the purposes of income tax be afforded the same treatment as a single person. There are, however, three situations which can be envisaged in which in fact it would not benefit a working wife to be so treated. Firstly, when her husband's income is itself exempt from tax; secondly, when her husband has no income at all; and thirdly, when her husband's income does not exceed the allowances to which he may be entitled.

The Government therefore considers it necessary to provide for these situations and the Bill therefore proposes to allow a working wife to elect not, I repeat not, to be treated as a single person if she so wishes. There is one important exception. The exception is the case of a married woman whose husband's income is exempted from Gibraltar tax by virtue of the fact that his emoluments are paid directly from United Kingdom funds and charged tax in the United Kingdom. In such cases the wife will not, and I repeat it, will not have the option to be treated as a single person.

I need hardly add that a married woman who is treated as a single person will not of course be entitled to claim relief for her children, dependent relatives or life insurance; such claims will continue to be allowed only on the husband's income as at present.

So now let me turn to deal briefly with the other provisions of the Bill.

Firstly it is proposed to amend the exemption provisions in two respects. The first amendment is aimed at closing a loophole. It is proposed that the exempt income of a pension fund will be limited to those funds which are established in Gibraltar. Secondly, it is proposed to extend the scope of Section 7 of the Ordinance, and that is the section which gives

the Governor power to provide that interest payable on any loan charged on the General Revenues of Gibraltar should be exempted from tax when this tax is payable to a non-resident. The extension which it is proposed will bring within the scope of this section those companies which are exempt under the provisions of the Companies (Taxation and Concessions) Ordinance.

Next, Family Allowance. Firstly, it is proposed to bring within the charge to tax Family Allowances which are not so taxable today. To compensate for this, however, Family Allowances will be increased. Moreover and I will quote the actual clause in this case, Clause 11 of the Bill repeals the Section which provides for Family Allowances to be clawed back.

The remaining provisions of the Bill, Mr Speaker, are I think more or less consequential upon its main provisions and follow from the principal objectives of the measure. The opportunity, however, has also been taken to correct two errors in the existing legislation. Firstly, that which is specified in Clause 5 and, secondly, that referred to in Clause 10. I said they were mainly consequential and indeed this is in fact consequential on the main purposes of the Bill.

In carrying out the Fiscal Review, and in particular in his examination of the income tax structure, the Fiscal Adviser concluded, and indeed so recommended to Government, that the reliefs and concessions which I have announced should be, broadly speaking, balanced by alterations and adjustments in the rates of tax so that the total revenue take from income tax should remain broadly what it would have been had the concession not been given away.

Gibraltar, Mr Speaker, is in no position to be overly generous in its treatment of personal reliefs and allowance. We balance our budget. Now, I would just like to take this opportunity to say that countries which do not balance their budget, countries, that is to say in a similar constitutional position to Gibraltar which do not balance their budget and have to rely on outside grants bitterly, bitterly, rue the day when they got themselves in that position. And I can assure the House that measures which would lead Gibraltar down that path, to a non-balanced budget, must if I have anything to do with it, be resisted at all costs, because the situation at the end of the day is one where we can no longer call ourselves masters in our own financial house.

Now, with those few words, therefore, I now come to how it is proposed that we should keep the total revenue take, broadly speaking, what it would have been had we not made these concessions and given these reliefs.

The rates of tax which are now payable will be adjusted as follows. For every £ of the first £1000 of taxable income, tax shall be charged at the rate of 20%; for every £ of the next £2000 of taxable income, tax will be charged at 30%; for every £ of the next £2000 of taxable income, the rate will be 35%, leaving the remainder of taxable income to be charged at 40%

MR Speaker, Sir, I commend this Bill to the House and in doing so I consider that the Government had carried out the undertakings which have been given in various places, at various times, and indeed in some respects I think I am correct in saying has gone a little further.

I commend the Bill and beg to move.

MR SPEAKER then invited discussion on the general principles and merits of the Bill.

HON P J ISOLA

Mr Speaker, the few words said by the Honourable Financial and Development Secretary towards the end of his address convinces us that in approach and in philosophy the new incumbent to the post of Financial Secretary is no different to all the others that have trooped into this House from time to time. His words about balancing the budget and the inadvisability of getting caught up on dependence and some other factors are words that we have heard constantly in this House, and, Mr Speaker, are usually words that precede the announcement of new taxation measures. Therefore, having heard those words about the need for balancing the budget coming at the end, followed by his low key introduction of the changes in the rates of tax, leaves us to suspect that the broadness of keeping the amount of tax broadly the same is probably broadly a little plus rather than a little minus. But that we shall see when we get the results of the year in question. In any event this will be of course the next financial year and not the one that we are in now.

I think it is necessary to remind the House that when the rises in income tax were announced at the Budget in March or April of this year, this side of the House, and not only this side of the House of course but people outside the House, all of whom were badly affected by the increases announced in income tax, considered the measures to be particularly savage at that time, hitting as it did all groups, all sections of the population at all levels and hitting them all hard, without exceptions. And consequently from this side of the House anyway we are glad that the Government has made an effort to ameliorate the effects of these measures, certainly among a certain section of the population.

Another section of the population of course will not thank them for this because in actual fact their tax rates will I

think become more severe, and that is the people with taxable income of over £3000. And when you are talking, Mr Speaker nowadays, in the times of inflation, in the times of Scamp and in the times of all the derivations of Scamp and so forth, the section of people that will come above that level is becoming, thankfully I suppose, broader and broader and larger and larger. And, therefore, although one must inevitably welcome the increased allowances that have been announced as being fairer on the community as a whole, we wonder very much whether, and we are not trying here to protect the top income groups at all, I think when we are talking of this sort of figure today, we are not talking of such a high figure, we wonder whether having a flat rate of 2% on the first £1000 will not in fact cause hardship to people on certain wage levels. However, at this stage we must accept the assurance of the Honourable the Financial and Development Secretary that these measures, broadly, will produce the same revenue as was announced by the Government in April, and that this can be considered in no way as a Budget measure to increase the revenues of the Government of Gibraltar. And at least I must suppose we must be thankful for that mercy because although as Honourable Members will remember on this side of the House we did argue in March and April that the amount being raised was much too high for the requirements of the Government for the year under review, and, therefore, our position, as I understand it, must be the same as this stage on that particular issue, even though we welcome the provisions for allowances that will, we think, give relief to people who suddenly found themselves with a much bigger tax bill than they could ever imagine.

This does not mean, Sir, that we necessarily agree with the statement of the Honourable the Financial and Development Secretary on the question of balancing the budget. This is of course, as Honourable Members are aware, an issue that has been debated in this House for the last three years, ending I think with a motion in this House under which we sought, and the House agreed, the question of the need for permanence, some sort of economic relationship with the United Kingdom that would enable us to meet the increasingly worsening situation as a result of the blockade of Gibraltar by the Spanish Government and all the results this has brought. And although we absolutely agree that it is sound financial sense that the budget should be balanced, we also believe that in the circumstances of Gibraltar and the situation we have found ourselves, in order to do this balancing act, which is a highly desirable act, Gibraltar does require assistance from the United Kingdom. We also agree with the statement that we made in the budget, and I think these were made also from the Government side, that

there is a limit to which the people of Gibraltar can be taxed. There is a limit to our taxable capacity, and I think it was a Member from the Government side, and I cannot remember who, but I think it was a Member from the Government side who acknowleged that we had reached or were fast approaching the limits of our taxable capacity. I think this had to be said to put on record our position on that particular point.

Mr Speaker, on matters in the Bill, possibly minor matters and possibly not of general concern to the House, but I think of some importance, as far as Clause 3 of the Bill is concerned, the proposals to add the words: "established in Gibraltar", in the case of Provident Funds, and Pension Funds, I do not know, Mr Speaker, whether that is a good idea or not. The reason why I say this is that as I understand the position - I have had a bit of personal experience on this - as I understand the position the investment income of Pension and Provident Funds are usually exempted from tax because of the purposes of those Funds, which is to provide pensions and so forth for the employees. I see the point about saying that as they are not established in Gibraltar why give them the relief in Gibraltar: well, the only point I would like to make on that is that is that investment income, pensions funds are today, apart from the Banks, the biggest single courses of investment for any project. I am talking really of British Provident Funds, which would be the people which would normally be involved, but it could be American or any other country, by excluding them from the provisions of the Income Tax Ordinance I believe you are excluding effectively any capital investment by Provident Funds, and loan investment by Provident Funds in development projects in Gibraltar. There are a number of developments there is one to my own personal knowledge, a development project which has had an unhappy career, if I may put it that way, which has in fact had investments from a Provident Fund. I do not see where else that money could have come from in the circumstances of the world today and so forth, and I think that if there is any other development project in the offing in Gibraltar the exclusion of Provident Funds will possibly exclude the possibility of any loan from those Funds to such investment projects. I mention that, it is a matter of opinion I think, but it could affect development in Gibraltar.

The other exemption in Section 3 of the new Bill, from which I see that exempt companies are going to be exempt from payment of tax in respect of certain Government loans, I think that is a good point to make, because I think that at the moment the structure of exempt companies is such that they cannot invest

in Gibraltar at all without paying tax on their investments. By allowing the Government to pick particular Government loans in which it suits Government to receive money from outside and allowing exempt companiesto invest in that I think there is a possibility that they might put some money in the Government of Gibraltar, and this of course would be all to the good.

The question of married women explained by the Honourable the Financial and Development Secretary, the amendments proposed there I think are all extremely sensible ones. I think the Financial and Development Secretary was not quite right on one point. Certain married women will not be entitled, as I understand it, or the class that he specified who will not be entitled to be regarded as married women will in fact be treated as single women. I think the Financial and Development Secretary, it must have been a slip of the tongue, told us the opposite, but I presume that is the intention and I think that is fair in the circumstances of Gibraltar. This is an absolutely fair provision.

We also welcome, Mr Speaker, the provisions of upping the exemptions from tax of the elderly, the pensioners. Again, moves in that direction I think must be welcome to all Members of the House and we are glad to see that the Government is able to afford all these concessions in return for putting a rather severe standard rate of 20% on all taxable income of the first £1000. We go along, Sir, with the Bill in all its aspects generally. We think it is reasonable, we think it provides the people of Gibraltar with a fairer tax structure, although we are still stunned by the effects of the severe increases of the tax announced in April.

HON A P MONTEGRIFFO

Sir, I am going to be very brief in my contribution, and what I shall say will, I hope enable me to put the whole concept of what we have undertaken in its proper context.

Sir, I have got no hesitation in saying that the structure has come about as a result of the recommendations and suggestions that were made in this House at Budget time. They have come as a result of representations that were made by the organised voice of labour, in this particular instance the Transport and General Workers Union. And though it is not always possible for Government, even if they change their mind about the garage site, to change their minds all the

time, would have gone I think a long way in showing not only that we are prepared to listen to public opinion, not only that we do not consider ourselves infallible men, but that we were prepared to give due consideration to meeting genuine and reasonable public opinion when this can be done without endangering the finances for which the Government is mainly responsible.

Now, Sir, we have taken into account basically the arguments on allowances, we have also taken into account the approach that was made to us on the issue of married women, and of course what we have tried to do is not to get a single penny more than we would have hoped to get had the old structure remained. But since we were aiming at getting that money because we think this is necessary for the running of our finances we had to devise the structure that would bring in the same amount of money. In fact, at present salary levels it would bring slightly less. The picture that then emerges is that of course that the single person carries the highest burden of this recasting. Then when you get to the married person with an income of up to about £5,000, excepting the lower income groups where they do not pay anything, they will not pay much more until they reach £5,000. Anybody who has two children or more will basically be paying less, and in some cases nothing at all until they have reached an income bracket of from £8,000 - £10,000. At the present level of salaries it is estimated by our Statistician and our Economist that 1,300 people will be out of the structure. In other words 1,300 persons who are now paying tax will not be paying tax at the present salary levels. And it is against this background thatwe hope the House will judge the Government proposals for the restructuring of the income tax.

MR SPEAKER

I know that there are some members outside the House who would wish . . .- Perhaps I would ask the Honourable Member who has just spoken to make a correction. I understand, or I have heard - the Hansards will show in due course - I think you said that a husband and wife with four children, with an increment of £10,000 will not pay income tax at all? I am delighted to hear this but I could not quite believe that!!

HON A P MONTEGRIFFO

That is not quite so. What I was trying to say is that if you have got two children, three children, up to four or more, you do not start paying more tax really than you are paying now until you reach the bracket £8,000 to £10,000.

MR SPEAKER

You do not pay more tax.

MR A P MONTEGRIFFO

No, Sir, that would be very good news but this is so. I am sorry if I gave the wrong impression.

MR SPEAKER

No. I was just correcting because you might be misquoted afterwards.

HON MAJOR R J PELIZA

Mr Speaker, I would like to say that whilst again one welcomes the allowances, one wonders whether again, and this I am afraid has always been the case, there is not really a bit of under-estimation of the revenue that is likely to come in, and the adverse effect that that can have on the economy. It is clear, I think, that Scamp, or what will come out of Scamp, will give I think quite an agreeable impetus to the economy. It has been proved in the past that every time that wages go up, Gibraltar as a whole does benefit. And if the estimates are based on the present income and the derivation of tax from those incomes, it is therefore necessary at this very early stage to increase the tax at the sort of higher level, which is probably going to be a greater average level for the working man in Gibraltar, and take that cream away from the economy which could give an incentive for more investment and the incentive for a greater wealth in our community.

I am not so sure, I would like to know in fact whether the tax has been assessed on the present income and not on the future income. And if it has been assessed on the present income then I would suggest that the Government should think again, and while increasing the allowances should reduce the extra taxes at the higher level.

MR SPEAKER

Are there any other contributors?

HON J BOSSANO

Mr Speaker, as you know I have given notice of my intention to move certain amendments at the Committee Stage of the Bill and I am sorry that the Honourable the Financial and Development Secretary has given no indication, or any possible reaction, from the Government side to the amendments I am proposing.

MR SPEAKER

May I in fairness to the Financial and Development Secretary say that the notice of one of the amendments was only served on him about an hour ago. One we have had, of course for some time.

HON J BOSSANO

Well, Mr Speaker, I think the one that he has had for some time is the more important one in that it goes to the very essence. I gained the impression, Mr Speaker, from the way the Financial and Development Secretary was talking that Government intended to proceed with their proposals without any possibility of being influenced by anything one might say, and this is why I am sorry that there was not some sort of hint that it might be possible to convince Government that what they claim to be setting out to achieve they are in fact failing to do if they insist in putting the Bill into law as it stands. I should like to say, Mr Speaker, in reference to the question of balancing the Budget and the statement the Financial and Development Secretary made about his particular views on the need to balance the Budget, that I am not at all sure whether the Financial and Development Secretary was talking about the policy of the Government of Gibraltar or the policy of the United Kingdom Government as regards the finances of Gibraltar. But I would like to state, Mr Speaker, that as far as the working class movement in Gibraltar is concerned, whether the Financial Secretary manages to balance Budget or does not manage to balance the Budget, I can tell him that the working class movement will not allow the standards of the workers of Gibraltar to be dropped in order to enable him to balance his budget. He will have to find another solution to that little problem.

The proposals that are before the House are welcomed in one particular area without any shadow of doubt. I think the Government has done a very good job of providing the necessary incentive for married women. I think the tax treatment is a generous one by the standards of what has been the case up to now, which I think has erred on the side of being ungenerous, and married women have until now had little incentive to leave their homes and go out to work with all that that implied in terms of burden of keeping a home going and bringing in an income. And the treatment that will be afforded them on the basis of the Government proposals, which I am happy to say I support fully for married women, will I am sure bring benefit to the economy. And it is important, I think, Mr Speaker, that in looking at the cost the Government should not seek to compensate its revenue by exacting an equal amount of tax from other tax payers because of a drop in revenue as a result of more lenient treatment of married women's earned income. It is important because in fact if the Government's treatment of married women's income is to be of benefit to Gibraltar's economy then what one would expect would be an increase in the activity rate amongst married women. What one would expect would be that as a result of married women being able to take home to help the family budget a greater proportion of their earnings, more married women will be interested in entering employment. And that will be beneficial to the economy and that is a factor that needs to be taken into account, that if the measure is successful there will be a compensating factor which will range over a number of things. There will be the fact that we will be less dependent on imported labour; there will be the fact that where at present families need subsidies from the Government in respect of rent or other factors those subsidies will be attenuated because the family income increases. So these are compensating factors which may not show

directly through the revenue coming from income tax, and in fact I believe that if one considers the breakdown of PAYE certificates that was given earlier on in the House in answer to my question No.128, one will see, Mr Speaker, that is is probably here, in the married women code, where there are 1346, that the significant effect of the income tax proposals on the revenue is bound to be felt.

If we look at the other tax payers we find that, for example, there are 4069 coded under the S code. Now this is almost one third of the total number of taxpayers who are coded S. And this particular group is not being given any relief at all, Mr Speaker, because at the level of £25 a week, which is the inadequate minimum wage that the Trade Union movement is managing to establish in Gibraltar, and which will no doubt be improved upon by the time these measures come in, at that level of £25 a week there will be a higher amount of tax to pay by those in the S code. So we can say straight away that these proposals will mean an increase in taxation for 4,000 people, because there is nobody below £25 and at £25 a week those on the S code pay more.

Now there may be theoretical advantages to those earning £15 a week, but the people who are earning £15 a week are a small clearly defined category, they are juveniles and apprentices who get a proportion of the adult wage. In the case of juvenile labourers at the age of 16, for example, they get 55%, I think it is, of the adult wage, which would bring in about £15 out of the £25. So that we can say that for virtually 4,000 people there is no diminution in the tax, in fact there is an increase. Now, it is very important that the House should realise, Mr Speaker, that although the Government claims that this is in response to the representations it has received, in fact the representations were made originally on behalf of the Transport and General Workers Union, subsequently on behalf of the Gibraltar Trade Council, for an improvement in personal allowances in the current financial year because the representatives of the workers in Gibraltar felt, with every justification, that since the original personal allowances were introduced the pace of inflation had erroded their value in real terms and that, therefore, one needs to keep on revising the personal allowances in order to ensure that at least at one particular level, at the bottom of the income scale, the people who are constantly coming into the tax net are taken out again, to compensate for what is known as fiscal drag. The situation is in fact that with progressive rates of taxation, with fixed personal allowances, and with inflation, Government - not just the Government in Gibraltar - Governments everywhere are faced with a conveyor belt that keeps on bringing in more revenue, there is no question about it. They do not have to increase taxation in order to tax more, they tax more, Mr Speaker, by the simple device that for example if a married couple is getting £25 now, at this point in time, then in November of next year that married couple will need £30 as a minimum, assuming that our inflation does not get any worse than it is already, which would be 20% increase. They will need £30 to stay where they are, not to be better off, just to stay the same they will need £30 in a year's time. But in fact if their tax bill is at present £40 a year on £25 a week and it is going to be £90 a year on £30 a week then in fact he is going to be worse off. So that in fact what we need to do is to adjust the rates and to adjust the allowances so that when

they get to the level of £30, which is in real terms the same as they have got now, they pay at least no more than 20% of their tax bills. That is that, if their income goes up by 20%then their tax bill should go up by 20%, not their income go up by 20% and their tax bill go up by 120%, otherwise we are taxing them more. Amendments that claim to do this are in fact increases in taxation. They may be less onerous increases than if nothing was done, and I suppose we have to be grateful for small mercies, Mr Speaker, but let us not be misled ourselves into thinking that we are doing an adequate job of protecting tho those that need protection when we are failing to do so.

Now, the amendments that I shall be proposing at Committee Stage in fact seek to give the protection at the level of the lowest income groups, which I consider to be £25 - £30 range. The basic wage for a Craftsman of which there something like 800 in the Official Employers, is £30 - or rather the offer that was made in JIC was £30 and this would have been backdated to 1974, so we can see that even on a basic week of 40 hours a very important section of the working population, skilled craftsmen, would be there. And in the case of the labourer, as I said, Mr Speaker, in the private sector for example where there has been already numerous wage settlement, the £25 a week basic minimum wage has become the standard, and there are virtually no workers in Gibraltar now in the private sector, where wages have been agreed, earning less than a minimum of £25. So at the level of £25 a week I think we must ensure, with the amendments that are proposed to the Tax Ordinance, that there is not an increasing burden of taxation.

Now, the Government's proposals I think failed in fact to do this because at the same time that there is a, I would say not very generous increase in personal allowances, taking into account the last time they were raised and the way prices have increased since then, at the same time there is the elimination of the 5% band and the elimination of the 15% band, and the elimination of the 25% band.

Now I accept, Mr Speaker, that it may be easier administratively and more rational to have a less complicated system of bandings, particularly with the existance of PAYE where a lot of work of the collection of taxes has got to be done by the employers. It would certainly simplify the collection of tax and it makes a lot of sense really to have a more compact tax structure from the point of view of the administration, but it must not be done at the expense of taking away the protection it provided. It is for this reason that I will be proposing at the Committee Stage that the first £1,000 of taxable income should not be taxed at a standard rate of 20% as suggested by the Government but should be split into two bands, with the first £500 at 10% and the second£500 at 20%. And in order to ensure, or try to ensure, that the Honourable the Financial and Development Secretary does not spend sleepless nights worrying about whether he will be abel to balance the Budget, I am suggesting that the standard rate should be increased to 35%, which will no doubt help him to have less sleepless nights. The other area, Mr Speaker, where I would like the Government to consider helping in a different way from the one that they have suggested is in relation to the question of married couples with more than one child who are entitled to Family Allowances.

The proposal of the Government is to increase the allowance for the second child from £100 I think to £150. I would have preferred, Mr Speaker, to have seen this attempt to help married couples with large families channelled through the payment of Family Allowances rather than through an increase in the allowance for the second child, and I would like to propose an amendment to that particular section which retains the present £100 allowance for the second and subsequent children, if the Government were in a position to give an undertaking that when they revise Family Allowances they will add an extra £10 a year, which would be 20% of the £50. The £50 child's allowance they are proposing at the moment would cost them at least £10, based on a marginal rate of tax at 20%. Now I would suggest to them that if they can give an undertaking that whatever figure they have already in mind for increasing Family Allowances will be increased by a further £10 a year, then the cost to the Government will be no less than what they are proposing at present, but it will be different in that what they are proposing at present, which is an increase in the child's allowance of £50, could be worth between £10 for those paying 20%, and £20 for those paying 40%, so that in fact they are giving more help to the better-off family, and less help to the family at the bottom of the scale. Now, in fact all I have asked of the Government is that they should consider giving at least the £10 the same to everybody. They can of course be more generous than that and instead of giving £10 to everybody give £15 to everybody which would be the average of the £10 at the bottom of the scale and the £20 at the top. But if the Government could at this stage in the Bill, when we are discussing the general principles, give an indication that they would be favourably disposed towards doing this, then I would like to propose at the committee stage such an amendment which would have the effect of increasing the child's allowance from £125 to £200 in the case of the first child, and would leave the allowance for the second child, which is the child entitled to the Family Allowance, at £100 as it is now. There would in fact be another difference in that as a result of the change the recipient of course would be those children who are resident in Gibraltar, because Family Allowances are only payable to children resident in Gibraltar and not to those who are residing in another country. So, I think, Mr Speaker, that if the Government could see its way towards doing this it would be a good thing. And I am sure that in fact once they work out the full implications of the change I propose they will see that the figures that I am quoting of the amount they would be able to increase Family Allowances by are in fact very conservative. At no extra cost to the Government revenue they would be able to give

more help in Family Allowance than the £10 as suggested. But the £10 is something that they could guarantee they would be able to give. I am sure that when they work out the full implications they will be able to be more generous than that.

I have also got, Mr Speaker, proposals to amend another section of the Ordinance and the amendments have been circulated this morning. Members will see that this is Clause 8 of the Ordinance, which I suggest should be amended to bring about a change in the original Ordinance respecting the allowance that can be claimed for dependant relatives. The situation at the moment is that with the present figures in the Ordinance, which is that £100 can be claimed for a dependant relative, provided the relative's income is below £250 - I do not know when those figures were originally produced, but I would have thought, Mr Speaker, that in 1975, if one had a relative with an income of £250 a year it would not be a dependant relative, it would be a dead relative, and I think that it just does not even bear thinking that one should not be able to claim an allowance for supporting somebody who is trying to live on the miserable sum of £5 a week. I am suggesting doubling this figure to make the limit an income of £500 a year, which in itself is not a particularly generous sum, even on £500 a year I think one would need to help one's relative if he was going to survive. In order to maintain the present structure I am suggesting that the amount of relief that could be given should be conditioned by the income on a reducing basis by having an amendment which ties up without one making the relief payable between £250 and £500. Now, I am also putting in that clause an amendment which will limit the effect of this benefit to dependant relatives residing in Gibraltar. Again I feel this is an important thing because I think it must be absolutely impossible for the Income Tax Authorities to check the income of one's relative if one's relative is not available in Gibraltar to be checked on. And I am sure that one can produce all sorts of necessary documents to show that one's relative has got an income below whatever figure the House decides to put, if one's relative is living in another part of the world.

I hope that the Government will give serious consideration between now and the Committee Stage, Mr Speaker, to either accepting what I am proposing, or in any case certainly doing something about the position of dependant relatives, because I think it is a serious case of omission in the present Ordinance which seeks to cater for so many other groups affected by the Income Tax Ordinance, that this particular group, which is particularly important, should have been left out. And I think that it is very relevant in

the context of what the Honourable the Financial and Development Secretary had to say about the attempt by the Government in the Ordinance to protect senior citizens. That we should be so concerned to give protection to senior citizens who are between £400 and £3,000 in not clawing back on the Elderly Persons Pension, and so on, and for those poor dependent relatives who are living on a £5 a week we just leave them where they are. So I think, taking into account that dependant relatives are in many cases senior citizens, or if they are younger they are people who by reason of some incapacity are unable to obtain work which can provide them with a reasonable income, this particular area is one that needs to be helped.

Mr Speaker, I would just like to say as regards the Bill as a whole that the Financial and Development Secretary says that the measures in the Bill as they stand are intended to be a balancing act, to take away from Peter and give to Paul, and I do not think that the Government can honestly say that it is entirely doing this because the distribution of income tax payers in the different codes show that within the three codes, Single, Married and M1, there is over 50% of the tax payers. And in those three codes it is at the level of £25, £30 and £35 for a married couple with one child, there is in fact very little or no saving. That, for example, in the M1 code there is no difference in the tax Bill, so that in fact what one is giving in terms of the improved allowance one is taking away in terms of improved tax rates. For a married couple and a child on £35 a week today in Gibraltar - we are not talking, Mr Speaker, about a section of the community which we can say there is going to be many people under that level, unless in fact in Gibraltar people are enjoying an even lower standard of living than I suspect that they are, because I would say that with £35 a week there are 1,345 families coded in the M1 code, 1,345 married couples with one child. I do not know how many of those would be below £35 a week but I would say the bulk of them: if they have got a decent standard of living must be either very close to £35 or just above it. Now if that is indeed the case then the people who are being given a measure of tax relief are people who are very badly off indeed, and the amount of help that they are being given is going to be grossly insufficient. If we are giving to a married couple who are on £25 a week, and now paying £25 tax, if we are in fact saying that they will not pay tax, right, they are going to give an extra 50p a week. But a married couple with one child with £25 will now have £25 to support that family instead of having £24.50p. That family will be as near starvation on £25 as they are at present on £24.50, so the amount of relief that is being given at that level is the

maximum that can be given, because we are taking them out of tax altogether, I accept that, but let us not think that thay are being afforded a relief which will enable them to enjoy a decent standard of living. Obviously the wages of these people will need to be brought up considerably in order to give them a decent standard of living, and it is at the area where we think the minimum standard of living we should accept as a community should be based that we should seek at least to ensure that the amount of tax that is paid from one year to the next is not increasing at a greater rate than wages and prices are increasing, and I think that this is a sort of broad principle that I would like to see the Government adopting as a yardstick. They should say, well, for different sort of family compositions we think that there are the sort of incomes that we need in Gibraltar to live, and those people should at least from one year to the next not pay more than 20% more tax. Because if prices are going up by 20%, and wages are going up by 20% and their tax bills are going up by 20%, then in real terms they are no worse off, but if their tax bill goes up by more than 20% then you are eating into their standard of living and their standard of living is being pulled down. And it is not enough to say that they will be paying less than they would have paid if nothing had been done because I think the Government and the House of Assembly has got an obligation to do something about it, and if we fall short of doing what is necessary then in fact what we have done is not something that we should be congratulating ourselves on, but something that we should be sorry we have not done a good job about it.

HON A J CANEPA

Mr Speaker, the Honourable Mr Bossano has made two proposals which are very very interesting indeed and which Council of Ministers gave a great deal of consideration to at the time when we studied the report of the Fiscal Adviser. These were matters which came to mind and I am referring to, in the first place the proposals to have a two-tier system of relief in respect of dependant relatives, namely that the allowance for the locally resident dependant relative should be greater than for the dependant relative who is not residing in Gibraltar; and secondly, the proposal that we should either leave the children's allowances, the children relief, untouched or do away with them altogether, and compensate the family, if the allowance remains as it is, by a somewhat higher Family Allowance: and if the child's relief is done away with completely, by a vastly increased Family Allowance. These proposals were considered in great

detail and they were discarded by the Government for really the same reason, and that is, the danger of laying ourselves open to the accusations that this would be discriminatory. Discriminatory in respect of the very sizable alien labour force which we have in Gibraltar.

Under the present set up whereby relief is given to children, the alien labour force is able to claim such relief, but they are not entitled to Family Allowances unless the family is resident in Gibraltar. Family Allowances, entitlement to ~~it~~ them depends on residence, and, therefore, it could really be assumed that the introduction of these amendments was particularly aimed and directed ~~to~~ at the alien labour force, and I am sure that the repercussions would have been very very serious.

With regard, Mr Speaker, to the question of dependant relatives, I think Mr Bossano does have a valid point when he says that where we do have some means, and I say some means, of checking on the family composition in Morocco or elsewhere, we do not have really, he rightly put it, any means of checking on the income of a dependant relative. And, therefore, that second point is one which I think would be worthy of further consideration. But we must be very careful, Mr Speaker, about accusations of discriminations. I understand that when representatives of this House appeared before the United Nations in the last ten years or so, this accusation was levelled at ~~our representative~~ them in respect of the alien labour force which we had in Gibraltar at the time. So we must be very very careful ~~of~~ about what we do.

Now, Sir, the Honourable Mr Bossano spoke at lengths about the family, the married couple with about £25 a week, and the point that he was making was that we must be careful that whatever is done, in a year's time or so that ~~person~~ family will not be worse off than what ~~he is~~ they are now. In fact the desire should be that ~~he~~ they be better off. He based himself, of course, on the level of inflation of 20%. In the twelve months, Mr Speaker, from October 1974 to October 1975, the level of inflation in Gibraltar has in fact been 15%, whereas in the United Kingdom it has been 26%, and if the anti-inflation measures in the United Kingdom ~~was~~ were successful, then in view of the fact that we import inflation from the United Kingdom, I dare say that the position may be rather hopeful over the next twleve months. If their measures succeed, then ~~there~~ I am confident that our level of inflation certainly will not be more than 15% or 16% over the next twelve months, but of course time will tell. And if that is the case, Mr Speaker, then the increases which are already in the pipeline for a man earning £25 a week in Gibraltar, ~~say in~~ and which are due in

October 1975, ~~the increases which are in the pipeline in respect of~~ even assuming a 76% only of the United Kingdom rates, ~~then~~ bearing in mind that already in the United Kingdom there has been a flat payment of £6 a week to every ~~body, and~~ the fact that the second stage of the implementation of Scamp is 72%, and there is another 4% to come, ~~my~~ calculations ~~is~~ that the lowest paid can look forward to at least another £6 a week next year, and, therefore provided inflation is kept below 20% in Gibraltar, I think that people in that category will be better off at this time next year.

Now, Sir, turning to the question of persons in the S code. They are going to pay substantially more and of course the question that one asks oneself is: should they not pay substantially more, is this not the category that can most afford to pay more? And I believe, Mr Speaker that even the Honourable Mr Bossano shares the general view that for some time now single persons have had it too good, and, therefore, if there ~~have~~ to be some recasting so that we obtain either the same yield from income tax, or slightly less which is what we hope to do, this is the category that can afford to pay more. It may well be that we will not see so many flashy cars in Gibraltar being driven by youngsters.

MR SPEAKER

Or perhaps we will see more married young people asking for more houses!

HON A J CANEPA

I would see this as a positive contribution that persons in this category ought to make. If these young people pay more tax in order that we can have better social services, I think it is a very valid and very good contribution that they should make.

Mr Speaker, Mr Bossano's amendment that the rate of tax at the bottom band, which under the Government proposals would be £1,000 at 20%, whereas his proposal is that the first £500 should be taxed at 10% and then the next £500 at 20%, ~~is~~ immediately that every tax payer ~~regardless~~ gets relief, because it begins to operate right at the bottom. And where you have a tax payer who has a taxable income of at least £500, then the relief being afforded to that tax payer is £500 at 10%, £50 less per such tax payer. Of course that is going to be partly off-set by his proposal that the standard

rate of tax should be slightly higher, 35% instead of 30%, but I wonder, Mr Speaker, in view of the fact that the number of tax payers in that group are bound to be a great deal smaller than the total number of tax payers, I wonder whether in fact a very considerable amount of revenue would not actually be lost. This is just my initial reactions, because I have not had time to study this proposal in detail, but that reaction comes to mind straight away.

Turning to the Honourable Major Peliza, he spoke about the estimates of yield from income tax, about how accurate they were. Well, undoubtedly, Mr Speaker, one thing that we can say is that in the course of the present financial year, estimates of yield of income tax are bound to be rather more accurate than they have ever been in the past, because we have already had the operation of Pay As You Earn for six months, and, therefore, we have a very good idea, Mr Speaker, about the yield in respect of employed persons throughout Gibraltar. So if we project that into the future, and the projection obviously takes account of wage increases which we know are in the pipe line, then there is no doubt that the estimate of income tax yield for the next financial year ought to be the most accurate that we have ever had, in spite of the tendency, which all Members of the House refer to, of the Treasury to underestimate in these matters.

Now, Mr Speaker, the Honourable Major Peliza wondered why so many months before the budget, ~~so soon before April~~, we ~~were~~ are introducing these measures. Well, ~~of course~~, the Pay As You Earn tables have to be prepared some time in advance, and unless the legislation is piloted through the House before the end of the year, and we have two or three months in which to prepare these tables and acquaint employers with the effect of them, revenue would be lost. Because the likelihood would be that these tables could not be introduced until after the beginning of the next financial year in April, and there would be some loss of revenue. That is the reason why the amendments are being introduced now.

The Honourable Mr Peter Isola, Sir, spoke about persons with a taxable income of over £3,000. He did definitely say taxable income and assuming that at least they are married the assessable income is therefore over £4,000. And the tables that I have, Sir, indicate that where the income is £4,000, in that region, the tax that they will pay under the proposals before the House today, under these amendments, will be broadly the same. There is very little difference. For instance, at £765 a year in one case as against £785 is very very marginal indeed. And as we move up the income brackets, Mr Speaker, in the case where the family income is

over £5,000 then, yes, they are going to be paying more tax but only if the family size is less than two. Where we come to the group where we are dealing with a family with two children then the position begins to improve, even though they may have an income of over £5,000 and that is the position as we move up the higher income brackets until we get to the level that my Honourable Friend Mr Montegriffo spoke of, of £8,000 to £10,000. Of course I should like to remind the Honourable Member that there were no increases announced by the Government last April. The Income Tax rates have remained unchanged since 1973. What happened of course was that Pay As You Earn was introduced, with the same tax rate but with a different basis of assessment. The year of assessment was changed and ~~of course~~ the impact was very much greater, but we did not increase income tax rates. I just want to turn now, Mr Speaker, to the question of working wives. Although I have to declare an interest the amendments proposed are particularly welcome. And for two reasons, I would say: in the first place, the fact that they are going to be taxed separately should I think remove the grievance which may have been a distinct disincentive for wives to go out to work, certainly ~~and also~~ since the introduction of Pay As You Earn last April. But there is another aspect as well which is particularly welcome, and it also I think affects very intimately the working wife, and that is the deletion of the clawback mechanism from the Statute Book. As this stands at present, Mr Speaker, what happens is that when a wife takes up full time employment, a very large chunk of the Family Allowances is paid back to the Exchohequer and in some cases, in many cases I should say, where the wife takes up employment that is highly remunerated such as in a profession like teaching - and again I declare an interest - or nursing, the amount of Family Allowance which is clawed back can become very considerable, because at an income level at present of £3,500 a year, the whole of the Family Allowances are paid back into the Exchequer.

And, therefore, the moment that a woman goes out to work in such full time employment, what is happening is in fact if not in practice, that her earnings are being very considerably abated by the present clawback mechanism. So, as I say, Mr Speaker, the repeal of this and its substitution by making allowances chargeable to tax only, will alleviate the position somewhat for what will happen is that, in the case of the average family, they will either be paying tax on the family allowances received at the rate of 20% or at the most, I would say, 30%. So only about 1/3rd of the Family Allowances would be paid back in income tax, whereas previously in very many cases, as I said, the whole amount would be paid back.

With regard to the clawback mechanism for the Elderly Person's Pension, I think, Mr Speaker, it is true to say that at the moment that is operating somewhat stringently when seen against the background that Old Age Pensions are being paid regularly and fairly considerably, and yet they are not subject to income tax at all. So I think the proposals will give a somewhat more generous clawback mechanism to this category of persons.

The amendments which we introduced in 1973, Mr Speaker, undoubtedly hit very many income groups in Gibraltar somewhat harshly, but I think that there was a group that was hit particularly hard, and this was the middle income group. Perhaps they have had it somewhat easy in the past, but they were hit particularly hard, particularly those middle income groups where husband and wife both went out to work at no inconsiderable sacrifice to the family and in particular to the wife and the proposals before the House today will, I think, alleviate - I have no doubt they do alleviate - the position of that income bracket quite substantially. So all in all, Mr Speaker, these proposals as far as I am concerned are very, very welcome.

HON CHIEF MINISTER

I would just like to say a few words, if I may, Mr Speaker. I think my Honourable Friend, Mr Canepa, has dealt with some of the points that I have taken note of, but I would like to deal with one particular point and that is that insofar as these measures are concerned the estimatesmade - and they have been made in depth - is that broadly are the same on present salaries and incomes it is 5% less yield overall than at present. This is the estimate given from the Income Tax Office, 5% less than at present. The Honourable Major Peliza has said: "Well, but you are going to get so much more money later on." But of course when we get more money we will have the liability to pay more money because we will also be in the market for the increases that are in the pipeline. So we will have to meet that from whatever comes. It was always intended as was made clear after the representations made by the Union to me on the 11th April about the question of income we dealt with. One or two points that arose at the time, the question of the last week in March, the question of deducting earnings and so on, and other arrangements about half yearly adjustments which have already been negotiated and arranged with the Union. The agreed communique said that the Government undertook to carry out a revision of personal allowances not later than the 1st April 1976, but was unable to commit itself to a review

before that date. We realised the difficulty and then we said that the question of the coding of pensioners and married women in employment was also discussed and it was agreed that further discussions would take place between the Union and the Department. Some of those discussions took place and some of it has now been reflected.

The GTC delegation brought to my notice in writing the resolution at their last meeting and a point was made by one of the members about the fact that this would hit apprentices very hard, apprentices whose salaries are not very high, and we feel that that was a very good point. In fact it would serve to encourage people to go into trades and I said yesterday that I would look into the matter and we shall be producing an amendment later on giving an allowance of I hope £150 for people who are properly apprenticed in accordance with the provisions of either the Official Employers or the Industrial Training Ordinance, something that will not be a ruse to avoiding tax by just becoming an apprentice to a hairdresser and getting an extra £150, something that is conducive to the learning of a trade and will I think give considerable relief to that area to which my notice was drawn about yesterday as being one which would suffer particular hardship and which I think very enthusiastically received by the Minister for Labour because of the encouragement that that would have on apprenticeship of a trade.

MR SPEAKER

I will now call on the mover to reply.

HON M XIBERRAS

Mr Speaker, I intend to go on for a little while, but I do not know what time you will wish to adjourn.

MR SPEAKER

If there are going to be other speakers we will then recess until this afternoon at 5 o'clock, and for the purposes of enabling members to make their own arrangements may I say that we will be sitting from 5 until 6.30 upon which we will adjourn until tomorrow morning at 10.30

The House adjourned

The House resumed

HON M D XIBERRAS

Mr Speaker, I think the details of this Bill insofar as they can be argued at this second reading have been done so by a number of members on both

sides of this House. I would just like to add one or two general considerations.

Firstly, Mr Speaker, that undoubtedly, although the Financial and Development Secretary has told us that the yield with this new measure will broadly speaking be the same as it was before, nonetheless the Bill has important new features reflecting either now or in the future on the general level of taxation the way things go in this respect. The Bill has two aspects to it, one is the increase in the allowances generally, that is the measures of tax relief, which the Financial and Development Secretary gave us to understand was the main body of the Bill and he called the other parts of the Bill "consequential". Now they are hardly consequential, they are in fact quite substantial changes in our Income Tax legislation. Mr Speaker, this line was adopted in fact by the Honourable and Learned the Attorney-General in presenting the Bill to the public in his explanatory memorandum, to the extent that the local news services emphasised the allowance but hardly made mention, with one notable exception, to the increased rates of taxation that some people would have to pay, I think an explanatory memorandum should attempt to balance the Bill in presentation, and in this respect this explanatory memorandum failed, in my opinion. The Chief Minister's contribution just before lunch was a very short one and I think he devoted it mostly to say that the Bill met with the approval of the Transport and General Workers Union.

HON CHIEF MINISTER

If the Honourable Leader of the Opposition will give way. I did not say that and it is obvious that it does not. What I did say was that it honours in the spirit a commitment entered into with the Transport and General Workers Union but it may be that in the letter they may have had second thoughts. We have undertaken the review of allowances and we have carried out a number of other minor things which were objected to at the time, the question on the wages of the last week in March, the question of women and so on, and this was persuant to representations made to me following a meeting of the Transport and General Workers Union which was held on the 7th of April. These representations were made to me on the 11th of April and I replied on the 30th April. That is what I said. I did not say that it meets with their approval, I said that it met my commitment with them at the time and honouring what I undertook to do.

HON M D XIBERRAS

Mr Speaker, I am glad the Honourable and Learned the Chief Minister has explained in such great details once again. What unfortunately the Chief Minister did not say was that it was not only the Transport and General Workers Union who made these representations, it was not only on the date on which the Honourable the Chief Minister had repeated just now. Similar representations were made. The Honourable Minister for Labour and Social Security pointed out, in correcting my Honourable and Learned friend, Mr Isola, that the income tax rates which this Bill will amend had come

into existance not in 1974 but in 1973, that is two years ago. And the Honourable and Learned the Chief Minister will recall no doubt, thoughthe has chosen not to mention it, that all Honourable Members on this side of the House insisted ad nauseum that the allowances were too small, that the taxation rates were, in the words of my Honourable and Learned Friend, rather savage for the times, that the women in employment were not getting benefits, that the rates of taxation, the bands stretched right down to the ordinary worker, and in fact proposed embryonicaly all the changes which the Government has now, after its usual number of sommersaults, been able to present to this House as a much improved measure. It has taken the Government two years to reach this position and we, on this side of the House, of course support the Bill insofar as it meets the original representations made two years ago. The representations were of course repeated when Pay As You Earn came into existence, and as someone in the House said, some Honourable Member said, it was with the Pay As You Earn system - I think it was the Minister for Labour who said it - that people realised to what extent they were being taxed, had been taxed for the year prior to that, and of course had been taxed in the current year, what is gone of it, and will continue to be taxed for the remainder of this year. Now since there has been no change in the yield and, if we are to accept the Government's argument that this puts the burden of taxation where it should be, I would ask the House why Government was not prepared to listen to similar representations when they were made in this House about two years ago. However, no doubt those who have been paying, who are being relieved now of taxation, will be able to calculate to what extent they have been overtaxed during the last two years.

Mr Speaker, the Chief Minister has said in this Chamber, if not in this House at the time of the CPA Conference, that for a legislature to work there must be some sort of leadership, that errors made should be corrected in this House and not outside this House. We are very glad that the amendments have been made, whoever the instrument has been, but the Honourable Member for the next CPA Conference may bear this in mind, if the subject comes under discussion again, that on this particular occasion not only has he chosen to disregard entirely the contribution of the Opposition for this kind of thinking, but he has thought fit to present this Bill in such a way that people knew that it had the support, perhaps the qualified support, of bodies other than this House. I wonder, therefore, how he will deal with the proposals made now by the Honourable Mr Bossano.

Mr Speaker, the Financial and Development Secretary in presenting the Bill made a number of statements of a general nature which I would like to comment on briefly. He spoke of escalating costs, he said that we would wish to be masters in our own house and he tried to persuade us from entering into any kind of dependence on people outside Gibraltar in the job of balancing our Budget. The remarks were cryptic but they are important, because as my Honourable and Learned Friend Mr Isola said the possibility of entering into a permanent economic relationship with Britain has been discussed by the House over a long period of time,now, over a period of years, and the Honourable the Financial and Development Secretary's comments appear to put him on the side which is opposed to the forming of this permanent economic link.

HON CHIEF MINISTER

Mr Speaker, in fairness to the Financial and Development Secretary, I think his remarks are of a general nature and were not, - and in fact he was not acquainted with the event leading to the representations on this question of economic relationship until after he sat down and I told him of them. I think it is rather unfair to attribute to his remark anything more than remarks of a general nature without having regard to the special circumstances of which he is not really yet aware. This is in fairness to him.

HON M D XIBERRAS

I am grateful for that intervention from the Chief Minister because in fact I was going to go on to say that it was not the Financial and Development Secretary's opinion which I was really considering when he said that, valuable as that may be, but I was rather considering the attitude of the Government as a whole, and particularly of the Chief Minister, to that statement, because had it not been qualified in the manner in which the Honourable and Learned Member has done now, certain other activities which both sides of the House have been involved in would have been set at naught. So I welcome this intervention by the Chief Minister which sets my mind at rest that the words of the Financial and Development Secretary have no deeper significance than a personal opinion at this stage, in ignorance of the permanent economic relationship which is so dear to this House.

Mr Speaker, the Honourable Mr Bossano said that the standard of living must not be depressed. I think this is good solid thinking and Honourable Members will have heard the Opposition generally voicing this thought on many occasions. Whatever the solution to Gibraltar's problem it does not lie in depressing the standard of living or allowing it to be depressed and caught up by inflation.

Mr Speaker, if one were to deal with the betterment in personal allowances which have been proposed in percentage terms they are quite extraordinary. The Government has found all of a sudden the courage to push up these allowances quite considerably, and insofar as they do better those people in need of betterment we are entirely in agreement with them. What the Government says to those people who are being taxed more now is the Government's own business. We on this side do not consider the burdens which are being put now, and there is extra taxation for people in the slightly higher income bracket, there is extra taxation, we do not consider this taxation to be excessive. We think that people can bear it. But I think there is a thought for all of us as regards the taxable capacity of Gibraltar as soon as we begin to increase taxation at this top level, the level of taxation being, however progressive it is, being always set by the highest level of taxation by and large. These taxation measures stretch down nonetheless and affect quite a number of people who are either now, or will be after the Scamp recommendation, within the range of the increase rates proposed. I think too the House has heard on numerous occasions the argument of taxable

capacity apply in the destruction of differentials. In the upsetting of any wage awards which are made or negotiated we must bear in mind that the higher we tax the more the people are going to ask for in money terms. I think it would be a useful exercise to try to establish what is the equivalent, in all fairness, in taxation, of an 80% judgement on parity of wages since the two things must go hand in hand. I do not know whether mathematically it should be an 80% level of taxation or not, or how it should apply, but certainly we should not go above the 80% if the wages of people in Gibraltar are deemed to be, at a fair rate, 80% of what they are in the United Kingdom.

Mr Speaker, there is not much more room for taxation in Gibraltar, and the yield from taxation cannot increase all that much unless we are really going to hit the kind of person which the Honourable Mr Bossano is trying to protect with his amendments. Even now that we have the Scamp Report in prospect, let us make no odds about it, most people are going to come into the taxation net. There can be no question at all about it. People, if they are not now, are going to move into the taxation net and the real value of their earnings will have to be judged no doubt in consideration of the increased income tax. And there is a limit as to how far we can go along that road. And the only way out, I say this perhaps to acquaint the Honourable the Financial and Development Secretary, is to realise that Gibraltar's economy needs to be in some way connected, the Gibraltar Budget needs to be in some way connected with the United Kingdom Budget.

The Honourable Mr Bossano's proposals obviously, as Honourable Members have been used to in this House, tend to defend the lowest paid workers. It is not for the Opposition members to try to formulate an attitude to these proposals, to the basic ones: I think it is for the Government, the Financial and Development Secretary and the Chief Minister, to say how they view them. However, we know, because the Financial and Development Secretary told us, that the Government in taking this step has considered the position very carefully, has brought in an adviser, has looked at the rates and is trying now to establish, after all this consideration, something definitive which is going to last us into 1976 presumably. Therefore, it is up to the Government to tell us whether they think that the yield, which we accept should be the same now as it was before, at least, whether the yield would be achieved in the manner the Honourable Mr Bossano would like it achieved or not. It is the Government's responsibility. We tend to consider them desirable, but on the other hand we are not able to pronounce on the results of them and we must leave this for the Government.

There are other proposals made by the Honourable Mr Bossano which in a customary manner are constructive and I do not think will upset Government's thinking in any way. I think the apprentices amendment is a good one and we certainly support that. The dependant persons amendments which he proposes to move is also a good one and we hope that the Government will be able to support these at least.

I think, Mr Speaker, it might have been said from this side of this House, that Government is bringing in these measures at this stage to avoid the unpopularity of doing this just before the Budget, but of course this fails for two reasons. One, because there is a measure, a part of this Bill, which is obviously popular, and there is a part of the Bill which is unpopular. But the second consideration why this would have not been the case is the one given by the Honourable Mr Canepa, that the Tables have to be prepared if we want to start by the 1st of April. But I would glean from that that the Government does not intend to change income tax at the next Budget, because it would be senseless of course to introduce a system three months, whatever it is, just before March, and changes it all over again as a result of Budget measures. So we imagine that Mr Canepa's statement is an indication that income tax rates will not be touched at least with applicability from the 1st of April. And thereby hangs a thought. Without increasing income tax the yield from income tax will be able to meet a great part of the Scamp Award, which falls within that year, and this I think vindicates the reasoning of this side of the House in respect of wages being almost self financing. I do not know what the Government will do at the Budget with indirect taxation, I do not know what other revenue raising measures there might be, but logically it will not be able to raise direct taxation after what has been said in this House, and I think that this is a sign, this is proof, that we on this side of the House were right in that respect.

Mr Speaker, I would have liked to have heard from the Honourable the Minister for Labour what the Family Allowances were going to be. The Honourable Mr Bossano made several points in connection with this and suggested a level of £10 increase. Now, I do not know what the levels are going to be but some of the amendments which are going to be pursued at the Committee Stage will depend for support on what Family Allowance is going to be paid.

HON A J CANEPA

If the Honourable Member would give way. The Honourable Mr Bossano meant not £10 a year per child. It certainly will be less than that. If that is helpful I can say that. It will not be less than £10 per child.

HON M D XIBERRAS

We will come to this at the Committee Stage and we shall bear in mind what the Minister had to say.

So, Mr Speaker, all in all it is a Bill which we can support in principle at the second reading, and we hope to be able to make a contribution at the Committee Stage.

MR SPEAKER

Would the mover like to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, although, had one listened to part of the Honourable the Leader of the Opposition's remarks this very minute, and earlier to a remark which the Honourable Mr Bossano made in the course of his address, one might have thought that they were talking for this side of the House about a team of acrobats, because it has been variously suggested that we engage in sommersaults and in balancing acts. Mr Speaker, I think my colleagues will agree that we can derive some measure of gratification from the reception of this Bill by the opposite side. All this, the welcome that they have given, had been qualified in many respects, and perhaps, with respect, grudgingly. And I suppose that any measure which an Administration introduces which touches on taxation which receive in the House, support in principle, as the leader of the Opposition has just announced, is about as much and as great a welcome as can be expected.

Income tax, Mr Speaker, is I think perhaps the most unpopular, the most criticised and possibly the most resented of all themeans that are at the disposal of a Government to raise revenue to pay for the services which it provides, and the image it must provide, and for the services which it is constantly under pressure to provide and to expand. Notwithstanding that, and what I believe to be a legal tic toe, namely that there is no equity about a tax, I think it is generally conceded that a tax on income is fundamentally the fairest method of all taxation, because it is the only method of taxation which has built into it a method of apportioning the tax strictly in accordance with personal circumstances.

Now, I must first correct an impression which I think the other side have quite obviously tried to put across, that this is a taxing measure. It is not a taxing measure in the normal accepted sense of that word or that impression. Far from it. As the Honourable and Learned the Chief Minister indicated this morning, the net effect of what the Government is proposing, the net effect of the new structure which will emerge from the Government proposals, is that it will cost the Government, in terms of revenue, something of the order of 5% less from tax revenue than before. That is of course on present income. The Bill, Mr Speaker, rather than being described as a balancing act would in my view, and the Government's view, be better described as a package to be viewed in its totality. It is the Government's claim that as such it represents a considerable betterment of our own present income tax

structure, and that it will result in a very substantial number of tax payers on present rates paying less tax than they do now.

HON J BOSSANO

If the Honourable Member will allow me.

Will he also inform the House that it will involve an even more substantial number in paying more.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I have no intention of informing the House, Sir, because I have not been advised that that is so, but what I have been advised is that as far as it is possible at this stage to make any computation, something in the region of 4,000 plus are likely to pay less tax than they did before, and of course some of those 4,000, and I put no number on this, will in fact pay no tax, whereas at the moment they do pay.

Now, on the whole, speaking for myself, I think I can say that I have been impressed by the generally constructive views and the generally constructive tenor of the points that have been made from the opposite side of the House. And save in one or two respects, I think these points have already been dealt with by my Honourable Colleagues on this bench. The Honourable Mr Peter Isola, however, did prefer and query why it was that it was proposed to exempt, or at least rather I should say to exclude from the exemption provision, Pension Funds which are not established in Gibraltar. And he advanced a view that this might discourage possible investments. I can only say to him that the Government does not share that view.

He also queried, if I understood him correctly, my statement regarding the treatment of working wives of persons whose income is derived from and is taxed in the United Kingdom. Now, I think it is generally recognised that at the moment the law as it stands is discriminatory against the wives of residents of Gibraltar, and it is for that reason that the amendment in the Bill before the House will not extend the option to the working wives of service personnel in Gibraltar. They will betreated for tax purposes as single persons.

Sir, we heard a good deal about the impact of the Government's new proposals on the S categories of tax payers. There is only one thing I would like to add to what has already been said by my Honourable colleagues, and that is that this is

the category in which many of the alien labourers are placed, pending the department's satisfaction that they are in fact married, they are required to prove that they are married before they are treated for tax purposes as married persons.

Sir, I cannot sit down without referring to the structures which the Honourable the Leader of the Opposition made about my remarks regarding financially dependency on another government. May I say that I appreciate the tactful and diplomatic way in which he voiced his strictures, and may I also assure the House and confirm, as the Honourable the Chief Minister has done on my behalf, but I now do so for myself, I confirm that they were entirely general and nothing more must be read into them. It was an entirely general statement statement.

Finally, Sir, I was touched by the concern which the Honourable Mr Bossano expressed about the possibility of my future insomnia over balancing the Budget. I think I can assure him that he is going to be disappointed if he thinks that I shall come to this House with bags under my eyes, unshaven and quite obviously revealing the signs of many a sleepless night.

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

The Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY

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

This was agreed to.

HON ATTORNEY GENERAL

Mr Speaker, Sir, I beg to move that the House should now resolve itself into Committee to consider the following Bills, clause by clause : The Notaries Public Bill 1975; The Sale of Goods (Amendment) Bill, 1975; The Wireless Telegraphy (Amendment) Bill, 1975; The Supplementary Appropriation (1974-75) (No.2) Bill, 1975; The Supplementary Appropriation (1975-76) Bill, 1975; The Traffic (Amendment)

(No.2) Bill, 1975; The Friendly Societies (Amendment)(No.2) Bill, 1975; The Trade Licensing (Amendment) (No.2) Bill, 1975; The Licensing and Fees (Amendment) Bill, 1975; and The Income Tax (Amendment) (No.2) Bill, 1975.

The House in Committee

THE NOTARIES PUBLIC BILL, 1975.

HON P J ISOLA

Mr Speaker, may I rise at this particular junction of the Notaries Public Bill and say that when this Bill was brought before the House for a Second Reading, the principal reason for the Bill was given as no power at present vested in anyone to admit persons to practice as notaries public in Gibraltar, I would ask the Honourable and Learned the Attorney General before we pass Clause 1 of the Bill whether this is in fact correct. As I understand the position there is an Act of Parliament in the United Kingdom still applicable to Gibraltar under which Nataries are in fact appointed to Gibraltar. This being the case might it not be prudent to defer consideration of Committee Stage of the Bill.

HON ATTORNEY GENERAL

I think the position is a very difficult one. A certain Act has been quoted which in my opinion does not allow Notaries to be appointed in Gibraltar. I have the very latest edition of Halsbury when commenting on the repeal of Section 2 of the Ecclesiastical Licenses Act and in its comments in no way suggests that there is appointment possible under the 1835 Act. The latest edition - and when I say the latest edition, I mean the commulative supplement for 1975 - goes no further than to say that it appears that Notaries may be appointed Section 3 of the 1529 Act. Halsbury's goes no further than that and I think it is an extremely balanced point as to whether there is power or there is not power at the present time to appoint Notaries in the Colonies. I do not want to enter into a legal argument but this is a point which has been considered, I have looked at the authorities, and there is doubt on this point.

MR SPEAKER

Yes, but what you are being asked is whether you feel that in the circumstances the Committee Stage of this Bill should be deferred. That is your prerogative, you have not said whether you feel this should or should not be done.

HON ATTORNEY GENERAL

No, I think the Committee Stage should not be deferred, I think we whould proceed.

HON P J ISOLA

I am sure, Mr Speaker, the Honourable and Learned the Attorney-General has received a copy of a letter which has been written by the Society of Public Notaries of London to a Notary in Gibraltar in which it says that withintheirown knowledge, under the Notaries Public Act 1843, Notaries have been appointed to such places as Hong Kong in recent experience, and it would seem to me that if there is doubt as to whether the main reason given for putting this Bill before the House was that there was no power in anybody to appoint the matter should be deferred at least until the Honourable and Learned the Attorney-General has had an opportunity to answer representations to this effect made by Notaries Public in Gibraltar. I have been informed that the Honourable and Learned the Attorney-General wrote in September to a Notary Public in Gibraltar and said to him that the matter was somewhat complicated and so forth, and that he would be replying to him as soon as possible but that this would take a little time. As I understand the position the Notary up to today has had no reply and we are being asked now to pass a Bill into law without the professional people involved being given an opportunity to discuss the matter further. I would have thought that it would have been more in the public interest if consideration at the Committee Stage were to be deferred until these points had been resolved.

HON CHIEF MINISTER

Sir, I would like to say that of course we have no objection in leaving the Committee Stage for a subsequent meeting because it is not an urgent matter, but I would like also to say that it was put here with my authority and with my consent and on the basis of the amendment, because I felt that the amendment that has been proposed to Clause 5 covers all the points that were raised about the facts that there might be too many Notaries Public. We safeguarded also the one person who could claim without qualification to be registered as a Notary, and we thought it was a very good idea of allowing members of the Bar who wanted to do one year's training as a Notary for the future, but if the representations have not yet been replied to I do not mind if we leave it for another meeting. But let it be made quite clear that as far as I was concerned I had copies of those representations and I felt that the way in which we were doing it dealt with both our needs and their objections.

HON P J ISOLA

I am grateful for what the Honourable Chief Minister has said. I think it would be helpful if it was deferred because my information is that the amendment concerned has not in fact been brought to the notice of the Notaries Public concerned and I would think it would be better, Mr Speaker, if this was done.

HON CHIEF MINISTER

My information is that both Notaries are in good health so there is not that urgency about it!

MR SPEAKER

Then my advice must be that under Rule 35 a motion should be moved for the adjournment. of the consideration of this Bill to a future meeting.

HON CHIEF MINISTER

I now move accordingly

MR SPEAKER

Rule 35 says: If the consideration of a Bill in Committee is not completed it may, on a motion made, be adjourned until the next or some subsequent sitting of the House.

HON CHIEF MINISTER

I now move formally that consideration of the Committee Stage and Third Reading of the Notaries Public Bill, 1975 be left for the next meeting of the House.

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

THE SALE OF GOODS (AMENDMENT) BILL, 1975

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

Clause 2

HON LT COL J L HOARE

In the definition in 2 (1)(a) I think there may be a mis print. "Statutory undertaker" I think should read "statutory undertaking"!!

MR SPEAKER

Well, let us move an amendment to this Clause.

HON LT COL J L HOARE

Sir, I propose that in Clause 2 (1), line 5, the word "undertaking" be substituted for the word "undertaker".

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

Clause 2 as amended, stood part of the Bill.

Clauses 3 to 8 were agreed to and stood part of the Bill.

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

THE WIRELESS TELEGRAPHY (AMENDMENT) BILL, 1975

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

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

THE SUPPLEMENTARY APPROPRIATION (1974-75)(No.2) BILL, 1975

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 SUPPLEMENTARY APPROPRIATION (1975-76) BILL, 1975

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 TRAFFIC (AMENDMENT) (No.2) BILL, 1975

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 FRIENDLY SOCIETIES (AMENDMENT)(No.2) BILL, 1975

Clauses 1 to 6 were agreed to and stood part of the Bill

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

THE TRADE LICENSING (AMENDMENT) (No.2) BILL, 1975

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 LICENSING AND FEES (AMENDMENT) BILL, 1975

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

Clause 2

HON W M ISOLA

I would like to bring this matter up again, Sir, on Section 2.

MR SPEAKER

You have called Clause 2 have you not Mr Clerk?

CLERK

Yes, indeed, Sir.

MR SPEAKER

We are now on Section 2.

HON W M ISOLA

Mr Speaker, if you will recollect this morning my attention was drawn quite rightly by you regarding the question of the interpretation of the "room". I would like to get clarification from Her Majesty's Attorney-General because since the lunch time adjournment I have had an even closer look at this Section, and I stand to be corrected by Her Majesty's Attorney-General. If I might read it, it says: "room includes any tent, booth, structure or place in the open air from which intoxicating liquor is sold and the area surrounding such place within which liquor is consumed". If, Mr Speaker, if one might go down to Section 8 of the amendment, and I would like to read this, it says: "Every licence issued under the provisions of this Ordinance, other than the tavern and wine licence, shall specify the house or premises or part of the house or premises or in the case of an hotel or tavern licence the room in the house or premises in which the business is to be carried on and shall apply to such house or premises or part thereof or room therein as the case may be and to no other place". My interpretation of that, Mr Speaker, and the object of the amendment of this Ordinance is to remove various doubts. My interpretation of that would appear to me to be that, to give an example, if a member of the public is in the terrace of the Rock Hotel, or in the terrace of the Caleta Palace, or in any terrace in any hotel for that matter, and he orders a drink, and that drink is paid for at the terrace, the licence must be asked for in respect of that terrace. Now, I would like a clarification from Her Majesty's Attorney-General, I may be wrong, but what I do not want is to pass something which afterwards will create doubts because the object of the amendments to the Licensing and Fees Ordinance is to remove various doubts. My interpretation of this would be that in this particular case a licence would have to be applied for in respect of an open area and that would mean that a licence would have to be applied for in respect of the terrace. I would like clarification on this particular point by Her Majesty's Attorney-General.

HON ATTORNEY-GENERAL

In my opinion, no. The fact perhaps that money is handed over on the terrace, let us suppose one is sitting on the terrace and one orders a drink, the drink is brought and one pays for it, it is my opinion that although the money is handed over on the terrace the sale is actually concluded at the place from which the liquor issues, that is from the bar.

HON W M ISOLA

It seems to me, with respect to Her Majesty's Attorney-General, that the contract is concluded surely at the place at which you pay. And if Her Majesty's Attorney-General has any doubt about it this is the time surely to make quite certain because there is a doubt as this Section stands at

Surely would it not be better to make it quite clear, because my interpretation is that you actually sell it where you actually pay the cash. The Man comes along from the bar goes to the terrace you pay your 25p, it is actually sold in the terrace, and if it is sold in the terrace it would mean that that particular terrace would require a licence in view of the wording of this Section.

HON CHIEF MINISTER

Why does ~~~ the Honourable Member not suggest something that might be acceptable to us to cover his interpretation of the Section.

HON W M ISOLA

Yes, of course. To my mind, as I said earlier on when I was talking on the general principles of the Bill, and my subsequent conversation with Her Majesty's Attorney-General after lunch when I told him that to my mind this was ridiculous, and I repeat ridiculous, that we should have a licence for each particular part of an hotel. The only way that we on this side of the House can amend that is by saying, well, we will vote against that, we believe there should be one licence for one particular hotel. And as I said before . . . .

MR SPEAKER

Yes, Mr Isola, but we must realise one thing. We have spoken on the general principles of the Bill before, you have said all this before. The constructive way that we have got to go about it in Committee is to produce either an amendment or a manner in which you wish the Bill to be amended. Do you follow what I mean? It is no use trying to repeat, bot because you are not entitled to but because we are getting nowhere unless you can produce some alternative which they can consider.

HON W M ISOLA

Yes, I will try to get an amendment for this, Mr Speaker, but my point actually, before bringing an amendment, is that the whole object of the operation of the Bill is to remove certain doubt, and of course there is a doubt in my mind, a very big one, about this particular Section. I could bring

an amendment but I thought that when I spoke to Her Majesty's Attorney-General at the lunch hour that he was going to bring something forward to this House, that is why I have brought nothing. Yes, perhaps if I might give a little more thought about this drafting I could bring it in tomorrow morning.

HON ATTORNEY GENERAL

I think the Honourable Member will agree with me that he is only concerned with hotels: that is correct? That being so, I do not think that there is a general amendment needed to this particular section. I am satisfied in my mind, and following licensing legislation in the United Kingdom, that this is in order. That if you buy a drink on the terrace of a hotel then that terrace does not have to be licensed, unless of course there is a trolley out there from which the drinks are actually sold.

HON W M ISOLA

I am sorry, with respect, I have also looked at legislation in the United Kingdom and the legislation in the United Kingdom surely is not exactly the same as the legislation in Gibraltar. We are being asked to agree here, for instance, that if drinks are sold in the lounge of an hotel you must have a special licence for that particular lounge.

In the United Kingdom they do not have to have legislation to serve drinks in the lounge provided they have a general licence as an hotel. So the type of legislation we are bringing here in Section 8 is not, with respect to Her Majesty's Attorney-General, similar to the legislation in the United Kingdom.

MR SPEAKER

Do I understand from the Honourable the Attorney-General that he proposes to bring in an amendment to the Section referring to hotels which might meet the requirements of Mr Isola's argument.

HON ATTORNEY GENERAL

Certainly. Let me put it this way, Mr Chairman. We

have got rather more quickly to the Committee Stage than was anticipated. Shortly before we sat at 5 o'clock I was discussing with the Chief Minister and the Minister for Tourism the possibility of having a single licence for an hotel. It seems, however, that we would not reach the Committee Stage during the course of the afternoon and no firm decision was taken.

MR SPEAKER

Well we could do one of two things. We have only got another 20 minutes to go this evening. We can either recess now until tomorrow morning, which would give one time to consider the Bill; in the alternative we could postpone the consideration of Clause 2 and go on with the other clauses of this Bill.

HON CHIEF MINISTER

Mr Speaker, on the other point I was discussing the matter with the Honourable the Financial and Development Secretary and I am not in any way throwing out any particular hope about the proposed amendments to the Income Tax Ordinance that have been proposed by Mr Bossano, some of them have not been costed yet in order to argue them, and some of them were produced this morning, and in fact we were talking before that we did not think we would reach the Committee Stage for the Income Tax Bill and it would be welcome to be able to have the office going into these matters between now and tomorrow morning, if that would suit the House. We really have not been able to look at some of the amendments. We had two or three days notice of one of these, but the other one was produced this morning and if only we can deal with them with the justice that they deserve, whether you agree with them or not, and the fact that he had devoted time to thinking about it, we ought to have time to cost them and see exactly what they . . . .

MR SPEAKER

It was not my intention to discuss the Income Tax Bill today. I am talking about the Licensing and Fees Ordinance.

HON CHIEF MINISTER

We have been discussing the possibility of a one hold licence

for one hotel, or rather one licence per hotel, but the point is to establish how that can be done fairly in respect of various hotels some of which have got five or six bars and others have got a couple. So we have got to think a little between now and tomorrow morning.

HON W M ISOLA

I would like to make one point here, Mr Speaker, and I am very grateful to the Chief Minister to agree to this. We are not objecting that obviously a large hotel should p - a higher fee than a small hotel obviously, that is only fair. It is a question really of trying to tidy this thing up so that we do not have some hotels having to apply for about seven different licences. If what we want to do is to increase the licences we are agreeable to that and try to streamline it and make it as easy as possible at the same time leaving no doubt about the interpretations of the law.

MR SPEAKER

Well it seems clear that whatever else we are not going to get any further today, so I propose, with the concensus of opinion in the House, to recess now.

HON M D XIBERRAS

Mr Speaker, may I say that whereas I consider the argument advanced by the Leader of the House, the Chief Minister, as a valid one, that if Mr Bossano's amendments have not been costed yet, it is obviously of benefit to the amendment, or it might be of benefit to the amendment, that they should be properly costed. I consider this a good reason for delaying for recessing twenty five minutes before we said we would. Normally I must say that I would be reluctant to agree to not sitting for 25 minutes when we could have done.

MR SPEAKER

You are putting in a very awkward position. It is my prerogative to recess when I think the business of the House has got to a stage where we cannot progress further. It is the House's prerogative to say: we would rather do it on a motion on the adjournment. Therefore what is happening now

is my decision on the general views expressed by the House.

I have not been influenced by what the Chief Minister has said insofar as the the Income Tax Ordinance is concerned because I said even before he went on that it was not my intention to have heard the Income Tax Bill today. My decision is based exclusively on the clear fact that we are not going to progress any further now on the Bill that we are considering before the Committee at this very moment because Mr Isola would like to have some time to speak to Her Majesty's Attorney-General for the purposes of seeing whether we can propose any amendments to the Clause which we are considering now.

HON M D XIBERRAS

This is clearly understood except that you mentioned, Mr Speaker, that you were doing this by general agreement. I just want to make quite clear why we agree.

MR SPEAKER

No, no, I have said, if it was the general concensus it was my intention to recess, that is what I said. Anyway I was just trying to explain the circumstances. We will now recess until tomorrow morning at 10.30.

The Committee recessed at 6.05 p.m.

THURSDAY 27TH NOVEMBER 1975

The Committee resumed at 10.30 a.m.

MR SPEAKER

I understand that the Chief Minister wanted to make a Statement of clarification.

CHIEF MINISTER

Mr Speaker, I would like to make a clarification under Standing Order 45A about something I said in reply to a question by Mr Bossano yesterday in one of the supplementaries arising out of the appointment of Mr Morgan. when I said that some Ministers had expressed views to the Independent Commission on Senior Civil Servants' Pay as to

the sort of comparisons with pay in the United Kingdom Civil Service. This has not happened and in fact would have been inconsistent with the independent nature of the Commission for such views to have been expressed. I am sorry it arose out of a complete misunderstanding after a meeting on another matter on which Mr Morgan was making enquiries. I apologise.

MR SPEAKER

May I now remind the House that we are in Committee and that we are dealing with the Licensing and Fees (Amendment) Bill and that when we recessed yesterday evening we were at Clause 2.

If there are no further comments on Clause 2 I will then say: Clause 2, stands part of the Bill.

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

Clause 3

HON ATTORNEY-GENERAL

Mr Chairman, I have three amendments to Clause 3, the first notice has already been given to Members of the House. Mr Chairman, I beg to move that Clause 3 be amended by the deletion of the words "position of a new definition as follows" and by the substitution therefor of "addition of a new subsection as follows". This is purely a printing error, a line which has been taken in fact from Clause 2 and included in Clause 3.

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

HON ATTORNEY-GENERAL

Mr Chairman I beg to move that Clause 3 of the Bill be amended in the proposed subsection (4) of Section 7 by the deletion of the words "hotel or". Government has accepted Mr Chairman, Sir, that as far as hotels are concerned a

single licence shall only be required, and the deletion of those two words "hotel or" gives effect to this purpose.

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

HON ATTORNEY GENERAL

Mr Chairman, I beg to move that Clause 3 of the Bill be further amended by the addition of a further subsection to Section 7 of the Bill to read as follows :-

"(5) A hotel licence shall enable intoxicating liquor to be sold in any part of the premises to which the licence relates."

That amendment, Mr Chairman, is merely to clarify the deletion of the words in the existing subsection (4) as amended.

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

Clause 3 as amended stood part of the Bill.

Clause 4.

HON ATTORNEY-GENERAL

Mr Chairman, I beg to move that Clause 4 be amended by the deletion in the proposed new Section 8 of the words "hotel or" appearing in line 4, this being consequential on the previous amendment.

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

Clause 4 as amended stood part of the Bill.

Clause 5 was agreed to and stood part of the Bill.

Clause 6

HON ATTORNEY-GENERAL

Mr Chairman I beg leave of the House to withdraw the original amendment to the clause of which I gave notice.

MR SPEAKER

There is no need for leave because it has not been proposed. In other words you are notifying the House that you are withdrawing it.

HON ATTORNEY-GENERAL

Sir, I beg to move that for Clause 6 of the Bill be substituted a new clause as follows :-

"Repeal and replacement of Section 15.

6. Section 15 of the principal Ordinance is repealed and replaced by a new section as follows -

" Hotel Licenses.

15 (1) The holder of an hotel licence shall be authorised to sell wine, spirits and malt liquors under the same conditions and subject to the same restrictions as the holder of the Tavern Licence;

Provided that any hours of business that may be prescribed for the business of a licenced tavern shall not be applicable to sales of wine, spirits or malt liquors made by the holder of a Hotel Licence to bona fide residents of the hotel or their guests who are accompanying them in respect of which the licence was issued.

(2) Notwithstanding that premises provide accommodation an hotel licence shall not be granted in

respect of such premises unless the licensing authority is satisfied that the principal purpose of such premises is to provide accommodation for tourists in Gibraltar.

(3) Nothing in this section shall preclude the grant of a tavern licence the premises which provide accommodation but of which the licensing authority is not satisfied that the principle purpose is to provide accommodation for tourists in Gibraltar."

Mr Chairman, if I might deal with subsection (1) to start with, I explained that it is somewhat invidious that the holder of an hotel licence can sell liquor to his residents outside the normal hours but not to their guests accompanying them. It is very embarrasing to a guest for a host to pay all the time. For that reason subsection (1), follows the existing subsection but allows liquor to be supplied to guests out of hours.

Subsections (2) and (3) I also dealt with in my second reading speech. We want to ensure that the privilege - if I might put it this way - granted by this section should only be appl ied to what I may call genuine hotels, that is hotels providing accommodation in Gibraltar for tourists, not boarding houses or providing accommodation mainly for persons, shall we say, working here on contract. The discretion to decide whether the hotel provides for tourists or not is given to the Licensing Authority and I have no doubt that he would in a proper case take evidence from a person able to inform him of such matters, who would be the Director of Tourism.

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

Clause 6 as amended stood part of the Bill.

Clauses7 to 10 were agreed to and stood part of the Bill.

Clause 11.

HON ATTORNEY-GENERAL

Mr Chairman I beg to move that Clause 11 of the Bill be replaced by a new clause as follows:-

"36A. 11. The principal Ordinance is amended by the insertion immediately after Section 36, of a new section as follows :-

Fees. "36A. Notwithstanding that a tavern licence to sell intoxicating liquor is granted in respect of two or more rooms in the same premises, one licence fee only shall be payable only in respect of all such rooms as are under the same ownership and control."

Mr Chairman, if an hotel only has to pay one licence irrespective of how many bars are in that hotel, it is unjust that a tavern which has more than two bars should have to pay more than a single licence fee. As the section stood in the Bill there would be payable in respect of every bar over and above the first two an additional fee of 1/5th. We are now by the new section bringing tavern into line with hotels, a single licence fee only is payable.

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

Clause 11 as amended stood part of the Bill.

Clauses12 to 14 were agreed to and stood part of the Bill.

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

THE INCOME TAX (AMENDMENT) (NO.2) BILL, 1975

HON CHIEF MINISTER

Mr Speaker, we have just received another amendment from the

Honourable Mr Bossano and the Financial and Development Secretary is having a word with the Deputy Commissioner of Income Tax to see what this is all about. If we can proceed up to Clause 7 and then see whether we get them back. It is very difficult to operate otherwise.

MR SPEAKER

As a matter of fact I am just reading the notice of the amendment. Right, we will proceed then with the Bill and see, once we get to Clause 8, whether we can proceed to deal with it. Has the Honourable the Financial and Development Secretary and amendments to bring before Clause 8. That is the important question. No? Right, we will call the first clause.

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

Clause 8

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, may I first of all apoligise for by absence from the House. I beg to move that the Bill be amended by the insertion after Clause 7 of a new clause as follows -

"8. The principal Ordinance is amended by the insertion after Section 20 of a new section as follows -

"Apprentices 20A. (1) An individual who proves to the satisfaction of the Commissioner that during the year of assessment he was an apprentice shall be entitled to claim a deduction from the amount of his assessable income of £150.

(2) For the purpose of this section an apprentice means a person who is bound by a written contract approved by the Industrial Training Board or the Gibraltar Official Employers Apprentices Board to serve an employer for a determined period with a view to acquiring knowledge, including theory and practice, of a trade in which the employer is reciprocally bound to instruct that person."

Government is introducing this amendment in response to representations that have been made that there should be some concessions to young persons who are bound by contracts of apprenticeship. In general such persons will of course be relatively young, 16 or 17, and the Government considers that this is a concession which should be given to such persons.

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

New clause 8 stood part of the Bill.

Clause 8

Mr SPEAKER:

You will now have to move that Clause 8 should be numbered as Clause 9, and then any other amendment that you propose to it.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that Clause 8 be renumbered as Clause 9, and may I also at the same time deal with the remaining ones in one amendment.

MR SPEAKER:

Have you given notice of the amendment?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes. That Clauses 8 to 14 as printed be renumbered . . . . .

MR SPEAKER:

No, that I will not take now because we are going to confuse ourselves, but there are notices of two amendments by the Honourable Mr Bossano, the first one was served on the 26 November, so it is his turn to move the amendment.

HON J BOSSANO:

Mr Speaker, if I may be allowed I shall just read the amendment as if it said Clause 9 where it says Clause 8 and perhaps that will solve the question.

MR SPEAKER:

We have already done that and, therefore, your amendment will be taken as to Clause 9.

HON J BOSSANO:

I beg to move that Clause 9 be amended by the deletion in sub-clause (iv) of all the words, symbols and figures appearing after the word 'and' at the end of the first line and the substitution thereof by the following words, symbols and figures:

> Symbol and figure "£125" wheresoever the same appears therein by the substitution there by the symbol and figure "£200".

MR SPEAKER:

No, Mr Bossano. But you have a previous amendment?

HON J BOSSANO:

Mr Speaker, I have moved this one first because chronologically this one comes before the other one, the other one is an amendment to sub-clause (v).

MR SPEAKER:

Fair enough, they are your amendment and therefore you are entitled to take them in whatever order you prefer.

Mr Speaker then proposed the question.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, we have just been given this and I think this side of the House will welcome an explanation.

HON J BOSSANO:

Mr Speaker, the effect of this amendment is to increase the children's allowance in respect of the first child but not of the second and subsequent children in the family, and this is something that I made reference to in the second reading of the Bill where I mentioned the fact that by increasing children's allowance we are in fact giving a greater advantage to the higher income families than to the lower income families and that I considered it preferable that the Government should give the help that is needed by larger families in Gibraltar through Family Allowances which are applicable from the second child Therefore I am suggesting that the improved children's allowance should be applicable to the first child where there is not an entitlement to

family allowance, but that the second and subsequent children should be helped by means of Family Allowance. Now I understand from the contribution of the Honourable Minister for Labour and Social Security that this point of view was in fact put to Government by the Fiscal Expert and that Government had already considered whether to do this but had decided against it. I am putting the amendment in the hope that I can convince them that they should proceed with this because in fact I would like to point out that with an increase in the child's allowance, as it is proposed here for the second and subsequent child, what we have is a situation where at any given income level the larger the family the smaller the benefit, and at any given family composition size the lower the income the smaller the benefit. Thus if, we take a situation where we have for example, at one level we analyse the family by income and in another direction we analyse the family by size, then those who get the least benefit are those with the lowest income and the largest families for example we are talking now of a situation where the families with four children is getting a negligible benefit and the family with more than four children is getting no benefit at all at the level of £25 a week. A family with an income of £25 with four children gets virtually no benefit from the Government proposals and if the family is larger than four children, it gets no benefit at all, because they are already not paying tax with their present level of allowances, therefore increasing the allowances gives them no help. This is why the way to help the lower income group, when one is thinking of giving improved allowances, a certain level is reached where the improved allowances provide no benefit at all because there is no tax payable or a minimal amount of tax payable.

In addition to that, Mr Speaker, I think it is necessary to do this, taking into account my other proposals to amend Clause 13, because by reducing the tax rate for the first £500 I am in fact aggravating the situation if the system is unchanged. That is, whilst I reduce the amount of tax that is payable in the lowest income group at the same time I reduce the value of the benefit of increasing allowances, because the two things are the converse sides of the same coin. For this reason I think it is necessary, if one is thinking of the other amendment, to do something here to give direct financial help to families with more than one child. I know that the Honourable Minister for Labour and Social Security said that this might be interpreted as discrimination because Family Allowances are only payable to those who have their children residing in Gibraltar. But I should like to point out to him that the proposals of the Government can also be seen to be discriminating in favour of higher income groups, because the value of the allowances is the greater the higher the marginal rate of income tax. So we cannot avoid being accused of discrimination whichever of the two we do and at least I think that the saving grace against the charge of discrimination in respect of giving help through Family Allowance is that Family Allowances are payable in most countries to residents of those countries regardless of where the wage earner is working. For example if a Gibraltarian has got his children in UK his children will get Family Allowances, and if a Gibraltarian is working in UK and has his children in Gibraltar his children will get Gibraltar Family Allowance. If there are workers here from another country where their Government

does not provide Family Allowances I think that omission cannot be blamed on us. So at least think that is a counter argument that can be put in respect of Family Allowance. I think Mr Speaker that in addition to that the need to help large families in Gibraltar is something which is patently obvious to all of us. Many of us here have got large families and we know how much it costs to support three or four children. Whether the cost of supporting a family outside Gibraltar is another issue altogether.

HON CHIEF MINISTER:

I should like to refer to two or three points before we deal with this matter and I am sure that the Honourable Mover will agree with me that it is very difficult to deal with isolated amendments given at short notice, I know that Mr Bossano has devoted a considerable amount of thought and time to this, but, nevertheless, it is a fact that this has been produced only a few minutes ago and I would like to make two points. Firstly, is he saying with this amendment that he would be happy if as a result of the attitude taken Family Allowances are increased by not less than £10 a year? Because what we must not do is to agree to this amendment, which could easily be agreed to because it is a reduction and that is what we are looking for, we could easily agree with this, but what we do not want is to give the impression to the Honourable Mover that even if we agreed to this we are going to agree to his other proposal. It may well be that if we were to agree with this without giving him notice and we came to the other proposals and we did not agree, he might say that we have played a trick on him because one was dependent on the other. Although we do not want to anticipate the debate on the other proposals I would like to say, for reasons that will be given, that they have been costed and they cannot be sustained on grounds of cost.

I do not want him to think later on that having accepted this, assuming that we were to accept it, well I was presuming that the increase in Family Allowance would have been £20, £30 or £40 when in fact he has said earlier, if I understood him right, that £10 more would be much more helpful to the lower income groups than the increased allowance. That is one point. The other one which I am sure he can clear now and then the Minister for Labour will deal with that aspect of the matter, but what I would like to warn the Honourable Member, because I do not want him to think that we are going to necessarily receive this favourably - until we hear him of course - but on present form that we are going to accept the major proposals which he made which are costed between £¼ and £½m less revenue. So I think that those points should be made clear if only because the amendments have only been brought at this late stage.

HON J BOSSANO:

Mr Speaker, I mentioned the figure of £10 in the second reading of the Bill as in fact the figure that as far as I was concerned would be the equivalent of the Government's proposal, which was based on the Government proposals of a 20% rate, which is one fifth, and an increase in allowance of £50. So that in fact for

somebody on the 20% rate the cost of the increase would be £10 a year to Government revenue, and I suggested that the Government should indicate that they were willing to increase Family Allowances by £10 over and above whatever increase in Family Allowance they would have introduced any way. That is if Government is already thinking of increasing Family Allowances I am not suggesting that they should limit that increase to £10 only, what I am suggesting is that whatever increase they have in mind should have £10 a year added to it as a compensating figure for not increasing the child's allowance at this stage. The effect on Government revenue and expenditure would be the same. The sum would come out on the expenditure side instead of being deducted from the revenue side but the effect would be concentrated to my mind more effectively on the lower income group. And I am sure in fact that although I have said the figure of £10 that is a conservative figure. I am sure that the Income Tax Department will be able to advise Government that the cost of the proposals that Government originally intended can produce more than a £10 improvement, but I am saying that £10 would be the minimum figure that I would look to. I must nevertheless make it quite clear I am not saying that I expect only £10 a year increase in Family Allowance, I am saying £10 over and above whatever increase Government might have been planning.

HON M D XIBERRAS:

I think the sum total of what the Honourable Mr Bossano has said is that bearing in mind what the Honourable Mr Canepa said that the increase in Family Allowance would be not less than £10, Mr Bossano is asking for an extra £10 to compensate for the effect of his amendment.

MR SPEAKER:

Mr Bossano is asking for an extra £10 over an unknown figure.

HON M D XIBERRAS:

A relatively unknown figure. I think that the Honourable Mr Canepa said that Family Allowances would be not less than £10.

HON CHIEF MINISTER:

I think what arises from what Mr Bossano has said is that for the purpose of this exercise he would expect not less than £10, that is irrespective of whether and as and when Family Allowance required to be increased. Of course that is clear, as far as that is concerned that is a continuing process and this would only be tied to this exercise.

HON A J CANEPA:

In the first place ~~obviously the point in leaving~~ the Hon Mr Bossano is proposing that the allowance for the first child, at the figure proposed by Government, £200, ~~the~~ be left

because he is
~~Honourable Mr Bossano is doing that of course~~ aware of the fact that the first child does not receive a family allowance. I think what he is then doing is suggesting that allowances in respect of subsequent children be left as they are at present. And to compensate for the loss of £50 relief, tax free, the Government should consider next April increasing the Family Allowances in respect of those children by an amount that will be commensurate with the loss of relief for the lower income groups. I think that is certainly an improvement on the situation that one had yesterday when it appeared that the whole of the Children Allowances were going to be done away with altogether. This is the situation, as I say, that the Government was discussing some weeks ago and it was rejected for the reasons that I gave yesterday. Therefore, I think, Mr Speaker, that on the Government side we can go along with that sort of compromise and what will now remain will be for the Income Tax Office to advise Government, in conjunction with people in my department, about the desirable level of Family Allowances for next April in the light of this amendment.

There is just one general point I would like to make, Mr Speaker, and that is that of course whenever allowances are increased so that the greater tax relief is given there is always the danger that the higher income groups are going to benefit more so. By increasing the personal allowance, as we are doing in this Bill from £450 to £550, the relief afforded to someone in the higher income group as a result of an extra £100 allowance is greater. ~~There is always the danger.~~ there is the same danger in ~~It is at the same time the same danger,~~ something that is related to this and the Honourable Mr Bossano was pressing me before in the field of Family Allowances, and that is why I say it is related, when he was asking for Family Allowances to be payable to the first child. Well if you do that, Mr Speaker, obviously the smaller the family the greater the benefit, in fact to the extent that the family with only one child would get the greatest benefit of all. So it is the same sort of problem and it is a question of striking a happy balance in trying to meet it, and I think we are achieving that through his amendment now. So we will be supporting it.

HON M D XIBERRAS:

Mr Speaker, I welcome that compromise solution. Would the Honourable Member, in the light of what he has said now, care to recast if it is necessary his statement about the £10 minimum increase in the Family Allowances.

HON A J CANEPA:

The Honourable the Financial and Development Secretary, Mr Speaker, referred to the fact that Family Allowances would be increased. We have been doing this for the last couple of years in line with the level of inflation, therefore, the Government already had in mind for next April increases in Family Allowances that would amount to not less than £10 per child.

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

HON J BOSSANO:

Mr Speaker, I beg to move that clause 9 be further amended as follows -

(a) by the imposed insertion of the following sub-clause (v) after sub-clause (iv):

(v) in subsection (6) by the deletion of the symbol and figures "£250", "£100" and "£150" wheresoever they appear therein and by the substitution therefor of the symbol and figures "£500", "£250" and "£250" respectively.

(b) by the renumbering of the existing subclause (v0 as new subclause (vi).

(c) in new subclause (vi) by the addition of the following words:

in new sub-section (11): "and in the case of the deductions allowable under sub-section (6) this proviso shall likewise apply by reference to the period of residence in Gibraltar of individuals in respect of whom the deductions therein referred to is claimed."

MR SPEAKER:

May I ask before we proceed with this amendment whether (b) and (c) are consequential to the amendment in (a)? Is that right? Because otherwise we might be voting on different matters. That is alright, we can take the whole amendment is one.

Do you want to explain the reasons for your amendment before I put the question?

HON ATTORNEY-GENERAL:

Mr Chairman, is it correct to say that (b) and (c) are consequential on one (a). (b) is certainly consequential on (a), but is (c)? I think not, Mr Chairman.

MR SPEAKER:

That is why it is my responsibility to see that members are not..... As a matter of fact it is not my responsibility, it is for members to bring to the attention of the Chair the fact that they may be asked to vote on something which might put them in the difficult situation of voting for part of the amendment and not for the other and, therefore, that is why I have brought it to the attention of the Committee. If Members would rather take this amendment in two stages, they are free to ask that this should be so.

HON J BOSSANO:

Mr Speaker, the position as far as I am concerned is that I shall not be moving (c), if (a) is defeated. I don't know if that makes it consequential or not.

MR SPEAKER:

Then we might as well take your amendment up to (b) and once we know how lucky you've been we shall take a decision on whether (c) is necessary or not. So you have moved, and we will take it that the question before the House is as read by Mr Bossano up to the words "sub-clause (vi)", in sub-section (b). And in order that there be no misunderstanding I will read the amendment which is being proposed: that clause 8 be amended as follows -

(a) by the insertion of the following new sub-clause (v) after sub-clause (iv) -

"(v) in sub-section (6) by the deletion of the symbol and figures "£250", "£100" and "£150" wheresoever they appear therein and by the substitution therefor of the symbol and figures "£500","£250" and "£250" respectively.

(b) by the re-numbering of the existing sub-clause (v) as new sub-clause (vi),

that is the question before the House; Mr Bossano you have the floor.

HON J BOSSANO:

The amendment that I am proposing, Mr Speaker, goes some way I think towards putting right what I consider to be an omission in the Income Tax (Amendment) Ordinance as it was brought to the House in that whereas the Ordinance seeks to amend the principal Ordinance in order to improve the relief given to various categories of tax payers, the category where there is a dependant relative has in fact not been catered for in the amending Ordinance. Now, it is easy enough I think, Mr Speaker, to unwittingly leave one category out, and I am sure that the Government have not deliberately left out this particular category in view of the concern that was expressed by the Honourable the Financial and Development Secretary in the second reading of the Bill for doing something to protect the standard of living as senior citizens. Certainly many if not most of the dependant relatives in Gibraltar would be senior citizens on very low incomes and I mention that in the principal Ordinance in fact, the out off point above which relief cannot be claimed is at present £250. If one has a relative dependant on an income earner, and that relative has an income of more than £5 a week, the income earner as tax payer cannot make any claim for additional relief from tax. I am suggesting that the cut-off point should be doubled, from £250 to £500. This would mean that the dependant relative who has an income of say £10 would not be recognised as someone in respect of whom relief could be claimed. If the income was between £5 and £10, that is between £250 and £500, then the relief that could be claimed would be progressively reduced in accordance with such income in excess of £250, so that the maximum that a tax payer could claim for a dependant relative would rise from the present of £100 to a new level of £250. But that £250 would

be cut down by the amount by which the dependant relative's own income exceeded £250, or roughly a £5 a week.

Now, I think that unless this particular section of the principal Ordinance is amended, either on the lines that I am suggesting or using perhaps a different combination of figures, the original value of the allowance stipulated in the principal Ordinance would be lost, particularly in the case of Gibraltarians claiming this allowance, because Gibraltarians claiming the allowance are in a situation where the Government at the same time is taking steps, through improvements in the social services, to provide citizens without any other sources of income with an income. For example we have had the introduction of the Elderly Persons Pension, and where we have somebody entitled to the Elderly Persons Pension and also being a dependant relative, then unless a dependant relative's income figures are revised the Elderly Persons Pension will eventually eat into the tax relief available to the tax payer for a dependant relative who is an elderly person. So that in fact we need to look at this thing in conjunction because otherwise we find that we are in a situation which has been described for example by legislators in the United Kingdom as a fiscal trap, where the marginal rates of taxation, taking into account the effect of welfare provisions and income tax rates, the cross effect of one on the other, the marginal rates sometimes come out as high as 90%. Because if you move perhaps by £1 more, from one bracket into another, you lose so many other benefits that you lose 90p in other things of the £ that you are gaining in this particular area. And in this are of dependant relatives, certainly as far as the Gibraltarians are concerned, the effect of improvements in the social services, in pensions, in supplementary benefits, and so on, are bound to create a situation where the original provisions in the Ordinance become virtually worthless.

Now, the second part, which depends on the Government's decision on this matter, seeks in fact to limit the claim of the allowance to dependant relatives who are resident in Gibraltar, because I feel that whatever income level is put down, it would be an impossible task for the authorities to adequately check the income of the dependant relative in respect of whom the allowance is claimed if that relative is not residing in Gibraltar. But I am not seeking in fact to change the conditions that apply to the claim for dependant relatives at the existing level. However, I think that in order to prevent the concession being abused we need to restrict this to dependant relatives residing in Gibraltar, if the Government can see its way to supporting my amendment to bring about the improvement that I am suggesting.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I think that the Government has considerable sympathy for the general proposition as outlined by the Honourable Mr Bossano, and although the House in Committee is going to take the second part of the proposals which he referred as a separate amendment, this really is the key to the whole matter, because I

am advised that there are some 2,000 dependants allowances in payment at the present moment, or through the income tax. And of those, although this is not by any means an accurate estimate, probably something of the order of 65% or 75% of those applied for are alien. Now, therefore, unless there was some restriction it would mean a very considerable give back of revenue to the Government, possibly in the order of something like £60,000. But as I said the Government's position on this really is locked into the amendment which we shall be considering in a moment.

HON M D XIBERRAS:

Mr Speaker, Sir, as indicated in the second reading we have sympathy for this amendment and fully support the intentions behind it. However, I do understand that there are considerations of the nature which the Financial and Development Secretary has alluded to which would make the cost, as he has said, quite I think out of proportion with the benefits provided in this fashion. However, I must say that I do not see in the immediate future any way of surmounting this problem, I think Mr Bossano is quite right in saying that the allowances are extremely low. I think he is right in saying that there is a danger of the fiscal trap he was talking about, I think there is a danger of this. I do not, even in consultations with Honourable Members opposite outside this House, see a way of overcoming it immediately. So, therefore, I would suggest that all members of the House should put their thinking caps on and try to find a way round it. At the moment the only way, after one night's attempt at this, is some sort of family allowances system of points somewhere else, on the same basis, but that of course would be a radical change and not one which I think the House could consider at short notice. However, I think the point is fully met, and perhaps the Honourable Mr Bossano himself might care to reconsider his position where the loss of yield would be less in some way, but that is I am afraid as far as I can suggest at the moment.

HON CHIEF MINISTER:

I am very glad to hear the Honourable Leader of the Opposition expressing those feelings because these are exactly what is worrying us. Let it be said quite clearly that if we followed both amendments that are proposed, and the Honourable Mover has said that if the first one is lost the second one does not arise, so we have to look at both of them, it should be a considerable saving for us in terms of money it being calculated as a very substantial sum, and, therefore, it is not unattractive, particularly if we were able to give that out back in another way somewhere else. But the repercussions are very serious and might transcent just the thought that has no doubt inspired the Member to proposing. I think the operative words used by the Leader of the Opposition is that we have to put our thinking cap on, and we will not, I would like to say, we will not forget or disregard the idea of how to try and improve the lot of the ones that were worrying Mr Bossano without being accused of discrimination, which might have wider repercussions. If he cares to withdraw the motion I will certainly give him an undertaking that I will be happy to consult with him and other members of the Opposition as to how we can do this because it is really a difficult one and one which it would be easy to say 'yes' to now, but the consequences might be serious later on.

HON A J CANEPA:

Mr Speaker, I would just like to add that on the Government side we do accept the fact that dependant's allowances, as they stand at the moment, are low. Obviously to leave it at that is not in line with Government thinking because the allowance ~~faces~~ stands completely out of line and it becomes somewhat ridiculous in the light of these other improvements in the allowances which are now before the House. That point is certainly taken I think that what we require is a little bit more time and that everyone should put their thinking caps on and see whether a compromise can be reached.

HON J BOSSANO:

Mr Speaker, I am prepared to withdraw my amendment in view of the remarks the Chief Minister and the Minister for Labour have made.

Leave of the House was granted and the amendment was withdrawn.

Clause 9, as amended, stood part of the Bill.

Clauses 10 to 13 were agreed to and stood part of the Bill.

Clause 14 (old clause 13)

HON J BOSSANO:

I beg to move that old clause 13 be amended as follows -

(i) by the deletion of the figure "30" appearing in the fourth line and by the substitution therefor of the figure "35".

(ii) by the deletion of the symbol and figure "£1,000" appearing in the fifth line and by the substitution therefor of the symbol and figure "£5,000".

(iii) by the insertion of the following words, symbol, and figures after the word "individual" where this appears for the second time in the sixth line:

"Shall be charged at the rate of 10 percentum, and the second £500 of taxable income of such an individual".

MR SPEAKER:

Right, perhaps you would like to speak on your proposal.

HON J BOSSANO:

Mr Speaker, the proposals contained here seek to create two bands in respect of the first £1,000 taxable income as opposed to the Government's proposal which is a standard rate of 20% on the first

£5,000. My proposals are that instead of £1,000 at 20% tax should be paid at 10% on the first £500 and 20% on the second £500. This will mean a reduction of £50 in the tax bill of every taxpayer in Gibraltar. In spite of the fact that I am reassured that we are not going to contemplate the sight of the Honourable the Financial and Development Secretary arriving with bags under his eyes, I still propose that part of this should be recovered, part of this tax loss of £50 per taxpayer should be recovered by an increase in the standard rate of 5%, from 30% to 35%. This would mean that those with an income of an extra £1,000, after the first £1,000 of taxable income, would in fact be taxed at the same level as in the Government proposals. So that we have a situation where my proposal means that for example in the case of a married couple, where there is a £1,050 tax free, there would be a reduction of £50 in the tax bill if that couple had an income of £2,050, and there would be no change if that couple had £3,050, and there would be an increase in tax above £3,050. So my suggestion means that in the case of a married couple that the burden of tax is shifted from those below, say, £2,000, to those above £3,000. And between £2,000 and £3,000 my proposals and the Government's proposals have the same effect. This is in the case of a married couple. There are differences in the other family compositions, because in the case of a single person the whole relativity between the different groups are the same but the whole thing moves down £500 because of the difference in the tax free allowance. So that instead of £1,000, £2,000, £3,000 and so on, we are talking about £500, £1,500, £2,500 and £3,500, for the proposals to have the sort of effect that I have outlined.

In the case of family compositions with one or more children then the effect would move slightly upwards, but that is the sort of relativity between different income groups and the effect of the proposals that exist. The Honourable and Learned the Chief Minister has already indicated that my proposals have been costed and have been found to create a revenue loss that Government feels they cannot sustain at this point. I should just like to say, Mr Speaker, that when the proposals for improved allowances were put forward to the Chief Minister by the Trade Union movement it was inevitably seen as a move to reduce what was seen as too high a level of taxation, and, therefore, it was not seen as a change that would produce the same revenue, but a change that would produce of necessity lower revenue for the Government. I think it is important, when one is talking about revenue loss, that one should be able to draw a distinction between the estimates of revenue that one makes at one point of time and the outcome of revenue that one gets in practice at the end of the financial year. And in fact the relationship between inflation and wage settlements that seek to compensate for inflation and tax must be such I think that the guiding principle must be that the three should at least move in parallel. I feel that this is something that the Government should bear in mind, that if prices go up by 20% and wages go up by 20% then at least for those at the bottom of the income structure the tax bill should not go up by more than 20%. I have mentioned that in the case of the single person with £25 a week there is a much bigger increase in taxation that can be warranted by movement in wages and prices, in the case of the married couple with £30 a week the

same happens, and in the case of a married couple with one child and £35 a week there is no decrease in tax. And I think one needs to look at a situation where for example between one year and the other one expects a 20% increase in income. So that if we are saying that a man on £25 a week, a married couple on £25 a week, pays £40 this year, then the figure that we need to look at next year as the equivalent figure is not the tax that would be paid on £25 a week, because if a married couple is still on £25 a week in a year's time then their income has been reduced. The figure that is applicable to 1976 would be £30 a week, and on £30 a week, on the Government proposals the tax bill would be £90. On my proposal the tax bill would be £45, virtually the same as £30 a week for a married couple as it is now on £25 a week. Now, I would accept that there should be, in order to bring no change at all, a 20% increase on the £40, but I cannot accept that the bill should go up from £40 to £90 because that is in fact an increase in taxation in real terms, Mr Speaker. If in fact the Government are unable to accept my proposals as they stand then I would consider moving a different amendment which could perhaps meet their objections.

MR SPEAKER then proposed the question.

HON THE FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I was at pains in introducing this Bill to say that it was not a taxing measure. Perhaps I should have said that it is not a fiscal measure, and what the Honourable Mr Bossano is suggesting in his amendment to the rates is quite clearly a fiscal measure, the results of which on Government's casting would be to reduce the overall take from the income tax of a figure of something over £¼m and possibly as much as £½m. And quite frankly the Government at this stage, probably at any stage, is just not in a position to forego that level of rate. We have in front of us eventually to pay for whatever may emerge from the current negotiations and it would be in my personal view, I speak personally, it would be financially irresponsible of any Government not to keep that in mind and to bring forward at this stage proposals which would result in such a substantial reduction in total revenue. Now, Mr Bossano has quoted a number of figures from those in the paper where he has said that the increase in tax is greater than 40%. Now, I am looking at some figures which have been prepared in the Revenue Department and certainly in terms of a comparison between the new tax structure and the old tax structure it is not until we get as far as a married couple with one child is concerned, until we get right up near the top of the scales, that we begin to get something like 20% increase as between the old tax structure and the new tax structure. Now, as far as I am concerned these are the accurate figures, and as I say ....

HON J BOSSANO:

The Honourable the Financial and Development Secretary is talking about a 20% increase on the same income, not a 20% increase in tax as a result of the 20% increase in income.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I stand corrected. So all I will further say is that the Honourable Member's amendment is of a quite fundamental fiscal nature, and to cut things short, it is not acceptable to the Government.

HON J BOSSANO:

Mr Speaker, I have got an alternative amendment here. I don't know whether the best thing would be to vote against my present amendment or for me to withdraw it and replace it with another one.

MR SPEAKER:

It is your prerogative. You can either do one or the other. If you feel you are not going to get further on this particular amendment and you wish to withdraw it I am sure the House would give you leave to do so. Then you are free to propose something else.

HON J BOSSANO:

Well, it is quite obvious, Mr Speaker, what the result is going to be, that I am going to lose the proposals, so I am quite willing to withdraw it in the circumstances.

The leave of the House was obtained and the amendment was withdrawn.

MR SPEAKER:

Then the amendment is withdrawn and I would like to have a written copy of the new one.

HON J BOSSANO:

Mr Speaker, I beg to move that old Clause 13 of the Bill be amended as follows -

by the deletion of the symbol and figures "£1,000" and "20" wheresoever they appear therein and the substitution thereof by the symbol and figures "£500" and "10" respectively.

MR SPEAKER:

Would you speak on the motion, perhaps it might be easier.

HON J BOSSANO:

Mr Speaker, I prepared this amendment and I am sorry that I have not given the House more notice of it, but it must be obvious that the amendment that I have withdrawn was a more beneficial one.

Although I suspected it might need its death when we got to it, I had not given up hope altogether that it might be passed and, therefore, I had to keep this one only in reserve, in the hope that the Government would be able to meet me on this one in view of what they have said about the other one.

This new amendment, Mr Speaker, will not have the effect that the Financial and Development Secretary feared from the previous one. I have my doubts about whether the previous one would in fact have the disastrous effect for revenue that the Financial and Development Secretary had suggested, nevertheless, I can assure him that this one will not have that effect because what this amendment does, Mr Speaker, is, it takes the band of £1,000 at 20% that the Government have suggested, and it produces a result which on average will be identical to that that the Government is producing, but at the lower end it is less than the Government's. So that what we have is that instead of £1,000 at 20%, we have £500 at 10% and £500 at 30% because Honourable Members will notice that in this amendment I am not seeking to change the standard rate. Now, the average of 10 and 30 is 20, so that anybody with £1,000 of taxable income will still pay the same as if he were paying 20%, except that he will pay 10% on the first £500 and 30% on the second £500, so that at the level of £1,000 of taxable income the effect is the same; above the £1,000 of taxable income there will be no increase in taxation. That of course will make the task of balancing the budget more difficult, but no doubt the people in those higher income spheres will be relieved to know that I have lost my previous amendment.

The effect of the amendment that I am now proposing, therefore, is that the benefit is going to be restricted to a much smaller group of tax payers. In the case of the single person we are now talking of somebody earning £20 a week receiving a decrease in tax of £50, and we are talking of somebody on £30 a week getting no benefit from my amendment. So my amendment, in the case of a single person, will only benefit those earning between £20 and £30, whereas my previous amendment would have had a benefit further up the income scale. Similarly, in the case of the married couple the effect of my amendment as it is now drafted means that the benefits will be limited to those between £1,500, that is £30, and £2,000, which is £40. So that at the level of £40 the married couple will be no better and no worse off than I am suggesting. Above £40 they will be no worse off, although with my previous amendment above say £3,500 they would have been paying more tax: at present this does not increase the tax bill for those above £3,000, it simply reduces it to those groups who are below £30 in the case of a married couple, and between £25/£30 in the case of the single persons. The number of tax payer is considerably reduced, they will be even more reduced as a result of the forthcoming pay negotiations because as people are pushed up the income scale they will be brought out of the restricted group where the benefits are now going to be concentrated. And I feel that the Honourable the Financial and Development Secretary can risk the odd sleepless nights over this one without fear that he will lose a £¼m.

MR SPEAKER:

Well, the proposal is before the House now.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, if I believed everything that Mr Bossano told me I certainly would have the sleepless nights. There are obviously details in the Honourable Mr Bossano's proposal which we shall need to look at. I think quite frankly that it is too much to ask us to play around with varying rates and bands, with amendments which are put before us at two minutes notices. I think that anything of this nature must be studied calmly and properly and I have the Honourable the Chief Minister's agreement that we will certainly take a look at this. I cannot say any more, but we cannot on the Government side accept this amendment.

HON M D XIBERRAS:

Mr Speaker, whereas we were concerned about the effect of the total tax yield of the amendment which the Honourable Mr Bossano has just withdrawn, we feel he has been reasonable in proposing this amendment. I feel that the attitude of the Financial and Development Secretary is responsible because a major change should not be entered into without consideration. I hold the Government responsible for the effect of Mr Bossano's amendment and therefore our vote in favour of this amendment would be conditional on what the Financial and Development Secretary would have to say. We feel that in the circumstances we have, and we have heard the Honourable Mr Bossano express this on occasions, the marginal rate of taxation is very important. In other words, with our labour structure it is important that out tax structure should be right if we are to derive the full benefit from any amendments to our income tax legislation. I haven't heard much about this but it has been implied in all that has been said in fact. I think more specifically this should have been brought out. The benefit, as Mr Bossano has said, will be less after the pay negotiations, which is true, but I had my doubts about his previous proposal insofar as I was not completely sure what type of worker or employee his previous proposals would have effected, taking overtime and so forth into consideration. The limitation of the benefit is something none of us can be happy about, but it is less of an innovation and, therefore, intuitively we can support this at this stage. We hope that what the Financial and Development Secretary has to tell us when this comes back, if that is the intention, I don't know when he is going to come back, it could be left until tomorrow, considering that we stopped the House at ten minutes past six yesterday and the Treasury worked out the other proposal which I feared was . . . . .

HON CHIEF MINISTER:

We had two or three days notice of that one.

HON M D XIBERRAS:

Well, if that had been the case, Mr Speaker, then perhaps the Chief Minister or the Financial and Development Secretary would have been ready with an answer, when Mr Bossano moved that amendment, but I

understood that the reason why we broke off yesterday at ten minutes past six was that the Government wanted a chance to study the implications of the amendments, which I think implied that they had not had a chance of considering it before. That is why I made the remark, Mr Speaker, which I did make about this when you said we should adjourn. Therefore, Mr Speaker, I think it is a reasonable proposition that the Government should withhold a decision on Mr Bossano's amendment, which I think is reasonable, it is something which most Members of the House would like to see effected, provided that the tax yield is not diminished drastically. And I think that it should be possible for the Treasury to consider and give an opinion of the result in one day. We have motions before the House which have to be discussed, there are five or six motions before the House, and I would imagine that this meeting would go on at least until tomorrow morning, and, therefore, I think is a reasonable thing for people to consider this. We have tried to approach this in a reasonable manner, not supporting everything that has been put forward, but we do feel that at this stage we can lend our weight to the proposal before the House.

HON CHIEF MINISTER:

I should like to clear two points. The point that was mentioned yesterday was the second amendment which had been I think tabled in the morning. There was one that had been tabled the day before, and that had been done. It is the second amendment that had not been costed and the repercussions looked into, That was why we said that yesterday. I think what the Financial and Development Secretary was saying was that it is our view that it is impossible to consider amendments of this nature put across the table at short notice. Now I know that what the Financial and Development Secretary had in mind was that we would bear this in mind in the same way as we made the point about the other one on the question of the personal allowances when next there is a need to amend the Ordinance.

Now, let it not be said that we want to hide behind the urgency of the matter and not to look at this. We have prepared to cost it and take this clause first thing tomorrow morning, but let it also be quite clear that that is any more indication that we want to consider it. I do not want it to be thought that this is an indication that we are inclined to favour it. If it is a matter of considering it in order that we say "no" with more authority rather than just because it has been brought at short notice we are prepared to do that. We could say on the other hand "yes" or "yes but" or whatever, I don't mind that because this is an important measure and the last thing that we want is to deal with matters in a sense of urgency or deprive anybody due consideration of a proposal which has required a lot of research into this within the context of the time table of the work of this House. I do not mind , without in any way indicating let me be quite clear on this, that we are in favour of it - and I see Mr Speaker is already looking at the book of rules - to see if it is possible to postpone the rest of the Committee Stage and the Third Reading of this Bill until first thing tomorrow morning in order that we may be able to give a more reasonable reply to the matter.

I would like to say that if the Honourable Mr Bossano had a second line of defence prepared, thinking as he had every reason to assume, that his proposal would not be considered favourably at the beginning he might have given us an indication of where that line of defence was a little earlier, but of course you don't disclose it until the last moment. Then you find a Government that is not in a position to consider that line of defence.

If what I have said is acceptable and possible, I don't mind if we deal with this matter first thing tomorrow morning and we now get on with the rest of business of the House.

HON M D XIBERRAS:

Another thing I would like to add to that is that as we know the tax tables had to be compiled for the year following - I have made the point before - the tax tables had to be compiled for the year following on that basis and this is what brings urgency to the matter as well. Now, what we would not like to do is that if there is merit in the proposals, and undoubtedly there is, and if the financial consequences are not inordinate, then every effort should be made by the House to arrive at a satisfactory solution at this meeting because it is going to last.

HON A J CANEPA:

Mr Speaker, I am struck by the thought that he / question of tax yield is in itself not the only consideration. It could well be that Mr Bossano's latest proposals makes substantially little difference to the tax yield because there is built into it some compensation owing to the fact that £500 are going to be taxed at 30% and I understand that the standard rate he is also proposing should go up to 35p. No? He is not doing that. Well, in that case my guess would be that the tax yield is going to be slightly less because obviously there are far more people whose taxable income would be £500 than those whose taxable income is going to be over £500. That as I say, Mr Speaker, is not the only consideration. These proposals which the House is considering today are going to apply in the next financial year, and as I said yesterday, Mr Speaker, there are already in the pipe line, not insubstantial wage and salaries increased for October next year. The effect of those increases will be, Mr Speaker, that a craftsman's basic wage is going to move into the region not far short of £40 a week, £37 or £38 a week, and at the level of overtime currently payable in Gibraltar - of course overtime may be conditional on the Scamp Report - but nevertheless from what I know of the level of overtime certainly in Government employment, no matter how substantially that is cut, I think we are going to find craftsmen in Gibraltar moving into an income level of not far short of £2,500 a year. And from then, Mr Speaker, Mr Bossano's proposals begin to bite a little bit harder. As I have worked it out someone with an income of £2,500 married with one child will pay the same on his proposals as the Government's proposals, but beyond that . . . .

MR SPEAKER:

Gentlemen, may I say something. It is obvious that we are not going to finish the Committee Stage of this Bill today from what the Chief Minister has said, so I think we should defer any further argument on this section until the morning when it will be recommitted to the committee and we can deal with the whole matter when we have more information as to attitudes being taken by both sides.

HON J BOSSANO:

Mr Speaker, may I just add a word of extra explanation here in order to help in the consideration of the clause. Because in fact I am no longer amending the standard rates there isn't any increase in taxation for any group, this is what I wanted to explain to the Honourable Minister for Labour and Social Security. There will be no income group paying more as a result of this amendment than they would pay on the Government proposals, except that within the £1,000 range instead of having 20% for everybody there is 10% and 30%, which averages out at 20%. So anybody with more than £1,000 taxable income will pay no more because he will still pay an average of 20% on the first £1,000, and then 30% on the rest, the same as is proposed by Government. I am not seeking to change that. There is in fact a net loss of income. The only thing is that the loss is restricted to those below a certain income group, that is those with a taxable income of less than £500. Now, that group is restricted precisely because of the argument that the Honourable Member has put. We are talking about incomes in one year's time, and we are talking for example, on the basis of my proposals of a married couple with £25 a week paying £20 instead of £40, but a married couple on £30 a week would pay £50 as opposed to £100, but the married couple on £40 a week would pay £200, both on my proposals and with the Government's proposals. So at the level of £40 a week there is no change. The number of married couples who in a year's time will be earning between £25 and £30 a week, I submit, is going to be a small number, smaller than it is now, and that is a factor that will have to be looked at when we are considering the revenue loss.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, may I ask the Honourable Mr Bossano for clarification so that we have got the bandings right. On the first £500 of taxable income the rate he is suggesting is going to be 10%, correct? On the next £500, 30%. And all the rest at 30%. There will only be two bands, in effect.

HON J BOSSANO:

Mr Speaker, the effect of my amendment is that the standard rate would apply after the first £500 across the board, and that the reduced rates would be 10% for the first £500, as opposed to 20% for the first £1,000. Now, for all those with £1,000 taxable income the net effect is nill, because the reduction in the first £500 is compensated by the increase in the second £500.

MR SPEAKER:

Right, Now I would like some clarification from the Honourable the Attorney-General.

As I see it, Rule 35 will not allow us to do what we want to do because the adjournment applies to a subsequent sitting of the House. Rule 37 would allow us to recommit the Bill to Committee if it is so requested by a Member. My only doubt is as to whether the Bill should complete its reading in Committee Stage, should go through the whole of the Committee Stage before that can happen, because it cannot be committed to third reading until such time as it has had its Committee Stage completed. What I am trying to explain is that Mr Bossano should have no fear that it is going to come back into Committee but that new section 14 must now be taken as it stands. New section 15 will be read, then there will be a report to the House. If you look at Rule 37 it reads: "If any member desires to delete or amend any provisions contained in a Bill as reported from a Committee of the whole Council or to introduce any new provision therein he may at any time before a member rises to move the Third Reading of the Bill, move that the Bill be recommitted. No notice of such motion being required, and if the motion is agreed to the Bill shall stand re-committed and the Council shall forthwith, without motion put resolve itself into Committee to consider the Bill."

So Mr Bossano has the undertaking from Government . . . . .

HON CHIEF MINISTER:

That is so provided he does not bring any more amendments (laughter)

MR SPEAKER:

Well, I am sure that we know why we want the Bill. What is going to happen is that we are going to take a vote on new Section 14, we are going to take a vote in Committee on new section 15 and that means that the Bill can be committed. Is that correct.

HON ATTORNEY-GENERAL:

Mr Chairman, I think so, but there is just one matter. Would you allow me Mr Chairman . . . . .

MR SPEAKER:

Precisely to have a question that has been discussed already to be discussed again. Is that it?

HON ATTORNEY-GENERAL:

No, Mr Chairman. After the House moves back from Committee would you allow then, with your hat as Mr Speaker, the Bill which have .....

MR SPEAKER:

Most certainly, oh yes. All those will be read a third time. Since we call them individually, when we call the Income Tax Bill Mr Bossano will ask that it be re-committed and we will then proceed as I have explained. Most certainly, yes. Is that agreeable to Mr Bossano.

HON J BOSSANO:

Yes.

MR SPEAKER:

So I understand that you now withdraw your present amendment and I will say new clause 14 stands part of the Bill.

Clause 14

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that the present clause, numbered 14 in the Bill, be re-numbered as Clause 15.

This was agreed to.

HON ATTORNEY-GENERAL:

Mr Chairman, I think the same error has occurred before. The motion for changing the number has now been carried but clauses as re-numbered have not yet been put to the House.

Mr Chairman then put the question and new clause 15 was agreed to and stood part of the Bill.

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

The House resumed.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to report that the Sale of Goods (Amendment) Bill, 1975; the Wireless Telegraphy (Amendment) Bill, 1975; the Supplementary Appropriation (1974-75)(No 2) Bill of 1975; the Supplementary Appropriation (1975-76) Bill, 1975; the Traffic (Amendment) (No 2) Bill, 1975; the Friendly Societies (Amendment)(No 2) Bill, 1975; the Trade Licensing (Amendment)(No 2) Bill, 1975; the Licensing and Fees (Amendment) Bill, 1975 and the Income Tax (Amendment)(No 2) Bill, 1975 have been considered in committee and agreed to, in the case of the Sale of Goods, and the Licensing and Fees, with amendments, and I now move that they be read a third time and passed.

MR SPEAKER:

And the Income Tax Bill with amendments.

HON J BOSSANO:

Mr Speaker, I beg to ask that the Income Tax (Amendment)(No 2) Bill, 1975, be re-committed to Committee.

MR SPEAKER:

Well, I now put the question which is that the Income Tax Bill should be re-committed to Committee for the purposes of considering an amendment to new Clause 14.

This was agreed to.

Mr Speaker then put the question which was resolved in the affirmative with the exception of the Income Tax (Amendment)(No.2) Bill 1975 were read a third time and passed.

PRIVATE MEMBERS MOTIONS

HON J BOSSANO:

Mr Speaker, I have got three motions of which I have given notice and I would like to take the motion on the practice that exists in MOD/DOE last because I know that there are a number of employees in these two departments who are affected by this motion who have been in touch with me and have expressed an interest in being in the House to hear the debate. I would like to time it possible so that it comes at a time when people come away from work and listen.

MR SPEAKER:

It is your prerogative. Since the three motions in the order they stand now have been moved by you, you should decide which you want to move first. In other words if notice had been given by another member of a second motion and they had been interpolated you would have had to ask the leave of the other member to allow you to do what you want to do. In the circumstances you are free to move whichever of the three motions because your three motions were received first.

HON J BOSSANO:

Mr Speaker, I beg to move the motion of which I have given notice standing in my name; that this House wonders whether the Chief Minister is aware that according to article 1514(XV) the United Nations Charter it is possible to decolonise a non-self governing

territory through integration and since he has publicly stated that integration is the worst form of colonialism considers that he should inform the United Nations of his discovery as a matter of urgency so that this apparently fundamental error on the part of the drafters of the Charter can be corrected.

Mr Speaker, the motion assumes that the discrepancy between the views expressed by the Chief Minister and the views implicit in the United Nations Charter are attributable to an error, not on the part of the Chief Minister but on the part of the United Nations. I am making this point first, because since the Chief Minister has a somewhat paranoid tendency, if I must say so, to treat all motions directed to him as censure motions he will appreciate that if I am censuring anybody for their mistakes it is not the Chief Minister but the United Nations.

The Honourable and Learned the Chief Minister may have made this statement perhaps without giving the matter the consideration and thought that it merits. The future of Gibraltar and its relationship with the United Kingdom is something which is essential to the very character of the people of Gibraltar. If we exist as a community it is because of a historical turn of events in 1704 which placed us where we are, Mr Speaker. And the world has changed several times over beyond recognition between 1704 and 1975 and many of the people who have been brought into existence as units have come into existence long after us. And unfortunately they are now in a position perhaps to pass judgment on whether we have a right to continue existing or not. But there in the United Nations Charter this alternative where a territory which does not enjoy self-determination can in fact decide that its aspirations for self-determination, and its desire to free itself of colonialism, can find an outlet through becoming part of an existing nation state.

Now, it is natural, Mr Speaker, that the nation state with which a small non-self governing territory such as Gibraltar should wish to identify itself should be a nation state to which it is linked culturally more than geographically. This is a natural thing, it happens, Mr Speaker, all over the world. People identify themselves with each other by virtue of a common background, not because of where they happen to be geographically. It is socialogical factors that make us what we are, not geographical factors.

MR SPEAKER:

Yes, but I think you are speaking on matters which are more relevant to your second motion than to the first motion. The first motion exclusively said that you wonder whether the Chief Minister realises that under articles 1514 you can be decolonised by integration, and whether he should then inform the United Nations of their error.

Do you follow what I am trying to say? Otherwise we are going to have a duplication of your arguments in the next debate. You agree, don't you?

HON J BOSSANO:

Well the two motions, Mr Speaker, are in fact closely related. I think the point in the second motion is to try and establish, ones we have established from the first motion whether it is the Chief Minister who is in error or the United Nations who is in error, then having established that first point, if it turns out that contrary to popular belief it is the Chief Minister and not the United Nations, then we can see how he sees possible alternatives.

MR SPEAKER:

I would like to hear arguments to the effect that the Chief Minister is the one in error and not the United Nations or vice versa. That is the crux of the motion.

HON J BOSSANO:

Yes, Mr Speaker.

As I pointed out earlier, Mr Speaker, there is always an inherent danger if one tries to show that the Chief Minister is in error: the Chief Minister may decide that that is a censure motion and put the whips on the thing. This is why I have to be very careful not to offend the Chief Minister's sensibilities, but I accept, Mr Speaker, what you say and I will try and limit my arguments to establishing in fact whether the Honourable and Learned the Chief Minister appreciates that by making a statement which runs contrary to fact, and dismissing something perhaps without giving it the amount of thought that it deserves, he may be in fact giving the people of Gibraltar the impression that if they look towards that particular solution for their future, and if they follow what the United Nations say is a possible avenue to meet the aspirations of the people for decolonisation, that if they are doing that in fact they are falling into the trap of becoming even more dominated by the colonial system than would otherwise be the case. When I was expanding Mr Speaker, on precisely what this is not so, I was trying to show to the Chief Minister that it is dangerous to mislead people into thinking that they will be even more a colonial people if they integrate with a state than at present, and that is why, Mr Speaker, I was trying to explain that it is possible for a territory to integrate with another territory from which it is separated geographically but linked culturally, and that that is not colonialism. It isn't colonialism because colonialism . . . . .

MR SPEAKER:

No, no, that is why I corrected you. It is not that which the motion moves. It refers to whether the Chief Minister realises that we can be decolonised by integration. In other words it is not the virtues of being decolonised in this particular way that we are debating, it is whether it is legally possible under the Charter of the United Nations to decolonise and whether he is aware of the fact. Do you follow what I am trying to say?

HON J BOSSANO:

Yes, Mr Speaker, but I am trying to show to the Chief Minister that it is not only physically possible but legally possible, and that in fact it is possible in reality. That people after being integrated will no longer be colonised and that consequently he should not give the impression that they would be. In order to do that I must expand, of necessity, on how it is that they cease to be colonials. And they cease to be colonials and this would apply, for example, regardless of whether we were integrating with Spain or integrating with Britain. This is why I think, Mr Speaker, this is more applicable here in my other motions. They cease to be colonials . . . .

MR SPEAKER:

I hope you are not going to argue the other way round when you have the other motion.

HON J BOSSANO:

This is true, Mr Speaker, because it is an implicit part of the concept of integration that citizens should be treated on the basis of equality. That there should be no distinction between a citizen of a State that happens to live in a part of that State that is separated by 2,000 miles from the mainland. Nevertheless that citizen, in that corner of the State that is separated, enjoys to the full all the rights and privileges, and has the obligation that the metropolitan citizen has.

Now this is what makes the distinction between being associated with state in a colonial relationship, which is a master-sergant relationship, which is the relationship that we enjoy at the momen t and the relationship which quite rightly is condemned by the United Nations, and the relationship that quite rightly gives offence to the people of Gibraltar, and one which eliminates this. And certainly, Mr Speaker, any form of decolonisation that attempted to paper over the differences and leave us in a continuing subservient position to the metropolies would be to my mind a continuing form of colonialism. And I put it to the Honourable and Learned the Chief Minister that in passing this judgment on this avenue of decoloniaation he has not given sufficient thought to it because the people of Gibraltar would be no more colonised through being integrated with Britain than the people of London are colonised, or the people of Birmingham or the people of any other territory. What makes us colonial now, Mr Speaker, is that the decisions that are taken affecting our future and our livelihood are taken by people who consult us if they choose to do so. That the amount of say that we have in the decisions that affect us is very limited, and it must continue to be limited of necessity as long as our relationship

is one where we are seen as a colonial people who need looking after. And even if in the 20th century colonialism has acquired I think a gentler face that what was the case in the past, nevertheless, we are surely unique in being European, in enjoying a standard of living, a level of education and of social services that is commensurate with those that apply in the rest of Europe and where there are deficiencies we are cognisant of those deficiencies and striving to close them. And yet, in this area of civic rights, we appear to be conten to let matters lie even to the extent, Mr Speaker, of making derrogatory remarks about one of the avenues that the United Nations consider to be legitimate.

I would hope, Mr Speaker, that the Honourable and Learned the Chief Minister can satisfy the House, either that the United Nations is already at work in changing the Charter, or else that he has discovered his own error in this case.

HON CHIEF MINISTER:

Mr Speaker, the Honourable mover says that it must be I or the United Nations that must be wrong, but does not consider that he might be wrong. If there has been a fundamental error it has been committed not by the drafters of the charter, not by myself, but by the Honourable Mr Bossano. In saying this I am not trying to score a mere debating point but to draw attention quite seriously to be Honourable Member's obvious superficial knowledge of this important subject.

One is justified in questioning this because as most people know the Charter of the United Nations consists of only 70 Articles, whereas the motion refers to Article 1514, an error of 1444 non-existant articles. The least he could have done before even putting down this motion was to have read the Charter and get the facts right.

Secondly, I should like to draw the attention of the House to the inexcusable frivolity of the terms of the motion. To those of us like Mr Peter Isola and myself, and more recently the Honourable Leader of the Opposition, who have actually been involved in the United Nations, and I am sure the majority of people if Gibraltar who take these matters seriously, the levity shown by the Honourable Member in the terms of his motion, though perhaps not so much in the terms of his address, is unworthy of the subject into which he has decided to plunge and reflects a disgracefully sinical attitude towards the matter which over the years have caused considerable distress to many people here.

Having placed the Honourable Member's position in this matter in some perspective I will now reassure the House, much as I find it distasteful to respond to the Honourable Mr Bossano's ignorance, that I am aware that integration is a form of decolonisation, not according to the Charter of the United Nations, let it be noted, but in accordance with resolution 1514(XV) of the General Assembly. And if I may quote here I would say that there is a great difference between the Charter and a resolution. There was a resolution which in 1968 saying that Gibraltar should be handed over to Spain

on the 1st October 1969, and this was not done. In fact if Honourable Members wish to refer to page 36 of the record of the discussion on Gibraltar by the Committee of 24 in 1963, they will find that I reminded the Committee of 24 that principle 6 of the annexe of Resolution No 1514 defined three forms of what can constitute a full measure of self-Government and I must go back to the Charter proper because in respect of colonial people the Charter says: "Declaration Regarding Non-Self Governing Territories" I will read the more relevant one: "Members of the United Nations which have or assume responsibilities for the administration of territories whose people have not yet attained a full measure of self-Government recognise the principle that the interests of the inhabitants of these territories are paramount." That is the Charter "and accept as a sacred trust the obligation to promoting to the utmost, within the system of international peace and security established by the present Charter, the well being of the inhabitants of these territories and to this end to develop self-Government to take due account of the political aspirations of the people and to assist them in the progressive development of their free political institutions according to the particular circumstances of each territory and its people and their varying stages of advancement." That is the Charter.

Now, even Resolution 1514 has an article which the Honourable Mr Isola did a considerable amount of research to deal with because it does not dispose of the whole of the colonial point, certainly not in the case that Mr Bossano was stating, because there is a subparagraph that was used by a number of delegations in the resolution which was used against us, which says: "any attempt aimed at the partial or the total disruption of the national unity and the territorial integrity of a country is incompatible with the purpose and principle of the Charter of the UnitedNations." Now, that article which was used by quite a number of hostile delegations by saying that that was in favour of Spain requiring Gibraltar to be integrated nationally This was used by a number of delegations and the Honourable Mr Isola made considerable research on this, and if you look at what he said he spoke of a forward looking solution to the problem and not towards the past to try and integrate territories So the matter is quite clear, that resolution No 1514 was at least recognised by me and dealt with by me in 1963, where I said, as I said before, that I reminded the Committee of principle 6 of the annexe to the Resolution, the three forms that can constitute a full measure of self-government, which is what was in the Charter. So the Charter said a full measure of self government whichever way one looks at it.

I went on to say that principle 6 says, and these are my words: "A non-self-Governing territory can be said to have reached the full measure of self-government by emergence as a sovereign independent state, free association with an independent state, or integration with an independ nt state" that is the end of the quote. And Honourable Members generally may feel that perhaps it is unnecessary and even humiliating for me to have to demonstrate, after 12 years of experience, direct experience with the United Nations, that I am aware of the fundamental elements of the whole argument.

I am, however, a firm believer in the process of open and democratic government, and in the need for any one in office to satisfy his questioners on matters of public interest, to whatever absurd extreme this duty may be expressed. This is one of . e burdens that one cheerfully and gladly carries if only because of the dreadful alternative of the totalitarian state of whatever colour or complexion.

On close analysis, Mr Speaker, it is clear that this motion invites the House to do two things:

one, to wonder whether I am aware that integration is a form of decolonialisation; and two, to inform the United Nations of my discovery that integration is the worst form of decolonialisation in order that the correction may be made to the Charter. I think I have shown that I at least am not unaware of the provisions of the Charter, as is clearly the case with the mover, and more accurately of the relevant resolution. The second point does not arise and I will confine myself at this stage simply to depreciating once again the Honourable Member's frivolous approach and his transparent attempt to propose a motion which has no substance and which is offensive to the common sense of the House as a whole.

HON M D XIBERRAS:

Mr Speaker, in a motion of this kind, or of any kind, it is impossible to take account of irony, sarcasm, or taste. The arguments adduced in favour of the motion has been linked, since the Chair has had to stop the Honourable speaker, to the substance to the actual wording of the motion. But the motion itself, especially the second part of it, which asked that the Secretary General be informed of the Chief Minister's discovery that integration is the worst form of colonialism, is clearly something which . . . . . .

MR SPEAKER:

I am afraid I cannot accept that that is what the motion is asking. The motion is asking that he should inform the United Nations of his discovery as a matter of urgency so that this apparent fundamental error on the part of the drafters of the Charter can be corrected.

HON M D XIBERRAS:

The second part of the motion, Mr Speaker, reads as you have rightly said, "And since he has publicly stated that integration is the worst form of colonialism, considers that he should inform the United Nations of his discovery as a matter of urgency so that this apparently fundamental error on the part of the drafters of the Charter can be corrected."

Mr Speaker, for obvious reasons, neither I nor my colleagues would advise this House, or any member of this House, that they should write to the Secretary-General of the United Nations to inform them that there is an error in this part of the Charter, or in fact of any of the resolutions. Therefore our attitude to this motion will be one of abstention.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, the most significant point behind all the Chief Minister's waffle on the motion has been the fact that he has not denied that he has publicly stated that integration is the worst form of colonialism. And since he has not denied it and he has not reiterated it, it is to be assumed that the Honourable and Learned the Chief Minister is in this instance, as in so many other instances, continuing with his practice of saying whatever he thinks suits his audience. And today he has got on his high horse and accused me of being disgracefully cynic: in putting this motion. Well I can tell the Honourable and Learned the Chief Minister that I am completely cynical about his platitudes, and that so, to my knowledge, are a very substantial number of his fellow citizens in Gibraltar. The Chief Minister may wish to remind us of his excursions to the United Nations but the people of Gibraltar are no nearer to obtaining decolonialisation now than when he started on his peregrinations, Mr Speaker. And, therefore, if it is indeed the case that the Chief Minister does not consider that integration is the worst form of colonialism, then any amendments to whatever it is needs amending, whether it is the resolution or the Charter of the United Nations, and I accept fully that the Chief Minister, with his experience and legal training and frequent visits to the United Nations is better informed of the technicality of where this particular phraseology is to be found, than I am, just like no doubt in my own spheres where I have experties I am better informed than he is. I accept fully that if he tells me that it is a Resolution and not a part of the Charter then it is a Resolution and not a part of the Charter, but what he cannot escape from is that it may suit him politically to make blunt statements about the fact that he considers integration to be a form of colonialism, but he cannot do so with impunity. He cannot do so without being required by me to give an explanation of why he makes absurd statements of that type when he knows that they are totally invalid. If there are people who wish to opt for integration and he is telling them that that is a form of colonialism, then he is telling them in fact that at least in the case of Gibraltar that particular option would not be an answer to decolonising Gibraltar, because it would leave Gibraltar in the same subservient colonial state that it is at present.

Now the statement that he made outside the House, Mr Speaker, which I could not ask him for clarification on at question time because standing orders do not allow me to do so is the statement which has produced this motion, and if anybody is responsible for the motion it is the Chief Minister himself for making statements which perhaps he can think he can make and will not be taken up as he will not be asked for an explanation. Well I can assure him that if the motion does nothing else than to produce a situation in future when he will think twice about what he said then I shall be satisfied that it has produced at least some beneficial effect.

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

The Hon J Bossano

The following Honourable Members voted against -

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

The following Honourable Members abstained -

The Hon L Devincenzi
The Hon M D Xiberras
The Hon J K Havers
The Hon A Collings

The following Honourable Members were not present in the Chamber -

The Hon P J Isola
The Hon W M Isola
The Hon Major R J Peliza

The motion was accordingly defeated.

MR SPEAKER:

I think, unless members feel that we should go on with the next motion, that this would be a good time to recess until 3 o'clock this afternoon.

The House recessed at 1.00 pm

The House resumed at 3.10 pm

MR SPEAKER:

I would remind the House that we are on motions, and the next motion on the Order paper is to be moved by the Honourable Mr Bossano.

HON M D XIBERRAS:

Mr Speaker, there are other motions before the House and I would have no objection to moving the one which I have in my name concerning the departure of the Christian Brothers.

MR SPEAKER:

Is there any opposition to this on the Government side? Then there is no reason why you should not.

Just one moment. . . . Mr Bossano, we were just about to do you an injustice, but since you have arrived in time will you please move the second motion in your name, in the Order Paper.

HON J BOSSANO:

Mr Speaker, I beg to move that the motion standing in my name, of which I have given notice, that this House believes that in view of the fact that the Chief Minister considers integration with Britain the worst form of colonialism he should inform the House how he classifies the following constitutional alternatives in terms of less severe forms of colonialism and in order of severity -

a. Integration with Spain;

b. free association with Britain;

c. free association with Spain;

d. independence;

e. the present colonial status;

f. any other alternative he may have.

Mr Speaker, the motion before the House, states that it is the view of the House that the Chief Minister has got an obligation to make clear his position as regards what he considers to be the best alternative for Gibraltar. And this is something which I hope the House will support me on. The motion simply states that this obligation exists in the view of the House. The Chief Minister has made a statement about how he judges integration with Britain, which is the valued judgment, and I think the House is very interested in the valued judgment that the Chief Minister may have concerning possible alternatives in terms of constitutional progress in Gibraltar. We know from the previous motion, Mr Speaker, that the Chief Minister

now accepts that integration is a form od decolonialism acceptable to the United Nations. And just as the Chief Minister drew on his legal expertise to distinguish between an Article of the United Nations Charter and a Resolution of the United Nations, may I draw in my less sophisticated knowledge in terms of expertise but nevertheless my knowledge of linguistics, to inform the Chief Minister that if he classifies a particular thing, using the superlative worst, then it follows linguistically and logically that other alternatives cannot be as bad in his views as the thing that he has qualified as being worst. And, therefore, Mr Speaker, this brings us of necessity to the wish to set the mind of the House at rest, that he should then go on to tell us whether for example integration with Spain, which is of necessity in his view better than integration with Britain, because in his view integration with Britain is worst, whether integration with Spain is preferable to free association with Britain or with Spain, because obviously the list that I have provided, which is not exhaustive, but which covered the alternative of which I am aware of, with my limited knowledge of constitutional developments and alternatives, the ones I could think I have put in at least, in order to be able to say where on that list of priority the Chief Minister would put integration with Britain, and where he would put some of the other alternatives. And in order not to inhibit in any way I have in fact included for the provision of an alternative which I myself could not suggest but which he will no doubt have. I have also included the present colonial status because, Mr Speaker, I am not at all sure how dissatisfied the Chief Minister is with the present colonial status, and it could well be that he prefers the present colonial status to all the alternatives that I have listed.

The situation of confusion in which the House finds itself, Mr Speaker, at this point in time as regards the programme of the Chief Minister and his party for Gibraltar's decolonisation stems I think from the girations that the party has undergone in trying to think up a solution to a very difficult problem. At one stage, Mr Speaker, the twin pillars of the AACR phylosophy were the "Tax Haven Economy" and the "Right to their land: We have seen the Tax Haven economy take quite a battering, the last addition to the attack on the tax haven economy I think came within hours in the previous business of the House in the Income Tax (Amendment) Ordinance. So I think the tax haven economy certainly is now gone and buried. The right to their land we know has already been put in train with one particular piece of land in the upper rock which was the subject of the question. So that apparently is still alive, but we do not know how much of their land there will be by the turn of the century but they are obviously progressing with that particular aspect of their policy.

I am not at all quite sure whether the approach of the Chief Minister to different constitutional alternatives is conditioned by either or both of these pillars of the AACR philosophy, or whatever remains of the. But I think, Mr Speaker, that certainly the elimination of the tax haven philosophy will have a bearing on whether the Chief Minister considers desirable as a form of decolonisation one or other of the alternative that I have listed there.

It is important, Mr Speaker, I think, that the Chief Minister should keep the House abreast of developments because as we know the House does not meet all that frequently. And in between meetings of the House, of course, the Chief Minister makes assertions which Members have to accept on the basis of hearsay, unless the Chief Minister takes the opportunity, when there is a meeting of the House to either reasent, on his own initiative, what he has said outside, or else to make clear that what has been imputed to him outside is invalid. If he doesn't take the initiative then the responsibility falls on another Members of the House, such as myself, to remind him of the situation and to seek clarification for the benefit of Members of the House. And I am sure, Mr Speaker, that in view of his fervent support of the principle of Parliamentary democracy, to which he constantly makes preference, I can count on his support for a motion that seeks information from him.

The Honourable and Learned the Chief Minister makes oblique references now and again to totalitarian states and his distaste of them. Less well informed persons might well think that the Honourable and Learned the Chief Minister was indulging in inuendos aimed at some member in this House, but I am sure that all the members in this House know that this cannot possibly be true, and that, therefore, the only reason why he makes these references to totalitarian states is to dispel any doubts that there might exist that in his 25 years reign in Gibraltar he has attempted to create a totalitarian state. Doubts, may I say, Mr Speaker, which need not be dispelled in the House. We are all confident that in spite of the solidity and the grip that he has in his party he does not have the same grip on Gibraltar, and there is no prospects of the Chief Minister being able to create a totalitarian state in Gibraltar. And at this particular point in time the only importance I think that his distaste of totalitarian states can have is that it is rumoured that our neighbour is no longer a totalitarian state , and that, therefore, any distaste that he might have had for our neighbour's system, by virtue of that characteristic, may be on the wane, if indeed it transpires that that characteristic is no longer symptomatic of the system that our neighbours have in their own affairs.

I am sure, Mr Speaker, that the House will join me in awaiting with expectation the explanations of the Chief Minister as regards his hopes for decolonisation of Gibraltar by one or other of the alternatives that I have put forward in my motion.

Mr Speaker then proposed the motion.

HON CHIEF MINISTER:

Mr Speaker the mover is confused. He will be disappointed, because as everyone knows, including the Honourable Mr Bossano, members of the IWBP, to which he belonged until recently, and members on this side of the House have been engaged for some months in the study of possible constitutional changes. The Constitution Committee, to which I refer has worked very hard and both sides, in spite of their substantial difference of approach, have been making and continue to make every possible and sincereeffort to understand each others point of view. It would be

quite improper, so long as discussions in the Committee continue, for me either to anticipate any possible outcome of those discussions or to say anything today which might be regarded as in any way cutting across them.

I accordingly do not propose to deal with the merits of the various alternatives which are put before me in the motion, except to say that I of course utterly reject the motion of integration with Spain or free association with Spain, two alternatives which without breaching the confidence of the Constitution Committee I can now reveal have not even passed through the minds, I am sure, of any of its members.

Once the Constitution Committee finishes its deliberations and the result becomes publicly known I would welcome full public debate of all the relevant issues.

Thank you, Mr Speaker.

HON M D XIBERRAS:

Mr Speaker, the motion before the House does not call me to give any explanation of any kind, but one or two points have been brought out by both speakers so far on which I shall offer brief comments.

In the first place any totalitarian system in Gibraltar, be it of the right or of the left, is repugnant to my party. I do not think, as the Honourable Mr Bossano has said, that there is danger of either a dictatorship of the right or a dictatorship of the left being established in Gibraltar, but I think that it is useful to put this on record.

Mr Speaker, our neighbour is still a dictatorship, as far as I am aware. If there were to be a liberalisation there, which I am sure most people would welcome, especially if that liberalisation extended to a democratic government in Spain, then the view of the Party which I have the honour to lead will remain absolutely unchanged. It was at my initiative that the Constitution Committee was set up and I believe that Gibraltar needs to arrive at working and practical solutions to constitutional problems. And having initiated the move towards the Constitution Committee, I intend to adhere to that resolve for as long as I find that that avenue is going to lead to practical resolutions, as I say, which will help Gibraltar. I think that all members of this House should bear in mind the importance of constitutional change and should support the work of the Constitution Committee. And I feel that within the Committee every effort must continue to be made to arrive at a solution which will deal with the many problems which Gibraltar undoubtedly has to face, and to do so before the next general election. If the Committee fails to do that, then I make no bones about I think Gibraltar will be in considerable difficulty. I think that the good faith of those working in the Committee and the good faith of all members of this House is necessary, and the good faith of anybody who has any different stake is involved

in formulating the Constitutional proposals for Gibraltar, is absolutely essential. If, Mr Speaker, we do not succeed in dealing with the many problems that have been mentioned already during this session, and I mentioned one in particular the one which the Honourable the Financial and Development Secretary and myself exchanged some views on a little while back, namely the economic problem, if that is not settled in a manner satisfactory to all members of this House and to Gibraltar generally, then I think that the next Government, whoever might lead it, will be in quite considerable difficulties.

I would like all members of this House to pledge themselves to obtaining the kind of constitutional change, in agreement of course with Her Majesty's Government, before the next elections, which will signify a step away from the present status which is mentioned in the motion, and towards the aim which I have no doubt all members of this House desire, and that is one of complete equality, constitutional equality, with the United Kingdom.

The other alternatives I shall not comment on, I am not called to comment on, but I think I must stress, on behalf of my party, that it is only by concensus that Gibraltar stands a chance of moving in the direction of further decolonisation. It may be an alternative which not all members of this House of both sides including Mr Bossano, might agree with. Of course each one of us would like to see his own views carried to a logical conclusion. I think that rather than this House, circumstances will be the arbiter of how much justification there is in the case of each, and I hope that each member of this House will have the sense to realise what circumstances demand at this particular time.

Mr Speaker, we have a procedural difficulty once again with this motion. This motion calls on the Chief Minister to give certain information to the House and the Chief Minister has already spoken. Therefore, the object of the motion, as far as I can see, has been achieved whether the mover is satisfied or not with the reply that has been given. I merely stand up to make my own position clear in this matter.

I urge everybody in Gibraltar to take seriously the work that is being done by the Constitution Committee, and to hope that this will have a good result and to contribute to the work as soon as this wider contribution becomes possible.

MR SPEAKER:

If there are no other contributors I will call on the mover to reply.

HON J BOSSANO:

Thank you, Mr Speaker.

Mr Speaker, the Honourable and Learned the Chief Minister has avoided giving the House an answer on this question by using the fact that the matter is under discussion in the Constitution Committee.

I am surprised that that criterion should inhibit explanations in the House and not inhibit statements outside the House, which if anything must be more damaging to progress in the Constitution Committee than what is said in the House itself. And it astonishes me that members of the House should be unconcerned that the Chief Minister should express preference for one or another form of decolonisation outside the House and ignore the matter in the House simply because the Constitution Committee is considering it. The explanation that the motion seeks of the Chief Minister is based on the fact that he has made such a statement outside the House which he does not deny, and it stems from the belief on my part, as mover of this motion, that if there is anything that the Chief Minister wishes to say about a particular form of constitutional development, this is the proper forum in which to say it. And if there is anything to inhibit him from saying it here it should equally inhibit him from saying it outside. That point, Mr Speaker, the Chief Minister has not even attempted to deal with, nor if I may say so, the Honourable the Leader of the Opposition.

I am grateful at least to learn that contrary to the implication that there was in his choice of the adjective to describe integration with Britain as the worst form of colonialism, contrary to that, it appears that integration with Spain and free association with Spain are considered by the Chief Ministerto be the worst alternative. I am grateful that at least that amount of information is now available.

I feel, Mr Speaker, that although the motion will undoubtedly be defeated it is a step forward to know at least that the incorrect impression was given by the Chief Minister when he said that for him integration with Britain was the worst form of colonialism. It would appear from what he has said today in his contribution that integration with Spain and free association with Spain are worst forms of colonialism, and I am grateful for that much.

I hope, Mr Speaker, that the deliberations of the Constitution Committee do not follow th pace of the deliberations of the Select Committee on the Trade Licensing Ordinance or of the Select Committee on Air Communications. Otherwise, Mr Speaker, I am afraid that the House is going to be in for a very long wait before it finds out how the Chief Minister stands on this very important issue.

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

The Hon J Bossano

The following Honourable Members voted against -

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

The following Honourable Members abstained -

The Hon L Devincenzi
The Hon M D Xiberras

The following Honourable Members were absent from the Chamber -

The Hon P J Isola
The Hon W M Isola
The Hon Major R J Peliza

The motion was accordingly defeated.

HON J BOSSANO:

Mr Speaker, there are a number of other motions in the name of the Honourable Mr Xiberras, and as I mentioned earlier, some of those employees in MOD/DOE who are directly affected by the subject matter of the motion had expressed an interest in being in the public gallery to hear the debate on the motion affecting something that is obviously very important for them. I believe myself that it is highly desirable that when the House discusses matters affecting one particular sector or other of the community, the sector affected should have an opportunity of hearing in the first instance, rather than what is reported, what the views of members are.

With the leave of the House the Honourable Mr Xiberras is prepared to proceed with these motions to allow my motion to come on later in the day when it will be possible for members of the public, who would otherwise be prevented from attending because of their obligation at work, to attend.

MR SPEAKER:

I am a stickler for keeping to the rules, but of course Standing Orders say that motions must be taken in the order in which notice was received but that any member can give way, if he so desires, to allow a motion to be debated before its time. If you are prepared to give way and the Honourable Mr Xiberras is prepared to move his motion, then of course there is no reason why it should not be done this way.

HON M D XIBERRAS:

Mr Speaker, I am prepared to do this. The Honourable Mr Bossano did consult me and I think that the principle enunciated is one which we have defended on occasion. I think the House should be something to which people come, and at what time the House begins its work has been a matter . . . . .

MR SPEAKER:

No, no, let me make it very clear. We are not debating whether this motion should be heard later on. All I am saying is that the Rules allow for someone to give way so that a motion standing at a later stage in the Order Paper can be heard now. That is what is happening.

HON M D XIBERRAS:

Mr Speaker, I have the honour to move the motion standing in my name, which reads: "This House whilst regretting the personal circumstances leading to the resignation of the Honourable I Abecasis as Minister for Housing is concerned by the manner in which Government accommodation was allocated during his ministry. In order therefore to re-establish public confidence in the pointage system for Housing Allocation and in the status and importance of the Housing Allocation and Housing Advisory Committee this House calls for an enquiry into the allocation of Government dwellings during the term of office of the Honourable I Abecasis as Housing Minister."

Mr Speaker, this undoubtedly is a severe motion in terms which I do not recall I have moved myself in this House during the time that I have been here. I should like to make clear from the outset, as I have already done, that we very much regret the personal circumstances that lead the Honourable Mr Abecasis to leave his post as Housing Minister, and we are glad to see that he appears to be recovered in health - no doubt the trip to India stood him in good stead - and I wish, even thought in these things personal aspect are bound to become involved with the general debate, I would hope that he will take all that I say as emanating from a concern about the subject which is particularly important and sensitive as far as I am concerned.

Mr Speaker, the Honourable Member, when he became Minister for Housing in June 1972, had already made some statements which aroused the disquiet of the Honourable Members on this side of the House. In a Television interview he insisted with his philosophy that personal attention was necessary in the allocation of houses. An innocent enough phrase taken at a face value, but one which, as time went on, was shown in its true colours as to my mind meaning that the pointage system could take second place on occasions to this personal attention that the Honourable Member was going to devote to his Ministry. There are also witnesses of what Mr Abecasis had to say to some tenants before the elections, tenants on the Housing Centres at Town Range, and the very veiled promises that were given of houses if he became a Minister. A subject which was discussed in the House after the Honourable Member had become the Minister responsible for that particular department.

During his time as Minister, the Honourable Member has been under fire by Honourable Members on this side of the House on a variety of occasions, and on very few of those occasions have we been absolutely satisfied that all houses, all flats, were being allocated in a manner which was acceptable to both sides of this House, and in a manner consistent with the Housing Allocation Rules that both sides of

this House had more or less given their agreement too. Any departure that the Honourable Member made from these Rules and from this procedure appeared to be in the direction of allowing himself greater flexibility in the allocation of houses and in circumscribing the work of the Housing Allocation Committee.

I have knowledge, Mr Speaker, that there had been differences between the Honourable Member and the Housing Allocation Committees which assist in the work of this department. The Housing Committees, both Allocation and Advisory that exist in his department. And that these differences have been concerned with the giving of individual flats. Even though, as an ex-Housing Minister I am well aware that the public is bound to exagerate any supposed injustice in the Housing Department, I am quite convinced in my own mind that in the term of office of the Honourable Member a number of these cases of complaints in the fairness of the allocation of houses made directly to me by members of the public were absolutely justified I am not convinced, Mr Speaker, that the Honourable Member's dealings, once he was a Minister, with the problem of the Transit Centre at Town Range was completely above reproach. I do think, even today, that this allocation was in pursuit of a political promise.

Mr Speaker, the Honourable Member was concerned in a debate with the Honourable Mr Bossano about the allocation of houses and I do not think that the Honourable Member came off very well as a result. There was the question of the number of flats which had been given by direct allocation by the Minister, a controversy which elucidated that the Minister had given very many more flats by direct allocation than was normal in the term of office of either myself or my predecessor. The number, as Honourable Members will no doubt recall, was completely disproportionate one and the other, and this is followed by a statement that we reserve the right to allocate all pre-war accommodation. One building which was included by the Minister in that category was the subject of quite considerable debate in this House because Honourable Members on this side of the House were not convinced that the Honourable Member was going to allocate this house fairly. I refer to the case of 5 Wilson's Ramp. The Minister, as he was then, should, to my mind, have taken notice of the allegations that had been made by Honourable Members on this side of the House and made every effort not only to be fair but to appear to be fair. But this was not in fact the case. He seemed to take most questions put to him in a light manner and there were adjournment debates. I remember the one that I raised on Mr Olivero in which the Honourable Member, whether he went to England or not, either a Minister has a good reason for turning down an applicant and gives it, or he adheres to the rules that he has undertaken to follow. That particular debate about Mr Olivero ended in great hilarity from the Government benches as Mr Abecasis explained how he gave the gentleman a glass of water in the thirteenth floor of the Tower Blocks, or words to that effect, and generally speaking he paid no attention to what we had to say on the matter.

Mr Speaker, there are other cases, I have some which I could quote but I am not going to do so unless in reply I am asked to do so, and then I shall give examples. I have also another list which members

of the public have brought to me, but of course even taking this with a pinch of salt, as I have said, after my experience as Housing Minister, I do think that some of them are most worthy of consideration.

Mr Speaker, the change over in Ministers has been accompanied by an undoubted improvement. Honourable Members will be aware that the Opposition has changed its attitude to housing. I have given my personal pledge to the Honourable Mr Zammitt of cooperating in holding up the housing allocation rules on any issue provided I know of course how these rules are going to be exercised. The effect on the public has been extremely good and I do what I can to ensure that the Minister's authority and the authority of the Housing Allocation Committee is not undermined either by gossip or by false allegations. But whereas I feel personally that I could be sure in the case of Mr Zammitt, I could not be sure, I regret to say, in the case of Mr Abecasis.

Honourable Members will wonder why I am making these allegations in such strong terms, and I should explain that during my short period as Housing Minister I had to take a number of very unpopular decisions with people very close to me and people who are actually members of this House. And because this was the case, I think, it is my duty now to raise this matter as I have continuously done whilst the Honourable Member was Minister and to do my best to ensure that a system which is equitable, and which is predominantly run by the Housing Allocation and Housing Advisory Committees, comes into operation which will earn the respect of all housing applicants. My second reason for feeling strongly about this point is the obvious one, that housing is of extreme importance to the people of Gibraltar. It is the number one social problem even today, and I think that in a situation where housing is limited, where the demands exceed supply, and where people have to put up with very poor conditions, every effort should be made by Honourable Members of this House, and particularly by the Minister responsible, to make sure that justice, as I say, is not only done but seem to be done.

The Honourable Member was given a chance to put the whole thing to right when we made the suggestions that the Housing Advisory and the Housing Allocation Committees, and the scheme, should be given some sort of statutory recognition, and he refused to do this. It is still my belief that this should be the case. After all when you judge in housing cases you judge not only as between competing claims, moral claims and social claims, you also judge in matters of the allocation of money. A flat costs something like £9,000 and if any member of the Government were to misuse £9,000, and give it to a person who was not entitled to it over another, I think there would be an outcry. These are the terms in which housing allocation should be judged in Gibraltar, because the problems are very very serious indeed.

What purpose would an enquiry serve? One might say the Honourable Member has resigned for whatever reason and one should let bye gones be bye gones. Now this is hardly what we expect, this is not a principle which is involved in other circumstances, and it is not what fair play would demand. I think that the whole system of housing allocation would be strengthened if an enquiry were to be made into the allocation of flats in the terms of office of the Honourable Member opposite. I do not for a moment suggest that people who have unfairly got flats in his term of office should be turned out, that would be unfair in the extreme.

MR SPEAKER:

That is an imputation which I cannot allow to go unchallenged. You have said: "I do not say that people who have got flats unfairly should be turned out." Therefore imputing flats were given unfairly. That statement I cannot accept. It is a personal imputation against a member. This is what you say you want the enquiry for, to find out whether such a thing did take place.

HON M D XIBERRAS:

I am prepared to stand by my statement, Mr Speaker.

MR SPEAKER:

Not in this House. I am afraid that that is a personal imputation that something has been done which should not have been done. It would be begging your motion itself. Your motion says that you want an enquiry to see whether such a thing did happen.

HON M D XIBERRAS:

The point, Mr Speaker, is that I have very grave doubts as to whether everybody who got a house got it fairly. This is my purpose for wanting an enquiry.

MR SPEAKER:

Precisely. You are entitled to your doubts and I have been very careful not to interrupt you until now. And I think in fairness to me I have been as liberal as one can be within the Rules but we must draw the line somewhere.

HON M D XIBERRAS:

The whole purpose of this motion is to get the enquiry going so that what cannot be said in this House can be discovered, if it is there, by an enquiry. Now, I would not have brought this motion to this House had I not some evidence of what I am saying.

Mr Speaker, how the enquiry is conducted is another matter. I do not ask for a public enquiry, I ask for an enquiry, the result of which would vindicate the Minister if he has not done anything unfair, but if there have been wrongful allocations, then the public would know that this has been the case, and it has not gone unnoticed. It has not been swept under the carpet, and here we go again until somebody else takes over the Ministry who is prepared to exercise it in his own peculiar way. Now, I think it is absolutely essential for the credibility of the Housing scheme that this should be done.

I appreciate that I have made very censorious remarks in presenting this motion, but I think it is my obligation to people, to housing applicants, and to my colleagues here, to have done so.

Mr Speaker then proposed the question.

HON I ABECASIS:

Mr Speaker, I think it is highly hypocritical, to say the least, to prefix the motion with the words "while regretting the personal circumstances leading to the resignation of the Honourable Mr Abecasis." I honestly doubt whether the Honourable the Leader of the Opposition regrets my reasons for resigning. He used similar words, Sir, when he was interviewed by GBC/TV immediately after my resignation, just to go on and deliver a completely unwarranted attack on me and the work I had done during the last three and a half years.

This motion, Sir, is a mere follow up of the Opposition's campaign to counteract, if I may say so, the popularity I enjoyed as Minister for Housing, a very mean way of doing things. The Honourable Mr Xiberras, who likes plain speaking, may want to say later on when he has the opportunity to explain why when he was a school teacher, knowing perfectly well that he was standing for election, accepted a quarter as such.

MR SPEAKER:

No, no. We are not going to have personal imputations one against the other, in so far as it does not refer to the motion.

HON I ABECASIS:

I bow to your ruling, Sir. I do not normally contradict the ruling of the Chair. The Honourable the Leader of the Opposition heard me so I am sure he will have an opportunity to explain. I do not propose to go any further on that particular subject. When I was shadowing during the previous administration, I was shadowing them for two years and ten months, the time they were in office, and during that short time they changed Ministers three times. The records are there for everyone to see that I was never personal either to Miss Anes, to Mr Caruana, or to the Honourable Mr Xiberras himself. Unfortunately I could not finish my term of office because of reasons of health, and if you only look at me, Mr Speaker, you will find out that despite my recent visit to India I have not fully recovered yet.

During that period of three and a half years, Sir, I worked very hard. So hard that I became ill. I was at the City Hall until 10 o'clock at night, trying to interview and listen to as many people as possible. The records of the Housing Unit will show that I interviewed over 1,000 applicants, Sir, because to me applicants are people with a human problem. To the Honourable the Leader of the Opposition they are just numbers and that is perhaps one of the fundamental differences between that side of the House and this side of the House. We look at people with their human problems, they just go by the rigid interpretation of the book.

I was very hurt, as I am now, when I heard of the Opposition motion. I never thought they could come so low. Because to attack a Minister is quite normal and of course expected from an Opposition, but to try to undermine his authorities with innuendoes is bad and dangerous. Dangerous not for me, dangerous for everyone sitting in this House, whether on this side or that side. Because, I think, Mr Speaker, that it was their own witch hunting that brought about the downfall of their Administration. I think that Major Gache once said it, and not very long after that they went back to the people.

The Opposition had absolutely no grounds to table this motion. My files have always been available to members opposite and on many occasions I have shown the Honourable Mr Bossano every file and every minute of the Housing Allocation Committee to satisfy him about any queries he had. We have even discussed his own housing problem to see where within the scheme there was something we could do to help. I have never refused any information to the Opposition. The motion reads: "in order to re-establish public confidence in the pointage system". There has been no deviation in the pointage system and everybody knows that. My views on housing are pretty well known and if you allow me, Sir, I shall read extracts from the minutes of meetings of the Housing Allocation Committee, which I attended on the 21st of May, 1974. Let me explain that the Housing Allocation Committee is a committee of independent members where the Minister is never present, and only meets them occasionally to exchange views. These are the extracts of that particular meeting, held on the 21st May 1974, and it reads: "His ideas" meaning the Minister's ideas "had been to make the best possible use of available accommodation, as in his opinion, although going by the book and adhering absolutely to the Scheme was a good thing in itself, it would not achieve complete success and there should be some flexibility to allow moving and changing families about in accordance with their requirements. For example if a family who occupied 3 rooms and a kitchen and required 4 rooms and a kitchen should be moved into the larger accommodation, the smaller accommodation would become available to solve another case. He would be reluctant to depart completely from the Scheme, but he felt that the Committee should be guided by the Scheme and not be bound by it." I say, Sir, the Committee should be guided by the scheme, not the Minister and they should be able to deviate from the Scheme in the public interest to

achieve the best possible result. If the Committee were to adhere strictly to a Scheme it would only be rubber stamping the priority list, without taking exceptional cases into account and an Appeals Committee would therefore become necessary. The Minister was convinced that at least 33% of the applicants could be reaccommodated other than in accordance with the Scheme. The Scheme was not perfect and it provided very good guidelines, but he stressed that he believed that there should be more felxibility and discretion. The fact is that Government had already built about 4,000 flats and had not been able to solve the housing problem. On the contrary the number of applicants is increasing and what will happen when the rate of construction, which is becoming more expensive all the time and is already 80% more expensive than in the United Kingdom reaches saturation point." I was trying to persuade the Committee that they should use more felxibility and they should look at problems on their own merits. Not the Minister, the Housing Allocation Committee. The Honourable Mr Bossano will recall a particular case in Turnbull's Lane about a man who had a broken leg. He had been operated upon six times, his house was condemned, but in accordance with the Scheme he was still not entitled to re-accommodation. Mr Bossano was on the phone to me on two or three occasions and he came to see me personally, and I told him that I wished I could do something about it but there was nothing I could do. Despite the fact that he had a broken leg, despite the fact that his house was condemned he would still have to wait his turn, and we have to persuade people in the Committee to use their discretion, to give discretionary points, so that that person could be accommodated. Because I wanted to show that the Scheme was not only a Scheme but it has sense. And the only way you can apply sense to a Scheme is by applying it yourself, because the Scheme is just that blank paper without any favours, without anything, and it is only the human brain, the human individuals, who can distinguish between one case and the other.

If you do not mind, Sir, I will carry on reading. "He does not think" and that he is me again: "that there would ever be a perfect Scheme to please everyone, but the aim must be to solve as many problems as possible. He was convinced that he would be able to solve 100 cases without allocating one single house, just by changing families around. The Committee have done a wonderful job but he did not think that such a good Committee, comprised of

members with such a vast experience, could be required to go solely by the book. It should also look at and consider individual problems". It is the Minister, Sir, who is asking the Committee to consider individual problems. "Housing is a human problem, not a political issue, and he t.erefore appealed to them", to the Housing Allocation Committee, "to allow themselves the opportunity by suitable provisions in the Scheme to be able to consider individual cases exceptionally as referred to them by the Housing Manager." Not by the Minister by the Administration itself. The Minister did not want to take more responsibilities than he had already. He wanted the Housing Allocation Committee to take the responsibility, to look at the problems, and to make decisions, and not just go by the book. "If the Committee was not satisfied that this would be the best way of tackling the problem a survey might even be carried out to bring to light those cases which merited special consideration."

In other words, Sir, I have tried my best and I did not succeed in convincing the Housing Allocation Committee that from time to time they should look at some particular cases and try to solve them to the best of their abilities and within as near as possible to the scheme.

The Honourable the Leader of the Opposition referred to my interview on television with the Honourable Mr Bossano, and he said that I did not come out of it very well. I do not recall that that was the case. What I recall, Sir, is that we were talking on that particular occasion about a house that was burnt down in Main Street and I have given a direct allocation to the family who had been residing in that particular house. And I said there and then, and I say it now, that if I had another similar case I would also again allocate a house, whether the Leader of the Opposition likes it or not, because the responsibility is with the man at the top. And since I was at the top there and then I had to take a decision, and I think the right and only decision I could take was to give them a house because they had lost their house in a fire.

He also talked about the Town Range Centres, Sir. Yes, of course, I went to the Transit Centre and told them that if we were elected, if I came into office, I would revise the scheme. And I did. I did what I promised to do. Not because I promised it to them but because I thought it was the only fair thing to do. The Honourable the Leader of the Opposition may be told that

waiting time, as far as the people who came from across the border were concerned, counted as from the time they came and not as from the time they had applied. There were many people who came across from the other side of the border who had been applicants since 1954, and they have lost 9 years of their waiting time by a stroke of the pen of the Honourable Mr Caruana. I promised that if I came into office I would reinstate that, and I did. Similarly, if an applicant in Gibraltar lacked a kitchen 60 sq ft, which could be the equivalent of 60 points, were allowed to those in the Transit Centre who had no kitchen, did not have that same measure of allocating points. There again I promised that if I was elected I would do it and I did it. Therefore I did nothing more for the people in the Transit Centre than I had promised. And I promised it because I thought it was the only and the right thing to do.

I am pleased to hear the Honourable the Leader of the Opposition praising my friend, the Honourable Mr Zammitt. I also praise him for having had the guts to take over from me. Because you need guts to be 3½ years as Minister for Housing. But let me refresh the memory of the Honourable the Leader of the Opposition, that only earlier on in the proceedings my friend Mr Zammitt had undertaken also to allocate pre-war houses. Therefore, there cannot be so much difference between him and I, at least, on this particular point. The allocation of pre-war houses I took upon myself from the very beginning, from thedate I became Minister. I have already read on many occasions here extracts of minutes from as far back as July 1972, stating that pre-war houses would be allocated by the Minister, because it is the only way they can be allocated. There is no other way of measuring to whom these one room and kitchen here and there could be offered. He also mentioned, Sir, 5, Wilson's Ramp. He knows perfectly well that 5, Wilson's Ramp was not allocated to the person they thought it was going to be allocated to. He knows that perfectly well. 5 Wilson's Ramp went to a person who lived in Flat Bastion Road, who got there precisely for the purpose for which 5, Wilson's Ramp was rehabilitated, so that we could move people around. We waited a little, yes, but we gave it in the proper spirit and in the way we thought we should give it.

I do not know whether the Honourable Mr Xiberras will read that list that he has. If there was a list he should have written to me and I would have replied. Or he could have come to me and I would have given him all the

replies he could have wanted, as I had done with Mr Bossano and as I did himself.

He also referred earlier on, Sir, to the case of Mr Olivero. Let me remind the House, Sir, that in the case of Mr Olivero I did what I thought was proper to do. To give a man who had a thrombosis, a heart case, a ground floor flat. Not a maisonette with steps to climb, that is not the house that you should give to a man who has a bad heart. I gave him what I thought was best for his health, i.e. a ground floor flat suitable for his family, at ground level because those are the grounds under which he got it, under a medical category. So I did nothing wrong. If anything I adhered strictly to the principles of the Scheme.

Coming back, Sir, to what we are discussing, because I do not know what the Honourable Mr Xiberras is going to do later on, perhaps he may have a list - and he can publish it in Vox as far as I am concerned, like they did when the question of the 60 houses was brought up. Despite the fact that I had repeated umpteen times that there were 60 one room and kitchen units of a pre war nature, the next day we had headlines: "Minister allocated 60 flats valued £400,000 bla bla bla! As far as I am concerned he can publish the other one tomorrow, in red letters. But as I say, Sir, coming back to the order of the day, I think that the real meaning behind the motion and the other motions, because there are three, four or five, I do not know how many motions, Sir, and 63 questions - we have never had so many. Perhaps the idea of having so many motions and so many questions is to divert the public's attention to the problems facing the Opposition today. The desintegration of the Intergration with Britain Party, Sir. I would myself call them the Desintegration Party, because they are desintegrated. And if I may use an army term, with the consent of both the Major and the Colonel, if the Honourable the Leader of the Opposition has to go to his general meeting we would have to say something like this: "One man in England, another one in Canada, another one now an independant member, otherwise all present and correct, Sir". That is the way he would have to address his general meeting.

But before I sit down, Sir, I would like to say that as far as I am concerned the enquiry can start right now since I have nothing to conceal. I do not know what the Government proposes to do, but whatever they do, whatever the outcome of this motion, I would like to give you, Sir,

Mr Speaker, and through you to the electorate and the people of Gibraltar at large, my most solemn work of honour that I have not - I repeat, have not - given or allocated one single flat in the Glacis or in the Varyl Begg Estates outside the Housing Allocation Committee, or the percentages from time to time announced by me in this House. I swear to that Sir.

Thank you.

HON J BOSSANO

Mr Speaker, the Honourable ex-Minister for Housing has been thrashing about so much at everybody, including for some unknown reason Vox, that I felt I could not sit in my place and remain silent, since my silence might even be interpreted as gratitude for the discussions of my housing problem with him. The ex Minister for Housing, The Honourable I Abecasis I think is wrong in thinking that he was very popular when he was Minister for Housing. He is very popular as a person in Gibraltar, I think, particularly to those of us who know him, and I think he made a great mistake in involving himself as much as he did and to the extent that he did with housing applicants. And, Mr Speaker, this is nothing new, I have told him innumerable times when I have had occasion to discuss with him housing problems affecting individuals who came to me for advice, that I felt that he was in fact putting himself in a very invidious position by the interest that he was taking in applicants. And I have been with the Honourable Member myself when he has told individuals they they should come and see him at work. And then of course he has been flooded with housing applicants at his place of work in the Bank. That may be what made him think he was so popular, queues at the bank waiting to be interviewed, but I think that the Honourable Member has undoubtedly created the impression amongst Housing applicants that he was promising them a house when in fact he was not in a position to do so. And I think that in his case, in my personal view based on my knowledge of him, I think in his case this has been the result, more than anything else, of his inability to say "no" to people because he did not want to either disillusion them or to hurt their feelings, or for some other highly praiseworthy reason in itself, but totally out of context in the situation in which he was. I think Mr Speaker he has, through not wanting to hurt people's feelings, given them the impression that they stood a chance of getting a house when in fact they did not. And

sometimes it is necessary to be cruel to be kind and I think the Honourable Member is congenitally incapable of being cruel at the right time. And I think that this has been a factor which has created certainly the problems that he had, and I do not think any humbug in this House can hide the fact that he had problems with people, and although I am quite willing to state that all the cases that I discussed with him he was able to give me a satisfactory explanation about, the explanations that he gave me did not tally with the explanations other parties gave me. And although I accepted his version of the fact the matter must of necessity remain in doubt as far as other people are concerned, who insist or continue to insist that the Minister had committed himself with them personally as far as giving them a house was concerned. I have no doubt myself, Mr Speaker, from the number of people that I have had contact with, but if all the people the Minister is said to have promised a house to at the Varyl Begg actually turns up at the Varyl Begg we would have to take to the rowing boats. In fact, Mr Speaker, the latest rumour going round is that Mrs Indira Gandhi is included amongst those.

But I think, Mr Speaker, that there is something else which has been working against the Minister, and let me say that the interview on television which we both participated in did not go as smoothly as he seems to remember. At least to my recollection certainly there were more than one unit that could not be explained, but I will accept, Mr Speaker, that whatever he has done or has failed to do he has done in good faith, and I am willing to accept, as he says, that he has nothing to fear from an enquiry and that he would welcome an enquiry. But there is something else, Mr Speaker, that we cannot turn our backs to, and this is that before my time, before my involvement in politics, there was a view widespread in Gibraltar, which is still alive and which the Minister has undoubtedly inherited, and that view was that the AACR had a system of allocating, not just houses, Mr Speaker, but almost everything under the sun, to their loyal supporters in Gibraltar. And that view, Mr Speaker, is known to everybody in Gibraltar. Whether it was true or not I certainly cannot vouch for because as I say it was before my involvement in politics, but it was widely believed in Gibraltar that for example the Honourable and Learned the Chief Minister used to make it a point of personally dispensing houses on the eve of an election. That was a wide spread view and it still is a wide spread view that that used to happen. And it was a wide spread view

that that system was brought to an end by the introduction of a pointage scheme during the brief interruptions of the Honourable and Learned the Chief Minister's reign in Gibraltar. It was to be anticipated that when he resumed the throne in Gibraltar, Mr Speaker, when he resumed the reins of power, Mr Speaker, he would attempt to resuscitate the system that used to operate with such apparent electoral success previously.

Now we know, Mr Speaker, from the experience of other long living Heads of States - I believe the Chief Minister is almost the only one left in Europe now that we have lost Salazar. Well I am not familiar with what happens in Eastern Europe, Mr Speaker, but perhaps after the House the Honourable and Learned the Chief Minister can give me a little instruction in that particular area, which is the gap in my knowledge.

As I say, Mr Speaker, it is the practice of long established political leaders that well tried methods are kept alive and repeated. And it is not to be marvelled at that people should assume, based on their correct or incorrect previous assumption, that such was the system that the AACR previously operated. That when the AACR came back into power that system would once again be brought back to life and replace the pointage And perhaps people went out of their way to see the Honourable Member in the hope that it was the old system that was working, believing that such an old system existed, which I am not for a moment imputing did or did not exist. I think it will help the House to understand the difficulties under which the Honourable Member has been labouring in his three years in the Ministry of Housing if one understands what was the wide spread view of what went on before. What to my knowledge was the wide spread view. I accept that I am perhaps more in contact with the ordinary people of Gibraltar than the Honourable and Learned the Chief Minister and he may not be aware of these widespread views. As I said I am aware that it is a wide spread view now that such was the system then.

That being the case, Mr Speaker, this I think is an extenuating factor to try and explain the difficulties under which the Honourable Isaac Abacasis was labouring in the Ministry of Housing, and I am only putting it forward in order to put it to the House that in their, perhaps, shall we say criticism, of the way he has handled his time in the Ministry, they should not be so unkind as

to forget what went on before him, which was a factor influencing the reaction of people and the expectations that people went to see him with. I think if those expectations were not to be met it would have required from the Honourable Member that he should have been blunter and more cruel, as I said, than I think he is capable of.

Mr Speaker, I am not at all sure, in view of what he has said about welcoming the enquiry, whether it is the intention of the Government to support the motion or not. For my part I do not know whether an enquiry would have much effect. Quite frankly, my limited knowledge of enquiries in Gibraltar leads me to believe that usually one is more mistified about what really happened at the end of the enquiry than at the beginning, but nevertheless if it is the wish of the Honourable Member that such an enquiry should be instituted in order to ensure that there should be no single blemish on his name, then out of deference to him I would support the motion.

MR SPEAKER

Are there any other contributors?

HON H J XAMMITT

Mr Speaker, Sir, I think it is my duty very briefly to say a few words, having assumed the responsibility of the Housing Minister recently from my colleague the Honourable Mr Isaac Abecasis, and I think that any person in this House who has not had the fortune or misfortune of having been in the Housing Department, can talk rather glibly of the situation as it stands. I think, as Mr Abecasis said earlier on, despite any scheme there would never be a perfect system to show the kind of fairness that the Honourable Leader of the Opposition expects. It does not matter how much one sees justice not only done but seen to have been done, there will always be continued allegations, irrespective of whether it is on the pointage scheme or by way of allocation under the pre-war Housing situationñ or otherwise. I have found Sir in the last few months that I in 1975 have received allegations that houses were promised way back in 1971 by Miss Anes, or Mr Caruana, or Mr Xiberras. But I have the sense to realise that they are not promises as promises - and I accept this fully - they have been a show of hope, trying

to keep people under expectation of subsequent housing. I do not believe any Minister, be it my predecessor myself or people before my predecessor, can actually promise a house to anybody, and I think, Sir, in an answer supplied to the Opposition in this meeting, a written reply, where I quoted that a 3 room, kitchen and bathroom flat would require something like 265 points for the recent phase No.4 which was handedover a few weeks ago, Sir, we found that when the allocations came round they were not 265 but 300-odd points, Sir. So until one actually adds up and sees the last minute check one cannot, even with a high pointage, promise a house. One can say, as I am sure those members opposite that have had housing in their responsibility, I am sure they have probably said: look, you stand a good chance, or the like, but a promise is not the case. And I do find that people still come along today and say that they have been promised houses way back even before my predecessor. I know this is the kind of thing which is open to exaggeration.

What I would like to say, Mr Speaker, is that I think little sympathy has been shown to my colleague, very little sympathy. And I think members here will have to accept that I think it has been a record. I do not think any elected member has ever had a three and a half year tour of what one could call "purgatory" in Gibraltar. I am not trying to be personal, I think Mr Abecasis has mentioned this, we found that in the previous administration 2 years and 10 months had to be divided between three members. So one can see it is a terrific strain, and I know it only too well today, and I think we have to commend Mr Isaac Abecasis very highly for having endured such a period.

Now, Sir, as to allegations. There are always allegations, there cannot be a system because one cannot explain personal reasons to people. Now, Sir, I am one of those people in the House who stand up very infrequently. I believe I have friends everywhere, and I try not to create enemies, so please I would ask that it not be taken personally, but I have received allegations about the case of the Honourable Mr Bossano. Why is it that Mr Bossano has been given a flat at Varyl Begg and he has only been here in Gibraltar three years. Well, we all know Mr Bossano is not a member of the AACR, Mr Speaker, we all know that, but how, Sir, would Mr Bossano like any Minister to be able to publish in the press "Mr Bossano has been given a house because of this particular reason", because of course Mr Bossano could only have had one year's qualification under the scheme, he has been here over 3

years, but he has made it on other reasons. There are reasons, Mr Speaker, so personal, touching upon illnesses and even greater social problems, that I am sure that these reasons cannot ever be exposed to the public because they are very personal. It is there be it because persons are medically categorised, on social grounds, but they do appear to be fair, and I am not for one moment suggesting Mr Speaker, that the Honourable Member's allocation was unfair, quite the contrary. I am just saying that this fair allocation is implied as having been an unfair allocation. That is one Mr Speaker, Sir, and there are others that Honourable Members opposite know of. There are many cases in which the Honourable Mr Abecasis has done remarkably well in allocating pre-war accommodation and has brought families together. There have been cases of near divorce and people leaving their families and those have been sorted out by Mr Isaac Abecasis. It may appear to be unfair but there are social grounds, and that is the fairness. I cannot, and I have taken particular care, Sir, to have read all this book which is questions and answers in this House, and I have gone through all the minutes of the Housing Allocation Committee and there has not, and I equally give my word, Sir, for what it may be worth, as my Honourable Colleague opposite, been one allocation made by Mr Isaac Abecasis under the Housing Allocation Scheme in the new Estate, Sir. There has not been one. I am sure allegations will be made but I am sure that these can be rebutted, and very fervently abutted. So, Sir, these allegations will continue, I am sure regretably that allegations will be made against me too. And whoever comes behind me will find that he or she will also have allegations made against them, and as I say it does not matter what one does. One wants of course to help as many people as possible and there would be nothing easier for any Housing Minister to be able to interview people, see them, shake hands and say: "Do not worry, there is a house coming out tomorrow, you will receive the letter". It just is not there, and I think the Leader of the Opposition said earlier on that the demand is greater than the supply. We all know this. We all know this, Mr Speaker. And there are many situations where one just cannot help anybody at all, and one would wish nothing better than to be able to help.

So, Mr Speaker, apart from being a great friend of my colleague, I am not supporting him just because he happens to be a friend and a colleague of mine, I challenge any person in this House who has not had the chance of being in Housing to understand what allegations are, what promises are, and what one can do, Mr Speaker, for there is little

that one can do without any form of criticism.

Thank you, Sir.

CHIEF MINISTER

Mr Speaker, I would just like to deal with one or two matters.

I would like to associate myself entirely, first with the remark made by the Honourable Mr Zammitt, and secondly, with the earlier remarks made by the Honourable Mr Bossano. I refer to the early remarks about the question of the Character of Mr Abecasis. I think that at that stage he was on the right lines, but of course his natural political instinct and aspirations had to make him think of the continued success of the AACR, and he had to find a reason for it. If the success of the AACR over the years had been dependant on the number of houses given, then Gibraltar should have mushroomed with houses all over the place, because people who did not get a house kept on voting for the AACR again and again in the hope of getting one. The hope seems to have been everlasting because we have kept at the head of things, and because before there was no houring allocation or anything like that there was a City Council where we were prepondent for many years. Let him look for other reasons to undermine our popularity, but not on this. For one thing he made one of the big bloomers. There has been a pointage system since April 1954 and since then houses have been given in accordance with a pointage system, and therefore at a time when perhaps Mr Bossano was still too young to be interested in politics in Gibraltar, or of sufficient age to contribute to politics in Gibraltar. When he thought that he was better off than being here we were applying this system of points in order to give people houses. And not only that, what we did was something that nobody else has done before, build houses. Nobody had thought of doing that before the war, in the old colonial days, except for one small little house called Harrington Buildings. Nothing was done in 200-odd years for the people of Gibraltar. Either they had to live eight persons in a room or across the way. That was the problem that faced the early AACR Government, and that was the problem the AACR set itself to solve with our own money at the time. Not with contribution but with our own money since we did not have at the time to go to ask for the money in order to build houses. We built houses with the money of the people of Gibraltar.

I think the contribution of Mr Zammitt has disposed of a lot

of things that have been said before and which to answer. But one thing is certain and that is that I am fully satisfied of the integrity and honesty of Mr Abecasis who left the Ministry at the request of his doctor and against his own better judgment because he wanted to have the record of having been there for the full four years of this Government. Unfortunately for him this has been a great disappointment because he could not complete his tour. He may not be as well as people think he is but at least he has been able to put up a good honest fight today against a motion which is unworthy of the Leader of the Opposition. A motion which is only meant, as the Minister has said to try and divert from the notice of the public other problems of the Opposition. It is always popular to say: well, if I had been the Minister I would have given you a house. I am fully satisfied and I am not prepared to support the holding of an enquiry. The best answer to this kind of allegation is the electorate who ultimately must decide what to do with the allegations that people make and with the conduct of people in public life. So I must say that we will resist the motion because it is unworthy of this House, because it should never have been brought, because in the few occasions on which the Leader of the Opposition has provoked an adjournment debate he has had to go away defeated, because the honesty and the facts produced by the then Minister for Housing have been enough to defeat him. He should be ashamed of that because if he looked at the record he would see that on one occasion he was unable to reply because there was nothing in the allegation that he had made. He may have whatever lists he likes, he can do what he likes with it. We have full confidence in the Minister and we will defeat this motion.

MR SPEAKER:

If there are no other contributors I shall call on the mover to reply.

HON M D XIBERRAS:

Mr Speaker, one cannot appeal against the arguments of the Honourable and Learned the Chief Minister. He tells us that the electorate has the final word, so, however, little influence one might have with the electorate, speaking from this House and it is practically empty, one should at least try to give the electorates some guidance as to how those that have been fortunate enough to be elected into Government exercise their power in their tenure of office. No doubt the Honourable and Learned Member here has his own peculiar system that will carry him and his colleagues along with him repeatedly to those benches over there, but this does not mean that it is unworthy for any Honourable Member on this side to try to point out where there has been or where there might have been misuse of power. This is a duty of Honourable Members on this side of this House, and it is a duty which however infrequently and however distasteful one has to do it, will continue to be done. The Honourable Member on my left has said words to this effect. I repeat these words: "for as long as I am here I shall

do it if I think it is sufficiently important". I don't care whether the Honourable and Learned the Chief Minister, or any Honourable Members of this House tells me this is not worthy. Because for as long as a motion is allowed under Standing Orders I am entitled to bring it, and if there is a need I shall bringit.

The Honourable Mr Abecasis has mentioned one or two cases of Honourable Members on this side of the House getting a house or holding a house. He need not have apologised before he mentioned the fact because the Honourable and Learned the Chief Minister, who knows so much about worthiness and unworthiness, in another debate with my Honourable and Gallant Friend on my right, not in this House where it might not get across to people outside, but in the full view of the television public, mentioned the fact that I as a teacher had got a house. And I have done nothing at all to the Honourable and Learned Member. It was a cheap political gimmick. That was unworthy of the Honourable and Learned Member and he had no reason at all for this allegation because the Honourable Learned Member no doubt was informed by the Honourable ex Minister for Housing, and the present Minister for Housing if he cares to look it up after his perusal of relevant files, that I am still under notice to quit in my house. And if the Honourable Member, the Minister for Housing, wishes to offer me some alternative accommodation, then I shall be very pleased to consider it. The Honourable Mr Abecasis is quite wrong in saying that I got that house knowing that I was going to stand for election, because my mind was far from being made up as my Honourable Colleagues, or some of them, on this side of the House will recall. It was a last minute decision and one which the Honourable Mr Canepa might know something about, because we were working together at the time and we discussed often enough the pros and the cons. However, it is not the first time that one of my colleagues, either in this House or outside this House, has had that unpleasant feeling that when they received a house by some stroke of fortune, or even by the proper application of the pointage scheme, it was thrown in their faces by some Honourable Members opposite as a reminder that now one Honourable Member on this side, then two, then three, not necessarily members who are present, but members of my Party, have received a house. And not to forget it! I don't know what they intended to achieve by that, but for a fact they are not going to stop Honourable Members on this side of the House from criticising when they have to criticise, and criticising openly.

I am sorry that the Honourable Mr Abecasis can not take my assurance about my regret and has chosen to call it hypocrisy. It is a line along which I can advance no further. Rather personal, the Honourable Member has said. Well, I tend to disagree with him. The argument of Honourable Members on that side of the House have been extremely personal. That is their defence when they are presented with the reality. Do you know so and so, do you know the case of so and so? Yes, I know so and so, I know that the vast majority of houses have been properly allocated, but I am looking for the minority of cases. It is a method which leads to no conclusion to say that 100 or 200 people, 300 people have got their houses on merit, if there are 50 or whatever number who have not. One could hardly expect Honourable Members not to be able to produce a single case of bad allocation.

So we have the fire in Main Street. I agree that if somebody's house is burnt down quite accidentally it is a sorry state of affairs if that man cannot be re-housed in some way. But those weren't the cases which the Honourable Mr Bossano was discussing with the Honourable Mr Abecasis on television. They were the other cases: the cases in Glacis which I seem to recall. Three or four. The Honourable Member may think that he has done nothing which contravenes fairness in his term of office. He can swear to that. I cannot give him the lie, Mr Speaker, you would stop me, but I can express my disagreement, and a very real and genuine disagreement with this. But it is still a matter which is very important to the people of Gibraltar and to the housing applicants. It is also a matter which is important to me. And when he says he would have welcomed an enquiry I would say: so do I, that is why I am moving the motion. But it cuts no dice to say: I welcome the enquiry, if the Honourable Member's colleagues are going to say: there shall be no enquiry. The point is quite empty that way. The Honourable Member no doubt has concern and had concern for housing applicants. He said that I consider them as numbers. Well, I am not here to defence myself, but the Honourable Member should know me better than to say that I consider people as numbers. Well, I can tell him, and I have told him before now at a personal level, that every time a house is given, rightly or wrongly, one is excluding somebody else from that same house. And if one sees somebody that comes in with his heart in his sleeve, or with threats of violence, and give in to either treatment, one is leaving out somebody else whom one doesn't even see to feel sorry about. And that person may be the person, which as far as we are able to do it through our Housing Scheme, should have got that house. The Honourable Member in arguing his point I think has proved mine, and that is, that he did get too involved in housing. He did get too involved in first a section of people who came to see him, and he had no doubt some, but what about all the others? What about all the others who have had to wait six months or seven months. He may have solved most cases, I have no doubt about that, but does he know how much stress he has caused in other cases. I am not concerned so much with that, Mr Speaker, now, though it is a matter for concern, I am concerned with what has happened to the Housing Allocation Scheme and whether people have faith. One can say that all judges are quite incompetent, but they are the only judges we have and the best system that we have and everybody should adhere to that system, and not try to break away from it.

Mr Speaker, I agree entirely with what has been said about the method of the Honourable Mr Abecasis, and I warned him personally that it would bring intolerable strain on him. I told him. I think it is a feat to last three years in the Housing Ministry. But Honourable Members will notice that the going really got rough when the allocation had to be made. The pressure was really upon the Honourable Mr Abecasis when he came down to actually giving out the houses. It is tough to be a Housing Minister at any time, but when it actually comes to doing the allocation, one should say really not how long one has been Housing Minister but how many allocation has one been through, that is the test. And that is the strain.

Mr Speaker, I still have cases who are prepared to come forward who say: I did not have the necessary pointage and I got the house because I did this or that. They are still willing to come forward and say after they have received a house.

Mr Olivero, Mr Speaker, as you are well aware was not put into the list of maisonettes because he was a heart case. What the Honourable Member failed to explain was why other people with heart cases had been put into the maisonettes allocation list. The young girl who had to be carried up and down despite the fact that Mr Olivero had a medical certificate saying he could be alright in a maisonette, but that was the point at that time. But the Honourable the Chief Minister is quite right in saying that the Honourable Mr Abecasis got out very well with his jokes so forth, which I enjoy very much outside this House, but he knows I do not enjoy in relation to housing in this House. It is far too serious a matter.

The Honourable Mr Abecasis spoke about witch hunts. It is very difficult to bring anything as important as this to the notice of the House, and to the notice of the public, unless one attacks the Member who was responsible for that. If he wants to call it a witch hunt let him call it a witch hunt, but one thing I can tell him; I can tell Honourable Members opposite generally that Mr Abecasis's reputation as a Housing Minister, generally speaking, is not what they would like to believe themselves. It is not the fact. By attending to these problems, by saying whatever it was that he said to these applicants, he got a veritable landslide of people pressing him, bothering him, and this undoubtedly brought a tremendous strain on him. I have no doubt at all. It also brought, Mr Speaker, an almost unbearable strain on the department, of which he was head. And this he knows himself as well. I'll mention just one case, Mr Speaker, the case of Mr Ward, and I shall say no more because I have a letter written by the Ministe , or ex Minister, to myself about this and there the picture is quite clear.

Mr Speaker, if this motion is going to be defeated I hope that by bringing it forward people will take heart because the pointage scheme and the impartiality of the scheme has been defended. I have nothing to quarrel with what the Honourable Zammitt had to say. In a 2 hour meeting I held with him I put forward my point of view fully and frankly and I said we agreed on every point, and I am willing to stand here today as much as I am willing to attack the Honourable Mr Abecasis, to repeat my pledge to the Honourable Mr Zammitt, that I shall defend the impartiality of the Housing Scheme for as long as he is prepared to do the same. I repeat that, pledge. But I will not allow to have a general approach, such as that adopted by the Honourable Mr Abecasis, to go by unchallenged.

I comment the motion to the House, I commend this to the Honourable and Learned the Chief Minister. I commend it. He has used strong words, but strong words have been used back as well. If the Honourable Member wishes to take it in that spirit, where everything and anything can be done by his Government so long as they are returned at the next elections, then he is not very far from saying that might is right. That is not the case, Mr Speaker, that is by no means the case. Even if there were only one member on this side of the House

that should never be the case. He knows that he is all too prone to use that kind of defence when there is no other. If the Chief Minister were to commit himself, if the Chief Minister were to do something with which we disagreed of that nature, then we would have to bring it forward as well and he would have to defend himself. And it would be a poor defence to say: I shall be elected next time, nonetheless. That is no defence at all.

HON CHIEF MINISTER:

If the Honourable Member would give way. I wasn't answering him when I said that, I was answering the very serious allegation made by Mr Bossano, I wasn't dealing with him. Of course he is entitled, of course that is why we are dealing with it here, but it is our judgment that we should oppose the motion. It is our judgment. It is his judgment that there should be a motion and that it should be carried. That is all. When I said that, I said it in relation to allegations made specifically by Mr Bossano about certain practices of which first of all there was no evidence given, and secondly, he certainly wasn't here to have been able to know.

HON M D XIBERRAS:

Mr Speaker, I think the subject matter of the Honourable and Learned the Chief Minister's intervention has been discussed other than in the context of this Motion. And I have said, let me make it absolutely clear, that practices of that kind are obnoxious to our Party, wherever they emanate from. But I am telling him that he is taking a first step if all the defences he can bring up is in fact to say: we shall be returning don't worry, we are invincible.

Mr Speaker, the Honourable Mr Abecasis talked about the disintegration of the Integration Party. Well, I do not know whether this is correct or whether it is not correct. One thing is certain, and the Honourable and Learned Chief Minister might be interested in what I have to say, one thing is certain, and that is that when Honourable Members on this side of the House say that they have to go, they go, but many Honourable Members on that side of the House play with the electorate and say: 'Oh, I don't think I could really stand for the next election'. The Honourable the Chief Minister stood up and said: "Perhaps I am ready for retirement now".

MR SPEAKER:

Perhaps he is, but that is not the subject matter we are discussing.

HON M D XIBERRAS:

Mr Speaker, I was just going to say that perhaps one cannot see the desintegration in the Party represented opposite, but for all we know, and by what they allow to come to the surface occasionally in moments of stress and strain, it may be as desintegration as any party could be.

Mr Speaker, I commend the Motion to the House. I think it has done some good already, and I hope that the public will take note of it.

MR SPEAKER:

May I say that I consider this to be a motion of confidence on a Minister and that therefore I am of the opinion that the Honourable the Attorney-General and the Honourable the Financial and Development Secretary, as ex-officio members of the House, do not have a vote.

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

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

The following Honourable Members voted against -

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

The following Honourable Members abstained -

The Hon I Abecasis

The motion was accordingly defeated.

MR SPEAKER:

We still have about five minutes before we are in a position to have our tea. Since I see that the motion next in the Order Paper is one which I doubt very much will be a controversial one I think we could perhaps continue until the next five or six minutes. So I call on the Honourable Mr Xiberras.

PRIVATE MEMBERS MOTION

HON M XIBERRAS:

I have the honour to move that this House regrets the withdrawal of the Christian Brothers from Gibraltar in 1976 and asksMr Speaker to convey the gratitude of the people of Gibraltar as a whole for their involvement with and work for the young people of Gibraltar during the 100 years the Order has been connected with us. This House, furthermore, has every confidence that the Gibraltarian teaching profession with the support of the Government and of this House generally will meet the challenge that this departure will inevitably present.

Mr Speaker, I think it would be fitting that the House as a whole should, through you, show its appreciation to the Brothers for their involvement with the educational development of the people of Gibraltar over this very long period of a century. The Brothers have moved in an area which inevitably had to bring them into certain controversy and I don't pretend for one moment that everybody in Gibraltar would support this motion 100%. I think it happens to the best of us that at one time or another we have come into disagreement with one section or another of the community. But it is surprising, amazing and gratifying that the overwhelming majority of the people of Gibraltar should be well disposed towards this Order. This does not imply at all necessarily agreement with the religious belief of the Order, it does not imply that people are in favour of a more clarical type of education, I think it is recognition that these men have felt so close to Gibraltar, so much involved with Gibraltar that often they have been mistaken for being like us, one of us. I think their dedication has been over a very long period of time quite selfless. This was an important venture for them. Edmond Rice having tried his hand here in Gibraltar, the first place outside his province, and during all the states of the Brothers' stay here they have been on the side of the people of Gibraltar. They have not sided against, as others might have sided, they have not used their influence in order to inculcate one particular philosophy or another; they have met our immediate needs, they have given many generations of us the wherewithal, in a very practical way, to get on with life.

This does not mean that local teachers do not have to be praised for their contributions. I am in the happy position of being able to say this because after the war, along with some Honourable Members here, I was able to work as a colleague with the Brothers, having received my education from the Brothers. And in my short period with them of some six or seven years I noticed a change in the attitude, a necessary change, whereby slowly the Brothers came to terms with the lay staff here in Gibraltar, as much as they did in England in their mixed school. I have always held with equality of status between the Brothers and lay teachers, and I have been annoyed ans disappointed whenever the equality of this contribution, obviously after a period of time, has not been recognised. And in my work in the Teachers Association I did at all times insist that there should be equality. But side by side with this equality, which I did my own personal bit to promote, in practice, I have always had a very clear appreciation of the work of the Brothers. It is not just the number of Brothers or how distinguished the Brothers were that came here. It is true that other religious Orders are more distinguished academically than they, it is true that others may be more

influential in the Roman Catholic Church, but this undoubtedly was the Order that thought it fit to commit part of its communal life to Gibraltar, and this is the Order to whom we owe a debt of gratitude.

There were some very distinguished people in my time who came because of the Brothers' Association with Gibraltar: people who are distinguished academically and as teachers. Firm, perhaps over-firm at times, perhaps too given to discipline, but certainly practical and well meaning. I remember the crop of Brothers that came just after the war and most of these have had a distinguished career in the Order. There have been of course other commitments on the Brothers and they have not been able to send the men they would have liked to Gibraltar, in the numbers required, but at all times we have benefitted from our connection with the British Isles, in this case, which I think had a fertilising effect on minds here, and I think we are going to miss this very much.

Mr Speaker, I think the Honourable Minister for Education told us that we have only six brothers now in the Comprehensive School. Well when I went into the School in 1962 or so, there were three lay teachers I believe or 2, the rest were Brothers, that was in the Grammar School. But whatever the difficulties within the Order, however the numbers are diminished, I think that we must, all Members of the House, be grateful to them and realise that now we Gibraltarians have to take on where they have left off, perhaps they left off some years ago. I am sure as a teacher myself, that the teaching profession is up to it and will take up to the challenge with the help of this House, of both the Government and the Opposition.

I hope, Mr Speaker, that any differences that the Brothers may have had in recent times with the Government, or with any party, have not been conducive to their withdrawal in 1976. The text of their communique makes it clear that this is not the case, that it is because they have other commitments elsewhere that they think they should withdraw from here. I am also aware that there has been a great division within the Order as to what sort of work the Brothers should do in the future, and I hear that the more pioneering role which the Brothers emphasized before has taken prefarence, has won the day, and this may account may have contributed to their decision.

I would not like it thought that the Brothers were concerned with only one side of Gibraltarian education, I do not think it is right to remember them just in connection with Line Wall College or with the present private school or with the Grammar School even, because in fact they made a very important contribution to the sons of manual workers, as they used to be known then, and continued to do this through the Sacred Heart School, through Lourdes School and in the Comprehensive School.

Now, I don't know to what extent the Brothers agreed or disagreed with the Comprehensive, I do not think it is the time to bring it out, but I think that generally speaking they were prepared to work with all sections of the community. This stands to their credit and this I think is characteristic of the Christian Brothers whatever their shortcomings in other respects, in academic respects and so forth, which they tended to emphasize less.

So, therefore, Mr Speaker, confident that the House will support this motion and give our local teachers all the help that they need, I would like to commend the motion to the House.

Mr Speaker then proposed the motion.

HON CHIEF MINISTER:

Mr Speaker, Sir it is pleasant to be able to get up and agree with a motion from the other side from time to time, and this is one of those in which of course there cannot be two sides to it. I think we owe a great debt to the Brothers and I think I can do no better, if I may with your permission than to read what I wrote to them in reply to their letter in which they told me that they were withdrawing, after it had been said for a while, and efforts were being made to see whether they could stay a little longer in order to phase out. I wrote to them on the 6th November thanking them for their letter about the withdrawal, and I said:

"Along with many other people in Gibraltar, my colleagues and I gravely and sincerely regret that this decision has had to be taken. At the same time we fully understand the reasons which have led to it. When you first informed me privately about this some time ago I did not think it right, in view of what you told me, to take any steps to try and persuade the Order to reverse or modify the decision which had been taken. I was, however, aware of the Bishop's efforts, and I now welcome and appreciate your intention to allow two Brothers to teach as fulltime members of the staff of the Boys Comprehensive School in the School year 1976/78. As you well know I have always proclaimed in all important public occasions in my life my own personal gratitude and loyalty to the Order, and it is therefore impossible for me to express adequately the sadness which somany of us feel at the breaking of the link between Gibraltarians and the Christian Brothers, or indeed our appreciation for the enormous debt Gibraltarians owe to the Brothers for their dedicated work in Education in the fullest sense of the word over so many years. The need for your guidance of our young people is no less great today than in the past, but as I have said we understand the reasons for your decision."

To that the Provincial replied:

"I appreciate the sadness and regret you must have felt on receiving the official notification of withdrawal. I know you have ever in public and in private voiced your gratitude and your esteem for the work of the Brothers in Gibraltar. Your kindness in showing appreciation to Brothers who have re-visited the Rock over the years has been remarkable and this has not gone unrecorded in our annals."

Sir, perhaps I could speak from one other angle. In fact very properly as a religious Order, I think it stands to their credit that from the very beginning their teaching in Gibraltar was really directed at education, and of course in pursuing the religious education of those of their faith, and that never has there been any attempt, perhaps in the true spirit of respect for all religions in Gibraltar, on their part to exercise their Christian influence on those who did not follow their faith. Nonetheless they were as good teachers to those who were not of their faith as they were to the others. That speaks very highly of them, because throughout the years one is proud to have felt, not only that one was a pupil, my father was a pupil who owed a lot to them. But I think there is one sphere of their work which is most important, and that is that before the war education was not given the importance that it required. They, for a meagre per capita grant which was given to them,

used to run the Sacred Heart School where but for them, God knows what other education the people who could not afford Line Wall College could have had. I think that was their greatest time in Gibraltar, when they were doing work that was pioneering work, because there was not, as there is fortunately today, the interest on education that there is on the part of everybody, and the awareness of the need. They were here when they were most wanted and they did splendid work.

I am very happy to associate myself, on behalf of myself and my colleagues, with the motion.

HON L DEVINCENZI:

Mr Speaker, I do not intend to repeat what the Leader of the Opposition, the Hon Mr Xiberras, or the Honourable and Learned the Chief Minister has said in praising the Christian Brothers. I would limit myself to associating myself fully with whatever kind words are said about the Christian Brothers and express the hope, which I am sure I am correct in saying this House shares with me, that they will have every success in the future. No doubt Gibraltar will envy those people living in other places who will continue to benefit from their dedication.

Thank you very much, Sir.

HON M K FEATHERSTONE:

Sir, like the Hon Chief Minister I would also comment that it is very pleasant to be on the same side as Mr Xiberras for once and to be able to support a motion put forward by them.

Sir, the original effort of the Brothers in Gibraltar was a missionary effort. They came out to a place that was in need of education, and I think that when they write their book on Gibraltar they will be able to put down with fullest satisfaction "mission completed, 100% successful," because, Sir, they have left behind not only in the general public but in the education world a great number of teachers who are teachers today mainly thanks to the efforts of the Christian Brothers. These teachers, Sir, as the motion says, will have every support from our Government, and I am sure they are going to make a fine job of carrying on with the good work that the Brothers are leaving behind.

Just recently, Sir, we had the Chief Inspector of Schools of Essex here and a collegue who looked through all our schools and although they have not yet given me their written report they stated that we had a fine and keen active body of teachers. They had every confidence that the education of Gibraltar after the Brothers left would continue along good lines. We do owe a great debt to the Brothers, Sir, but we can console ourselves with the phrases of Tennyson "The older order changeth "yielding place to new"."God fulfils himself in many ways lest one good custom should corrupt the world."

HON A P MONTEGRIFFO:

Mr Speaker, I am going to be very brief because I find it very difficult, when we are in agreement on both sides of the House, to be able to be argumentative and find phrases which will fit in my speech. But, Sir, the only thing I would like to ask the people who have spoken with greater eloquence than I can ever aspire to is, that being in the evensong of my life, like my friend opposite, the Honourable and Gallant

Member, Major Peliza, who was sitting next to me at school, I can fortunately, as distinct from other younger Members of this House, cast back my mind further back than they can, and, perhaps be able to appreciate even more the great work that the Brothers have done for Gibraltar. I agree entirely with the words of the Leader of the Opposition that they have done this not just at Line Wall College but at the Sacred Heart School, where they were educating pupils with a pittance of financial assistance. In fact there was hardly anybody at the time, least of all the House of Assembly, whom to ask for more money for books, let alone to ask for more money for school holidays for children. They did a tremendous amount of work in educating them, finding jobs for them, giving them technical training etc. In fact, Sir, it is due to them and the education they gave to that generation, and some of that generation is represented in this House, that we were able, because we had the necessary education and qualifications, to start - I am not talking party politics now - to start our fight, taking over the responsibilities in fighting for the rights of the Gibraltarians. And I am glad to say that that has borne fruit since only three or four days ago when we were celebrating the 25th Anniversary of the House of Assembly. I would like to link in a way the Christian Brothers, not in having directly intervened in creating the House of Assembly, but in educating the people that made it possible for us to reach the stage of development we have reached today. And if only for that, amongst other things, I would like to express my gratitude to the work that they did, for me personally, and for the people of Gibraltar as a whole. And as my Honourable Colleague on my right said, I am sure the lay teachers, the Gibraltarian teachers, will carry on the good work that the Christian Brothers have done for Gibraltar in the past.

HON A J CANEPA:

It is a great pleasure for me to be able to rise and associate myself with the Honourable Leader of the Opposition on this motion, mindful as I am of the six or seven years that we were colleagues together in the Grammar School, teaching side by side, with the Christian Brothers. It is even more pleasureable to be able to do this since we are now sitting on opposite sides on the House, and we vote differently on so many occasions: yet on this occasion there is this great unanimity.

Mr Speaker, the motion speaks about the achievements of the Order of Christian Brothers in Gibraltar during 100 years of their presence here in Gibraltar. I only have first hand knowledge of their achievements during the last quarter of the century, but of course one is fully aware of their achievements prior to that, if only by what one hears from our elders. I think the fondness and the regard with which our parents, and even further back generations going beyond that, hold the Christian Brothers is eloquent testimony to their staggering achievements in Gibraltar. But in the last 25 years, Mr Speaker, their achievement can be measured in more concrete terms. The Honourable the Leader of the Opposition I think will probably recall the occasion, shortly before the Reverend Brother D'Arcy left as Headmaster of the Grammar School in 1966, when he was drawing up from memory a list of the teachers, the engineers, the architects, the lawyers, and other professions that the Grammar School alone had given Gibraltar, and that was in the days, Mr Speaker, when there were not the number of scholarships which Gibraltar is fortunate to enjoy and has been fortunate to enjoy in the last decade or so. So if one were to bring that list up to date I think, in academic terms, their achievement would be even more staggering.

And the evidence of that achievement, of course, can be seen in this House today and elsewhere.

Their achievement, Mr Speaker, was felt in every sector of the community. I recall the wonderful work of some Christian Brothers recently in the Lourdes Secondary Modern School. The wonderful ethos that they created in that school amongst boys of a less academic bent, and how this permeated in every sphere of activity that that school went into. Of course there is one other particular aspect of their work here which I would not like to see go unrecorded, and that is the work that they have done in a small way, in a more individual way, associated with the Family Care Unit of the department of which I am honoured to be the political head, I am referring to the work of the Christian Brother in the Edmund Rice Home, the Warden of which the Brothers have provided over the years. Again their loss in this connection is going to be felt and is already exercising the minds of officials in my Department. I don't think that the gap that they will leave there will be an easy one to fill.

Mr Speaker, the Hon Leader of the Opposition spoke about his work in the Teachers Association, in what I would like to call pioneering days, in seeking and in achieving equality, not just with the Christian Brothers, but a proper acceptance of the status of the teaching profession in Gibraltar. And I think that I can say this, that we did achieve a real break through in our years there working side by side with the Brothers. I think it was wonderful to have been taught by the Brothers, to have been able to return to school to join them in the Staff Room as colleagues, and in my own case, I think I exemplified some of that equality because when a vacancy occurred for Deputy Headmaster, I had the privilege and the honour to be appointed the first lay teacher as Deputy Headmaster of the Grammar School, over some colleagues of mine who had taught me as a youngster. I think this was a wonderful way of seeing the wheel turning part of the circle. This is part of the wonderful satisfaction that there is in teaching. And now, and in the future, when I think about the work of the Brothers in Gibraltar, I think there will be an individual who to my mind will really exemplify that. I am referring to a Brother, a wonderful person, who probably more than any other Christian Brother that I have known, identified himself very very intimately with the Gibraltarians, to the extent that he was, and I think he truly felt a Gibraltarian at heart. This Brother was a colleague of both the Hon Mr Xiberras and myself, and today of course he lies buried amongst so many Gibraltarians at North Front, where my colleague likes to say, often says, the bones of our fathers lie buried. And there they will always be, Mr Speaker, a real presence, manifest amongst the community of Gibraltar and an eloquent testimony, as I say, of how much Gibraltar owes the Christian Brothers

I would just like to end on one other note, Mr Speaker. I have first hand knowledge of the quality of the teaching profession in Gibraltar, and I have no doubt that the lay teachers in Gibraltar will be fully capable, even if the Government of whatever complexion did not come to their help, they would jolly well make sure that they took the Government along with them in order to meet their needs. I have no doubt that the lay teachers in Gibraltar have it in them to rise to the occasion and meet whatever challenge the future holds.

of filling the gap left by the Brothers

HON A W SERFATY:

Sir, perhaps I am the oldest member .....

MR SPEAKER:

May I interrupt? Are there many other Members who are going to contribute to this debate, because if they are we are going to recess. If you are just going to say something and there is going to be a reply, then I think we can do it. I don't want to curtail the rights of anyone to speak, I am only asking. Perhaps you can go on then.

HON A W SERFATY:

Sir, I think I am the oldest Member sitting either on these benches or the ones opposite who is a late pupil of the Christian Brothers, and I would only like to say this, that only a few weeks ago I parked my car in Line Wall Road, outside Line Wall College, and saw with great satisfaction my eldest grandson going up the steps of that school which I attended over half a century ago. This brought back memories to me of Mr Doyle, Mr Fitton, Mr O'Toole, Mr Murphy , men that I respected, to whom I owe so much, and I respected and loved so much.

MR SPEAKER:

I will call on the mover to reply now.

HON M XIBERRAS:

I think there is not only unanimity of intention but I think unanimity of thought in these matters. We all appreciate what the Brothers have done for Gibraltar and I am sure the Gibraltarian teaching profession will rise to meet this occasion, as it has been doing in the immediate past, or the more immediate past. I should just like to add one word, Mr Speaker, and that is that this is a rare distinction, if I may say so, that people should be praised in a motion in this way, with all Members contributing, and I think the House could not have done it in a better way.

Mr Speaker then put the question in the terms of the motion proposed by the Hon M Xiberras which was resolved in the affirmative.

The motion was accordingly carried unanimously.

HON J BOSSANO:

Mr Speaker, I beg to move that this House condemns the system of classification of certain types of documents in MOD and DOE as "LOCSEN" and "UK EYES ONLY" thereby restricting access to such documents by employees on the basis of "Nationality" thus casting a direct aspersion on the loyalty and integrity of the Gibraltarian staff.

This House further calls for immediate representations to be made to Her Majesty's Government for the complete abolition forthwith of this offensive practice.

Mr Speaker, I hope that I will be more fortunate with this motion than I have been with the others that I placed before the House. The subject matter of the motion may need explaining a little bit to some members and perhaps are only too painfully familiar to others. No doubt, Mr Speaker, other Members of the House may be even better informed than I am of precisely what is the system of discrimination that is perpetuated by MOD and DOE against Gibraltarian employees. I have, in fact, in the motion, Mr Speaker, not made any reference to public servants employed by the Gibraltar Government because I trust that if such a practice existed it would have been eliminated long ago by the Gibraltar Government. The incident which to my knowledge most recently occurred involving this sort of discrimination took place with the personal secretary of the Regional Director of PSA, Mrs Danino, who approached me to inform me of the situation and I, Mr Speaker, after getting the details from this lady, asked her whether she had any objection to my mentioning her case in the House as a typical example of the insidious way that this discriminatory practise is being implemented in Gibraltar and she raised no objection. I felt, Mr Speaker, that although her fellow workers had already taken action to defend her interest, and although I am sure the Trade Union Movement is quite capable of ensuring that this lady is not discriminated against in the future by taking whatever steps are necessary, I felt that this was an issue of political importance and an issue in which the elected representatives of the people of Gibraltar should in the first instance have a say in trying to put matters right. And no doubt if there is support for this Motion and the views of the House are put to the British Government and the British Government disregards the views of the House, then the workers will take whatever steps are necessary to protect their interests, The case in point, Mr Speaker, was one where this lady had been working as personal secretary for 12 years, and a total of 24 years in the civil service. She had been confirmed in her post for 10 years as Personal Assistant to the Regional Director and established since 1957. One would have thought that with that sort of background her integrity and the security risk involved in her position would have been considered by any reasonable person as minimal, certainly no greater I would have thought, than that of employing a person with UK eyes. To my knowledge, Mr Speaker, the numbers of individuals with UK eyes who have betrayed the Crown is grossly in excess of the Gibraltarians who have betrayed the Crown.

I have no knowledge of any Gibraltarian but I have heard of quite a few UK citizens who have, in fact, supported one nation or another nation that has been considered an enemy of the State. And the situation appears to be, Mr Speaker, that in Gibraltar, for certain purposes, British subjects who are in the employment of the Crown and who are considered by our Constitution as indistinguishable from other public servant - and I would remind the House of the recent amendment to the Public Service Commission Ordinance where the definition of a public servant was put in saying that there was no distinction between a public servant in the employment of the Crown in the MOD, DOE and the Gibraltar Government. For certain purposes one public servant is indistinguishable from another and yet it appears that for other purposes there is a distinction drawn and that that distinction is drawn precisely applying a criterion which is the degree of trust that can be placed on the employee, a criterion that is most offensive to people whose loyalty has been tested over time and has never been found wanting.

Mr Speaker, the practise that the MOD and DOE apply in Gibraltar is not unique to Gibraltar. I am told that in every overseas base that Her Majesty's Government has there are documents to which access is limited to UK recruited employees and where the native employees are excluded. It is perhaps unique that we believe the natives in this particular corner of the world believe, that we share the same nationality as the citizens who are manning the base in Gibraltar and this is why, Mr Speaker, in my motion I have put nationality in inverted commas, because there is a distinction drawn between the nationality of Gibraltarian civil servants and the nationality of British from UK civil servants or indeed from other parts of the Commonwealth. I think it is something between nationality and colour really that we have here, because to my knowledge, for example, the Civil Establishment Officer in the Dockyard who is Australian by birth has still got UK eyes, not Australian eyes. So it isn't really quite nationality. I am not quite sure what the criterion is but there is a clear distinction between the expatriate and the natives and it is a distinction which operates at the level of trust and that is what makes it objectionable. One could presume, Mr Speaker, that at least in theory however close the ties might be between the United States and Britain or between Germany and Britain, there could theoretically be issues where the loyalty of an American citizen working in a UK Government establishment in the United States, the loyalty of the United States citizen would be in the first instance to the United States rather than to his employer and to the UK Government. And no doubt in the American bases, for example, in Rota, they have a US eyes only system which excludes the eyes of Spanish nationals. But to assume that we have a loyalty to Gibraltar which is in some way distinguishable from our loyalty to UK and can be weighed against that loyalty, that the two loyalties can be separated and divided, is in fact to tell us that Britain has got a dual standard. That is what that is telling us, Mr Speaker, it is telling us that the UK eyes individual may not feel as strongly about issues affecting the welfare of Gibraltar as the Gibraltarians are, that is what it tells us, as well as telling us that they think that we may not be as concerned about UK as they are. But if the issues are locally sensitive and they do not offend the sensibility

of UK citizens it follows logically, Mr Speaker, and it is indisputable that it is because the person concerned is not really as attached to Gibraltar as a Gibraltarian is. And it is a sad thing if that is the case, but for the good of Gibraltar we must insist that if there are issues of that sort floating about in DOE and MOD, the sooner the Gibraltarian eyes get to see them the better for all of us, Mr Speaker. And if there is nothing that is bad for Gibraltar hidden in any of those drawers, then this offensive practise can be put to an end and another chapter in our colonial history closed, hopefully, never to be re-opened. I commend the motion to the House, Mr Speaker.

MR SPEAKER proposed the question in the terms of the Honourable J Bossano's motion.

HON CHIEF MINISTER:

Mr Speaker, I am glad the Honourable Mover has referred to the fact that the word nationality in the motion is in inverted commas because from a point of view of law the nationality of British subjects, citizens of the United Kingdom and colonies is universal insofar as the UnitedKingdom and the colonies are. So the reference to nationality in this way is strictly not legally correct, though I know he has explained what he means by it. And I would like to say straight away that I share the views that the words used in these classifications can give offence. In fact, it is interesting to know how anybody who hasn't got UK eyes knows that it says "UK Eyes Only" because if nobody had seen it nobody but UK eyes could say that it was for UK eyes, and there are very few UK eyes in this Chamber of the elected members particularly. I think it is fair to say that no one can deny that there is a need for classification of certain kinds of officials documents and these are of course in common use in the Gibraltar Government. I refer, eg, to such classifications as "MANAGEMENT ONLY". Nobody could take exception to this word because everybody accepts the basic principle that any organisation whether Government or otherwise must protect certain kinds of information not only from outsiders but also from members of its own staff who do not need to know it in order to perform their duties or who, indeed, cannot be allowed to know because it may affect them. For example, personal files and confidential reports and matters relating to wage negotiations and industrial relations, generally. I am sure that there are many documents prepared by trade union officials and staff associations for their own use that they would not want their employers to know their contents and they would try and keep them away from them. But none of these classifications, none of these procedures or requirements would cast any aspersions on the loyalty or integrity of anybody. And I really think that from the number of times I suppose that this has been broken, certainly in my case, I do not believe that the use of the terms referred in the motion necessarily reflect the intention to cast aspersions. But it is still offensive and I accept it. If there are documents to be classified I think less emotive terms would preferable and I am accordingly prepared to raise the matter with the relevant authority. I could not however agree entirely with the wording as distinct from the point of the motion but I do not want to enter into a controversy

about exact wording except to say we support the motion on making the representations but we must as distinct from the words referred to in the first part of the motion which we do not think necessarily in every case are meant to convey the interpretation which has been put by the mover. That is to say this is a classification made elsewhere applicable to Gibraltar and to other places and it does not necessarily mean that an aspersion is cast on the people but it requires to be removed. I would like to make this quite clear. And in so far as the particular case mentioned by the Honourable Member is concerned of course I cannot comment on that one way or the other because this is not known to us. But I entirely agree that these classifications are offensive and should be deleted.

HON MAJOR R J PELIZA:

Mr Speaker, it seems that this is the second motion on which the whole House will be united in trying in this case to change obviously a system which is offensive and perhaps one of the remaining ugly spots of colonialism. It was not my intention to speak after the Chief Ministers indicated that he was supporting the motion. But something he said has prompted me to stand up so that perhaps when representations are made it should be made quite clear that it is not just the change of the name of the file or the drawer that we are interested in much more important is the spirit behind it that will make all the difference particularly to the employees themselves who as we know are many in Gibraltar and who carry their sentiments out of the office, out of their place of work back to their families and back to the places where they meet and chat with their compatriots and leads to unnecessary ill feeling between two communities which obviously we have always aspired to be one in most of our aspirations. And I think it would be a great contribution on the part of the official department concerned and I would say even within the Government itself. I think my Honourable Friend Mr Bossano was very generous when he said that perhaps this was not happening in the Gibraltar Government. I understand that at least in one department of our Government - and perhaps there are Members in this House who know more about it than I do - there have been cases when files with "UK Eyes Only" have been seen floating about.

HON CHIEF MINISTER:

I have never seen one in my life during the time I have been in Government.

HON MAJOR R J PELIZA:

I am sure that if the Hon Chief Minister had seen one he would certainly have insisted on changing the name of the file at once. But as I say it is not the file it is the spirit. But I believe that there are other Members of this House who have seen the files floating about. And this I think is something that if it is still going on - I hope it isn't - but if it is still going on it should be stopped forthwith because at least I believe that within that

precept we have an absolute right to insist that this should not happen. On the question of security this should apply to anybdoy whatever the origin. And if the individual is doubtful then he should be vetted in the same manner as any other employee would. There should be no classification of Gibraltarian or UK based. Apart from anything else it is a great illusion because from the department in itself it is all make believe. For all they know they may have the greatest spy in their office simply because he is one of those authorised as "UK Eyes". To my knowledge I don't think that there has been a Gibraltarian spy, or perhaps one. But against that one I think we have shown in the past ever since the Gibraltarians settled here and I don't want to go into the history of how the Gibraltarians have defended Gibraltar and the rest of the British Empire and subsequently the Commonwealth in the over two centuries that we have had the luck to live under the British Flag. And I believe that my Honourable Friend has been very frank and I think also it is contributory to the better relations that are developing between the two communities in Gibraltar that the time should have come when it is possible to stand up here and speak in this manner without any sense of inferiority or without any fear of repercussions. But I wouldn't be surprised if there are people even today in those offices who a re afraid to launch a complaint about the "UK Eyes Only" because of the repercussions that could follow. So I think that there is something in what I am saying and I am making the point here because this is extremely important when we make representations that it is the spirit behind it, the attitude generally that the marking of those files reflect which I think was the point my Honourable Friend was trying to make, it is the attitude that they reflect that must be eliminated once and for all. And this I am sure would help not only in the industrial relations, generally, but in the general conviviality of the local and expatriate communities in Gibraltar.

HON I ABECASIS:

Sir, I would just like to say a few words in support of the motion. I used to work forthe Imperial Service in the War Department for 14 years and despite the fact that I had been vetted for all restricted documents and confidential documents and perhaps semi-secret documents, I felt the humiliation of reading from time to time these documents on which I could not lay my eyes on. And as a trade unionist and as the Secretary of the Command Whitley Council in those days, I used to make representations to the Command Secretariat against this discrimination but of course to no avail. They had all sorts of excuses why this was being done and we had to lump it. Therefore, I support the motion in the hope that this will be erased from those departments.

HON M D XIBERRAS:

Mr Speaker, I think it is the sign of the times that the House can agree and agree so passionately on the proposition that there should be no discrimination in this important area on the grounds of nationality. Honourable Members have contributed from time to time to various debates

on which the point has come forward and I would say, and the Chief Minister could bear me out on this, as can Honourable Members on this side of the House, that the result of any constitutional change to my mind should be a definite equality between the people of Gibraltar and people in Britain. I think the House must be aware that it is united also on the proposition they have a right to complain simply because we consider ourselves to be British. If we did not consider ourselves British then we would have no grounds to complain. And both the Honourable Mr Bossano and the Honourable and Gallant Major Peliza as well as Members opposite have this premise to what they had said. If, as the Honourable Mr Bossano has said, the situation here were comparable to the United States base of Rota in Spain then we would have no grounds of complaint. It is offensive to us after our long history of loyalty to have these words thrown at us possibly affecting some of the most loyal people whom Gibraltar has produced. People who are constantly working with information in United Kingdom departments which involve a high level of security. If there have to be tests then they should be the same tests for all. Security undoubtedly there must be especially given the nature of the employment in the two departments mentioned in the motion, but the test of security must be the same whether you are born in Australia - and I think that is a very good example - or in London, in England, or in Gibraltar. However, Mr Speaker, along with the Hon and Gallant Major Peliza I think that this is regrettably symptomatic of an attitude which I hope is dying and which I hope this motion will help to kill. I do not think that it is an isolated example. The Hon Mr Bossano used the word "system". I don't think he realised he was using the word or not, but he used the word "system". And I believe that this if not a system is certainly the remnants of a system. And it is a system which cannot go into the future which cannot endure if the wishes of the people of Gibraltar are to be given expression to. I would hope, therefore, that as a result of any constitutional change other practices which ubdoubtedly are objectionable, will also be eliminated. It is very easy to take the words away and leave the attitude behind. I do not intend to move an amendment to the motion but I think that what has been said certainly strengthens the feeling behind the motion, that it is not any particular individual example that we object to what we object to is the attitude exemplified by the use of these words. Mr Speaker I think it behoves us who are more or less accepted by the establishment - if I may say this - those of us who now represent the people of Gibraltar, to look back and not forget that when we talk of civil rights, when we talk of advancement, when we talk of constitutional equality, there are a lot of people in offices, in places of work, who do not feel that this equality is a reality. I think that Honourable Members should be concerned that whatever we do should be donducive to a spreading of a sense of equality at every level of Gibraltarian society and not just because we feel a sense of equality when we feel brave enough to be able to stand up in the House and defend these things and say these things and have no inhibitions about it, that there are people today who feel, perhaps the older generation, who feel that this might be a condition of life, especially among the older generation, the over sixties. And I hope that this feeling with the efforts of people like ourselves of trade unions and anybody in public life will vanish from the face of Gibraltar. Mr Speaker,

I do not know the case of Mrs Danino intimately but I am prepared to take the word of my Honourable Friend Mr Bossano on this, that if there has been such a discrimination I think Mrs Danino can go down as having laid yet another stone on the road in building up complete equality between the people of Gibraltar and the people of Britain. Mr Speaker, I leave it to the mover as to whether he would wish to incorporate anything else in the motion. I think the feelings expressed have been strong enough. But let me end on one note, the fact that we stand up here and voice quite openly and quite passionately our sentiments on this matter does not mean and should notbe interpreted as meaning that we are in any way anti-British. It is easy to twist words, it is easy to give the wrong impression. Anyone who has lived amongst us for any length of time, who has known the strain on the people of Gibraltar over the last 11 years, who knows a little bit about our history, could not accuse us of standing up and knocking Britain. This is not the purpose of this motion. Equally, if we are to remain British, and I am sure that we shall, it must be on the basis of equality because I feel that any relationship which is based on inequality is bound to deteriorate.

HON L DEVINCENZI:

Mr Speaker I would just like to say a few words because I do feel strongly on anything which spells of colonialism. We have had some rather good speaches from both sides of the House but I would like to record my feelings briefly for posterity. First of all may I say, Mr Speaker, that I am surprised that it has taken so long so very long I may say for a matter of this importance to have been brought before the House. I myself have not been connected with the Services in any way but as I understand from the Honourable Mr Abecasis, he has, and obviously the Honourable and Learned the Chief Minister has been concerned for a very very long time with the rights of the Gibraltarians and obviously he must have been all along, as he admits of course, fully aware of these circumstances. And although I can perhaps understand why this was not brought up perhaps 15 or 20 years ago, I am rather surprised that certainly in the last few years where considerable progress has been made towards decolonialisation that this has not been done. I would also like to say, Mr Speaker, that it was certainly most tactless on the part of the individual concerned that a person who has been in their employment for so very long that if they did need somebody which they would classify as "UK Eyes Only" that they should have actually told Mrs Danino after she had been serving loyally for so long that she was not good enough for this. I think this is what I would call empire breakers and this perhaps has brought down even quicker - and I am glad in a way - the old colonial empire. People perhaps who are sent abroad and they just did not know what to do except the wrong thing. Mr Speaker, as you must be quite aware, I fully support the motion and I am sure that even if there is somebody on this side or the Government side who might not contribute openly towards this motion, I am sure that the whole House - there could be an exception but I doubt it - fully welcomes the motion. And I hope that perhaps this is the beginning of the end of colonialism.

HON LT COL J L HOARE:

Mr Speaker, perhaps I stand in a unique position here because I am a Gibraltarian and I am recorded in all my service documents as British/Gibraltarian, and I have had access to a great number of papers marked "UK Eyes Only". And whilst I support the sentiments and perhaps I will support the motion itself, I think there is slight misunderstanding of the terms because "UK Eyes Only" will also include Irish people. I support the sentiment that there should be no discrimination at all providing the people concerned have undergone the same kind of vetting; that I accept. But I do want to remove this misunderstanding that it is only UK eyes because I repeat I have not UK eyes but Gibraltarian eyes and I have had access to all of these documents. And I have never been thought to be disloyal otherwise I would have not had the positions where I have been instrumental in vetting people selected for very sensitive posts, in Europe, behind the Iron Curtain I may say, and because my eyes have not been UK eyes I have not been denied access.

HON L DEVINCENZI:

OK eyes!

HON LT COL JL HOARE:

OK eyes. Well, I remember somebody saying: "I am OK with UK". Thank you, Mr Speaker.

HON J BOSSANO:

Mr Speaker, may I just say as regards the question of Irish eyes. that I can only assume that the Irish eyes in question are those of the Republic of Ireland in the South and not Northern Ireland, otherwise I am sure when the UK citizens from Northern Ireland hear about this there will be a motion in Stormont whenever Stormont is reconvened. But to return to the motion, may I say that it makes me very happy, as I expected in fact, to see that this motion and the sentiments that I have expressed and the offence that I have taken is something that is shared by other Members of the House and I am sure that since this is indeed the case we shall get when the Honourable the Chief Minister makes the representations in UK, he shall be listened to attentively and hopefully this matter will then be closed. I should just like to say that as regards the question of changing the classification in order to avoid any possible misunderstanding about what I think, as the person who has put the motion, is required, is that the classification at the moment is a vertical classification with natives on one side and those who are alright on the other side. I would accept of course as being perfectly compatible with the absence of discrimination, a horizontal classification which required that people should be in a particular post or above a particular grade in the Public Service before they were allowed access to certain types of documents, regardless of the origin of the occupant of the post. In fact, the absurd situation in Gibraltar from a security

point of view is one where this system I would have thought in any case operates against UK interests on security grounds because if there is anybody that the British Government can know anything about from the time they were born to the time they go to their grave it is the Gibraltarians because the place is so small that I am sure those they wish to know the movements of they know them to the last detail. I don't know whether it is true or not, Mr Speaker, but I am told that the CID has got a roomful of documents on me. So it isn't that I hope to have access to these documents even if they take away the UK eyes. I think, Mr Speaker, in addition, the system is absurd as well in the other direction in that I understand that on the basis of UK eyes access to documents is allowed to individuals who are employed in MOD and DOE and who just happen to arrive in Gibraltar and nobody knows where they come from. They just arrive here and they settle here and because they are born in UK they are allowed access to these documents and, in fact, very little is known about their background. In addition, there are UK born individuals married locally where presumably the security risk is as great as it would be if they were locals since their loyalty must to a certain extent at least be expected to be divided if it is presumed that there is a division of loyalties. So I think we are not in any way endangering the security that may be required in MOD and DOE by insisting that this system should be changed. In fact what we are asking is for something that is outmoded and that has outlived whatever usefulness it may have ever had, if it every did have any usefulness, that that should be removed from because it gives offence and if it gives offence and it doesn't serve any useful purpose then it can only be harmful. Thank you, Mr Speaker.

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

The Hon I Abecasis
The Hon J Bossano
The Hon A J Canepa
The Hon L Devincenzi
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon Lt Col J L Hoare
The Hon P J Isola
The Hon M M Isola
The Hon A P Montegriffo
The Hon Major R J Peliza
The Hon A W Serfaty
The Hon M D Xiberras
The Hon H J Zammitt
The Hon A Collings

The following Honourable Member abstained:-

The Hon J K Havers

The following Honourable Member was absent:-

The Hon J Caruana

The Motion was accordingly carried.

MR SPEAKER:

I will now call on Mr Isola to move the motion on the Order Paper standing in his name.

THE HON P J ISOLA:

I have the honour to move the motion standing in my name, which reads:-

> "That this House is greatly concerned by the damaging delay in the implementation of this Government's Development Programme, especially as it affects the building of the Girls Comprehensive School and the provision of new Housing; it further calls on the Government to give firm and credible dates for the start and completion of each of the projects involved and calls for an increased effort on the part of all concerned to expedite the works in the remaining period of office of the present Government."

Sir, in introducing my motion, may I express the hope, after two unanimous verdicts on the part of the House, that we will be able to be unanimous on this one as well.

I am sure that in the present generous mood of Honourable Members Opposite, after hearing the arguments in favour of the motion, they will find no difficulty in agreeing to it.

Sir, we are now almost in the eighth month of the financial year: in four months' time we are due for the next budget. I think it is interesting to pause for one minute and to see what the Government said and told us they would do during the year under review back in April, 1975, when, if I remember rightly, they were fresh from a visit to England and fresh from what they described as generous financial aid from the British Government to implement the development programme. At a time when they instituted a small high-powered Committee - they did not tell us very much about it - whose job it was to implement this Development Programme quickly.

Mr Speaker, in moving this motion, I would like to ask the Government a number of questions relating to their Development Programme, and relating to the things they said they would do during the current year, and asking them what progress has been made in these matters. If one looks at page 81 of the Improvement and Development Fund in the Estimates of Expenditure, one can go over the headings and ask the questions. And no doubt the Chairman of this high-powered committee will be able to tell us straight away the progress that has been made.

Mr Speaker, the Viaduct Reclamation: well, we know that is going on. We do not know whether it is up to schedule, but no doubt we shall be told. But that is not part of the new programme, but is part of the old one. Catalan Bay Village - well, that is almost completed., But now I come to a new item which is financed from Development Aid Funds which has to be spent over a period of time.

The Estimate of the Government's programme was £650,000 and the Government said they would have spent £100,000 in the year 1975/76. How is that going, I would ask? We on this side of the House would know little of that and we would have to rely on information from the Government. On a number of matters, of course, we know nothing has been going on because it is just not visible.

The next one - the Government had a programme of £1,250,000 for the modernisation of houses, and they said that they would spend £200,000 during 1975/76. We are now almost in December: has anything been done there, and if so how far is that vote going to be spent?

And then, Sir, we go to new housing. The Government had an estimate of nearly £1½m for new housing and they said that they were going to spend £350,000 on this during 1975/76. Again we are almost in December, 1975, three months away from the Budget and what has happened here? We certainly have not seen any building of new housing going on. No doubt my Honourable Friend will be able to tell us.

Then we go to the restoration of Penney House, which we understand is due to begin shortly. £100,000 were put down for that: how far have we got there. And so, Mr Speaker, the story continues to the next page of the Improvement and Development Fund, and we see an item of a Girls' Comprehensive School which the Government informed us they would build at an estimated cost of £1½m. They told us that during 1975/76 this school would be launched and they estimated that they would spend £375,000 on the school. Well, mathematically speaking, I suppose they should now have spent something like £200,000. But if they had done that, Sir, we would be very concerned on this side of the House, because I certainly have not seen even bricks on the site. But that of course is obviously a matter for concern.

Then there is a school for handicapped children. There we have seen some progress, but certainly we would like to be reassured that the £93,000 estimated for the current year will have been spent.

Then hospital renovation: £70,000. Perhaps we can be enlightened on that.

This is still not a 1, Mr Speaker. The Government also had a programme for a Cargo Handling Shed which seems to be going up. Apparently, according to the Government, that should be finished within the year under review. Perhaps we could be re-assured on that point.

And then, Mr Speaker, a sum of £175,000 which the Government said they would spend in 1975/76 in the resiting of the Public Works Department's Workshop. Well, that I do not think is likely to be done. And we wonder on this side of the House that if the Government had decided on its new sites when it was first raised here by Honourable Members on this side of the House, and not waited until popular pressure mounted up in newspaper and radio, the Unions and so forth, and we accept and concede are more effective than the views of this side of the House, sad but this is factually and possibly correct. But if my Honourable Friend, the Chairman of this high-powered Committee had listened to this side of the House many many months ago when we suggested precisely the site which the Government at that time discarded as unsuitable and now by some magic wave of a word we find to be suitable, if they had decided on that site then, perhaps some of this money would have been spent by now, and we would have seen progress on this.

And then the other item - Quarry, £150,000 was going to be spent in the year under review. I do not know whether anything has been spent.

Mr Speaker, on the items that I have mentioned, the Government said they would spend during the year under review a figure of well over £1m. I think it is nearly £1½m. Now, Mr Speaker, if by the end of this financial year only ⅓rd will have been spent, the House will then have a measure of the delay there has been in the implementation of the Development Programme as forecast by the Government in April of this year. And this must surely be a matter of concern for both sides of the House. There may be good reasons for delay, there may be compelling reasons for the delay, but whatever the position may be, I am sure that Honourable Members on both sides of the House must feel concerned at the way the Development Programme for Gibraltar is dragging, and dragging badly. And I think it is both in the interest of the Government and of the Opposition, and indeed in the interest of the credibility of good government that Ministers responsible should give us explanations for this delay in the implementation of the Development Programme as forecast by the Government, and give us firm dates to which they can keep, so that we may all know what the position is.

HON P J ISOLA:

Because this is very much vital to the interests of the community of Gibraltar. There must be certainty, Mr Speaker, on the starting dates and finishing dates of places like the Girls' Comprehensive School. I am sure that the Minister for Education must know what the plan is. He must know how he is going to fit in the moving in of the various parts of the Girls's Comprehensive School into one school. I would have thought it was vital for him to know a date of completion so that he can plan, so that furniture can be ordered. So that equipment can be ordered. And I think it is only fair to parents of school children, and everybody interested in education, that they should know and have credible dates of starting and completion.

And then on the question of new housing, Mr Speaker, as pressure builds up on the Minister for Housing, as inevitably it will as people see the last units in the Varyl Begg Estate going up and they see that they may or may not get them, the pressures will build up on the Minister. If people think that that is the last big project the Government has and there is nothing there to follow it within a year or within two years or within three years, that is why we think that a firm statement should be given by the responsible Minister of a starting and completion date for new housing. And that is why we have singled out the Girls' School and Housing as matters that are obviously of the widest concern to the public of Gibraltar and to everybody concerned with the normal life of Gibraltar.

But there are other matters in this Development Programme, Mr Speaker, which are no less important really to the well being of the people of Gibraltar. The resiting of the Public Works Department stores, the Cargo Handling Shed, the modernisation of housing, the restoration of Penney House. All these things for which British Government funds have been allocated and which have to be spent within a given period of time affect the lives of the people of Gibraltar, and it is vitally important, Mr Speaker, that if money has been granted by the British Government for a particular period of time, it is vital that it should be spent during that time. Firstly, because it will at least show that we have carried out the Development Programme that we said we would; and secondly, we will not lose funds that would otherwise have been available if they had been spent during the period under review.

The development of Gibraltar is the only factor from which we can hope to become a viable and independent community in the present time and, therefore, if there is any delay in the implementation of the Development Programme, inevitably that affects the economy, inevitably that affects the standard of living, inevitably it will affect the morale of the people of Gibraltar and, therefore, I am sure Honourable Members will agree that we must be concerned if there is delay in implementation. And I hope that Honourable Members opposite will be able to share this concern with us and will be able to ensure that we are given credible dates for commencement and completion of items in this Development Programme which do not appear to have started yet, although we are already almost in the eighth month of the financial year, I commend the motion to the House.

Mr Speaker then proposed the question.

HON A W SERFATY:

Mr Speaker, this is a complicated matter and I will try to answer all the points that the Honourable and Learned Member has made as sincerely and as truthfully as I can.

To begin with I would like to say that I don't share his view that we are greatly concerned by the "damaging" delay, and I will go item by item through all the items and inform the House how we stand at present. Where there has been a delay, if we can really call it a delay, has been in starting of work of the Girls' Comprehensive School. This is a commitment that the British Government has to finance it to completion. We have estimated it will cost a certain sum of money and it is going to cost much more. This is one of the items where we have an assurance that the ODM will bear the total cost of the work.

Now, may I begin with housing. I believe the Honourable Member first mentioned repairs. This work of course is all under the eye and supervision of the Public Works Department, and I have been discussing this matter with the Director of Public Works, and of course, my colleague the Minister, and I can say that on repairs, by the end of this financial year, quite apart from the cost of material that we have been importing for future repairs, we will have carried out £80,000 worth of work out of the £100,000. If it to that we add about £20,000 that the Director hopes to import before the date, we shall have by then spent £100,000, even though we may only have carried out £80,000 worth of work. So there we are not unduly worried.

On the question of new housing, for which £1,450,000 worth of work was included in the three year programme, we are building. The Honourable Member said he doesn't see anything going up. Well, he should use his eyes better and see No 18 block at Varyl Begg going up and was topped-up yesterday. So by the end of this financial year we shall have spent virtually every single penny we have for new housing in this year.

We are finalising drawings for the construction of 38 flats at Rosia Dale, the cost of which is estimated to be at this moment in time, £730,000, and we propose to start this work mid-1976, June/July, 1976. I was surprised at the cost, of course and an Honourable Member said this morning that a flat had cost about £9,000. They are now costing something like £19,000.

HON MAJOR RJ PELIZA:

Could the Honourable Member say just how big they are please?

HON A W SERFATY:

Well, they are on the large side because we find that what we need to build now - I haven't got details of the drawings though perhaps I could find them - but we find that we require more three, four and five room flats, and this is the kind of size of flat that we are providing at Rosia Dale. This work will start about June 1976 and with some luck should be ready by April, 1978. That leaves, as far as new housing is concerned, about 22 flats on the Gasworks Site, which will cost rather less - about £380,000. Works on that is due to start, everything going well with the geological survey that has been carried out and on which we are expecting a report, although I am confident that we can build on the Gasworks Site, we are due to start in October, 1976 and complete it in December, 1977. Now, that is regards new housing.

Modernisation, for which there is £1¼m. We started work on modernisation in June this year and this will be a continuing programme until March, 1978. Some of this modernisation includes houses in South Pavilion, flats at No 38 Flat Bastion Road, wash houses being converted into flats, Rosia School, Police Club, even at St Bernard's Hospital, Arengo's Palace, and we may be able to build for this money and in this time about 200 flats. About 200 modernised flats will become available between now and 1978. Now, I think I've mentioned the three facets of Housing. They cost, £1¼m.

HON P J ISOLA:

Of that £1¼m. How much have you spent up to now?

HON A W SERFATY:

Up to March, if you will allow me because it is much easier to calculate because contracts are now proceeding, up to March 1976 we shall have spent £130,000 on modernisation and once again I would like to bring to the notice of the public in this House that the progress of modernisation will depend to a great extent on the cooperation we get from the public on the question of decanting, particularly at the beginning. As the House will understand decanting is extremely important. As we modernise houses we shall be able to play about and put people in the modernised houses. But to get this scheme off the ground it has been necessary to decant people to other houses and this has not been easy.

Let me now come to the Girls' Comprehensive School. I have discussed this matter fully with the Director of Public Works. As the House probably knows at the beginning of the year a firm of architects who are experts on the construction of comprehensive schools and who had been recommended by their own institution was appointed. The ODM came into it too and we finally selected this which is the same firm responsible for designing the John Mackintosh Hall. In fact next Monday Mr East-Wickfield and his team will be here to discuss with me all the relevant matters of the site, the Rowing Club at the tip etc etc. This will begin to be brought to a head next week and soon the Government will have to make up its mind about the site really available for the Comprehensive School and whether the MRC, as I hope, can go at the tip of Montagu Basin. This will all depend on the advice that the architects are now bringing from London toGibraltar.

I would advise the House not to be unduly worried about the Public Works Garage and Workshop, because whatever happens - I am sticking my neck out a little but I think I am right in saying, that whatever happens to the garage, which will now be built, as I said the other day in answer to a question, adjacent the new incinerator, the work on the Girls' Comprehensive School will commence in October, 1976, and the completion date is October, 1978. It takes a long time to design and put out a job like this

to tender. It took over two years to put Varyl Begg out for design and then to tender. In fact two years and three months. It took two years to get the job off the ground at Glacis, from the word go. And in this connection I would like to refer to some words of the Honourable Members about the siting of the Public Works Garage and Workshop. I said so the other day, the outcry may have helped, but the Ministry of Defence had another good look, after long discussions in the Development Planning Commission, and presumably after reading all the letters in the press, and in fairness to them, because of new requirements - you know what happens with Ministry of Defence requirements, they keep on changing they were able to cede to us this bit of land within the sacrosanct X/Y line, so important, we are told, to communications - and this is one of the main missions of Gibraltar I understand, of the X/Y line of 50 feet by 290. And that will enable us to build the Garage next to the new incinerator. So I hope that settles the question of the Girls' Comprehensive School; completion date October 1978.

The School for Handicapped Children, which will be costing about £140,000, I am told by experts that in this financial year we shall spend about £100,000.

The Cargo Handling Shed £65,000 and it should be finished by then.

On the resiting of the Public Works Workshop and Garage, we should have spent this year about £130,000. The frame for the building, whatever the site, was ordered some time ago and is expected soon, so we shall have spent £130,000. I must say that the cost of this Garage and Workshop will be more than the expected cost of £175,000 it will be 40% more roughly. The reclamation between jetties, which is closely linked with the Talus, Quarry, because it is proposed and I hope we can get this into the contract of the successful contractor, the contractor doing the work of reclamation between the two jetties will start operating the Talus, because the work of filling in between those two jetties, quite apart from the fact that we have to really only available at the Talus, unless we have to import it at what we think is a higher cost.

In the hospital we shall have spent at least the £70,000 earmarked for this year. We may be spending more in fact.

Penney House: tenders were received on the 12th November so we shall start work early in 1976. And may I add, though this has not been included in the programme, that we are planning an extension of the airport building. We will be in trouble if we do not extend that building for about three hundred arrivals and departures if the Tri-Star is put on this route.

So I think I have covered the whole range, and things being as they have been explained by me I don't think that it is true to say that there has been a damaging delay.

HON MAJOR RJ PELIZA:

Mr Speaker, it is extremely difficult to attack the Minister for Tourism and Economic Development, he being such a likeable fellow. But I am afraid that since he is handling considerable sums of money, which it seems from the figures he has read is not being used to maximum advantage, no where near maximum advantage, I have no option but to stand up and press him to get on with the job, and get on with the job sensibly. It is perhaps because he does not realise that the delay of his department, or some other department in his Government, for which obviously the Chief Minister is ultimately responsible, is damaging. It seems that he is now necessary for somebody else to stand up and explain to him why this is damaging.

Let me start by saying that it is not only damaging, it is also very costly. Costly to Gibraltar and costly to the United Kingdom Government as well. To the local taxpayer, to the United Kingdom taxpayer, and above all damaging to our economy. I am sure that he is intelligent enough not to require me to go into greater detail. The effect on our economy I know he must know. The damaging effect on Gibraltar generally I am sure he knows. He knows perfectly well that every month that goes by, every single month, the cost of material is going up, the cost of labour is going up. Little wonder that houses which are now costing nearly £20,000, as he says by the time they are completed, will not cost much more. And the longer the delay the more they will cost. And what is terrible is that when the future Government has to go there, their arguments to try and get money for Gibraltar is going to be all that more difficult. I am sure that the delegation that went over this year must have come across the difficulty of getting the money, for one reason above all. The very good reason they always use when you go there. Have you got the capacity to build? This is the important one. And I am afraid that unfortunately you are giving the impression, the wrong impression, that Gibraltar hasn't got the capacity. So the damage that you are causing, that the Minister is causing through his dilly dallying in some cases and perhaps lack of foresight, not enough forcefulness to get things done, perhaps that is what is causing all the delay, and is causing all the damage. That he cannot see that he is obviously there not just for this generation, not just for the present economic development plan, but for future ones as well. So I think that damage is being done. I think my Honourable Friend Mr Isola quite rightly used the word "damaging" effect. And I am very very surprised that the Minister is not conscious of this, and all I can attribute for the delay is that he is not conscious of this, and he has proved it by saying it here today.

I am not just talking for the sake of talking, or attacking the Minister for the sake of doing so. Nothing I would have welcomed more, because he is personally likeable, than to have been able to stand up here today and say: well, done. You have come out with flying colours in your attempt to get the plan going. Unfortunately, this is not the case. I am convinced that the Minister was much more effective on this side of the House, when he used to stand up and get at me at every single meeting. And honestly I was very grateful to him for he kept me on my toes, just by saying: what is happening, why haven't

we got more hotels going up; why have we not got the Marina going; all those things that now as I look around I cannot see but which he was insisting on when he was on this side of the House. And perhaps if he had kept on this side of the House by now those jobs would have been done.

It is necessary I think to look at other points, not just the financial side. The Girls Comprehensive School. The delay in this is extremely damaging. I am sure the Minister knows that one of the greatest investments in any community is education, and the structure of the building in which education takes place is possibly just as important and sometimes even more important than the teachers themselves. He must therefore realise that this is damaging; damaging for those children who unfortunately will not be able to get the best of the education that could be available if the Minister had been more active and more effective and more efficient. And so as we go along we look at one and another project for which obviously, with his capacity to dream, he thought he could complete in the time given. I once told him from the other side of this House that he was a dreamer, and he is proving it conclusively otherwise he would not have put those amounts of money in the Estimates for this year if he knew perfectly well that it could not be done. Right through the list it is one excuse after another, of why this thing has not been done. Surely one excuse is acceptable, two excuses are acceptable, but not a long list of excuses. Something must have been wrong in the estimation, in his estimation, as to his capacity to get things done. And obviously he has come out I am afraid with no flying colours at all, I will not say more than that.

When we look at projects like Penney House, which goes back quite a few months if not 27 months, I would have thought by now something definite would have been done on that at least. I do not suppose there was any planning to be done with experts to come out again and again. I think we have had plenty of that from my Honourable Friend the Gallant Colonel Hoare. We have had plenty of that, of experts coming and going and reports that have been submitted to this House. I would have thought that it was ample time now to have got started on that and rehabilitate that building, and if possible put the tenants who are willing to go back there. But no, no sign of that yet. All we get is modernisation. I do not know what he means by 200 units. Are they new units or are they sort of reconstructed ones, modernised units, I take it. But even there we have no estimates of cost up to date. To make the picture look

better they are projected up to March. A clever way of putting it to avoid another excuse, but you cannot pull the wool over my eyes, I am afraid. Perhaps I have had to do something like that now and again, so we all know the tricks, but not so many at a time, please! Although we take this as a laughing matter it is really a serious matter, it is to do with millions of pounds, and, therefore, we must take it seriously. It is people's money, it is people's future, and I can only say that the Minister must shake himself up now, because I do not know how much longer this Government has got to go, but I would say that unless he can produce something more impressive by the time he has got to face the electorate again, his image will not shine all that much.

Now, coming to new houses. I think it is appropriate to criticise the Minister on contemplating the building of flats of 3 or 4 rooms at a cost of nearly £20,000 each. This is a huge sum of money, is it not.

HON A W SERFATY

You can say that again.

HON MAJOR R J PELIZA

Yes, I can say that again: but it is not for me to say that again, you should know it already.

HON A W SERFATY

You are telling me.

HON MAJOR R J PELIZA

Of course you are telling me, and I am very surprised. I am about to collapse: £20,000. Is it because the wrong site was chosen, is it because a lot of money is going on retaining walls, is that the cost for it. I do not know, but to me £20,000, no matter how high the cost of building may be, is frightening. Frightening because I am afraid that lots of people will have to go without houses if there is not enough imagination in the Minister's head to produce

units which are cheaper and, therefore, more units can be built with the same amount of money. And there is no escaping from that, no escaping from that at all. Alright, modernisation, but move on modernisation and prove that that is the answer. Do not say we cannot move because we are not getting enough co-operation from the public. If the Government is not getting enough co-operation from the public it is because their public relations must be pretty awful. Because what they are allowing for decanting, or whatever it is, is not attractive to the tenants, because what they are being promised when they get back is not good enough. Of course there is no co-operation from the public, if that is the way the Government is going about it. Therefore, I think my Honourable Friend, Mr Peter Isola has done very well in bringing this matter to the notice of this House, and through this House to the public, so that the Government is urged into movement in getting this development plan going, which at the moment I am afraid to say that the way they are going is damaging and costly to the people of Gibraltar and the people of Britain.

HON LT COL J L HOARE

Mr Speaker, I am rather surprised at the excitement and the tone of the last speaker, especially since when he is here he cannot even have the time to go round all the buildings to see what we are doing. Anybody would think that there was no such thing as slippage during the term of office of his Government. May I just mention the Boys' Comprehensive School; may I just mention the Glacis Estate; there was slippage there and these happen all over the place. And may I add that even today the services to Gardiner's Road are not available because nobody planned what was going to happen before they sold the sites. Now this sort of thing does not happen now. There is planning ahead, and ~~once we~~ whilst we are getting on with the job this year, we are planning ahead for next year and the following year to make sure that there is not another Gardiner's Road. We are now planning and putting in the mains for the Rosia Dale and the Gasworks Site, not after they are built. And if anybody knows about delays in building, I think there must be more than one gentleman on the other side that knows what happens in setting dates. There are a thousand and one things that come in and stop you. So to give credible dates is fine in theory but in practice impossible, because one can never know from one day to the next what the labour situation is going to be like, who is going away, who is coming back. You cannot even rely on the weather which is a very important factor in construction.

The output during rainy weather is not half the output during the summer. During the winter you cannot build at the same rate. And he may pooh pooh the idea of modernisation, but even in Great Britain they have come to that way of thinking now, that you do not build new houses, you make use of your old ones, and each one of those produces a much more modern unit to which the people of Gibraltar are entitled. For too long have they been in houses without running water, sharing lavatories, no bath-room, and this is the sort of thing that is going on in this modernisation programme.

I was also surprised to hear the Honourable Mr Peter Isola trying to work out that because we have only spent so much up to now this is going to be the rate for the future. Building is not a mathematical exercise of constant progression. Building starts terribly slowly, terribly terribly slowly, it accelerates in the middle and then it drops off again. So because we have not spent in eight months two thirds of what weare going to do for the year, it does not mean to say that we are not going to spend the full amount during that year. And one other point I would like to make on that is that it is normal to pay on completion of the work and not as works go along, so that your expenditure at the end does leap in comparison to what you spend during the rest of the year. And since he has been in Government too he will have noticed that in the last month of March everybody wants to be paid and in fact we are asking them to send in their bills before the end of March, so that they can get paid within that financial year. This is normal practice.

Now, the saga of the Girls' Comprehensive School is one which has been difficult, but not entirely of our own making. It is now possible to put the Public Works Department Garage on the site next to the Destructor because, as my Honourable Colleague has said, the Ministry of Defence have been pursuaded, and I agree that has been the pressure of public opinion, to let us have an area of 60 feet by 290 feet, which is a considerable slice of land. Before that it has been sacrosanct, the X/Y line one could not look at it, we were shoved off it. Here we have been able to convince them, and by we I mean the whole people of Gibraltar, that they had to give this up, and they have given it up. But do not let us forget at the same time that in preparation we have knocked down that terrible old, old destructor, and that costs a bit of money as well.

I am surprised that when we talk about development as such we have restricted ourselves to housing. There is a lot of

other development going on. There is the rationalisation of the waterworks, on which we depend for water, and the amounts are included in this programme. There are hundreds of projects. ~~hundreds~~. There is electricity constantly being improved; there is the telephones constantly being improved, we have already got an order out for another 3,000 lines, an extension to the exchange. And this is planning ahead not just what happens today. In repairs, this year, we have concentrated on roofs, and there have been some very major jobs of re-roofing done in Gibraltar. This is why perhaps we have not got a demonstration outside yelling their heads about leaking roofs all over the place. There will always be leaky roofs now and again, because of the contraction during the summer months, but let me just give you just a few of the roofs that have been done this year. 23 Flat Bastion Road; Schomberg; 2 McPhail's Passage; Town Range, 29 Lime Kiln Road; 6 Tarik Road; 14/20 Lower Castle Road; 60 Flat Bastion Road; 29 Castle Ramp; 3 Williss Passage; 17 Wilson's Ramp; 22 Flat Bastion Road; 7 Paradise Ramp; and there is a list like that all over the place.

One of the things that I do agree with is that this thing called for increased efforts on the part of all concerned in this motion. Increased effort on the part of all concerned. I am aware that we could do a lot more than we do if things went smoothly and everybody cooperated. This is a difficulty which not only this Government has had but other Governments have, and the future Governments will have as well.

My colleague just mentioned very briefly the question of filling in the jetties between No.1 and No.2, but there are other projects being surveyed and assessed and costed. The recovery of sand from the catchments as well as from the Talus , so that there is a rock trap there. In addition to recovering the sand there is a rock trap so that the people of Catalan Bay and Both Worlds, in that area, can sleep safely. The idea being to cut in so that rock falling down are rolled back into the rock and not over the side.

In addition to the development programme, Mr Speaker, there is an ever increasing stock of Government housing to look after. The labour force is not as plentiful as we would like it to be, particularly in the skilled artisans, and this is an inhibiting factor. There is a lack of skilled masons and our efforts to get masons, carpenters and plumbers, and our attempts to get them from outside have not always proved successful.

We are now looking into the water and electricity requirements up to the year 2000, not just up to tomorrow or the next day. We are searching for further water by deep bores. In Gibraltar, strangely enough, even during the war years, bores did not go down beyond 50 feet. We are now hoping to get down to 500 feet. We are also looking at different water capacity at Haye's Level, and Fordhams. I could go on, Mr Speaker, but these are all details.

The answer to this motion is that we are getting on with the programme, but the fact that the spending is not constant should come as no surprise to anybody. That there is slippage should come as no surprise to anybody either. This will always happen, and, therefore, Mr Speaker, whilst I welcome this motion, let me say that we are doing our best, we are trying to get everyone to help, and it is not for lack of will, it is because of circumstances that we cannot always control.

MR SPEAKER

Will there be any other contributors? You intend to speak Mr Bossano, and you intend to speak Mr Xiberras, and I think we had better now recess until tomorrow at 10.45 p.m.

HON J BOSSANO

Mr Speaker, I do not intend to go on for very long.

MR SPEAKER

No, but we have had a long day and we do have to come back tomorrow on account of the amendment to the Income Tax Bill.

HON M D XIBERRAS

Mr Speaker, just before we adjourn for the day I would like to say a few words about a Member of Parliament who died recently in the United Kingdom, Sir William Teeling, for whom a memorial service was held today at Westminster. This is my reason for saying a few words of appreciation today. Sir William Teeling was a Conservative MP and connected with Gibraltar. He asked many questions about Gibraltar

and for Honourable Members on this side of the House he is obviously of special significance. He it was at some time who supported the attempt to launch a Petition which our Party favoured and whether one was in agreement or not with our petition for the Home Office it must be recongised that such a man had the interest of Gibraltar sufficiently at heart to take up this matter. Sir William served for a time in the Western Mediterranean Committee of the Conservative Party - he had a particular interest in defence - and at all times he kept up an interest in Gibraltar. There are, as far as I know, not many relatives of his alive today, and I have not been able to write expressing our condolences but I think it is fitting that we should record in this House our appreciation of the work that he did for Gibraltar.

HON CHIEF MINISTER

Mr Speaker, I gladly associate myself with the words of the Leader of the Opposition. I knew Sir William quite well, I met him several times. I did not entirely agree with his politics but he was a good friend of Gibraltar.

MR SPEAKER

I would like to join on behalf of the whole House with the words that have been said.

We will now recess until tomorrow at 10.45 a.m.

The House recessed at 7.45 p.m.

FRIDAY THE 28TH NOVEMBER 1975.

The House resumed at 10.55 a.m.

MR SPEAKER

We are at the motion moved by the Honourable Mr Peter Isola, and when we recessed last evening I felt that Mr Bossano was hoping to catch my eye, so I call on Mr Bossano now to contribute to the debate.

HON J BOSSANO

Mr Speaker, the motion before the House makes reference to the delay in the implementation of the Government Development Programme and describes this delay as damaging. The Honourable Member, the Minister for Tourism Trade and Economic Development apparently does not quarrel with the fact that there has been delay, but he questions the appropriateness of describing it as damaging. And I think the points made by the Honourable and Gallant Major Peliza about the inavitability of the damage done to any delay to the Development Programme are very valid and need amplifying in order that there is no doubt at all that this is the case. And nothing that the Minister for Public Works has said can have dissuaded the House from this view.

His statements yesterday were totally irrelevant to the problem that is facing Gibraltar in the delay in this Development Programme, and I am not at all sure whether in fact the Minister for Public Works is aware of all the ramifications that go with the delay in the programme. The Honourable and Gallant Member suggested that shortage of workers was a problem. Well, the member may wish to know that only this week Messrs Taylor Woodrow are laying off 20 workers from the Varyl Begg Estate because of lack of work.

HON LT COL J L HOARE

May I, if you will give way. May I be told what effect the laying off of 20 workers this week has had on the Development Programme so far?

HON J BOSSANO

Mr Speaker, I am saying that only this week they are laying off 20 workers because I wish the Honourable Member to tell me, since there is apparently in his view a shortage of workers, where he expects these individuals to find work. We have been told by the Honourable Minister for Labour and Social Services that there were 45 people registered as unemployed, and there is apparently now a 50% increase in this in just this week. In addition to that, the Honourable Member may not know it, but in addition to that we have in fact been losing workers from Gibraltar precisely because the wastage that has been going on in the construction

industry had not been met by new demands from any other source. Mr Speaker, if the Member will look at the figures of the quota of the Manpower Planning Committee, and I am sure that this is information that is available to him in his role of planning for the use of labour in Gibraltar, he will find that the quota has not changed in spite of the fact that there has been an influx of Phillipino workers into Gibraltar. That is to say that the arrival of the Phillipino workers in Gibraltar has not increased the total labour force but there has been a loss of workers from Gibraltar equal in number to the influx of the Phillipino workers, and this in fact is something that the Manpower Planning Committee has stated clearly. The Minister for Labour, Mr Speaker, in fact said that there had been a progressive reduction in the quota of imported labour and the situation is that the labour available in Gibraltar has been gradually reduced over a period of time. And this gradual reduction is totally inconsistent with an attempt by the Minister for Public Works to lay any delay in the programme at the charge that there is a shortage of labour. There is no question . . . .

HON LT COL J L HOARE

If the Honourable Member will give way. I have not said there is a shortage of labour, I have said that there is a shortage of skilled labour, which is vastly different.

HON J BOSSANO

Well, Mr Speaker, I can tell the Honourable Member that there are two specific skills that there is a shortage of labour in: plumbers and carpenters. And if the Honourable Member is telling me that he is unable to progress satisfactorily with the Development Programme unless he finds plumbers and carpenters, and that the other trades and semi-skilled grades, steel fixers and so on, in the construction industry will be kept unemployed until they get carpenters and plumbers, then I can say that the Honourable Member knows very little about planning. Because, Mr Speaker, if there is one particular area in which there is a shortage which is not available through our normal sources of recruiting, then what we ought to do is to go especially to recruit those skills to complement the other skills that are at present under-employed in Gibraltar and available in Gibraltar.

Now Mr Speaker, I do not accept in fact that it is a shortage

of labour, because I am in a position to know intimately the reduction in manpower that has been taking place not only in the private sector but also in the public sector. In the Department of the Environment there has been a constant drop in manpower over the last 18 months, and these workers leave Gibraltar because they cannot find alternative employment. And in fact the Government itself, with its different branches, seems to be totally unconscious of what one side is saying as regards the policy that is being adopted by another side. It would appear, Mr Speaker, that if there is any need for planning it is for planning to take place within Government so that the different Ministries work together. The situation is, Mr Speaker, that for example the 20 men who have been made redundant this week are now looking for work, but they are in danger of losing their accommodation precisely because they are out of work. Now these people are entitled, by virtue of the time they spend in Gibraltar, to be here for a period of time between one job and another. But the way their accommodation is allocated to them, which is on the basis of the job that they are in, means that once they lose their job they lose their accommodation. And once they lose their accommodation of course they leave Gibraltar. And once they leave Gibraltar they aren't available at the next stage of the development programme when the Hon Member needs them. Now if in fact the Government has got a programme which cannot get going because it requires that the workers that are being used in another area should be released, then the obvious thing to do, however rudimentary the planning procedures may be, the obvious thing to do is to dovetail the beginning of one programme into the phasing out of another one. So that there is, as far as it is possible, a smooth transition and a smooth flow of workers from one project to the next. Now that, Mr Speaker, has not been happening and is not happening. And in fact when the original permits were being given to bring Phillipino workers to Gibraltar one of the arguments that was put forward by the Government was that it was necessary to do this in order not to put an extra strain on the labour in the construction industry, and that there would be sufficient additional projects to keep fully occu occupied the labour that was already in Gibraltar. Well we know that this has not happened because in fact the quota has remained unchanged in spite of the fact that the Phillipinos have arrived and are out here. The Phillipinos have replaced labourers here, they are not in addition to what was here. Mr Speaker, those figures can be checked. That is a point that was made in the last meeting of the Manpower Planning Committee, that there have been no increases in the quota in spite of the fact that there were now a number of Phillipinos in Gibraltar. So the

Phillipinos have not in fact added to our labour force, they have replaced labour that was already here.

Now it is useless, Mr Speaker, for the Government to say that there is a shortage of labour if their policy is such that labour is being driven away from Gibraltar. I can only say that I distinctly recollect the arguments that were put forward in the House of Assembly by the previous Financial and Development Secretary and I hope that the present Financial and Development Secretary does not share his predecessors views in this respect, the arguments that were put forward that in order to prevent inflationary pressures through excess demand the pace of the Development Programme had to be slowed down. That was a totally invalid argument, Mr Speaker, because it is a totally incorrect analysis of the nature of the Gibraltar economic structure. In Gibraltar we do not suffer from demand inflation precisely because we do not supply our own demands. And Gibraltar's demands would have to be very great, in the context of the supplies of the world, before we started pushing up world prices as a result of our demands.

As regards wage costs, Mr Speaker, it is patent that we have established negotiating machinery, and that wages move in unison throughout Gibraltar. And whatever validity there might or might not have been in the past about wage costs in Gibraltar being pushed in one direction or another by supply and demand, now in the post Scamp Report er there is certainly no validity at all in that argument. So certainly in respect of wage cost the argument, if ever it was valid, which I do not believe it was, is easily not valid any more, because the wage cost in Gibraltar will presumably from now on reflect the wage cost in UK, and the supply and demand of labour in UK and not the supply and demand of abour in Gibraltar.

Now, Mr Speaker, if in fact the slowness of the Development Programme progressing at the rate envisaged originally is due to any remnant of the philosophy that was described in the House sometime ago, I think it was the Budget of 1974 and in the Budget of 1975 on both occasions that the theory was put forward that the Development Programme could not in fact proceed at a faster pace because it was physically impossible for it to proceed at a faster pace, if there is any remnant of that then it is a very serious thing, because there is no justification in that philosophy. Gibraltar's output can be considerably increased: it is in Gibraltar's interest that it should be increased, it is in Government's own interest that it should be increased, because the

greater the level of economic activity the more buoyant Government revenues will be. And given the trend of world prices the cheaper we will be able to buy the material for our construction industry if we are able to construct this year instead of next year or the year after that. So there is every reason for wanting the programme to go as fast as it is possible to make it go. But in order to achieve this it is necessary to look at all the factors that may be impeding such a pace of activity and co-ordinate the work of the different departments involved. And, therefore, it is vitally important that the manpower needs be planned and that the procedures for recruiting manpower and for accommodating manpower should be dove-tailed into the need. And there is no doubt at all that the present system, particularly in the accommodation for labour from abroad, is totally inadequate to meet Gibraltar's needs.

The situation is that whenever a worker leaves his job he stands the risk of losing his accommodation because the accommodation is provided for the employer and not for the employee. In that situation the flexibility that one would wish to see in allowing free movement of labour within Gibraltar from one employer to another, so that in one particular contractor is expanding its volume of work and another one is reducing it, it should be possible for the workers to move from one employer to the other employer without having the problem of accommodation. That is an area which is a serious obstacle and about which little is being done, Mr Speaker. In addition to that there has been a tremendous problem created by the closing down of privately owned accommodation for immigrant workers. And it is a problem where in spite of repeated representations from the TGWU we are not nearer a solution in finding additional accommodation than we were initially. In fact the situation is that quite a lot of the workers who were turfed out of their beds have now left Gibraltar. And once they go, Mr Speaker, we do not get them back. At least we do not get the good ones back. We get the ones that cannot find a job anywhere else. So if the Government honestly wishes to see what can only be for Gibraltar's benefit progressing satisfactorily it needs to do something much more positive about it than is being done at the moment, Mr Speaker. And I can assure the Government that they will get every support from the Trade Union Movement in this respect because the movement is very concerned about the prospects of unemployment, particularly in the construction industry, and the fluctuations that bring about a great deal

of dislocation in the construction industry because the construction industry, being so dependent on immigrant labour, cannot in fact sustain a substantial number of workers unemployed for any period of time. If there is a long hiatus between the ending of one project and the starting of the next, the workers will not stay in Gibraltar because the cost of staying in Gibraltar is high and there are all sorts of obstacles put in their way by virtue of the system that covers their accommodation and so on.

I think, Mr Speaker, that the need for planning is very great and that the Government should give this particular area top priority if in fact we are going to see the benefits of the aid the Government has obtained from the UK bearing fruit in Gibraltar.

HON A J CANEPA

Mr Speaker, the Honourable Mr Bossano has had a great deal to say about the policy which my Department adopts in respect of accommodation for labour as being the root cause of the difficulties which the Opposition alledge the Government has encountered in ~~its~~ the unfolding of its Development Programme. He said that the TGWU had been making repeated representations on this matter to no avail. Well, Mr Speaker, the TGWU is wont to make representations not on this problem, not on this issue, but on a number of issues, and sometimes of course it is possible to meet their representations and we have seen that being done in this meeting of the House. Sometimes it is not possible because it is just physically and utterly impossible to do so, not because there is no desire to do so. I get the impression, Mr Speaker, that the attitude of the TGWU with regard to some of the representations that they make on behalf of their members is coloured by a lack of pragmatism, and is also coloured by a reluctance on their part to say no to anybody. It is a fact, Mr Speaker, that anyone who goes along to 31 Governors Parade to make representations to the TGWU on any matter under the sun is never told, No, What you are asking for is impossible, we know it to be impossible. They say, yes, to everybody. They will take up any cause, no matter how lost a cause or how impossible it is, because they are afraid of losing one member. And that is why on this matter of accommodation of labour they have come to my department, to the Senior Labour Officer, to the Director of Labour and Social ~~Services~~ Security, they then request repeated meetings with the Minister, they then go to the Deputy

Governor, and to the Governor himself, because at least they can always turn to their members and say: Well, look we have made representations, it is not our fault that we cannot have more beds for you, it is the Governor who is to blame, it is the Minister of Labour that is to blame. And this is the game that they have been playing for a long time..

I am going to dwell at some length on this , Mr Speaker, because it is crucial. The TGWU, Messrs Bossano, Netto and Feetham, have discussed the problem of accommodation with officials in my department and with myself on more than one occasion, and one thing was clear, Mr Speaker, that the policy, the approach from the officials of the TGWU, is not one of unanimity on this matter. I have had in my office the Honourable Mr Bossano and Mr Feetham differing in their policy and in their attitudes on this matter. And the approach that Mr Feetham adopts, and he is the Branch Officer of the Private Sector ~~where the~~ which include construction industry, about which Mr Bossano has spoken so much this morning, ~~is concerned, the approach of Mr Feetham~~ is more in line with what I would like to do, and is more in line with what I am sure a lot of employers would like to do in the private sector to get at the problem, not just of accommodation, but to get at the problem of absenteeism, of the level of absenteeism, about which nothing has been said in the course of this debate, and which is a very real factor in delaying not just our Development Programme, but all work in Gibraltar.

Mr Speaker, the policy of my Department with regard to accommodation is coloured by the reality of the number of beds which are available. In Government Hostels my Department is at the moment providing about 1,000 beds. There are at least as many in hostels in the private sector where conditions vary enormously, and there are about another 1,000 alien workers accommodated again in the private sector, but here and there, in patios all over Gibraltar, in conditions which, let us face it, if the Accommodation of Labour From Abroad Rules were to be rigidly implemented would probably mean that many of those would have to be turfed out and sent back to their place of origin. And this has been the problem which I have found, and I think it is the problem which the Honourable ~~and~~ the Leader of the Opposition, when he was Minister of Labour, encountered in those difficult days back in 1970.

Our policy has been, Mr Speaker, ~~to~~ in the first place, in respect of the beds that we are now providing, to make the employer responsible for the bed, to make the employer

responsible for the allocation of the bed and also responsible for payment of accommodation charges. And this has been done in order that officials in the Department of Labour and Social Security will not be pressurised more than they are already being pressurised. Not just by individuals but also by officials of the TGWU who come to the Department seeking beds where there are no beds. And at least the policy that wehave adopted does not lay officials in my Department open to any charges of corruption as could well be the case if beds were allocated to individuals, quite apart of course from the problem of collecting fees from these individuals.

Mr Speaker, if we had 1000 beds to spare there would be no problem in allowing an individual to retain his bed when he leaves his employment or when he loses his employment because he has been absent from Gibraltar for twenty weeks in any year. There would be no problem at all. But with the serious shortage of accommodation, that policy is a non-starter. We have been trying, Mr Speaker, to provide more hostel accommodation. We have earmarked the Transit Centres at Town Range for further hostel accommodation, but of course that means that the present tenants at the Transit Centre have got to be moved out, and they have to be moved out because it is in the public interest that they should be moved out if we are to provide that extra accommodation. We have looked at other sites. One that we considered was St Jago's, but the locale, the situation of St Jago's, is not conducive to having a hostel for alien labour at one of the most beautiful parts of Gibraltar. It just is not conducive towards that, apart from the fact that in any case St Jago's may well be required for other purposes. When the TGWU came to see me they asked me to approach the Ministry of Defence to see whether they had sites, buildings, that they could make available to the Government in the same way as they made available White Stores, and I brought the matter up initially in the Development and Planning Commission. And at the request of the Regional Estate Surveyor I got the Surveyor and Planning Secretary of Government to formally ask the Ministry of Defence whether any such sites were available, but we have drawn a blank. Obviously if the Ministry of Defence had buildings and sites that could be made available for that purpose they would probably make them available, for their own purposes, because they have many, many employees that we are accommodating in our hostels. But the TGWU were not satisfied, so they sought a meeting with HE the Governor, I do not know whether they expected HE the Governor to have up his sleeve there and then some site or building that I had not been able to get my hands on. So

we had a meeting at which I myself was present with the Deputy Governor because of the overlap in responsibility on the question of immigrant labour, and of course the position was basically the same.

We are doing our utmost to provide more accommodation but there are these inherent difficulties that are part and parcel of the situation in Gibraltar but something very interesting happened at that meeting, Mr Speaker. You see the Honourable Mr Bossano has accused Government Departments of adopting differing policies, and I take it he was referring to the Public Works Department on onehand and the Department of Labour and Social Security on the other. But we saw there at that meeting the differing views as between the Honourable Mr Bossano and Mr Netto and Mr Feetham. Mr Feetham sat apart and he did not open his mouth throughout the meeting, until at the very end, rather stupidly to my mind, Mr Netto turned to him and said, "Do you wish to say anything, Michael?" And what Michael said went completely against what Mr Bossano and Mr Netto had been saying previously. I would be able, Mr Speaker, to get the Transport and General Workers Union Branch Officer in the private sector together with employers in the private sector to try and adopt a coherent policy to try and get to the root of our problem, of our shortage of labour and absenteeism in the private sector, but I believe that the willingness on the part of Mr Feetham to co-operate with my Department was pre-empted by his colleagues, and that is why they went to HE The Governor.

I will give way yes.

HON J BOSSANO

Mr Speaker if the Honourable Member will give way, I think the House would be more interested in knowing whether any suggestions were made to him at that meeting of possible sites and what his reaction was, rather than all this.

HON A J CANEPA

Yes Sir, suggestions were made, they were pursued and the answer is negative. These sites are not available, and so we came back to Town Range and that is what we have got earmarked for further hostel accommodation. But as I say it is dependent on my colleague the Minister for Housing, being able to find accommodation for the people who are still there in the Transit Centre, and I hope that when he finds

accommodation for those 33 he will not be landed with a motion of censure.

Sir, the level of absenteeism amongst the alien labour force in Gibraltar since April this year has been close to 40%, and not just at feast days, not just at Ramaddam and other feast days. It has been a pattern since April and we have asked ourselves why? And I think it was that that led to Taylor Woodrow sacking recently 43 of their employees. And promptly the level of absenteeism dropped to 10%.

In the Public Works Department, Mr Speaker, 100 men out of 200 were absent from Gibraltar since April and the Director of Public Works obviously did not know what attitude he should adopt. He did not know what he should do. Should he sack them completely and find another 100 men from elsewhere, or should he hang on in the hope that they would drift back to Gibraltar, because some of them undoubtedly were good workers. Mr Speaker, in February this year I led a mission to Malta to try to recruit labour, and I was unsuccessful. Right now there is a mission composed of officials from the Public Works Department and the Department of Labour in Lisbon. This is the second occasion during the month of November that they have gone over. First we were seeking about 100 men for the Maintenance Section of the Public Works Department, skilled trades, carpenters, masons, plumbers, so that the maintenance work that has to be done to Government properties can be kept at the necessary level. Because the fact is that for a number of years this has been falling seriously behind schedule, and there are a great deal of Government buildings that require maintenance, that are crying out for maintenance, increasingly so. And after the initial visit to Lisbon the indications were from the Ministry of Labour in Lisbon that they had been able to find for us the princely number of 23 skilled workers interested in coming to Gibraltar. A telephone call this week from our people in Lisbon indicated that the number had dropped to 9. We are still willing to make a start, even if it is 9 or 10, because if 9 or 10 Portuguese come over it could well be that they themselves would be instrumental in bringing over another 9 or 10.

So we have tried likely sources. Only earlier this week, before coming to the House, I was having discussions with someone in the private sector who himself has been making some efforts at recruiting labour. This gentleman had been to Italy himself, last again unsuccessfully. It is not easy Mr Speaker, to attract labour to Gibraltar for a number of

reasons, but the effort has been made. But I have found myself in this House at Budget time last year and the year before being accused of doing nothing. Today I can say that we have tried, that visible efforts have been made but they just have not borne fruit, but it is not through lack of trying. But to talk about the quota on the one hand to be accused of doing nothing to recruit labour, and then on the other hand when you make specific provisions in the quota so that if you can lay your hands on that labour you can issue the necessary work permits, and then to be told: you are increasing the quota, you are making matters more difficult, does not happen, that is contradictory. My understanding, Mr Speaker, is that specific provision was made in the quote for the importation of the Phillipino labour force and, therefore, work permits were only issued in respect of that labour force. And again in the latest quota, I think, as far as I can recall it, I think again specific provision was made for the 80 or 100 workers that we hoped to recruit from Portugal. So there must be that elasticity. Quite apart from that there has been an overall requirement, which at one time at the beginning of the development programme I think was measured at about 140 by the Monitoring Committee being a definable number, somewhere in that field, about 140, and because of that funds were made available in the Development Programme for the provision of extra Hostel Accommodation.

HON M W XIBERRAS

Would the Honourable Member repeat what he has just said about 100?

HON A J CANEPA

Another 140. The additional requirement over the labour force available in Gibraltar in the 4th quarter of 1975, because there are peaks and troughs in the development programme, was 140, and then the number would drop so that by the end of 1977 only 25 or so would be required. But at the peak period the Development Programme could have done with an injection of between 140 and 180 extra workers, which have not been forthcoming.

It was only 180 at the peak because obviously we were hoping to draw from the fact for instance that Varyl Begg was ending, and, therefore we would be able to draw on that as a supply.

I just want to finish with one parting thought, Mr Speaker, and it is a pity in a way that Mr Bossano has already spoken, but I wish he would explain at some stage, if not now when he is able to do so, why there has been a delay in the completion of the Headquarters of the TGWU?

HON M D XIBERRAS

Mr Speaker, it is natural that the Minister for Labour should concentrate on the labour aspects of this motion, and I think it is an aspect worth dwelling on. The Honourable Member referred to the difficult days of 1969 and I think it is possibly the first time that any Honourable Member opposite has recognised the fact that in 1969, or 1970 as the Honourable Member said, there was such a shortage of labour in Gibraltar that it was questionable when we went to England in December 1969 for that development programme, whether any scheme would be agreed to by Her Majesty's Government other than the Hostel at North Front for accommodation of Labour from Abroad. But the Honourable Member must have heard, even though he was not in the House, and I am grateful for the remarks that he made, that his Honourable colleagues are quite outspoken in criticism of the previous administration and the lack of progress of the work done in respect of that Development Programme. I remember the Honourable and Learned the Chief Minister saying that we had not put a brick on a brick; I remember the Honourable Mr Serfaty and I have quoted him extensively at Budget time, saying that we were not moving and that he would wish to do this that and the other thing; I remember the Honourable and Gallant Colonel Hoare talking about the terrible state of Government maintenance: and I remember a good deal of criticism which when considered now in retrospect and compared with the performance of the present Government in the Development Programme, which is the subject of this motion, can almost be taken as praise.

Mr Speaker, I see little excuse for some of the things that have been said about the shortage of labour, and although I am sympathetic to some of the things the Honourable the Minister for Labour has said, and I shall endorse his view and expand on them in a minute, we have warned him and I have warned him in the House that he was not in our view paying sufficient attention to the Labour situation in the first three years of his office. I think it was at last Budget time when there was a debate in this House sparked off by the remarks of the Financial and Development Secretary

to which the Honourable Mr Bossano has alluded. It was on that occasion that we saw in this House the Minister for Labour give rathermore attention to the problem of Labour. Before that he was devoting most of his time to the pensions, and he has done good work there, I have been the first to recognise it, but in the question of labour there has been a tremendous drop off in performance, and there have been problems created which we were near to solving in 1972.

Now, I accept that it is difficult to recruit labour, and I am particularly glad about this mission to Portugal, whatever the result of it. I feel it is possible and it should be more possible now than ever to recruit from Portugal and I draw the Honourable Member's attention to the time when Humphreys here was able to recruit, with the encouragement of Government and as a private firm, a substantial number of Portuguese for that project, by not going the official way. In other words by allowing the private firms to do this. It does cost money, admittedly, but I wonder whether this cost would not be offset by the increase in cost of building which we have seen so clearly illustrated by the remark of the Honourable the Minister for Economic Development. I have never thought of Malta as a possible recruiting ground, I do not know why, but perhaps I was put off by the original attempts of the Honourable Mr Montegriffo, I believe, to recruit labour there. Certainly before 1969 the Government had tried to recruit labour from Malta and failed there. I do not think that that is a good catchment area. I think that if people can be brought over from as far away as the Phillipines by individual firms then surely they can be brought over from Portugal where there is unemployment, where there are people moving into the country from places like Angola and so forth, and I would have said that this was a good ground for recruitment. Perhaps the Honourable Member will consider as far as the Development Programme is concerned not trying to do it himself, which is always difficult, but at least encouraging, if there is a private firm to do this.

HON A J CANEPA

If the Honourable Member will give way. It was precisely because of the Angolan situation that we thought the time was ripe to attempt to recruit from Portugal. The second point is that the need to do it officially arose precisely following an earlier attempt by a private firm which had ~~thought of~~ recruiting from Portugal and then when the men were lined up to come over to Gibraltar ~~had~~ cried off and ~~had~~ thereby earned for Gibraltar the opprobrium of the official Department of Labour in Lisbon.

HON M D XIBERRAS

Well, I agree that it is a delicate exercise to perform but I am just telling the Minister that it was possible in 1969 when conditions were not as good. It should be possible now. I am sorry that things appear to have gone awry and it does need careful handling, but nonetheless the Minister should not be deterred. I think we can get workmen from Portugal, good workmen and skilled workmen there. Of course there will be difficulties as we experienced with the Phillipinos, and I was very glad that that was resolved, and now we have a substantial body of men, skilled men, working on the major project in Gibraltar. So I would not be deterred if I were the Minister.

Mr Speaker, the Minister inherited a system for the recruitment of labour which was largely, if I may say so, constructed in the administration previous to this one, and I would like the Minister to bear in mind that there is no limit on recruitment if we have accommodation and work. And it seems to me that in both respects of accommodation and work this Government has failed tp provide the necessary incentive. In accommodation the last major Government hostel was the one at White Stores and that was I think completed or about to be completed, in 1972. By that time we had Casemates, White Stores, North Pavilion, the Hostel at Devil's Tower, and that was about all, I think. But it was quite a contribution, something in the region of 1,900 or so beds, not all of which were filled because there were questions asked in the House about it. The Hostel at Devil's Tower was left with some slack which could be taken up in case of an emergency or in case workers could be recruited at short notice. But since then there have been no additions to the accommodation available.

HON A J CANEPA

If the Honourable Member will give way. We have provided at Casemates itself over 100 more beds, the part of Casemates which used to be the Public Works Department stores, that became available. As many beds in fact as were provided at White Stores, about 100 to 150 more.

HON M D XIBERRAS

Mr Speaker, the Honourable Member will grant me that I stand corrected but that is not a significant addition bearing in

mind the other problem which is the number of workers in private accommodation who have been forced out either because people have turned to other forms of business or as the rules of the accommodation of Labour from Abroad Ordinance had been applied. Now, it was in anticipation of this situation that various places were considered by the previous Administration, andiit was in fact in response to that situation that White Stores was originally conceived. But the Minister has, I am afraid, not done enough to meet such a situation and I have a feeling that it is going to deteriorate.

I am glad that he is thinking in terms of providing accommodation now, he says, at the Transit Centre, having failed to get anything from MOD. I was interested in the list of properties which had been handed over by the Ministry of Defence which the Honourable and Learned Chief Minister read out earlier, and I shall peruse these to see if there is anything there which might serve this kind of purpose. Because if there is not there should have been as a matter of priority the release of some property which would serve for the accommodation of labour from abroad. If one has the accommodation then one can bring people over. The wage rates here, to my mind, especially in the private employment, are sufficiently attractive for quite good craftsmen from Morocco and I think it will become, as time goes on, increasingly attractive for people from Portugal. But the work must be there, and this is really the subject matter. Before I leave the subject of accommodation I had better say that I entirely agree, after all it was my policy when I was Minister for Labour, that the employer should be responsible for the accommodation. It was on my decision that this was done and I agree with the Minister that it would be quite unmanageable to have a system, except if there is a complete change, but in the present employer/employee basis it would be quite unmanageable to make the employee responsible for the accommodation. I have a thorough knowledge of that situation, both as Minister and otherwise, and I am sure that the Minister is right that there is the possibility of corruption if the employer were not responsible. Mind you there is a possibility of corruption as well less with the employer responsible, because it may be possible for the employer to sign chities of accommodation for a sum of money, or managers, people in charge of the Hostel, without the knowledge of the landlord, signing chities in this way. I have knowledge of cases of that sort and obviously though I could not take the person concerned to court nor would I in a private capacity, I think it is a matter for concern. Because people come here wanting to work and they are prepared

to do almost anything.

I think that Gibraltar should be grateful of course for the support that we have got from Morocco since the withdrawal of the Spanish labour force in 1969. I think that it is an important element in the composition of the labour force here in Gibraltar, and it is a matter which must always be borne in mind and a situation that should never have escaped our notice or been left in abeyance. Perhaps the Minister should be concerned about this in the first two years of his Ministry.

Going to the Transit Centres we would not present a motion of censure, not by any means if the thing that was being done was in the public interest. If the Minister feels that he must make these remarks now then he has completely misinterpreted the subject and the purpose of the motion which I presented earlier about the Honourable Mr Abecasis. But of course we must agree on what the public interest is. This is not giving the Minister for Housing carte blanche to do whatever he pleases.

About the remarks the Honourable Member has made about his negotiations with the Union I have no comments to make obviously other than to say that perhaps consistency has not been a virtue of his Government and of his Chief Minister. There have been numerous occasions in which the Chief Minister has changed his mind and there have been numerous occasions when there appear to have been differences, and serious differences of opinion, between Ministers, which eventually are resolved by the Chief Minister saying: "Yes, I agree". My Honourable and Learned Friend on my left is a much better exponent of this particular thesis than I am

Mr Speaker, turning to the work, the Development Programme was, to our mind, badly conceived and this has lead in turn to delays. We do not think that the modernisation of houses is something which can stand on its own. We felt all along that new housing had to be provided and this has led the Government into modernisation as a major part of the exercise, providing, they say, some 200 by 1978, at the cost of £1,710,000 or thereabouts. Now modernisation takes a lot of time and it is difficult to spend the money unless you waste it on modernisation. Mind you the houses that are going to be provided, the 35 at Varyl Begg, 38 at Rosia Date and the 22 at Gasworks, to my mind is not a bread and butter let along jam to meet the housing situation. The cost, however, is quite astronomical. The cost is astronomical and if it is being said by the Honourable Member

Mr Serfaty that this is because the houses are big and because of inflation and so forth, I ask him to look back the records of this House when I was criticised a very long time ago for pushing up the cost of labour by the recruitment of Portuguese. Now I am sure that it is not either of these factors which is the most important in the pushing up of prices in the construction industry. I believe that the major factor is the availability of firms to do the work and the freedom with which each firm is prepared to compete with the next.

Mr Speaker, the work involved in modernisation is one which will only occupy small groups of workers, small building firms. It is good, it is welcome work, but if we are not to lose a substantial part of the labour, such as Mr Bossano was talking about, 20 redundancies in Varyl Begg in one week, then we need the bigger projects. I do think here that the Gibraltar interest has been sacrifised to the MOD interest with the building of thenflats at Europa. I am not making this up. The Honourable the Financial and Development Secretary's predecessor made use of this argument, and to a degree he was supported by the Honourable and Learned the Chief Minister. There was talk of not having too many things going on at the same time. It is perfectly compatible with the Government's view when they were in Opposition: they said they were too ambitious, we were trying too much, and because of this the major project in Gibraltar now is a Services' project, which is welcome, but should not cause the exclusion of other projects. But this decision of course was taken quite some time ago.

Mr Speaker, the cost of flats is a matter of great concern, and I ask all Ministers and everybody, including the Financial and Development Secretary, involved in this matter, to deal with this as a matter of the greatest urgency. I am not arguing from the point of view of inflation, I am arguing from the point of view getting into a situation where HMG is not going to be very willing with giving us extra money. I will support any Gibraltar case in the last resort, but I think we can make a rather better case for ourselves if we bring the cost of building down.

Mr Speaker, in those areas where the Government has spent its money I am quite certain that their allocations for the year, the work has not been done as envisaged. All the work envisaged was not done. For instance, in the hospital the Honourable Member said that the spending had been £70,000. I understand that to do the work involved in the hospital will cost something in the region of £140,000/£150,000, the cost has gone up tremendously. I will give way to the Honourable Member if he wishes to correct me.

HON AW SERFATY:

As far as I am aware, Mr Speaker, the complete cost of the work is over £200,000 to be carried out over a period of 2 or 3 years.

HON M D XIBERRAS:

Perhaps I am wrong, but the work which was costed at £70,000 has increased in price out of all proportions. Now, I don't know whether that is the way to spend money or not. I am prepared to make reasonable allowance for inflation and so forth, but when it gets out of hand, if it has got out of hand to this degree, then it is a matter for great concern. I would like to see the deviation orders for these works, and the extent of them, and perhaps the Financial and Development Secretary at some stage, perhaps at Budget time, would tell us to what degree costs have gone up. Because, Mr Speaker, the delay is damaging for the reasons I have pointed out. The Girls' Comprehensive School: now, that is quite unexcusable really. I offered a very long time ago, at the first meetings when this Government came into office, the full cooperation of the Opposition at the time. I referred to the Rowley mission which came here in 1972, I think it was March, 1972, where agreement in principle with HMG was reached on the Comprehensive School. I made this in good faith, I repeated the offer, and it was not taken up. The Government continued on its own, the Chief Minister went to England on a preliminary visit, and then he went again, and this was not taken up. But to think that by March 1972 there was already agreement in principle to the School, and the length of time it has taken even for the Minister to make the sort of statement which he made today, should really be castigated should be criticised in this House. There has been great confusion in matters of educational policy as regards this, there has been indecision as regards the siting of the Public Works Garage, there has been delay in the question of the rowing club, there has been generally speaking a complete muddle about this school. So that the difference in time between the Boys' Comprehensive School and the Girls' Comprehensive School going up is going to be a very serious one indeed, a very big one indeed.

The Motion, Mr Speaker, urges everybody concerned with the Development Programme to expedite things so that we get a better result in the remaining term of office of this Government. No member opposite has complained of any difficulty as regards staff, for instance Quantity Surveyors and so forth, and if anybody has I apologise. No one has mentioned any lack of cooperation on the part of ODA. If there is any hitch there in which the Opposition can lend its weight to smooth over, then we are prepared to do this again. But we think that the performance of Ministers here leaves much to be desired, and, therefore, the delays have been damaging and are Government responsibility. I have pleasure in supporting the motion of my Honourable Friend.

HON A P MONTEGRIFFO:

Mr Speaker, my contribution is going to be a brief one. I don't claim to be an expert on the Medical Services: I am just trying to do my best, let alone being an expert on so many other things as other members in this House pretend to be. But I would like

to do away with the thrills of trying to score debating points, which is inherent in the parliamentary system and which I do not begrudge, I want to lay the scoring of debating points aside and come down to concrete facts - and never more appropriately than is the word "concrete" used.

Sir, in the first place let me take up the Honourable Member and I am not doubting his word, on his statement on the question of the Girls' Comprehensive School. I can say with great authority that when I had to tackle that myself, this commitment that the Honourable Member is talking about, when Mr Donohoe from the Foreign and Commonwealth Office came to Gibraltar, he completely and bluntly rejected that. He said there was absolutely no commitment and that the money that was originally earmarked for the school had, in consultation with the Government, been earmarked for something else. I cannot remember now what it was, but I think he mentioned some other project. Therefore, Sir, ...

HON M D XIBERRAS:

Mr Speaker, if the Honourable Member would give way. This is precisely why, anticipating some such remark, we offered from the Opposition - my then colleague, now absent, Mr Caruana, Major Peliza and myself, all offered - our help in this situation.

HON A P MONTEGRIFFO:

Well, anyhow, what I am trying to say is that as from late 1972, or very early in 73, when this visit took place, the struggle started in earnest. It wasn't something that has been delayed through the lack of forcefulness on the part of the Government - commitment or no commitment to the previous Government - in getting the money for the school. And despite all our efforts and all our struggles we only got the money in 1974, the end of 1974. So in this respect we have not been found lacking.

As regards the hospital, all I know, from what we intended to do and what we are going to do now - and that is why I started my intervention by stating that I was no expert - was a list of works that could be done for £200,000. But all I know now, and again I am just being guided by experts, is that we are going to get more than was originally provided for. I also had my Honourable Colleague, Mr Serfaty, say that it might be possible, because there would be money available, convert the Sisters' Quarters into flatlets, which could either be used for the public. I myself, as a member of the Medical Department, would insist that if they are needed for the Medical Services, they ought to be given to the Medical Services. There I declare an interest.

Now, Sir, what I am going to say now is not a criticism on the past Administration. I did say that I was not going to try to score debating points. But if one looks at their Development Programme, worthy as it was and of great benefit to the community, the present Development Programme is a little bit more complicated. And, yet,

nevertheless, Sir, when we look at the original date of completion and the date when they were actually completed, and if we mention just one example, the Health Centre and particularly the Laboratory and Isolation Ward at St Bernard's Hospital, I would be tempted to say that they took as long as Trafalgar House, because they were completed very much later than estimated. I am not saying this as a criticism of the past Administration - I want to emphasise this and on this note I am going to end. I am only saying this because no Development Programme in the world, whatever the enthusiasm of any Government, whatever the forcefulness with which they try to put this into effect, sticks to the original date of completion. It never happens. It would be a miracle if it were to happen and, therefore, Sir, when one takes into account that even the delivery of materials today is much more complicated than it was only a year ago, and if one takes into account the public pressure, which one does not begrudge, but which one has got to take into account, like for example: where do we put the MRC, is the school going to be on that site with the Rowing Club at the other end? All these things bring delay, as the Garage has brought some delay, but we just cannot ignore public opinion, and if public opinion is reasonable and we are not infallible men, we are prepared to stand up and say: fair enough, our assessment was wrong, and we are not frightened or ashamed to say so. I think we are bigger by saying those sorts of things. But let me also tell the Honourable Leader of the Opposition and all members opposite, that while we originally intended to put the Garage at the Old Refuse Destructor Site, it wasn't for lack of enquiring from the Services, from the MOD, whether they could supply us with an alternative site. It may well be that public pressure and the Opposition view has helped us in doing what we originally would have liked to have done, but let us not cheat ourselves into believing that this has not by itself brought some delay. It is not delays which have been brought about by the lack of enthusiasm of either my Honourable Colleague, Mr Serfaty, or the rest of the Ministers. We are pushing forward as hard as we can, and if there are delays, well, sorry, it is not because we do not want to get on with the job.

HON CHIEF MINISTER:

I would just like to say a few words, Mr Speaker. In the first place I did not understand the allusions made by the Leader of the Opposition about differences between Ministers and the Chief Minister having the final word. If what he was implying by that was that we are a united team and if we have differences we settle them, something that he does not appear to be able to do in his party, then of course I take credit for it.

They are only three or four things that I want to make clear on the factual side. First of all, modernisation. I think it is not only the question of whether it is good or not, what I myself was particularly concerned about was that if we kept on building new houses in the periphery of Gibraltar which is the only place where you have new sites, and you allowed the old city of Gibraltar to become delapidated, a big slum, future generations would never forgive us for not having done something to make the old

city look better than what it is, be better than what it is, and let the people have a neighbourhood pride which still exists in many places. People are quite prepared to go back to their old places in modernised houses where they can live properly. It isn't necessarily the Glacis or the Varyl Begg or the Laguna or the Europa or so on. The City must be repaired; the city must be rebuilt, and this is one of the ways of doing it. The Honourable Leader of the Opposition was quite correct in saying that perhaps the two responsible Ministers who spoke - and they were perhaps too kind about this - made no mention about staff difficulties, but let it be quite clearly said that we have had considerable difficulties in recruiting the necessary Quantities Surveyors and Clerks of Work, not because of lack of help from the ODA but simply because the facilities offered and the conditions offered here were not that attractive having regard to conditions prevailing elsewhere. Fortunately we are gradually settling this question; Clerks of Works are arriving. They have had to be provided with accommodation for the period of time that they are going to be here at the expense of the Housing Minister having to give up some of the flats in order that these people will be able to live in proper conditions. That has been an element of difficulty.

I think what the Honourable Mr Montegriffo has said is perfectly correct, all Development Programmes suffer slippage, and none more has in practice been the case than with the previous one, as has been clearly seen. We will see what the final slippage of this one is at the end of the day, we cannot say that now, but it is true that when you start building the pace is small at the beginning and then the pace goes quicker. So in fact I am quite happy and satisfied that the Members in charge of his are not only showing considerable enthusiasm, as the Minister showed quite clearly in his remarks, but considerable hard work and continuous monitoring of what is happening in order to keep a check on what can be done. I am very glad that the debate has departed from the terms of the motion as moved, and we have had a little insight into the problems of labour. I think this is very useful and very important, and I think that it gave an opportunity to the Minister for Labour to show that there is complete coordination but that there are definitely many difficulties which any administration in the situation of Gibraltar must suffer. And, therefore, whilst there may be some slippage I do not think that there are any delays. Everybody is working with much enthusiasm, much better than was imagined at the beginning, having regard to the size of the programme, and we are satisfied that we are getting on with it as well as possible.

MR SPEAKER:

I will then call on the mover to reply.

HON P J ISOLA:

Mr Speaker, I think we can agree that this has been a very interesting debate, giving us as it has done a remarkable insight into all aspects of development. Remarks have been made about the unity of the IWBP,

the difficulties we have had: I don't think we have had any, I think our numbers have depleted through reasons outside the control of the party. But then of course there have been difficulties on the Government side. We have not failed to notice the shifts that there have been in the Ministries in the last nine months, the embarrassment that has been avoided by these shifts, and we were not unconscious of this.

We have also had, I think, an interesting insight into the difficulties that exist in Gibraltar which permeate even the TGWU if we are to accept what the Minister for Labour has said. It does appear that there isn't complete and utter unity there wither, but I think all this is good, because I think it is good for democratic life that people should disagree with each other, not just as between parties but as within the parties. I think that this ensures that life is interesting and not dull.

But, Mr Speaker, getting back to the purpose of the motion, I think it is important to have this sort of debate every so often. And if the effect of this debate is to ginger the Government up and to get on with the Development Programme, then I think it will have served a useful purpose, because I think it is in the interest of Gibraltar as a whole that the Development Programme is carried on, and carried on at a rate that will absorb the funds that have been allocated by the United Kingdom Government. In this respect, Sir, I would like to say straight away that I listened with great interest to the Minister for Public Works, the Honourable and Gallant Colonel Hoare, when he told us of all the things that were being done and were going on in the Municipal Services, in the Telephone Department, a General Rate Account and so forth, all the improvements that were going on. My only complaint, Mr Speaker, is that these have been earmarked from Local Government Funds, and I think I would have preferred, looking at the estimates, to have had heard more progress reported on United Kingdom funds the extent of the time in during which they are given is limited by three years, I think it is. And there, although I was most grateful to the Minister for Economic Development for giving us a rundown of what was going on, there seems to be undoubtedly, Mr Speaker, serious slippage. On the new housing, well, there I think that point has been made. So far as the school is concerned I do not think the Honourable Member can tell us, we all know the time it takes to plan a school or plan any building. We are grateful for the date that the building will begin on October, 1976, but on the other hand we must ask that if it takes so long to plan then obviously this must have been known to the Ministers when preparing their budget, and it seems to me to have been an absurd exercise to earmark £375,000 for the Girls' Comprehensive School if they knew that in fact that money would not be spent. One would have hoped that the earmarking of that money would have been put elsewhere in something on which it could be spent. I think that is a criticism that inevitably comes from bad planning. Although it is absolutely true that planning takes time I think it is equally true to say that planning should take place well in advance of asking for the provision of funds by any Government. In other words I think that the Planning Department of the Government should already be planning what it is going to ask the United Kingdom Government for next.

Because it seems to me that inevitably there seems to be a very large gap between the requests for funds, the grant for the funds and the implementation of the things for which funds have been given. That inevitably makes Gibraltar the loser and I think that is a lesson that clearly emerges from this debate.

Mr Speaker, the Honourable Member will forgive me if we take with a pinch of salt his assertion that the equipment for the new Public Works Garage will in fact be here by 31 March 1976, when it is expected that £130,000 of the £150,000 will have been paid. The reasons why I say that he must forgive us if we take this with a pinch of salt is because we have had this sort of statement made in relation to the new Refuse Destructor, when we were assured that the money would be spent before March 31 - I think it was 1973 - and in fact it was not paid until about October last year. That is one example. He must also forgive us if we are suspicious of his statement regarding the Tallus/ Quarry. Nothing really concrete has come out of that. Eight months have gone by, £150,000 have not been spent, development has thereby been delayed.

It is a small point, Mr Speaker, but I notice the Minister for Economic Development told the House that he expected that work on Penney House would start in early January. In a matter of three days there has already been slippage there, because if I remember rightly, the Minister for Sports and Housing, in answer to Question No 136 put on earlier in this meeting, told us that it was hoped that work would commence before the end of December, 1975. So we have already had a slight slippage there. I think this is a little indicative of what has been happening during the year under review.

I think there is a need to inject into the Government a sense of urgency of the need to get on with development. And as I said on the criticism if the Public Works Garage and Workshop, if I may say this in answer to the Minister of Medical Services the change of heart in the Government took some considerable time from the time it was raised here by this side of the House.

HON A P MONTEGRIFFO:

Mr Speaker, if the Honourable Member would give way. On a point of clarification, I did say that from the very beginning we had hoped that we could have placed the garage where it is going to go now. It was only because of the X/Y line and the arguments adduced at the time by the MOD that it was not done. I gave credit to the Opposition that perhaps because of the pressure of public opinion, the MOD had a change of mind.

HON P J ISOLA:

Well, Mr Speaker, I am grateful for that explanation, but be that as it may, there is serious delay in this respect. And there is also serious delay, Mr Speaker, it would seem to be from the way

it was put by the Minister for Economic Development, in the Housing Modernisation programme, which is something with which we all agree, but on which very little seems to have been done to date. We have been assured by the Minister that £130,000 will in fact have been spent of the, I think it is, £200,000 estimated for the year, in itself quite a considerable slippage but we are assured that it will be spent by March, 1976. Well, we will keep that figure in mind of £130,000 and only time will tell, but it seems to me, from what he was saying, that here are delays taking place, and this I think again is a matter that must be of concern to the House. The question that was introduced into the debate, which of course I suppose is very relevant to it, the question of labour and the statements made in this respect by my Honourable Friend Mr Bossano and by the Minister for Labour were quite eye openers, in the sense that it seems that on the Government side it is now being stated as a fact that absenteeism, which is quite considerable, is being a fundamental factor in the slippage in the development programme, or is becoming a very important factor. I am sure that if that is the case, although I didn't hear the Minister for Economic Development saying anything about it, but if that is the case I am sure that is of concern equally to Honourable Members opposite as to Honourable Members on this side, including my Honourable Friend Mr Bossano. Because of course the whole viability of Gibraltar and its stability must be dependant on a capital Development Programme being continued, carrying on apace and being completed within time limits; because if this does not occur then every single person in Gibraltar will feel the effects of it. And, therefore, again I think this debate will have served a useful purpose if only to highlight this side of development which has not come into this sort of debate before.

Mr Speaker, whatever arguments may be put forward by either side, or any person in this Assembly, to explain the delay in the implementation of the development programme, I think we can draw one conclusion from this debate, and that is that there is slippage in our Development Programme, that this is essentially a matter for the concern of the whole House, and that if this motion were to be passed expressing this concern, I think this would serve as an incentive to everybdoy concerned with development, both on the Government side, on the Union side, and even I would suggest, on the Opposition side, that we must do something about it.

Thank you very much.

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

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

The following Honourable Members voted against -

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

The Motion was accordingly defeated.

THE HON ATTORNEY-GENERAL:

Mr Speaker, I beg to move that this House resolves itself into committee to reconsider the Income Tax (Amendment)(No 2) Bill, 1975.

THE INCOME TAX (AMENDMENT)(NO 2) BILL, 1975

THE HOUSE IN COMMITTEE

New Clause 14.

HON J BOSSANO

Mr Speaker, I beg to move that new Clause 14 of the Bill be amended by the deletion of the symbol and figures "£1,000" and "20" wheresoever they appear therein and the substitution thereof by the symbol and figures "£500" and "10" respectively.

Mr Speaker, the amendment will have the effect of giving some relief from income tax at the bottom of the income scales. The relief is limited by virtue of the fact that the second £500 would be taxed at the standard rate of 30% which would have the effect that for those having £1,000 and more of taxable income there would be no change at all from the proposals of the Government. However, for those whose taxable income is below £500 there would be the greatest benefit and the benefit would be progressively reduced between £500 and £1,000 of taxable income.

I think bearing in mind, Mr Speaker, that this amendment to the Income Tax Ordinance would have effected from the 1st April, 1976, the group that gets protection is in fact a limited group. I commend the amendment to the House and hope the Government will be able to support it.

Mr Speaker then proposed the question.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, we said yesterday that on this side of the House we were very willing to take a look at the proposal to amend new Clause 14, but that obviously conscious of the responsibility of any Government in relation to revenue we would need an opportunity to consider their overall effect. This side of the House, this Government, in spite of perhaps what one might be forgiven for thinking, having listened to the Honourable Mr Bossano, is as conscious as he is and as the other side us ifdoing the best we can for those on the lowest scales of wages and salaries. We are also conscious that in effecting an amendment which the Honourable Mr Bossano made to children's allowances we have in fact reduced the amount of allowance for the second and subsequent children from what we originally proposed of £150 to £100. And having now looked at the amendment which is before us, and having considered the overall revenue effect, I can say that the Government is prepared to accept it.

MR SPEAKER:

Are there any other contributors?

HON CHIEF MINISTER:

Mr Speaker, I would just like to associate myself with the remarks of the Financial and Development Secretary. We have had a close look at this and I would like to say that the people who are going to do very well out of this are going to be the apprentices. Had we known that this was going to happen perhaps the allowance for the apprentices instead of being £150 might have been £100 or perhaps less. They are going to come out very well from this but we do not begrudge that because I think if anything Gibraltar is short of craftsmen and anything we can do to encourage apprentices the better. We are glad that we are able to do this, despite the fact that we had already done something else. I hope that this will be an indication that Government is conscious, as the Financial and Development Secretary has said, not to burden more than is absolutely necessary the people who, through force of circumstances, have the lowest incomes.

HON M D XIBERRAS:

Mr Speaker, on this amendment, as I indicated yesterday the Opposition was sympathetic to the amendment of the Honourable Mr Bossano, but I said that we supported it intuitively. In other words we had not worked out what the financial implications were. I think that it would be good for the House, and would convince us in our support of this amendment, if you were to give an indication of how much money would be lost. I think this is interesting because then we would know to what extent also - when eventually we get figures for this - to what extent the proposals of the Government were not revenue raising. I think it is interesting from that point of view.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is, as the Honourable the Leader of the Opposition will recognise from his own experience, extremely difficult to arrive at any close destination on an exercise of this nature. We did however say that the original Government proposal was costed as far as it is possible to do so, by the Income Tax Department as yielding something of the order of about 5½% less on present levels of income. A similar exercise was done by the Department on the amendment we have now accepted, and it looks as if what we are now accepting will cost between 3% to 6% more. In other words it is giving away rather more than the Government's original proposal, but we cannot get closer than that. This takes the question of the children's allowance into account and the other alterations that were made to personal allowances generally.

HON M D XIBERRAS:

Another brief point, Mr Chairman, on the question of apprentices. I entirely agree with what the Chief Minister has said, and even if because of taxing these things out of order that they will get more relief than intended from taxation, but I commend the thought to the Chief Minister that as soon as these people finish their apprenticeships, young people, single people, they are going to be landed with perhaps the biggest tax bill ever!

MR SPEAKER:

For my own mind, because I did not quite gather it. Is the 6% over and above the 5% that had been conceded , a total of 11%?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, no, no. The examples widen from 5% to about 9% or 10%.

HON M D XIBERRAS:

Mr Chairman one more question and that is, does the Government see any adverse effect up the scales in this amendment. I think we'll need to be absolutely certain of that and the Government's opinion on it.

HON A J CANEPA:

Mr Chairman as the Honourable Mr Bossano pointed out, where a taxpayer has a taxable income of over £1,000, and that could mean ~~for instance~~ depending on the structure of the family, a total income of £2,500 or over £3,000 at that sort of level and beyond there is no change.

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

New Clause 14, as amended, stood part of the Bill.

The House resumed

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to report that the Income Tax (Amendment)(No 2) Bill, 1975, has been considered in committee and agreed to with amendment and I now move that it be read a third time and be passed.

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

The Bill was read a third time and passed.

HON CHIEF MINISTER:

I now propose, Mr Speaker, that this House now adjourns sine die.

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

The House adjourned sine die.

The adjournment was taken at 12.35 pm on Friday the 28th day of November, 1975.