

HOUSE OF ASSEMBLY

HANSARD
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HON J BOSSANO

Mr Speaker, the Honourable Member has said: "This specialist labour force engaged in this". Is he saying then that the labour force involved in the Hospital renovation and in Penney House has been especially imported for the purpose and that, therefore, is an addition to the existing capacity in the construction industry.

HON LT COL J L HOARE

No, they are individual specialists who have normal local labour employed under them. In other words, once again I am advised in what I have said, the overseers are specialists, and until these specialists arrived with their special equipment the normal labour force could not work. It is a specialist job.

HON J BOSSANO

I see, but the bulk of the labour force employed on these projects then will be recruited locally, is that right?

HON LT COL J L HOARE

Oh, absolutely. It is only specialists who do this type of work that cannot be done with local labour who are imported.

MEDICAL was agreed to and passed.

TOURIST DEVELOPMENT PROJECTS

HON W M ISOLA

I am surprised at the lack of imagination of this Government on the Tourist Development Projects. As I see it the only project that they have envisaged for this year is £3,048 to complete something at Catalan Bay, and the restoration of Moorish Castle of £15,000, which is, as I understand it, subject to UK approval. So in actual fact there is absolutely nothing in the tourist development for Gibraltar from a Government which is alleged to be more interested in

tourism than we on this side.

I would also on this particular vote like to refer the Minister to the very lucid budget speech by the Honourable the Financial and Development Secretary when he refers . . .

MR SPEAKER

Mr Isola, which page?

HON W M ISOLA

At page 7 . . . when he says regarding yachts: "and will, I hope be stimulated by the improvements to the existing facilities for which provisions have been made in the Improvement Development Fund estimates for 1976". Perhaps at this particular point . . .

MR SPEAKER

Am I looking at the wrong place.

HON W M ISOLA

Page 7, first paragraph, last two lines in the first paragraph.

Perhaps the Honourable the Financial and Development Secretary might care to point out where these improvements are.

HON FINANCIAL AND DEVELOPMENT SECRETARY

With the greatest of pleasure, Mr Chairman, at page 82.

HON W M ISOLA

The Marina Development. Well, Mr Chairman, with respect, that is what I thought, but if I remember rightly the Marina Development, I may be wrong, but I can distinctly remember the Minister for Tourism at some stage this year saying that the Camber was going to be handed over . . .

MR SPEAKER

No, no, let us not get mixed up. This is a particular development at North Front, for the Marina, and nothing else. Not improvement of facilities to yachts, we are talking about a particular development which is the Marina one. Let us keep to that.

HON W M ISOLA

Well, I can always talk on that one later on. That is the one I was thinking of and I may come to that later on.

I would like to ask the Minister of Tourism why he has no plans to improve the tourists project in Gibraltar for the coming year except for these two items and one which in actual fact is subject to approval from the United Kingdom?

HON A W SERFATY

The answer is simple. My Honourable Shadow can be as surprised as he likes, but the answer is simple. Development of tourism as I would like to see it, and as I am sure the Honourable and Learned Member would like to see it, must come mainly from the private sector. And this is what the Marina is all about. Private money. We need aid programme money for houses and for schools and things like that. I am convinced, absolutely convinced, apart from the fact as will be seen on page 82 when we come to it, and of the possibility of loans to hotels for people who are prepared to invest a lot of money in Gibraltar, these are the things that we are considering. Let us keep Gibraltar clean that is the kind of thing we can do.

MR SPEAKER

No, no, We are not going to discuss the tourism vote again. Order, order. I saw the eagerness in Mr Isola's eyes when you said that (laughter).

HON A W SERFATY

And thanks to the Boy Scouts as well. I would like to take this opportunity of thanking the Scout Association for what they are doing (cries of Hear, hear).

HON MAJOR R J PELIZA

Has the Minister gone with his camera lately?

HON A W SERFATY

There is no such need now as when the other side was responsible to keep Gibraltar clean.

MR SPEAKER

No, no. Order.

TOURIST DEVELOPMENT PROJECTS was agreed to and passed.

OTHER DEVELOPMENTS

HON W M ISOLA

My Honourable and Learned Brother showed some concern before that the Girls' Comprehensive School was still subject to United Kingdom approval, I in this particular item

MR SPEAKER

Which item?

HON W M ISOLA

No. 5, the Resiting of the Public Works Garage which is subject to United Kingdom approval. May I say at this stage that I sincerely hope that the United Kingdom approval is not given to the re-siting of the Public Works Department Garage at the eastern side of Eastern Beach. Last year, Mr Chairman, we were asked to vote £175,000 to re-site the Public Works Department Garage. Now we see . . .

MR SPEAKER

Look, Mr Isola, please do not anticipate now anything that you are very eager to say in your debate. There is a rule against anticipation. If you do not want to vote the money for the obvious reasons then you say, I do not want to vote

the money.

You can ask a question as to where it is going to go.

HON W M ISOLA

I understand, Mr Chairman, but

MR SPEAKER

You can ask a question, get the answer and then you can say

HON W M ISOLA

There is no need to ask the question on that because . . .

MR SPEAKER

There is for the record.

HON W M ISOLA

For the record, would the Minister for Public Works inform us, subject to United Kingdom approval, where he intends to resite the Public Works Department Workshop.

HON LT COL J L HOARE

Mr Chairman, since he has addressed that question to me, the answer is "no". As I have already explained I am a works agency. Although I myself will use it I will only build it where I am told to build it when the decision has been given, especially after we stop

MR SPEAKER

Well, perhaps another Minister can answer the question.

HON A W SERFATY

Well, the answer is, as far as I am concerned, and I hope

the ODA gives it final approval, the Public Works Garage will be built on the site next to Eastern Beach Road, as has been made public by the Government.

MR SPEAKER

Which is the North Side of the present Distiller?

HON A W SERFATY

To the West of the present Distiller.

HON W M ISOLA

Mr Chairman, after that answer, I think this side of the House will be voting against this item. I do not want to say much more on this because there is a motion standing in my name on the question of the resiting of the Public Works Department Garage.

After the answer given by the Minister for Tourism Trade and Economic Development, we shall be voting against this item. And we sincerely hope that Her Majesty's Government does not give the Government the money that it has asked for.

HON MAJOR R J PELIZA

For this particular site.

HON M D XIBERRAS

Mr Speaker, I would like to ask the Minister whether in view of this final decision, and since I would not like to vote against the fund unless it was absolutely necessary to do so, it means that the whole of that area is going to be now industrialised from one end to the other.

HON A W SERFATY

The answer is "no". The old refuse destructor site, I think you heard yesterday, is going to be converted into a car park; the desalinator is going to stay where it is; and to the West of the desalinator, on a site which is not of much use to tourism, will be the Public Works Garage and

workshop. In fact in the last development plan of Mr Kendall this area is shown as an industrial area.

HON M D XIBERRAS

Yes, I see . . .

Now, the area where the Public Works Garage was going to be built, that is on the other side of the desalination plant, is that also going to be part of the industrial area?

HON A W SERFATY

That would be a car park.

HON M D XIBERRAS

That will be a car park for people going to Eastern Beach.

HON A W SERFATY

Correct.

HON M D XIBERRAS

And therefore it is considered that the site at the corner, which we are now taking up, is more suitable than the site on the other side which you wanted before, that is the site of the old Refuse Destructor. Could the Minister say why he considers the present site more suitable than the other side?

MR SPEAKER

No, that would be anticipating what we are going to discuss later on.

HON M D XIBERRAS

Mr Chairman, I want to know in relation to the voting of these funds. We are voting funds for the Public Works Garage

MR SPEAKER

No, no, we must be very careful on this one, and I am sure the Leader of the Opposition will appreciate the fact. We must be very, very careful because we have got a motion on the order paper.

HON M D XIBERRAS

I know, Mr Chairman, but it so happens that the order of business is such that these funds have to be voted before we get to the motion, and I think this is an important point.

MR SPEAKER

No, I will not allow that question because it is against the rule of anticipation, however important it may be now. It is without a shadow of a doubt.

HON M D XIBERRAS

The rule of anticipation.

MR SPEAKER

Yes, you are anticipating the debate, and of course if later on I rule you out of order because this is a repetition

HON M D XIBERRAS

I cannot get an answer to a very simple question because there is a motion which is probably going to be heard on Tuesday.

MR SPEAKER

I would like to be very clear on this one. Which is the question you are asking?

HON M D XIBERRAS

I am asking why the Honourable Member is putting the garage where he is putting it rather than on the other side.

MR SPEAKER

Why? Not if he considers it to be a better site. Why?

HON M D XIBERRAS

It might be that he considers it is a better site, I do not know. But I want to find out.

HON A W SERFATY

We are debating this now, with all due respect.

MR SPEAKER

No, we are not going to do the debate now.

HON A W SERFATY

Why not have the debate now and drop the motion?

MR SPEAKER

No, no. You are being asked why the garage is being re-sited there.

HON A W SERFATY

The Government had a good look after this public outcry and we obtained from the Ministry of Defence a very valuable site next to the new incinerator.

MR SPEAKER

No, no, that is what I will not allow.

No, no. The answer which must be given must be related to the facts as to the qualities of the site and as to whether it can hold what we want and whether it holds the qualities. Later on we will be able to give every answer you want on the debate, but I have stopped them and I have got to stop the other side for the same reason.

HON CHIEF MINISTER

Then there is no answer to give.

MR SPEAKER

If you feel that you are constrained and you cannot then you say: I will give all my reasons when the debate comes along.

HON M D XIBERRAS

Mr Chairman, the Honourable Member surely cannot refuse us that.

MR SPEAKER

He can indeed if he wishes to.

HON M D XIBERRAS

I am not saying that he cannot under the rules, Mr Chairman, I am perfectly aware that the Honourable Member can sit there like a sack of potatoes and not open his mouth, obviously.

MR SPEAKER

No, no. Order. He is not able to give the answer but he would like to do so

HON M D XIBERRAS

Well, Mr Chairman

MR SPEAKER

Order. I am ruling . . . because he is constrained by the ruling that I have made, not because he does not want to give the answer.

HON M D XIBERRAS

It is a perfectly reasonable question.

HON A W SEREATY

I want to be helpful.

HON M D XIBERRAS

Will the Honourable explain why we had this expenditure for last year, we had money voted for this, it was £175,000, and the Honourable Members said: "I am going to site the Public Works Garage in such a place." Now he comes again and he asks us for £278,000, and he says: I am going to site the Public Works Garage there."

MR SPEAKER

If I may suggest, you are entitled to ask any questions, any questions which is going to be indicative as to whether the re-siting of the Workshop is going to entail extra expenditure. That is what we are doing now, voting an amount, and nothing else. But not where. If there had not been a motion in the Order Paper I would have allowed things to be ventilated. As it stands I cannot, and I will not.

HON M D XIBERRAS

Well, I think you have allowed one question, and that is why has the Honourable Member chosen this other site.

MR SPEAKER

And you have been given an answer that due to the constraint on the rule of anticipation he is not able to give you a full answer and that he will do so, in the general debate.

HON M D XIBERRAS

We have to wait until after we have voted the money.

Well, will the Honourable Member then answer whether it is going to be more expensive to build the garage in this second place.

HON A W SERFATY

It is not going to be more expensive. The only thing of course is that we have spent a sum of money in demolishing the old refuse destructor - which is a blessing in disguise anyhow - and now we have to carry out certain other demolition works on the new site. That is all.

HON M D XIBERRAS

That is all, but the plan was more or less the same. There is no extra building because of the siting in the corner of that place of the road and so on.

HON A W SERFATY

No, this is increased costs which would have come anyhow.

HON J BOSSANO

Mr Chairman, the Honourable Member is saying that the increase from £175,000 to £307,000, which I imagine must be about 90%, is increased costs that would have come anyhow. That in the construction industry we are now proceeding at the rate of inflation of 90%.

HON A W SERFATY

No. This amount of £175,000 may have been an under-estimating in the first instance.

HON J BOSSANO

I see, so in fact there is no way of knowing now. If that is the order of magnitude of error that exists, from £175,000 to £307,000 we do not know whether we are going to spend £3m, £1½m or £6m. In between £1½m and £6m

MR SPEAKER

Now, Mr Isola I would like to find out what you wish to be done with this particular item in this particular vote. You can do one of two things: you can reduce it or you can eliminate it, but you have to put in an amendment.

HON W M ISOLA

We are going to vote against it.

MR SPEAKER

Against the item or against the whole sub-head?

HON W M ISOLA

Against Item 5.

HON J BOSSANO

Mr Chairman, I shall be abstaining on this item because I have been involved in another capacity in discussions on this site, and I do not want my action of voting against it to be misinterpreted against any commitment that I may have given elsewhere.

MR SPEAKER

Now we must be completely and utterly accurate, and I want to explain what we will do. We will now vote on under sub-head (e) Other Developments, Items 1 - 4, which does not include this item.

~~ITEMS~~ 1 - 4 were Agreed to and passed.

On a vote being taken on Item 5, the following Honourable Members voted in favour:

The Honourable I Abecasis
The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable Lt Col J L Hoare
The Honourable A P Montegriffo

The Honourable A W Serfaty
 The Honourable J J Zammitt
 The Honourable J K Havers
 The Honourable A Collings

The following Honourable Members voted against:

The Honourable Miss C Anes
 The Honourable L Devincenzi
 The Honourable P J Isola
 The Honourable W M Isola
 The Honourable Major R J Peliza
 The Honourable M Xiberras

The following Honourable Member abstained:

The Honourable J Bossano

ITEM 5 was accordingly passed.

MR SPEAKER

Items 6, 7 and 8.

HON P J ISOLA

Mr Chairman, I have a hunch that we have not heard the last of that item. But anyway, Mr Chairman, I would like on a more quiet note possibly to refer to items 6 and 7. As far as item 6 is concerned, the talus quarry, there appear to have been slippage, considerable slippage, during the year under review. We were told we were going to spend £150,000

MR SPEAKER

On money or on the quarry itself?

HON P J ISOLA

I do not know, maybe in the quarry, I do not know. But anyway, nothing seems to have been spent on that, I notice that the "R" appears there and I notice that for next year, far from spending £150,000 we were going to spend last year and in increased costs, and inflation and so forth, the Minister only expects to spend £100,000. So there is going to be slippage again this year on last year's estimate.

Now, the question I would like to ask him is, is the Minister going to do anything about the talus quarry this year, and if so, what? And on what does he base his estimate that this year, with inflation and so forth, it

will only be £100,000 and last year it was going to be £150,000. Could I ask that one please.

HON A W SERFATY

The preliminary reports have been received on the Talus quarry. There have been all kinds of complications with the old depot next to the talus and the ventilation of the MOD Tanks inside the Rock. A difficult operation but worth trying, and we have not given up. The Honourable Leader of the Opposition can laugh to his heart's content if he likes, but perhaps this money will be used at the top of the water catchments where it will be a much easier proposition to reclaim sand, because let us not forget that if we are going to reclaim between jetties Nos 1 and 2, we need a lot of sand, filling materials, and as we see it now the 1st.

the jetty will be filled in with sand obtained mainly from the top of the water catchments, which as the House probably knows, is going to have the other virtue of making Sir Herbert Miles' Road a much safer place.

HON PJ ISOLA:

Mr Chairman, I must express sympathy with the Government, they have really been unlucky in this last year. They have been bedeviled by complications in the number of items in the Improvement and Development Fund and Gibraltar has been the sufferer. But I notice that the Minister has linked the tallus with the reclamation of jetties. I notice that he pleads again time. I don't know, Mr Chairman, I am not a technical man at all, but where it was estimated for £160,000 last year presumably some technical appraisal must have been done then, they have had the whole of 75/76 to look at this matter, and judging from his answer he doesn't seem to be too sure about 76/77. Does it really take that long to decide whether you can do something or not or how to do it. I am sure that if that were the case in other professions people would be in trouble! Two years to decide what you can do or what you cannot do, after all the Government is only elected for four years. Having said that, Mr Chairman, I would like to end I would like to move on, because it is related to the reclamation of the jetties.

HON PJ ISOLA:

Perhaps he could deal with both - I am not going to say any more about the Tallus. Now, the point about the jetties is that I have heard from the Minister's answers that there is some relationship between the Tallus operation and the reclamation of jetties, and there probably always was. Now this again is a serious matter, Mr Chairman, because the Estimates for the reclamation of the jetties is now £750,000 as against £500,000 when the estimate was originally made. I don't know when that was because I don't think it appeared last year as a project, so I suppose some time during 75/76 an estimate was made for the reclamation of jetties of which we were not told about last year and now it has been upped to £750,000.

Well that is a considerable amount of money and the Government expects to spend £250,000 during the year under review. My question here is, having regard to the experiences that we have had on the Public Works Department Workshop, I mean expenditurewise, the Girls' Comprehensive School, the Tallus Quarry and a host of other things this morning

MR SPEAKER:

But surely, Mr Isola, you must accept this is going to be said in the general debate.

HON PJ ISOLA:

No, no, no.

MR SPEAKER:

I am delighted to hear it.

HON PJ ISOLA:

My question, Mr Chairman, to the Minister is, how realistic is the estimate that the reclamation of jetties will in fact get under way, and that the Government will spend £4m in the year under review? I would like the Minister to tell me how far has the planning gone, and with confidence can he tell us that that £4m will be spent in the year under review. And what constraint, if any, there is on that expenditure?

HON AW SERFATY:

Well the preliminary reports of the consultants have been submitted to ODA and we are awaiting approval.

HON PJ ISOLA:

Yes, but there is no 'R' there.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That, Mr Chairman, is an omission. I was going to point that out. That, and the following item should both be 'R'.

HON AW SERFATY:

So that is the answer to the question. The preliminary reports have gone to London, and there is nothing we can do until we get approval from London.

HON PJ ISOLA:

Mr Chairman, that is a disturbing answer. The Minister has just said that preliminary reports have gone to London. When did they go? Has the Government made an estimate of the time it will take? But apart from that, on what do they justify the expenditure of £250,000. Is that just a shot in the dark based on the hope that British Government approval will come during the month of April, or during the month of May, or during the month of June, or during the month of July? What is it, let us give it some meaning. Or is this a token figure.

HON AW SERFATY:

To my knowledge this is the token figure. The matter has been discussed, we have already had preliminary reports which we have studied here in the Monitoring Committee, on the different systems of doing the reclamation. It is the engineering work, this is not building little blocks at Varyl Begg, with all due respect.

MR SPEAKER:

What are the prospects of getting under way within the year? I think that is basically the question that you were asked.

HON AW SERFATY:

I have been discussing this with the Director of Public Works and his answer is that if we are very quick about it we will spend the £4m this year.

HON PJ ISOLA:

Mr Chairman, from that answer I deduce that we will not!

MR SPEAKER:

I thought you told me that whatever the answer you get you were not going to say anything.

HON PJ ISOLA:

Well, no, I will not because I will comment on this in the general debate. I hope the Minister understands that this gives us an idea, it is necessary to have this information to give this side of the House an idea of what development in fact is going to take place in the year under review, and how much of it

MR SPEAKER:

No, no, no. Now I am going to stop you. You are only interested in finding out whether this particular development is going to take place within this particular year.

HON J BOSSANO:

Mr Chairman, is it not wrong to come to the House and ask for money that the Government doesn't expect to spend, really?

HON AW SERFATY:

This is not exactly what we have said that we do not expect to spend it. We do not want to be inhibited with this scheme, that is why we have the money there, because we want to get on with the job.

HON J BOSSANO:

I see. Well the Government then saying that, of example, if there were £50,000 there instead of £200,000 it would inhibit them because they would then not be able to proceed with the work when they had spent £50,000 until the House approved extra fund?

MR SPEAKER:

Mr Bossano I think you know better. I think what the Government is saying, without being told by them, is that if there is a possibility and a probability that the work can be carried out during the year they have to have the money **just** in case.

HON J BOSSANO:

Well, then, if there is a probability,

MR SPEAKER:

I am not in Government, I am the Chairman and I have got to speed up things.

HON J BOSSANO:

Well, Mr Chairman, then if there is a probability of spending £250,000 in the current financial year, then no doubt the Minister knows what he expects to be done physically for those £250,000. And he can tell us.

HON LT COL JL HOARE:

Mr Chairman, this is ODA money and, therefore, if we do not want to lose it this year we have to make some attempt to spend it. But the main expenditure expected this year is in enclosing the area; you cannot start filling it up, Mr Chairman, until you enclose it. Now, it is the method to be used for enclosing it that we are expecting reports from the Consultants, whether we use one form, plain blocks or even $\frac{1}{2}$

MR SPEAKER:

I think you have given an explanation and that is fair enough.

HON J BOSSANO:

Does Government expect the cost of enclosing the front between the two jetties to come to £250,000, approximately?

MR SPEAKER:

No, I don't think he said that either, Mr Bossano. I think he has said that they are expecting details from experts as to how best this can be done, and that afterwards they will start the works.

HON J BOSSANO:

Well, Mr Chairman, if they do not know how it is going to be done, they don't really know whether £250,000 is too much or too little.

MR SPEAKER:

Not now, I agree.

HON J BOSSANO:

So it is a purely illusionary figure, then.

HON LT COL JL HOARE:

It is a figure which is being provided by ODA this year towards that Project.

HON J BOSSANO:

Mr Chairman, I would just like to ask for some information on the hostel accommodation, because it is something that concerns me.

MR SPEAKER:

Yes, of course, indeed.

HON J BOSSANO:

I would like to know Mr Chairman what we are going to get in terms of hostel accommodation in 76/77.

HON J CANEPA:

The conversion of the transit centres at Town Range into hostel accommodation.

HON J BOSSANO:

And will this in fact be, Mr Chairman, what it is intended, for example, to convert part of Town Range and have it ready for occupation, or will it require the expenditure of the subsequent £60,000 before any of it can be used?

HON AJ CANEPA:

No, this is divided into two parts: 15 Town Range and 41 Town Range, and we will start work on whichever of the two becomes available first. There is some element of decanting to be done, and whichever of the two becomes available first that is the one that we will work on, and that is the £60,000.

HON J BOSSANO:

Yes, but I mean, when that work is finished will it mean that that accommodation will be available? That is what I would like to know. Will it require the whole of the expenditure to be completed before any of it becomes available, or is the Government thinking of doing it in two lots?

HON AJ CANEPA:

In two lots, yes.

The remaining items of Other Developments were agreed to and passed.

Municipal Services

HON WM ISOLA:

On the Gardiner's Road Services. I would just like to make an observation there, vis a vis an observation that I would later on like to make ^{on} the Marina development.

MR SPEAKER:

Right, then we go over the page - page 80.

HON PJ ISOLA:

Mr Chairman, on the question of the Telephone Service Account, I see we are now being asked to vote another £1,568 to complete this brilliant stroke of direct dialling - we will vote for it naturally. I would like to ask the Minister on the question of the provision of 3,000 lines extension to cross-bar exchange. Does that mean that there will be 3,000 lines available to subscribers by the end of the current year, or have I got the picture wrong?

HON LT COL JL HOARE:

Mr Chairman, I am astonished at that question coming from him. That we can order and build a new extension to an exchange of 3,000 lines in twelve months! I think the last extension of 2,500 lines took 3 years. This is most fluttering to me to be able to think that we can do it in a year, but it is hardly realistic.

HON WM ISOLA:

Well, with respect, we are being asked to vote 215,000 for the year 1976/77. So I assume that when we were being asked to vote a certain amount of money for a financial year an assumption can be made that he is going to spend that money within that year, otherwise they shouldn't ask us to vote that money for that year.

HON LT COL JL HOARE:

I accept that Mr Chairman, but that is not the question that was asked. "Will the 3,000 lines be available?" The answer to this is that we want £215,000 because we have to pay for the equipment as it is manufactured. There are something like 40,000 items involved, but the equipment itself this year will cost us £177,660. The isolation cost: £76,907, and further costs will bring the total amount to £237,458.

We don't think we can do all that work this year, so we are only providing for £215,000. The total cost will be as shown there round about £240,000. Provision this year is for the equipment. Until we get the equipment here you cannot start installing it. The equipment has been paid for as it is manufactured, not as it arrives here, as it is manufactured.

HON WM ISOLA:

I thank him for that explanation. Can I ask the Minister would members of the public be able to have any of these lines by the end of the 1977.

HON LT COL JL HOARE:

Well, our estimate - when I say this I mean the professionals who are involved in doing these works - we estimate that the time of installation required after the equipment is here is 13 months. The materials were in fact ordered in July 1975 in anticipation. So the answer is no. May I say that with these 3,000 lines we want to do away with the 600 lines which are pre-1956.

MR SPEAKER:

The answer is that it will not be ready.

HON LT COL JL HOARE:

They will not be ready by the end of 1977 or the beginning of 1978.

Municipal Services was agreed to and passed.

Car Parks

HON WM ISOLA:

On car parks as we are being asked to vote £17,500, could the Minister give us some indication where he proposes to have more car park, and how many car parks will there be for this amount of money which we are being asked to vote?

HON LT COL JL HOARE:

The £17,500, Mr Chairman, provides for the final service to Arengo's; a new car park in the area of the West side of Victoria Stadium, between the Victoria Stadium and the Prince of Wales Cinema; another at the Western side, junction of Eastern Beach Road and Devil's Tower Road, which at present is a very rough area; and for a small car park area at Little Bay itself. The little semicircular area there will be turned into a proper car park.

HON WM ISOLA:

Can the Minister tell me whether any of this money is going to be spent in levelling the Old Refuse Destructor to allow for a car park this summer? I asked a question recently and he said this was under consideration.

HON LT COL JL HOARE:

Mr Chairman, I mentioned that this was one of the projects included in the £5,000 under Head 20 Temporary Car Park.

HON WM ISOLA:

I am much obliged for that.

Car Parks was agreed to and passed.

Roads was agreed to and passed.

Refuse Destructor was agreed to and passed.

Police

HON J BOSSANO:

The patrol cars and the pocket telephones for the Police. Can the Government say whether there is any precedent for ODA Fund ever having been used for such a purpose before? and whether the security role of the Police has anything to do with the British Government being prepared to put up funds for this.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Any precedent, Mr Chairman? Yes. Throughout the world.

HON J BOSSANO:

Well, Mr Chairman, I have been throughout the world, and I know the Honourable Member has just come from Montserrat. It may be that in Montserrat, where there is I believe a fairly restrictive regime, they use heavily armed Police and patrol cars on pocket phones and all those things. (laughter) I am asking about Gibraltar, I mean, it may be that the Financial and Development Secretary with his short time with us is not aware of whether there are precedents in Gibraltar on this but in Gibraltar, have ODA Fund ever been used to buy cars for any Government Department, have they ever been used to buy cars for the Police before?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have no personal knowledge and I am advised that no one else has. But I would like just to correct the Honourable Member about other places. I would say that the "Regime", as he cares to call it, in Montserrat, is every bit as liberal and advanced constitutionally, as we are.

HON J BOSSANO:

Well, Mr Chairman

MR SPEAKER:

No, no, let us not debate that. (laughter).

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

Hon I Abecasis
 Hon Miss C Anes
 Hon A J Canepa
 Hon L Devincenzi
 Hon M K Featherstone
 Hon Sir Joshua Hassan
 Hon Lt Col JL Hoare
 Hon PJ Isola
 Hon WM Isola
 Hon AP Montegriffo
 Hon Major RJ Peliza
 Hon AW Serfaty
 Hon M Xiberras
 Hon HJ Zammitt
 Hon JK Havers
 Hon A Collings

The following Honourable Members voted against:

Hon J Bossano

Police was accordingly passed.

Marina Development

HON WM ISOLA:

We are obviously going to vote in favour of this, but the Honourable the Financial and Development Secretary in his budget speech said that he hoped this would stimulate interest in yachting by increased improvements. But the fact that they are spending £50,000 in a potable water main is no more different than spending £50,000 on the Gardiner's Road services and any other normal facilities. What I would like to ask under 3, the Camber Improvement and Renovations, on which we are being asked to vote £15,000 has that got anything to do with Marina Development or is that purely money being spent on individuals who have berths there.

HON AW SERFATY:

The answer is that it has to do with the Marina development because if the Marina reclamation were not proceeding as it is, with the result that a relatively large number of boats are being displaced from their present moorings, it might not be necessary to use the Camber for mooring these boats. Therefore one of the direct results of the Marina development is that we have to provide alternative mooring places for these boats. This is the answer.

HON MD XIBERRAS:

I remember some questions about this earlier in the meeting, the Small Boat Owners Association made representations to him. Will he care to say whether the slipway that he said he would provide, I understand, is going to be provided at Camber.

HON AW SERFATY:

It is not going to be provided in the Camber. We have not been able to obtain the necessary facilities in the Camber because the present slipway there is required by the Ministry of Defence. But a slipway and a shed will be provided for the boat owners so that they can paint their boats, in the Varyl Begg Estate area, at the expense of the developer in this particular instance.

HON MD XIBERRAS:

Good, I am very glad to hear that.

Mr Chairman, would the Honourable Member say who will control the allocation of berths in the Camber.

HON AW SERFATY:

The Government of Gibraltar.

HON MD XIBERRAS:

When will the transfer of responsibility take place?

HON AW SERFATY:

The contract was only signed a few days ago by the developer and hopefully in a few days from now by His Excellency the Governor, so they will see that we are going to start moving soon.

HON MD XIBERRAS:

And the Small Boat Owners Association, will they have any special position in relation to the availability of berths there?

HON AW SERFATY:

I wouldn't like to answer that question right now but I think so. This is mainly for small boats. The idea is that small boats will be moored at the Camber and very large yachts owned by Gibraltarians will eventually be moored in the Marina. The philosophy of course is that people who own

very large boats can well afford to pay the berthing charges in the Marina, but Gibraltarians who own small boats who cannot pay that kind of berthing fee will have to pay some kind of nominal fee in the Camber area, I would say. This hasn't yet been decided.

Marina Development was agreed to and passed.

MR SPEAKER:

Before we bring the mace down I promised Mr Bossano that he could raise any matter on the other appendices beyond the appendix "G".

HON J BOSSANO:

On Appendix 'H'. I just want to make a general question regarding this. What is the position as regards the Dependant Child Allowance of the parent whose child is receiving a Government Scholarship? Is the fact that the child is in receipt of a Government Scholarship use up the allowance, or not and has it always been like that?

Mr Speaker, the Child Allowance would normally terminate at school leaving age, but a parent can claim the allowance for a child who is in full time education after normal school age. Now, does the fact that that child is in receipt of a Government scholarship swallow up the allowance or not.

Does the Government consider that it is a good thing that the allowance should be available for claiming or do they think that there shouldn't be an allowance if the child is entitled to a Government Scholarship.

HON AJ CANEPA:

In fact, Mr Speaker, my understanding is that for a number of years parents whose children were at University or College in the United Kingdom, being sent there either under the Gibraltar Government or Mackintosh Scholarships, were claiming and were receiving an allowance for income tax purposes in respect of the child. I think this was done mistakenly. This was a mistake, and it was corrected I think about three years ago.

HON J BOSSANO:

Mr Chairman, could I ask what is the Government's policy in this matter. Do they think that there should be an allowance or that there should be, and do they think that the fact that the amount of scholarships is now lower than they used to be before is a matter which should be taken into account or not?

HON AP MONTEGRIFFO:

/£300

Perhaps I may clarify the matter, even if it works against me, I get £300 because my son and he is under a Government scholarship because I am contributing. But the mere fact that I make a contribution under the Government new set give me an allowance of/I hope that that is right: if it is wrong then I am in trouble! I hope it is not a mistake and that I carry on getting - but I do not want any privileges, of course.

HON CHIEF MINISTER:

I just want to enquire whether the question goes for the special allowance because it is in the United Kingdom, or the allowance at all. Because anyhow the difference is now £100 only.

HON J BOSSANO:

No, I am talking about the normal Child Allowance that a parent can claim.

HON CHIEF MINISTER:

The normal Child Allowance.

I don't know but we will look up the law. But my own view is that the fact that the child is away means that there is always extra expense, and if he is undergoing full time study the allowance should stand. This is my view.

HON J BOSSANO:

Am I to take heart from that, Mr Chairman, and assume that if it isn't there the Government would sympathetically consider the possible introduction of it.

HON CHIEF MINISTER:

Well, we will certainly look at it, certainly, yes.

MR SPEAKER:

Any other appendices, Mr Bossano?

HON MD XIBERRAS:

Mr Chairman, on Education, a very quick one. Did I understand correctly that those students who got their scholarships, I believe it was in 1973, are being paid the same amount now as these who got their scholarship in 1974?

HON MK FEATHERSTONE:

I cannot follow the question, Mr Chairman.

HON MD XIBERRAS:

There was a year in which there was a change in the scheme and as a result for a while, a considerable while and we have protests over it, that group of scholarship holders were getting less maintenance allowance than the year following. There were representations made to the Minister and the matter was raised by us in the House.

HON MK FEATHERSTONE:

I think, Sir, it was the other way round. It was the ones who were on the earlier scheme were getting more than the ones on the later scheme, and that is gradually disappearing by wastage, they are nearly all on the new scheme now.

HON MD XIBERRAS:

But in fact there has been no adjustment. There was a letter signed by a good number of individuals, as the Honourable Member will know, the Honourable Mr Montegriffo will know because his son was one of the signatories of the letter, and we got 50 signatories I think it was protesting about the maintenance allowances.

HON MK FEATHERSTONE:

The thing was that under the old scheme the allowance was paid for the whole twelve months of the year at a certain fixed rate. Under the new scheme, during the holiday period the amount of maintenance allowance was reduced. I think that everybody now is under the same scheme and the old scheme has disappeared by wastage. There may be one or two left but most of them have gone.

HON MD XIBERRAS:

This is hardly a solution to the problem, Mr Chairman, to allow this to disappear by wastage. Why should there be distinction between one set of students and the other.

HON AP MONTEGRIFFO:

I don't know much about the Education Department except in general terms, I have got enough with my own responsibility, I talk as a parent, a father who has got two children on scholarships on different schemes. The one that had the old system has preserved the right the other one who is now complaining - I am sorry to have to talk against my son - was one of those who went to the Government suggesting that perhaps we should adopt this system that they are now complaining against so that we could have more scholarships. In other

words for the same amount of money you could get more people in, taking into account the parents income. Whilst one is preserving his rights under the old system the other one has now got the system they asked for, but of course they are not satisfied either. I know that very well because I have got to fork out the money.

HON MD XIBERRAS:

Would the Honourable Member consider changing this.

HON MK FEATHERSTONE:

Well, the people under the new scheme have been getting increases which I think has taken them almost to the same level, or will probably soon be above the other level. They will both be on an on par by the end of this year.

HON MD XIBERRAS:

By the end of this year.

HON MK FEATHERSTONE:

By this coming April.

HON J BOSSANO:

Could I ask, Mr Chairman, what is the situation exactly as regards grants during vacation periods, because the Minister will no doubt be aware that in UK there has been some controversy about the rights of students to get dole money, and I would like to know whether in fact Gibraltarian students are in that situation, that they depend on dole money during vacation. If so whether they get any grant at all or none at all, or whether it is concentrated like in the UK in certain vacations and they get nothing on others.

HON MK FEATHERSTONE:

They do get vacation money. The amount that is given in the vacation is less than they get during term time, but they do get vacation money.

HON J BOSSANO:

Mr Chairman, do they in fact have the right in UK to register as an unemployed Gibraltarian student and supplement their income from unemployment benefit or not?

HON MK FEATHERSTONE:

I am afraid I do not know the answer to that one.

MR SPEAKER:

Any other question in the appendices?

HON ATTORNEY-GENERAL:

I think I can now clarify the point of the Honourable Mr Bossano. If a child is the holder of a scholarship the amount paid for the scholarship is not set off against the income tax allowance of the parent.

HON J BOSSANO:

Thank you, Mr Chairman.

MR SPEAKER:

Any other appendices?

HON J BOSSANO:

Yes, Mr Chairman, on the Housing Account, which is on page 86. Appendix I. There are several questions which I would like to ask. One of them is that I note that this year there are in fact no notional capital charges which there have been in all previous estimates. There is no explanation as to this change in procedure. Can I have one.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the depreciation item that appeared last year, but which I understood appeared only last year and was not the case in every year before, was not repeated because it seems to us to be a duplication, we have repairs, maintenance, and painting and major repairs and improvements as well, and we, therefore, did not put in in this particular Notional Account the depreciation.

HON J BOSSANO:

But, Mr Chairman, for the benefit of the Financial and Development Secretary, I think he will find that it has appeared there every year, not just last year, because I have questioned in fact the accuracy of having an amount for depreciation without having a fund into which the depreciation went to allow for future building.

Now the other think, Mr Chairman, is that there seems to be a very substantial increase under item 3, on the expenditure side, £237,000, for Sanitary Purposes and General Brackish Water Rate, compared with last year's estimates. Is this due to the valuation of the Varyl Begg and is the General Rate related to the value of the property?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I did not come armed with the full details and breakdown of all these items, but there is obviously an element of increased valuation here. If the Honourable Member wishes it we can get a breakdown of any of these particular figures and pass it across to him afterwards. There are also the additional housing elements in it.

HON J BOSSANO:

You see, Mr Chairman, I am concerned about these £248,000 deficit that appear in the Notional Accounts. I appreciate that the Government does not now attach the importance to notional accounts that it appeared to do in the past, but, nevertheless, one never knows who is going to be in the House the next time that the budget comes round and it may be the last opportunity that I have to ask this question, so I would like to make use of this opportunity.

On the income of the rents of houses, Mr Chairman, has any account been taken here of the fact, as I understand it, that the Police force is to have rent free accommodation? Could I also ask when the next time the accounts are made, and if indeed this is the case, that they are getting rent free accommodation, that the charge for that should appear as an expenditure on the Police Account and there should be a counter entry on the credit side of the housing account in order to give more accurate picture of what each service is costing. I think it would be very wrong to create, even on paper, an exercise which appeared that ordinary householders are subsidising a particular section of the community.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am advised that the figure of rents from houses, Mr Chairman, is the computation of rents from Government houses and quarters as at now.

I would just like to deal with the other point that the Honourable Member made. As I have said in my statement I am not satisfied with these accounts and I am investigating how best they can be presented in a much more meaningful way. I certainly take his point about depreciation if there is no fund into which to pay these depreciated amounts, but as regards his other point in relation to any free housing, do I understand that he will expect it to appear in this particular, in the Police vote?

HON J BOSSANO:

That is right, Mr Chairman, what I would expect to see would be on the income side of the Housing Account the total amount of money that one would expect for rent, if everybody was paying rent, and if in fact the rent of Police Officers, Fire Officers, or anybody else is paid by the Department rather than by the individual then that should be a charge to that particular vote.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This is certainly the more realistic way of doing it. I can myself see one or two small, minor snags but certainly this is a much more realistic way of doing it in order that a vote or an account should, as far as possible, accurately cost the service concerned.

MR SPEAKER:

Any other appendices?

HON J BOSSANO:

On the Municipal Accounts, Mr Chairman, generally, it somewhat surprises me that although the Government is still committed to attempting to balance the accounts, no attempt has been made here to provide for extra revenue in this year's budget. It surprises me purely from an accounting point of view: politically it does not surprise me in the least. Could I ask the Government whether they would agree that on the basis of the most conservative assumptions about the cost of the Biennial Review, the deficit here would be greatly increased, on the assumption that there is a fair amount of accuracy in the accounts which I accept is not entirely true, but on the basis of this somewhat unsatisfactory type of accounting, would the Honourable Member agree that since many of these services are labour intensive we are likely to see a much increased deficit, even on a conservative estimate of the cost of review, and would he care to give any indication, or does he object to giving an indication.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Well, Mr Chairman, I cannot possibly give any indication but there is little doubt in my own mind that what the Honourable Member has said about the deficit will undoubtedly be so when the full effects are in fact reflected. But as I have said on numerous occasions I hope they will be reflected in a rather different form, and in which the House at any rate, if there is a subsidy you will be able to see an accurate picture of the size of the subsidy, which I think is the most important thing I think that has got to come out of this funding or if there is any question of the Municipal Accounts.

HON MD XIBERRAS:

On the general question of balancing accounts of this time we have had various statements at various times from at least two Financial and Development Secretaries and as the House knows the question of balancing accounts was discussed at great lengths in the famous Teesdale Report produced on this. It has given rise to great controversy in this House as to whether taxes were needed at a particular time and I think Honourable Members generally, and future Governments will profit from some sort of clear and authoritative statements of what the view of the Financial and Development

Secretary in post at any moment is on these matters, I think that even though some statements have been made already in this House by the Financial and Development Secretary, none the less it is I think very important for Honourable Members here politically, and very important economically as far as the result of the economy of Gibraltar is, that we should have an absolutely clear statement as to the legal liabilities in respect of these accounts, of the interpretations of these legal obligations, and generally of what all Honourable Member - whether they are sitting on this side or on that side of the House - must do. I think the position is by no means clear. The Honourable Mr Bossano has asked for this kind of clear statement but so far it has not come, as far as I can see, in the kind of authoritative and precise manner which the House needs to have.

MR SPEAKER:

We will then resume.

HON MD XIBERRAS:

No, not now 1

MR SPEAKER:

We will not debate these accounts which are not before the House. I think I have said before that all we can do as far as these accounts are concerned is to ask questions for clarification. Once we have done that there is no question of discussing policy.

HON J BOSSANO:

There are a couple more questions, Mr Chairman.

HON MD XIBERRAS:

In respect of this one all I wanted to ask was whether the Government was prepared to contemplate doing this.

HON CHIEF MINISTER:

I would like to say one or two things on this. First of all it is quite clear that if there is to be a subsidy it should be known what it is. On this basis we do not know exactly what it is because they are Notional Accounts.

On the other one, the legal advice that the Government has is that whereas, as the Financial and Development Secretary said in his speech, in the City Council the accounts had to pay for themselves, in the Government this is not the case. It is not a statutory duty, it may be an economic and a political

decision, but even if there is to be a subsidy it should be known what subsidy it is, and to what extent other taxpayers are paying for consumers. Ideally one would hope that the accounts should pay for themselves, particularly the public utility services should pay for themselves. That I think is economically the soundest way of dealing with it, but the point is that until you have the exact account, and if I may say so I was very glad to read in a recent authoritative report that we have received about water and electricity in the future, that the consultants were forced by the fact that whereas the City Council kept exact accounts of expenditure and costs and revenue in respect of the utility services, the Government does not do so and that puts them at a disadvantage.

HON MD XIBERRAS:

Nonetheless - and I am grateful for the views of the Chief Minister on this - this is a complicated thing

HON CHIEF MINISTER:

I gave the political view, I was not

HON MD XIBERRAS:

That is precisely what I was going to say, Mr Chairman, it is obviously a political view, but nonetheless documents have been presented and debated in this House which deal very specifically with the obligation, certainly of the City Council, and I think that a similar document should appear at some time in respect of this House's obligation in respect of these accounts.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I would just like to say one thing, I am a little confused by the Honourable the Leader of the Opposition. If we have the account as I hope he shall be able to have them, and as I am quite sure the Honourable the Independent Member hopes too, and we have a proper account, then as I said in my Budget statement, that if it is a real account as opposed to a Notional Account, it has got to be balanced. I also say that it is a question of how you balance it. And it can be balanced in two ways, it can be balanced because the service in respect of which the account is prepared is by self-financing, or it can be balanced by the Government making a deliberative - for whatever reason may seem appropriate - a deliberative subsidy to that service. And that will be shown in a proper account.

It is not a question of producing the amount with a deficit at the bottom because in the case of a public utility where is the money coming from otherwise. The accounts will not be able to borrow, itself, from the Bank, because it is all part and parcel of the Government, so the account, as an account, is balance, but as I was most careful to say, it is a Government decision making into consideration numerous factors as to precisely how you

balance it so that you can draw a nice line across the bottom.

HON MD XIBERRAS:

The Honourable Member is clear on this as far as he is concerned, but if the Honourable Member has read the Teesdale Report then he will find that there is a somewhat different philosophy. That I think is a very important thing and what I would like and expect from the Government is an undertaking that they would in fact consider producing a comprehensive statement on this.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I don't think I can go beyond what I have already stated quite clearly and simply in my budget speech.

HON MD XIBERRAS:

I am not asking for it now.

MR SPEAKER:

Any other questions.

HON J BOSSANO:

Mr Chairman, just two small points because I would like to note things accurately. On page 92, in the Telephone Service Account, Item 1, Telephone Rentals shows £203,600, and on page 10, under Head 11 Miscellaneous Services, the estimate of revenue for 76/77 for Telephone Rentals is £200,000. Obviously one of the two must be wrong, unless they are two different things. I assume they are referring to the same thing. Page 10 and page 92, Mr Chairman.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I cannot answer that question but I will ascertain the facts as to which of the two is correct.

HON J BOSSANO:

Could I just then ask one final question on appendix 'K', the salary groups and scales. I have not been able to find anybody on scale 1 to 6A in the Estimate. Is it that in fact these scales do not exist or don't apply to anybody. There appear to be nobody above scale 7 and below Group H.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, again I cannot answer this. If the Honourable Member says that there is nobody there then there is nobody. Well we will again make enquiries and establish in fact that there is no mistake in the estimates, and that not only can he not find them but that there are none there to be found Ah, Mr Chairman, I have the answer, which my advisers have given me but which I should have known. It is of course one of the criticism the Honourable Member has made about the various Notional Accounts. One figure is the account rendered, and the other figure is a cash receipt.

MR SPEAKER:

Let us resume now.

THE HOUSE RESUMED.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I report that the Estimates have been considered in committee, together with Appendix 'G', and have been agreed with the correction of certain typographical errors and a number of other amendments.

MR SPEAKER:

I now propose the question which is that this House approves the Estimates of Expenditure for the year 1st April, 1976, to the 31st of March, 1977, as amended, together with Appendix 'G'. I am proposing the question and the floor is open.

HON MD XIBERRASP

Mr Speaker, may I ask until what time this afternoon the Honourable the Leader of the House intends to sit.

MR SPEAKER:

From what I understand it will be up to approximately 6.30 pm. The present sitting can continue because we will not resume after lunch until 3.30, because there are certain commitments to be met. So we can stay on for another 20 minutes if it is going to help the House, or we can start the debate at 3.30. Start after lunch? Is that convenient to the House? Then we will now recess until this afternoon at 3.30 pm.

The House recessed at 12.55 pm

The House resumed at 3.40 pm

HON RJ PELIZA:

Mr Speaker, if I don't get the usual interruptions from the Government benches I think I might be able to get through what I would like to say as briefly as possible, but without omitting any of the points that I would like to make.

I think looking back now, I don't have to look back about 6 years, and looking at it today, a few months before this Assembly expires, it very much seems as if we have had 6 years of one Government because I think that if we look across the Table we will see eight reluctant heroes who have been dragged along, making all sorts of somersaults, U turns, zigzag, even looped the loop until we have been able to drag them at last to the gold mine. If one looks at these estimates, here we have now the goldmine. However, much we may like to hide the money I think it is there. And I think our first purpose today is to try and show that there is a bit of more money than we see in print; that we have been forecasting this over I think the last two or three budgets, and that if in fact one looks at statistics - I think it is more than just hunches - and will consistently see a pattern and we believe that that pattern is going to continue. And I think that this is the situation.

But before I do that I think it must be established that the comfortable financial position of Gibraltar today is due to the high productivity higher wage, policy that was first initiated in this House in 1969. And I am really very glad to hear the Chief Minister say hear hear. It was not that tone that we had in my opening speech in 1969, it was more ridicule that was poured on me and we haven't got to go all that far to see that he has not changed, he has not been converted. He was certainly not converted when I spoke from this side of the House, when unfortunately we were relegated to the Opposition, and I said that there should be an increase of at least £5 a week on wages for the Gibraltarian. And then he again exploded and he even used a Minister from the United Kingdom who was here at the time to say "that is the sort of statement that the Leader of the Opposition would make." Today we find that the worker is not just getting £5, I think in the case of the Police it may well go even as far as £10 or £15, we do not know because it has not been revealed in this House, and that I think is a shame.

I think it is a shame that the Financial and Development Secretary should come to this House after a more or less clear decision has been taken on the salaries of the Police and that he should not reveal in their vote how much that is going to cost Gibraltar. This is intolerable. We are being treated as kindergarten children, and it is about time there should be a real protest about the way these estimates are presented.

I must say that I am very glad to see that the Financial and Development Secretary intends - and ~~for~~ this I am grateful, and I think Gibraltar will be grateful in the long run - to make the estimates a much more clear document for this House to be able to examine and assess and make a good judgment on it. Not blindly as we are doing in this case, because we are definitely giving a blank cheque, there is no doubt about this whatsoever.

I have voted in favour because I think there is nothing else we can do. It would be even more irresponsible to say, no, than to say, yes, even if in fact we are giving a blank cheque. Perhaps also because we know that the life of this Government has only got a few months to go and it cannot possibly.

HON AP MONTEGRIFFO:

Four years after we were elected!!

HON MAJOR PELIZA:

We'll see, we'll see about that. I know that I would have interruptions, but I am used to that and I can take it.

MR SPEAKER:

Will you give way, now. I am going to give one warning because I think it is better that I should do so now than to be misunderstood later. I will not tolerate either interruptions or any kind of remarks which will instigate a heated debate. Let us bring ourselves down to a reasonable level so that everyone can say what they are entitled to say and we might in that way progress further.

HON CHIEF MINISTER:

Mr Chairman, what you have to tell both sides is that there should be no provocation.

MR SPEAKER:

Well, that is what I am trying to say.

HON CHIEF MINISTER:

The kind of soap box speech that the Honourable Member gives is just asking for the provocation.

MR SPEAKER:

I accept that there are times when one feels exacerbated, and I am sure that there are times when the Opposition feels exacerbated when the Government are making certain remarks, but I think that none of you will be found lacking for words when you have your chance to reply.

HON MAJOR RJ PELIZA:

Mr Speaker, the unpleasant truth is very provoking at times and I cannot help it. If those are the facts and that is the truth. If the Chief Minister is provoked by that then there is nothing I can do. What he has got to do is to change his policy, adopt a sensible policy and then there will be no provocation from the truth and the fact. This is all I am saying. I do not think I insulted anybody so far. This is not I think my habit to insult anybody. If in fact he has been hurt by what I have said then that is not my fault. Then he has also attempted to shut me up there is no doubt about it. He has told me on many occasions 'shut up, shut up', that is to me the most undemocratic attitude to adopt, and today I think he has tried to do the same thing in a different way.

MR SPEAKER:

May I perhaps again say something because I don't want to inhibit either this side or that side. There is no reason why speeches should be heard completely and utterly in silence. I think both sides are entitled to show by gestures or by a certain manner that they completely and utterly disagree, but what I won't stand for is for the kind of interruption which is likely to upset the Member holding the floor at the time. I think that by gestures one can make known very easily whether they agree or disagree with what is being said.

HON MAJOR RJ PELIZA:

And so we find, Mr Speaker, that thanks to a policy which was introduced here in 1969, Gibraltar is now in a healthy financial position. I don't think anyone will question that. Certainly the Honourable the Financial and Development Secretary can do so, he said he would have a Jeremiah because this is in the nature of the Financial and Development Secretaries, and we all know that. But he said that on the whole one need not be pessimistic. And, therefore, that is reflected I would say, right through the Estimates.

You will have noted, Mr Speaker, that on this occasion there was no need to press for the odd little change like a Gibraltar Festival which is what, a couple of £100, £1,000, or for more children to go on holiday, or little things like that: they were all provided for. Was this again due to the proximity of elections? I don't know. But I don't believe in

this case it is just that - it might be a combination of the two of course; the fact that the money was there has made it much easier, and you could almost tell by the way the Minister walked into this room that they had got most of what they had asked for. And I would say, as we say in Gibraltar, the bread was buttered on both sides on this occasion.

But I think the important thing is not a little here a little there that really matters, what is going to matter for the well being of Gibraltar is the outcome of Scamp. And on that I am afraid we have heard little constructive opinion from the other side. I was surprised to hear the Honourable the Financial and Development Secretary talking about the Price of flour having gone up because the harvest in Russia has not been so good this year, about all the effects of inflation in the world and all the rest of it, and how we were caught in the turmoil of all these things, something we do not know, and it took quite a lengthy speech. I liked one thing, though, of all that - for that again I am grateful. He said inflation in Gibraltar is imported. That is a very important statement from a Financial Secretary. It is imported. We could hardly generate inflation here because we produce nothing ourselves and, therefore, we are confronted with a situation that if inflation is imported it has got to be met by one way and one way alone if we want to keep our standard of living up: by asking for a fair day's wage for a fair day's work from the Department that gives us the invisible income which in fact is the thing that balances our budget and is also our national wealth.

Unlike any other I think national account, the state of our trade here is perhaps the opposite to what you read about in other places. The higher the deficit due to imports the better the position in Gibraltar, because it means that there can hardly be that deficit unless the people in Gibraltar have got the money to import the goods. And so again we find that the deficit this year is higher than ever before. This is a welcome sign. It means that the people of Gibraltar have the money to buy, and therefore it was coming in. Also that we had a development programme. Money coming into a development programme and that also was occasioning a deficit. But since we can hardly really compare that with exports in Gibraltar, mainly we have to compare it with invisible earnings, I think the position again must be made clear, that no one must be frightened as one may likely be if we are not well versed with the situation of Gibraltar, and this has happened. When people who are really not in the know about Gibraltar see that our deficit is £19m for a little place like Gibraltar do become a little bit worried. And one has to explain that this is not the case, that this is in fact a good sign.

And so we find, therefore, that the important thing on wages has not been settled, and on this I think I would have liked to have heard a clear exposition from the Financial and Development Secretary. After all it is the end all & be all of Gibraltar, there is no question about it. This is the thing that keeps Gibraltar going. And since this is the most essential thing, I think it would be much more responsible at this stage to have come here and given us a full account, not only of the present situation, telling us where some progress has been made, where

no progress has been made, what are the obstacles, which way could they be overcome. That to me would have been a responsible approach to this most important issue from the official - and also a member of the Government - speaking for the Government of Gibraltar: to have come here and given us a full account of that situation. Not to have done so, if I may say so - and I say this after great consideration because of the possible repercussions that there could be later on and that should not be blamed on one side if only if there are such repercussions - is irresponsible. And I say that I have said this after consideration.

I still believe that there is time, because this meeting has not ended, for the Honourable the Financial and Development Secretary, after so much pressure from other quarters, not on this occasion but from many questions previously - there is more excuse for this to be the situation.

In fact the blame now must be passed on to the Chief Minister, because after all the Chief Minister is responsible for Gibraltar. And if the Financial and Development Secretary has not thought fit to do so I think the Chief Minister should have done so, but he hasn't. That to me again is not good Government. The most important thing is that the people should know what is happening. This goes back many months - October 1974 - it is a long way back, and today, in March 1976, even members of this House, certainly myself, are as much in the dark as I was then. And perhaps with little hope, notwithstanding all the pressure, of getting any information at this very important meeting when we are asked to vote £11 m, of which we do not know how much will be going for that particular vote, except on a global figure of which I have something to say in a moment and which personally I don't think is correct. I can do no better than make an intelligent guess, as you might say, but I cannot be blamed at all if I have to work on hunches because the Honourable the Financial and Development Secretary does not allow me to work on a sound foundation of figures produced by him. He cannot blame me of being irresponsible now, the responsibility must fall fairly on the Government. And now I must include every member of the Government. Because if the Chief Minister cannot take the lead and enforce this on an official then I think all the other elected members there stand accused of the same thing. So I am afraid I must now go into Scamp, and I must go now into all the figures given to us by the Honourable the Financial and Development Secretary.

In his figures he says that the total cost from October 1974 is going to be £2.7m if I remember rightly. Then if you deduct £1m on tax this figure comes down to £1.7m. MOD will bring in tax to the tune of about £400,000, which leaves £1.3m. Then 76/77 accretions will make it clear another £500,000 leaving £800,000: then again coming in from MOD £300,000, and finally we have there a surplus I believe of £500,000, which in fact is very near the figure of £492,000. And since one has only got those figures to go by, I am beginning to doubt, seeing the figures and going back a few years that they have never been accurate, we have always had a big surplus, that under tremendous pressure the Financial and Development Secretary has worked the figures backwards. Then he said: well, if we have a surplus of £500,000, let's start working backwards and then I can give a figure that will result in that figure.

I see that the Chief Minister is beginning to laugh again, but I am going

to say why I think this is so. I have very few figures in my possession, and as I have, the Financial and Development Secretary can only blame himself if I am wrong in my deductions.

Looking back, therefore, I have got hold of the revenue estimates for 75/76, which is the only copy I have in my possession, and I have been looking at the difference between the revised estimate and the actual estimate. And it is rather interesting to see that in practically every occasion the actual estimate is more than the revised estimates and the revised estimates is always more than the estimates. So you seek if this has been the pattern in the past years, I have got to assume, seeing that we have said so before on so many occasions and it has always transpired this way, that on this occasion the same thing is going to happen: unless the Financial and Development Secretary can stand up and tell me exactly how he has worked out these figures in detail. When he has done that I will begin to believe him, but I am afraid - and I am not blaming him personally for this, I am blaming the system, let me say this. I am not referring to anybody personally here, I am really referring to the system and I think we have a right as an Opposition to look into the thing because it is a very important matter which affects the life of every individual, it affects commerce, and it even affects the security of Gibraltar, and I will explain how everything like that fits into this very important issue. I could figure but I think it is going to be a waste of time because no one is going to remember them but I think my faith is there, I have looked at the figures, that is a fact.

Now what has happened? We find obviously that there is money, there is no doubt about it. No one is afraid of giving a little bit of more money, I said this before. This, my Honourable Friend Peter Isola called the "Car year". We have three buses for the Police, four patrol cars which come - from the Development Fund - again that money could have been used for something else rather than the patrol car so obviously it means that we have a lot of money. We have the odd mini-car here the odd mini-car there. We must assume, there is no doubt about it, I have never seen so many cars in an estimate before. It is certainly not an estimate where you are waiting to see how you get on with the pay negotiations, it is not the picture that this paints, far from it. We also find the Social Insurance - the Minister for Labour for whom I have tremendous respect, by the way: he is always keen in giving more Supplementary Benefits, and I welcome it, but again we have put no pressure on him. There has always been pressure before but it was there even before we opened our month. I was delighted. But if the Financial situation had been tight that would not have been the position. Even he himself and other members of the Government would have been prepared to cut down or tighten their belts - a phrase we hear from the Chief Minister now and again. The fact that he is not saying anything like that is a very welcome sign that the financial situation is extremely good. And so we find that because of lack of good will - I cannot really find any other word - it is either lack of foresight, lack of good will or a deliberate attempt to divide the unions, I cannot see any other reason whatsoever why, if the money had been there all the time, it has been impossible to come to a reasonable agreement with the Unions. I cannot believe that unless there are very strong reasons it is possible for Union leaders to keep their members, to keep them there, without the increase that is very necessary, unless they have a good case. Because

I do not believe that the workers of Gibraltar are ignorant, I think they are intelligent beings, I believe that they are very moderate: so moderate that it only until recently that they have decided to join unions in such numbers. Some of them are gentlemen who occupy fairly responsible positions in businesses and I do not believe that those men are following their Union leaders blindly. I think they have a tremendously strong case and if they have been able to resist the temptation of giving in to the pressure of no pay until we have it our way, it must be because they have a jolly good case. And now I ask myself; if the workers have a good case, the money is available, it is now a long time, we have no real good information forthcoming from the Government, don't you think I am entitled to suspect an ulterior motive. Perhaps because of the proximity of the elections, waiting until then, or doing away with the present leadership of the Union which we know has stood - and I am saying this not because they stood for my party, they have never stood to my party - but they have certainly stood for the principles of parity of wages which was instituted and first thought of by my party. And also I think - perhaps they saw light a bit before the Government - that the real resources of Gibraltar did not come from tourism - although that is welcome - it came from a fair day's work paid by the employers from the United Kingdom, that is where it came from, and this has been proved to the hilt. In fact, as soon as Scamp is paid, if it is done in the proper manner, I can see once again an upsurge of prosperity in Gibraltar. And over and above all that, and I am sure they cannot be so stupid as not to see this, they have been withholding from our economic area, small as it is, over £1m which could have generated considerable business. Now they stand up and say that there is more in unemployment and the local business are being sold, to outsiders. Of course they are doing that: and who is to blame for this if not the absurd attitude, because I do not believe it is a policy, of the present Government. It is an indictment, I tell you, and when we look back at history it will be one of the blackest marks of this administration.

This is not only undermining the economic position of Gibraltar, as it has been doing quite unnecessarily, but it is also having an effect on individual themselves who should have got something a year ago. We already know that because of inflation things are going to cost them much more once they get the money to pay for them, or they may have had to borrow money from the bank and they are paying interest on it. This is literally taking away money from the workers themselves who were entitled to have it before. It may not be reduced in actual coins, but it is in buying power, there is no doubt about that whatsoever. This has been done for no reason whatsoever, there has been no logical explanation from the other side of the House.

I think that the Government should have acted honourably way back, that's what I think, and if they felt, if they did then, that this question of higher pay - in fact the Chief Minister said so, this is impossible, we cannot accept Scamp, I think it was in October last year. I haven't got the statement but I will leave it to my Honourable Friend to dispute that with the Honourable and Learned the Chief Minister subsequently. It is black upon white but if it isn't perhaps the Chief Minister will say that he did not say that, in which case we will have a

little quarrel with the Editor of the Gibraltar Chronicle or whoever it is that printed it. I think it is well known, whether he said it or not, whether we are going to quibble with one word or another, the fact is that in Gibraltar it is known that the man who opposed parity was the Chief Minister and some of his colleagues. I will not say all because I cannot say all, some of them may have had to toe the line. One has to do that sometimes I suppose, unless you have very strong principles on the issue and you decide that you have to resign. But that is up to each one of them to decide whether they have the courage and all the rest of it. The fact is that no one has done that so one has got to assume that the Government as such opposed this: they thought it was impossible, Gibraltar cannot possibly meet this; what is going to happen to the private employers, they will have got the money to pay. And what have they done, what is the situation today: that the private employer will have to pay, are paying today, and the Government hasn't paid yet! That is the true situation of Gibraltar today. I have had to pay £25 yes for a Shop Assistant, without the money coming in. So there you are we have gone one further than the Government has and we are still alive and kicking, thank God. Not through any help from the Government, not to any initiative from the Government. This has had to be done in Gibraltar, yes. We are not in ruins and I think people are better off. And the money is coming into the Government, because without that there would be no money coming in. We cannot tell - from wherever butter may come, New Zealand, France, from wherever it may be coming - then to bring down the cost of butter because we cannot afford Scamp. We have got to face the situation. And if you really are in a position where you cannot do it, then let us thrush it out, that is the only way. But to say that you cannot do it, then under pressure say that you might do it, and now that it could be done they do not do it, where the hell are we going with this kind of Administration. Order, counter order, before that, just a remnant of the old order refusing to give way to the new order, that is the real situation. And even that is out of date because I think the Government is gradually being left on its own. I cannot see business men who supported the present Government at the beginning really believing that they have the answer to position of Gibraltar, I don't think they certainly they are suffering, they are selling their shops to outsiders because they cannot subsist, simply because the money is not in market for people to buy. And yet we have to pay. That is the situation.

Well, I think that the politically honourable thing to have been done at that stage, I am coming back to this, would have been to resign. The pressure is too great; the people who count, whether we like or not now is labour, not only in Gibraltar but in England as well. And the Government must accept the fact. This is the power of the land today. It is the power in England, it is the power here. It is the power in many other places. In practically every civilised nation, power has moved from capital to labour. That is a fact of life, and either you accept that and you work with labour or you get out the troop and you have a dictatorship. There is no other alternative; those are the facts of life. But this I am afraid this Government is not prepared to accept. Shame.

Anyway, there is I think a good sign, I think we are moving away, certainly from the official side, from the book-keeper Financial Secretary to I think a more economy oriented official - One can see from the introduction to his speech - who sees that coming here to this House to ask for money is not just an operation to balance the books. That used to be so in the old colonial days and it might be that there is a little bit of that still left but it is wearing off. No doubt every time we had a session like this here to day every time I put myself, to please the Chief Minister, on the soap-box, I think there is a little more for the officials who look after Gibraltar to see it not just as a straight forward matter of anti-inflation but also that this is a human community that has got to be looked after, that the whole shape of our society is decided by the decisions that we make at Budget time. It is not just a question here of authorising the executive to do something, that is not the only reason that we come here; it is to give shape to our society, what kind of society that we want, this is the whole point. We don't want the book-keeper to work for us, anyone can do the book-keeping, that has got to be done by the elected members. And whilst I agree that as long as we are in the position that we are today, and the Chief Minister knows that at the Constitutional Conference I said that Britain must be responsible for our economy, no doubt whatsoever, I can understand that the Honourable the Financial and Development Secretary must have a final responsibility over the finances of Gibraltar. Because if we want Britain to bail us out if it really came to that I can see that. But that doesn't mean to say that he has got to be a book-keeper. Things have got to be argued out, the position has got to be made clear to all, and then other than to sound the alarm, he must move with the elected members: if not there will be a clash, there is no doubt about it. Certainly when there is another Government there will be a clash, I have no doubt whatsoever, because I do not believe that Gibraltar is going to stand for that any more. I think the elected members here have got a great responsibility. As far as we are concerned we are interested in creating an egalitarian society in Gibraltar - we are very near that now - with equal rights and on an equal footing with that of the United Kingdom. That is why we stand for here. No more and no less. No more privileged and no under privileged by any means. No second class citizens by any means. We are all alike, with the same rights, the same responsibilities, this is what my party has stood for, this is what we stand for today, and I hope that this will be the outcome of the Constitutional Conference that is taking place now. I hope that that will be the outcome. I only wish, and you cannot imagine how sorry I am, believe it or not, that unfortunately I have not been able to participate for the circumstances of which you all know. If I could I would have made my own contributions in that Constitutional Conference. Unfortunately that has not been possible.

And so, I think this is the time when we have got to shape our society. What golden opportunity we have now with so much money in our hands to do precisely that. And now that the opportunity is there, what have we found that they have turned their back to it and they are causing chaos. If there is going to be chaos it is going to be precisely because of that, when the whole thing would flower into what I believe to be one of the most admirable little communities in the world, and I am not exaggerating

Because what we have in Gibraltar, the understanding that exists between individuals in Gibraltar, is very difficult to find in any other place in the world. And there we are, we are losing the opportunity. Why? As I said before, I cannot believe what I have said before about trying to disrupt the Union, I cannot believe it because it is not in the nature of Gibraltarians to do a thing like that, I do hope that after we finish this debate the Government will do its utmost to try and get to grips with the problem, come to a rapid conclusion over Scamp and get going looking ahead for a much more prosperous Gibraltar on the lines that I think we would all like to see. But there is an even more important matter connected with this, and this is the question of security. We have now been holding out here against pressure and harrassments from Spain for well over ten years. We all know that we have a wonderful safeguard in the preamble to the Constitution - wonderful. I am very pleased to say that I personally took the lead in getting that and therefore I feel very proud about this and I certainly would not be the one to derogate this. But it is the will that we have got to strengthen and there is a very easy way of changing the will of the people of Gibraltar, and this is of course to weaken it. And how do you weaken it: through frustration. If everybody in Gibraltar were to believe that there is absolutely no hope of better days ahead, if they honestly believe that because of the circumstances surrounding us we cannot be bothered, we are just losing a battle, we are fighting a lost cause - and believe me this is the way to do it, by restricting the income of the individual, by gradually lowering their standard of living, and by at the same time making it clear - I am not saying we would but some other parties would, I am not blaming anyone in this House, but certainly other parties would - that the future for them is not in Gibraltar, or at least if it is in Gibraltar, it is by succumbing to our enemies on the other side of the frontier, then no matter what is written in the Constitution, the will of the people will be changed. And there was a time, I have no doubt, when there was an attempt to do that - and again I am not saying this ~~impinges~~ any member of the House - and this was when my Honourable Friend and myself went over to Britain and made it quit clear - it was at the time of another pay dispute - and we asked them to be careful. They listened to us very attentively, and they understood it very well too, and we said: "Watch out, it is all very well in the Constitution but there is somebody, some Department of Government, somebody within the Government, who wants to change the will of the people in Gibraltar, and the best way of doing this is by cutting the income of the workers in Gibraltar and that will bring Gibraltar to its knees".

I think the present Government should take heed of what I am saying and certainly they should not be a party to any possibility of this coming about. I will have a little more to say about this because I think we are nearing the stage - and I will say this later - when perhaps our neighbours are becoming more democratic, we might be able I think in genuine friendship to get together and all the rest to it, but I think we want to safeguard our position. We do not know, Spain is a very unstable country and like the weather we never know whether tomorrow there is going to be rain, snow, or what it is going to be like. Therefore I think we shall want to keep our umbrella, we shall want to keep our shelter. Of course we will invite our neighbours to come in and we shall

be as friendly as possible with them. I certainly have nothing against the Spaniards, never have, I think they are great chaps, I enjoy their conversation, I enjoy everything that they have - except perhaps the garlic which does not suit me - otherwise I can assure you that there is no antipathy as far as I am concerned. I have a tremendous admiration for them and I get on fine with them. None of those Spaniards who have come to Gibraltar to see me can say that we haven't got on like a house on fire, but I am afraid that that is not enough. We have an overall responsibility for the people of Gibraltar, we must not show weakness ourselves under any means, at any time, but at the same time we must of course show friendliness to our neighbours. There is no doubt about that. I am talking more about the people than of the Regime, of course.

I would say now that I personally welcome the idea that in future we can analyse the estimate with better knowledge, and the introduction by the Financial and Development Secretary of new Heads, but again, I think he has given an undertaking on this, when there were increases and decreases which go from one department to another, this should be made clear, otherwise really there is little sense in putting headings if we are going to start changing one to another and at the end of the day we don't know whether the expenditure is higher or lower than the previous year.

I would now like to go through one or two of the Heads in the Estimates over which I am a little concerned. One of them is the House of Assembly. I believe, as it is in fact being contemplated in Britain today, that parties should receive some contributions from the Government to keep them going. I don't know what the facial expression of the Chief Minister means, but in Britain this is beginning to sink in. I will tell you why it is so important.

HON CHIEF MINISTER:

If he will allow this interruption, I do not live in London but I read the press of London.

HON MAJOR R-J PELIZA:

Well, thought is being given to this: whether he has read the same paper I don't know. Whether he has got the same contact that I have, I don't know, but a lot of thought is going into this. And this is explainable: if we want to maintain Government and Opposition unless somebody is interested in doing away with Opposition. That of course is something attempted by politicians who want to be in Government by hook or by crook, and when they feel that they cannot get in then they begin to think that the best way to do it is by eliminating party politics and particularly the Opposition. In certain cases this is the way they go about it. I am not saying this is being done here at the moment but it could happen. I think logically it is a way of getting in, isn't it?

Yes, you may have them already, may be I have taken them from you.
(Laughter).

And so, if we want Government and Opposition it is essential that we keep the parties going. I think Government and Opposition in Gibraltar is proving to be a very good thing. The proof of the pudding can be seen in the Estimates today. The society is well off when the finances are well off, and this has been the product of Government and Opposition. There is no doubt of this at all. We may have our quarrels, but I think we all agree that as politicians, when we go into the ante-room we are all friends. This in my view is democracy and I think happily we practise it here. And I think we have an opportunity of airing all these things and of bringing them to the notice of the public. Certainly, it has been most effective on this occasion because after all at the end of the day in most of the essential things the Government has done what the Opposition wanted. Whether the pressure came from within or without the House I don't know but most of the important things were done that way, except I am afraid the most important one - Scamp. This, I am afraid we did not. And so I believe that some thought should be given to it.

Secondly, on the judicial side I am not happy that the fees for legal aid should be one half or two thirds. I cannot understand, certainly when we have so much money now, why should it not be exactly the same as the fees paid to a lawyer by an individual. Sometimes the Chief Minister refers to England when it suits him, when it doesn't suit him, which I am sure is the other way round - I am prepared, I am prepared to bargain I am prepared to bargain with the Chief Minister that if we do these things the same as the UK, that we do all the rest of the things the same as in the UK. I am prepared to bargain on that one as that we intergrate the Health Service, Education, pay - not 75% ~~xx~~ 100%. I a prepared to do that. If he is prepared to do that, I am prepared to do it. It bet you he is not. Yes, of course, exactly the same as in England. I am prepared. That is what I stood for. But the Chief Minister, every time I say something about England that suits him comes along and quoting England. I think this is a serious matter. I think it is a serious matter that an individual, as part of democracy, of modern democracy as we see it today, should feel that he knows he is getting the same treatment as anybody else and he is not by any means getting inferior legal advice, because he couldn't afford it, any more than I think happens in medicine, it is very much the same thing. Some times the pain, the mental pain, suffered by an individual in that situation is just as bad as any physical pain and, therefore, I think we ought to take this into consideration.

Sir, the other one is the Medical Services; there are a few points which are important to certain individuals. We could not get a satisfactory answer yesterday or the day before from the Minister for Health - we couldn't. Such a small item. I would have thought that he would have gone out of his way to satisfy the Opposition. What do you want? Do you want a Board of doctors? We will do that, and anybody who wants to appeal can go there, something like that. No, there was no give. The most I think we could get from him after a long long debate and pressure was "We'll give it more consideration". That is all this Government does, I think, give consideration.

Now the other vote I think I must pick a quarrel with is the Police. On this one I think we were able through tremendous pressure to get the Honourable the Financial and Development Secretary to unveil the picture. And this happened when he said we have four patrol cars under the Development Aid. Before that we had - the Honourable the Attorney-General must know that we do not use buses for patrolling, but he insisted on that. And he insisted that this was what a competent authority from England had recommended. He even got a bit cross with me when I questioned the ability of the authority. But why? I say, Why? The same as we couldn't get out from him or anybody else in the House, Why have there been so many changes? Was it more jobs for the boys? Obviously it couldn't be, I don't think so, unless again it is the proximity of the elections, but I don't believe that that is the case. Why? To me, when the Honourable the Financial and Development Secretary unveiled the picture, it was very clear. I had already a clear picture at the back of my mind, but he put the spotlight on it. Now I know. It is a complete re-organisation to provide mobility which to my mind means that we are going to have a properly trained anti-riot police in Gibraltar. That is what I believe. If it is a good thing it is a good thing, but it should be said. We must not be treated like little children any more. If that was the idea behind the change the Chief Minister should say so. If he finds reluctance from any other quarter to come forward with the truth, he should stand and tell us. This is the reason for the re-organisation: this happens in every modern state, no one is going to be afraid of this. I would rather have the police tackling a riot than the soldiers.

HON CHIEF MINISTER:

hear, hear.

HON MAJOR R J PELIZA:

Hear, hear, of course, but why not treat us like men. Now you agree, now the Chief Minister agrees.

HON CHIEF MINISTER:

If the Honourable Member will give way. I will agree with the general principles he has expressed, it doesn't mean approval of all the remarks he is making about the way in which the matter may or may not have been put. One thing I would like to make clear, that to me the reorganisation of the Police had nothing to do with it. If he had mentioned the question of the vehicles it would have been a different thing, but not the organisation, that was not the way it was presented to me.

HON MAJOR RJ PELIZA:

The picture has unfolded itself, it doesn't matter what the Chief Minister says or not, it is clear. We shall know more about this, we shall see them training and all that; it is clear, otherwise why the three buses, it is pointless, it doesn't make sense. If the Chief Minister didn't know about this, and if the Chief Minister himself was hoodwinked I think it is absolutely irresponsible on his part. Absolutely irresponsible: he must be very, very naive. It is something that doesn't do all that credit to the Chief Minister and I don't think he is all that naive. So he must have known. He must have known and we were not told. Not only that, the fact was being hidden from us. And I don't know if the Ministers have had the same treatment as we did, but if the Ministers had the same treatment as we did and accepted it, my opinion of them has gone down considerably, my political opinion of them, my friendship remains the same as before, I am talking about my political position.

Now, this I think is something that is intolerable. It is undignified to do a thing like that in this House, undignified from whatever quarter the directive may have come. Even if it came from His Excellency the Governor, or even if it came from the FCO, from wherever the directive may have come that this had to be done in secret. We want open Government in Gibraltar. How can you expect me now any more to believe it when someone tells me to accept the facts without coming down to the last detail: how can you expect me to believe it any more. I shall be suspicious now. Gibraltar will also be suspicious of the attitude of this Government and the attitude of the officials. That is very wrong.

I now go to something that I was very pleased to hear. I think it is a good idea that the port of Gibraltar is being advertised. It is an asset which I do not think we are developing. I very seldom put the Minister for Tourism on the back but on this one I cannot resist it. I think it an excellent idea and I do hope that he amplifies that because I have no doubt whatsoever that this is something that will bring a lot of more traffic to Gibraltar. Air, hotel occupation, money being spent by crews going home, money being spent by crews coming here I think, Sir, we have a service which is second to none and this could be exploited. On that I congratulate the Minister. I will not congratulate him later on on other things, let me make it quite clear now.

The next thing I think that we could push forward with are the yachts. Again I think it is now becoming clear that this is an industry which has tremendous potential in Gibraltar, but again I cannot understand it; the party that stood for the "right of our land" found it impossible to build a marina where we were going to build it. I don't understand it. I am referring now to the one at Montagu Bastion. The other one was also planned in our days: let us not think of this being a new project because it is not. I held lots of talk about the other marina and in fact if we had been in power the marina would have been there by now. Maybe. Anyway all I can say is that the present development Minister has had much easier times with me than I had with him. I have been really kind to him.

I think that is one, and the other one is the new facilities that we are going to get there when they discover how they are going to get the sand as quickly as possible from the Tallus to the pockets and

build the retaining wall quite honestly all this to me now is really funny. We have been talking about this this morning and quite honestly I don't think the Minister has got a clue, he hasn't got a clue of when he is going to start it or when it is going to end. He hasn't got a clue. He doesn't even know where he is going to get the sand from. He said perhaps from the top of the catchments. He cannot give us a date and then they talk about having no manpower. There is no coordination, no coordination whatsoever in this Government. One Minister says that if he wants to know about the other one he has got to poke his nose into his department, and I am referring to the Minister of Labour. He calls that "poking his nose into departments". Of course it is all wrong, the Chief Minister should be in charge of the development programme and then he would be able to coordinate the duties of all the Ministers as I used to do when I was there. This is the way to do it, but the Chief Minister decided to put all the load on the Minister for Tourism, Trade and Economic Development, who has got a hell of a load with Tourism and Port alone, and also Economic Development. This is the result! The result is complete chaos, no progress, change, we haven't spent £700,000 this year, hardly anything for next year.

One says, yes, we can do it; the other says, no, we cannot do it because we haven't got the labour. This is really the Tower of Babel, this is what it is, every Minister talking his own language, every Minister talking his own language and nobody understanding what is going on. Little wonder that there is no progress, and little wonder that the projects are costing all that much more, because with delay comes cost.

I believe that here we are in a position with lots of money but no imagination, no purpose, no energy, no direction, no leadership; it is a Government of "No's". No to Scamp, everything, no. But yet I think we have to look ahead, because the day is nearing when we shall have to take real competition. I am coming back to security again because this is coming gradually to an end. I think we have got to think carefully and make the best use of the money we have and we are going to have when Scamp is paid.

We all know now of the famous Iberplan produced by a British firm and a Spanish firm. We don't know whether either had got any connections with Government, we don't know. We had questions today about whether statistics had been supplied to one; the Chief Minister said, no. I don't know whether he meant that categorically, but like many other things that we have heard before, categorical statements from the Chief Minister, they seem to be not quite the same as he said. And so it would be interesting to find out as time goes by whether in fact statistics were obtained from Gibraltar. We shall find out.

HON CHIEF MINISTER:

Is the Honourable Member saying that when I said no I knew that it was, yes, and that I had been misleading the House or that something else may be revealed that I didn't know about?

HON MAJOR RJ PELIZA:

That is it, that is it. I do not believe that the Chief Minister knew. I suppose that if he had known he would have told us.

HON CHIEF MINISTER:

Of course.

HON MAJOR RJ PELIZA:

But I have a feeling that this has happened.

HON CHIEF MINISTER:

I can only say this, that if anybody has given information which should not have been given, he shall answer for it.

HON MAJOR RJ PELIZA:

We shall take you at your word.

Now, therefore, already as a result of that - Iberplan - there have been suggestions in The Times, that Gibraltar should be intergrated with Spain. And also we have had more or less at the same time in the Telegraph an article by Terence Pratje, who knows Gibraltar pretty well, a very good friend of Solomon Seruya and others

MR SPEAKER:

I am being very, very, very liberal and I don't think I have interrupted you in an hour, but I am not going to have a review of everything under the guise of a Budget speech. I think I am being very fair to you.

HON MAJRO RJ PELIZA:

Mr Speaker, I am not going off the point, off the Budget, I am just looking ahead. The fact is, Mr Speaker, that as I said before our economy, and we are talking about the economy in Gibraltar, it has been suggested that our economy - this is why I am coming to Iberplan

and I think it is relevant, very relevant, in fact it is the most dangerous attempt, I would say, to undermine

MR SPEAKER:

I didn't stop you at Iberplan, I stopped you at the subsequent suggestions that you were going to make.

HON MAJOR RJ PELIZA:

No, I wasn't, I wasn't going to make any suggestions.

MR SPEAKER:

All the better, then. Let us go ahead.

MAJOR RJ PELIZA:

No, no, I would request you not to anticipate what I am going to say.

MR SPEAKER:

No, no, it would be opening a new field for debate which is not relevant.

HON MAJOR RJ PELIZA:

What I was going to say was that Terrence Prodie suggested that we should have a member from Gibraltar or Spain representing us in the European Parliament. There is no coincidence about this thing, there is no coincidence.

MR SPEAKER:

That is not relevant to the debate, that is what I am saying.

HON MAJOR RJ PELIZA:

I think it is relevant, Mr Speaker.

MR SPEAKER:

Well, I am ruling that it is not.

HON MAJOR RJ PELIZA:

Alright, then I will not say anything more about the elections, Mr Speaker. I will just say, therefore, that there is a plan which may have political consequence and against which we have to be on our guard. And the first thing we have to do, therefore, is to prove that we are sufficiently strong economically to withstand any competition from the other side when it comes, when the frontier opens some day. And when that happens I think we shall have common ground. Labour and capital, the Unions and the other enterprising associations, will have common grounds but the common ground will become much more obvious because of the attack from the outside and therefore we shall have to defend ourselves. We must not wait for that to happen. This common ground must be found today, and I would have thought that the best way of finding this common ground is available now, proving through Scamp, and coming to an arrangement, over Scamp, by bringing employers, employees, associations, everybody concerned, together to be thrashed out so that we can arrive at a fair revision for all, get our house in order and get ready to face the competition which is bound to come when it comes. So that when we return to normality and I hope it is soon, we shall be able to carry on existing in our own way of life, with our own institutions here in Gibraltar, and gradually as time goes by intergrating, I must use the word, integrating ourselves to the European community, economically as well as politically, by representation in Parliament, but in this case not through Spain, either through here or Britain, something which is red hot now and which I think should be taken up without any further delay. And by doing so I believe we can do what is expected from us by the people of Gibraltar, to give them a fair deal in this life, to give him a good standard of living comparable to that of any other European national and make them proud of being Gibraltarians, as we all are.

HON H J ZAMMITT:

Mr Speaker, Sir, I would seek your indulgence because of my physical incapacity today, and I also hope that I don't get quite so carried away as did the Honourable Major Peliza. Nor do I hope to have to talk for an hour basically about nothing, because he has been contradicting himself, Sir. Three minutes after he said something, he then went on and contradicted himself.

Major Peliza heard a little ha-ha about high productivity and high wage. Now, Mr Speaker, I do set and think any politician anywhere in the world would oppose such a thing. We all think that a high wage is a good thing, but we equally think that high productivity is a good thing. I have been in this House now for nearly four years where members, particularly on that side of the House, have mentioned the words 'high productivity'. And it appears to me, and I say this, Sir, with the modesty of being I think the youngest member of the House in politics, it seems to me that there is the lack of expression, or vulgarly speaking, the lack of guts to say what we mean by productivity. Because time after time I have seen that we are paying out productivity bonuses but we are paying for nothing more than what should have been done without the bonus, and at the end of the day there is absolutely nothing obtained for a higher wage.

Now, Mr Speaker, I say that because Major Peliza mentioned that we had inherited this high wage high productivity policy from his administration of two years and ten months way back in 1969. Well, it is true, Sir, we did inherit this, but may I say, en passant, that there we have the high wage, high productivity, incorporated by the opposite side, and at Varyl Begg, a phase that should have been ready in March, 1975, is coming up, I am told, some time in the middle of next month. So if that is high wage, high productivity, then either we are paying higher wages with no productivity or we are wrong somewhere. But I think it is high time, Sir, that some politician had the honesty of coming out and really speaking about productivity and what it really means.

MR SPEAKER:

I hope you are not putting the honesty of any member in doubt.

HON H J ZAMMITT:

I am not getting at the honesty of members, Sir, I am saying that

MR SPEAKER:

I am not calling you to order, I am just asking.

HON H J ZAMMITT:

What I am saying, Sir, is that we all speak glibly of the word "productivity" but I think it is high time that if productivity is being paid, if there is to be a high wage then of course there is something more demanded.

Now, Sir, he also mentioned, may I say with great regret, because I think this House is further blessed with the presence of the new Financial and Development Secretary, Major Peliza said it was a shame that the accounting - in one place he said that he could not accept these figures, they were hunches and one thing and the other, and as I said when I first started talking, Sir, he contradicts himself, 10 minutes later by saying "Thank God we have got somebody here who is now producing estimates not of the old colonial situation where there was purely a balancing of"

HON MAJOR R J PELIZA:

I said I was very glad to see that we now had a Financial and Development Secretary who is not just a book-keeper but who has got economic orientation towards society - that is what I said, nothing to do with accounting.

HON H J ZAMMITT:

Yes, Sir, but it does place the Honourable the Financial and Development Secretary in a quandary.

HON MAJOR RJ PELIZA:

I am trying to be fair.

HON H J ZAMMITT:

Well, that is a matter of opinion I think.

Now, Sir, let us look, because Major Peliza did take this House back something like six years, and he says that we have made a complete mess. Yet he says that we have done everything that the Opposition has asked us to do! So, therefore, Mr Speaker, probably they too have made a mess: he cannot have the cake and eat it, Mr Speaker. He cannot tell us that we have made a mess of things, but yet we have done all that they have said because we have been pressurised by them, and yet if we do it it is also a mistake, it is also wrong. You know it is that kind of thing, Mr Speaker, that has often led me to think how members of the press can compile something tomorrow, because you know things, are manipulated so easily, I suppose without meaning, but that is the case.

Now, Mr Speaker, one thing that Major Peliza has made a song and dance about is Scamp. I must confess, Mr Speaker, that I am not as well versed in this as other members on this side and I assume on that side of the House, but I can say one thing, Sir: Major Peliza has given a distorted picture. He accuses the Chief Minister of saying that we were not accepting. Now, I remember vividly, and if the Honourable Mr Bossano has some write-up I will eat my words, but what I am going to say, Sir, is because I memorised it very clearly, it is vivid in my mind, when the Honourable and Learned the Chief Minister stood up here and said "We will have an enquiry and we will accept what the enquiry gives: parity or anything else."

Now, Mr Speaker, it must be clearly understood, we have accepted Scamp, Lock, stock and barrel, and it is not right for the Honourable Major Peliza to come here now from England and tell us that we are dividing the Unions. He probably reads the Financial Times, Mr Speaker, but if he were to read the local papers he may find out that there is something happening. And a particular newspaper, Sir, of which I keep, many moons ago, when Scamp came along, headlined a great jubilation about Scampe being accepted, despite members on this side of the House saying that the consequences of what was going to happen whether it was 80%, 70% or parity. And the result is being seen today, Mr Speaker, where the workers unfortunately are unable to accept money because somebody has made the mathematical error of not realising that some people were already getting more than 70, 72 and 75 and some of them more than 80%. I will explain now what Major Peliza very ably explained that he himself is able to pay £25 a week to his Shop Assistants. Business must be very good,

Mr Speaker, yet in the other breath he tells us that shop owners in Main Street are selling out because there is no trade. Again he cannot have the cake and eat it, Mr Speaker, he cannot tell us here that the trade in Main Street are selling shops to foreigners because they cannot make ends meet and yet he is able to pay more than parity to his shop assistants.

Honestly, Mr Speaker, this is what really puts me, and puts I am sure the minds of many politicians in Gibraltar, in grave doubt. We just seem to say things without foundation and that is what we have got to be careful of, particularly, Sir when it comes not from a green politician like me but a man who has been Gibraltar's Chief Minister.

Now, Sir, I don't know why, quite honestly, but Major Peliza has contributed quite a few paragraphs as I am sure Hansards will prove, about the Police. It surprises me, Mr Speaker, that not one member, not one member was able to say that the biggest thing that has happened in the history of the Gibraltar Police Force is the termination of the policy of engaging Commissioners from Colonial territories. That I think is the greatest achievement since the establishment of the Gibraltar Police Force, when we have been importing Commissioners here, Sir, who have less service than the average Police Sergeants you see walking around Gibraltar. That is the way these people got their promotion and got there - I am not being personal - I am not being personal, but I can say this, Mr Speaker, there were people who came to Gibraltar as Commissioners of Police who were not fit to be Sergeants if they had been in British Forces, and I can say that with authority. And now we have been able to break away from that antiquated situation, that colonial situation, of somebody going out to one of the unfortunate African states and been brought back here as Commissioner of Police 7 years after he has been trudging around the bush somewhere. That is the greatest thing, and it is on that advice, on the advice of the two last Commissioners we had here, that have brought up very important readjustments in the Force. I am going to explain this, Mr Speaker, because I try obviously to keep away from talking about the Police because it isn't my responsibility

HON MAJOR RJ PELIZA:

The Watch Committee.

MR SPEAKER:

Order.

HON H J ZAMMITT:

I will not go into the Watch Committee, I assure you, Mr Speaker.

Mr Speaker, in the past people who had any connections, and I know that

we had two eminent lawyers on that side of the House, will agree that the situation has been one where the entire Police Force has been controlled by one individual. He was head of this, head of the other, head of the other and if the great Bwana wasn't around, close your offices, nothing could be done. Now what has been done, Mr Speaker, is that these gentlemen - time waits for no one, they had had to leave and they realise that they were not indispensable there is always room for new people. That has been done, there is now a delegation of duties to individual departments and there is bound to be better steamlining.

Now, Mr Speaker, it surprises me that the Honourable and Gallant Major Peliza seems to be so concerned about the three buses. I think, Mr Speaker, that the Honourable Major Peliza was Chief Minister, in 1969/70, and I think the Honourable Major Peliza is aware that because of the riot that we had here about the "Doves" the Police received anti-riot training. That doesn't mean to say, Mr Speaker, that we are going to have a police state, what it does mean, Mr Speaker, is that today, if there were to be a major disaster, not necessarily for breaking up - and I am sure the Honourable Mr Bossano is worried about it - breaking up strikes or pickets or what have you, that was not the intention, no, the intention is, Mr Speaker, that there must be mobility. Why must we put blinkers on, Mr Speaker, and only look at what we see three feet ahead of us. There is a very wide horizons, the Police have always had mobility, the Police have used Dockyard mobility in cases of emergency, but what is required, Mr Speaker, is that the Gibraltar Police is entitled, as a very good Force and I will go further on that later on, and the Opposition should have given the Police Force a little more credit, a little more credit.

Let us not forget, Mr Speaker, that we were locked up in here for 3 or 4 hours, not so very long ago! We are talking a little egoistically, but we must give the Police Force a little credit because they seldom get it from anybody else.

Now mobility of 17 officers, or 34, or 51, as the case may be is quite common. It is quite common in summer where police are on duty at our beaches; they have to be picked up and taken away. We must not have all that ill conceived idea that they are only there to bash people's heads in, far be it, and I am sure this Government certainly would not allow that. What I think, Mr Speaker, and I feel very strongly about this, is that absolutely no credit has been given to that department ever.

HON MAJOR PELIZA:

I praised it yesterday.

HON H J ZAMMITT:

Well I did not hear you. But we do turn to them when we are in need. Then the almighty Police is there to bring us out of our muck, but when all is plain sailing we fail to consider and appreciate their presence. We take them for granted, and I know this personally because I did 20 years in the Force.

Now, Mr Speaker, I was interrupted by members opposite as to the requirement of the Watch Committee. Let it be no secret, Mr Speaker, that I was responsible for putting that down and asking my colleagues to consider that in the electoral manifesto of 1972 it was I and I did that, Mr Speaker, and I am grateful to my colleagues for that, because the Chief Minister mentioned yesterday that the welfare of the Force is what we are really concerned about. It is what we should be concerned about in this House. I don't think any member on this side or that side of the House has ever wanted or intended to control the Police Force. We do not want that. May I give a further assurance, it certainly would not happen in this Government as long as I was a Minister. But I am sure that no member on this side has ever wanted to have a finger in the pie in so far as telling the Police Force what to do. What we have said all along is about situations, and I am not going to be personal, situations which have occurred in that Police Force utmost disregard to individuals, of people being set aside and others making rank and future by being glorified batmen. That is what I wanted to do, Mr Speaker, and I say now, it is not required today with the Commissioners that have come out since we got rid of the colonial Commissioner. No Commissioner in Gibraltar would allow, Mr Speaker, and I have personal experience of this, no Commissioner coming out from the United Kingdom, what I call a pedigree copper, would allow any other officer to do what we have seen and made it

MR SPEAKER:

Don't start enumerating what they do.

HON H J ZAMMITT:

No, but I think we all know this, Mr Speaker, we all know there is a car washing and gardening, people with pretty senior ranks doing these things. That today would not be so.

HON PJ ISOLA:

Mr Speaker, is he making the suggestion that the idea of a Watch Committee from his party as published in the manifesto was only to look after the welfare of Police Officers and not after the interests of the public.

HON H J ZAMMITT:

Sir, the interest of the public, as regards the Police Force is a matter which onewould /into it. We have had enquiries into the Police Force. I remember the Chief Minister receiving a delegation who were making delegations against the Police Force, and if it came to that would have it again, I am sure. The object of the Watch Committee, Mr Speaker, is not to allow an individual or two individuals or three, Mr Speaker, to do as they have done

/look

and as they have pleased. That is the object, and the welfare of our men, that is the object of the Watch Committee. I can say so, Mr Speaker, because today I deal with the Police Force more than I did before, because today I deal with the Police Force more than I did before, because of my traffic and responsibilities. I very much doubt any Commissioner of the calibre that we have today accepting a situation which I have personally experienced, and which I feel I need not go further into, only in the past year.

Mr Speaker, I think I have said enough on the Police for the time being - subject to having a parking ticket on my car when I get out!

MR SPEAKER:

Do you intend to speak very much longer?

HON H J ZAMMITT:

No, Mr Speaker, I think I can finish quite quickly. Mr Speaker, I would like to terminate by saying that it appears that the Honourable Major Peliza is rather upset because we have not brought any new tax measures. Mr Speaker, his words were: "We have required no pressure from the Opposition to give a few thousand pounds here and there." What is the worry, Mr Speaker, when we do raise taxation there is a big hushah about raising taxation, when we do not raise taxation we are also accused that we should have done something. Quite frankly I am confounded, I will be honest with you, I am confounded.

HON MAJOR RJ PELIZA:

If the Honourable Member would give way. I have not said any such thing. I haven't mentioned taxation at all.

HON H J ZAMMITT:

Mr Speaker, I took note of what Major Peliza said, he said "They have required no pressure from us." But what is the worry, Mr Speaker, why because the elections are 3 months ahead. That is the worry, that is the worry. I thought so, Mr Speaker, I thought that would be the worry. I do not want to tread for one moment, and so far I have not spoken on my own department, because I don't think they require anything at this stage being too brand new a department, but I would say one thing to the Honourable Major Peliza. If he went back six years, and if he would go back six years again, and see what my colleague; now absent, the Honourable Mr Canepa, has done just in that sphere, just in that sphere of Family Allowances, of Pensions, of Old Age Pensions, of anything you like, Supplementary Benefits, I very much doubt if any member on that side, any member at all in the history of Government in Gibraltar, has been able to do that, and that is but one isolated incident of progress, and that is the kind of progress that this Government has gone for and God willing will continue to go for. Thank you, Sir.

MR SPEAKER:

We shall now recess for approximately 20 minutes.

The House recessed at 5.05 pm

The House resumed at 5.45 pm

MR SPEAKER:

Then I will make my standing joke from year to year that if there is no other person who wishes to address the House I will put the question, but I could not quite in truth believe that.

HON J BOSSANO:

Mr Speaker, I almost decided this year not to say anything but the temptation was too great. Mr Speaker, I shall be making reference to detailed figures in the first part of this, my contribution, and for that reason I have got some notes to which I would like to refer.

MR SPEAKER:

Most certainly.

HON J BOSSANO:

Mr Speaker, before coming to a detailed analysis of the Budget speech of this year, and the Estimates of this year, I want to go back over some of the ground of the other Budgets in which I have participated in the House of Assembly, and it is my intention, therefore, to briefly consider what has happened before because I think it is valid to do so to arrive at the point in time that we are now and what lies before us in the Estimates of Expenditure.

The Estimates of Revenue and Expenditure for 1976/77 and the accompanying Budget statement are the fourth and the last of the present administration. These four years have been perhaps the most turbulent in our history and have been further characterised by violent debate about the finances of Gibraltar. The controversy surrounding the accuracy of Government's estimates of Gibraltar's economic position requires that one should constantly refer back to what has been said, on previous occasions and to the revisions that are made to such figures, from time to time.

On this occasion we have to look at the Estimates of Revenue for 1976/77, at the revised revenue figures for the current year ending this month, and at the actual figures for the year which ended on March 1975, when the last

Budget was brought to the House. It is to these figures that I attach most importance because it is the shortfall between the Revenue Estimate and the Expenditure Estimate that is used in every Budget session to justify additional revenue raising measures, and clearly the accuracy of the estimates of revenue and of expenditure both for the year ending and the one that we are about to enter pay a vital role in the whole question of the Government's ability to meet demands for better social services and higher wages with which I have been constantly associated both in the House and in the Trade Union Movement.

It will be recalled that the spotlight was put on Government's financial ability to pay almost as soon as the present Government came into office and the controversy was well and truly started by the Chief Minister himself in August, 1972, when he went on GBC television in the middle of the 1972 pay review to state that there was no money to meet increased wages. The Official Employers maintained that no increase in real wages, that is, increases over and above the cost of living could be contemplated unless such increases were self-financing through increased productivity. The theme was the background to the 1972 pay negotiations, was confirmed by the Financial and Development Secretary in the House on the 6th of November, 1973 in answer to my question No 133 of 1973, when he made the outrageous remark that "an improvement in the standard of living is by itself inflationary", and was again the backcloth to the opening offer of 50p for a labourer in the 1974 Biennial Review negotiations which as we know are still continuing.

On the first occasion, in 1972, the offer made by the employers was a 40p increase per week to the labourer. This was defended on television by the Chief Minister by reference to the state of the finances of the Gibraltar Government, a move no doubt that he has bitterly come to regret. Ever since then the ability of the Government to meet the pay claim has become closely identified in the minds of all workers with the stand taken by the Official Employers in rejecting improvements.

The statement made by the Chief Minister in August, 1972, was to the effect that the Government expected to finish the financial year 1972/73 with a deficit of £68,000 because of uncovered commitments left over by the previous Government. There was, the House will recall, the infamous fenders for the Port that took several years to arrive, and also the argument that revenues were not buoyant - this was without any pay increase, hence the 40p being offered could not really be afforded on a strict analysis of the financial position. In fact after a general strike which lasted one week average increases £1.50 per week to industrials and £4 a week for non-industrials were agreed in due course.

Those at the top obtained increases of some £9 a week.

Eventually the revised figures for the previous year 1971-72 saw the light of day, and the surplus left by the previous administration was raised upwards by substantial amounts. Of this sum a total of £2¹/₂m was transferred to the Improvement and Development Fund in October, 1972, retrospective to the previous financial year, because it is claimed the money is urgently needed for capital projects. The original intention was to transfer £300,000, Mr Speaker, the actual amount transferred was £500,000.

That decision of October, 1972, bitterly opposed in the House at the time again sets the pattern, Mr Speaker. It was the first controversial decision affecting the handling of Gibraltar's finances which was politically motivated, designed to produce a particular picture of the economy but was not and could not be justified on sound economic principles.

The arguments against the move were put forward on various occasions as follows:

1. The logic of raising loan finance in that year when the Government debt was being redeemed instead of using up pressures reserves.
2. The urgency of the movement was unjustified since there was no immediate use for the money in October 1972 in the Improvement and Development Fund.
3. The use of monies from the Improvement and Development Fund to meet a shortfall in the sinking fund for loan redemption was possibly unconstitutional and certainly appeared contrary to the provisions of the Financial Procedures Ordinance.

I would draw the attention of the House to the Auditors Report for the year 1971-72, published in May 1974, sections 12 and 18 where comment is made both regarding the transfer of £2m and the use of monies from the Improvement and Development Fund for the purpose of loan repayment. Thus the passage of time, perhaps unnoticed by some, has been vindicating the criticisms that have been made in the House about the handling of Gibraltar's finances. Now that we are facing the last AACR Budget, certainly before the next elections, and hopefully for ever more, it is appropriate to pause and draw together the strands that join these four budgets. To draw a completed picture of the pathetic attempts of the Government to restore the full strength of the economy.

Now, Mr Speaker, as the House has considered this equally misleading estimate, it is a good time to do a post mortem on what many people in Gibraltar consider an already defunct Government.

The presentation of the accounts for these four years have been conditioned by that political decision of the Chief Minister to try and cheat Gibraltar's workers of a fair wage settlement by suggesting there was no money. Let us follow this policy over the last four years and we will understand what is happening today.

At the 1973 Budget session, the first AACR Budget, the Financial and Development Secretary's statement constantly emphasizes the cost of the 1972 Biennial Review as a major contributory factor to the supposed deficits shown for 1972/73 and 1973/74 in the figures before the House.

The Draft Estimates showed a projected deficit on the current account in 1972/73 of £284,350 made up of £59,350 on the year's working and £225,000 due for that year but payable in 1973/74, and in 1973/74 of £290,550.

These deficits reducing the healthy general balance of 1971/1972 of £2,437,411 to a projected £862,511 by March 1974. By that time the Improvement and Development Fund is estimated to be in a deficit position to the tune of £845,189 leaving a net reserve of some £17,000. I pointed out at that time, Mr Speaker, that this implied that Gibraltar was bust, a situation which conflicted with the optimistic assessment made by the Chief Minister shortly before on a BBC interview. Of course the Chief Minister was right to be optimistic because as I said in 1973 Budget session the whole presentation of the Estimates was a deliberate distortion of reality for internal consumption.

The Government introduces measures to produce revenue amounting to £629,700.

This is justified by reference to the presentation I have mentioned above of the state of the economy. Of particular importance in this analysis and presentation and the revised estimates of revenue for the year ending March 1973 of £5,614,950 and the estimates of revenue without any budgetary measures for the year ending March 1974 of £6,642,900. Mr Speaker, your indulgence permitted me then to make a number of points about the Estimates and these are figures which we can now reconsider and see that I was right in my suspicions three years ago. My estimates were right, Mr Speaker, even though I have lost my place, and the Government's were wrong. Why may we ask should Government wish to increase taxation in 1973 unnecessarily, Mr Speaker. Is it simply sadism. No, it is simpler even than that, it is the desire to be proved right. In summer 1972 the Chief Minister had said there was no money to increase wages and this was followed by industrial action and a substantial wage and salary increase, that is to say, substantial by comparison to what had been offered. Therefore, the effect of these increases had to be passed on to the people of Gibraltar whether there was a need for it or not, to undermine the will of the workers and the push of the Trade Union Movement for further wage and salary increases.

What was in fact the true financial position in March, 1973?

That we learned in 1974 when the Draft Estimates for that year showed the actual figures for 1972/73.

In particular it is worthy of note that Head X Municipal Services produced £1,577,528 a figure quite close to the 1971/72 outcome of £1,509,620 as I had predicted the previous year, that is, and almost £100,000 above the revised estimate conveniently produced by the Financial and Development Secretary for the purposes of creating a spurious deficit of £59,350 on the current account.

The General Revenue Reserve which was estimated to stand at £1,153,061 at the presentation of the Draft Estimates is revised upwards a year later, to show a true position of £1,426,847 and the balance in the Improvement and Development Fund is revised upwards from a deficit of £42,662 to a surplus of £393,978. This vindicates completely the accusations made by me in the 1973 Budget that the figures presented by the Government to the House, which were used to justify the Budget measures of the time, were utter and complete rubbish.

The measures then were not necessarily to meet uncovered deficits of the previous year.

The gloom of the Financial and Development Secretary proved totally unjustified. The grim looks from Government benches whenever of the cost of the pay review came up were uncalled for. In spite of the pay review and in spite of the damage and economic cost of the General Strike provoked by the Chief Minister/1973 finished with as much money in the kitty as 1972. ⁱⁿ

And so we entered the first full years of AACR Government with the strike behind us and a budget behind us.

What then were the prospects for 1973/74? A year of relatively industrial Peace with only the re-introduction of COLA as a potential increase of the wages and salaries bill and of course the impact for a full year of the pay increases granted the previous year.

The Draft Estimates had shown the following position:

Balance March, 1973		£1,153,061
Estimated Revenue -	£6,013,200	
Estimated expenditure -	<u>£5,950,750</u>	£ 62,450
Cost of Biennial Review for non-industrials	300,000	
Cost of 50p 1 7 73	<u>53,000</u>	
		353,000
	Deficit	<u>£ 290,550</u>
Balance March, 1974	-	£ 862,511

The Budget measures, designed as mentioned above to raise some £630,000 had changed the picture as follows -

Balance March, 1973		£1,153,061
Estimated Revenue 73/74 -	£6,642,900	
Estimated Expenditure 73/74 -	<u>£5,950,750</u>	692,150
	300,000	
	<u>53,000</u>	<u>353,000</u>
	Surplus	<u>339,150</u>
March, 1974		£1,492,211

What did we find then a year later in March, 1974. The second AACR Budget. First the 1972/73 account produced a surplus and not the deficit as has already been mentioned, and the reserves stood at over £1m higher than had been estimated in the first budget. This improved the position is ignored by the Government who uses the argument that instead of the estimated surplus £339,510 published the previous year there is an estimated deficit of £222,628. This together with the projected deficit £404,990 for 74/75 and another estimated deficit in the Improvement and Development Fund produces the toughest budget in Gibraltar's history. The Government aims to raise £900,000 but as figures now before the House prove, and as I said at the time, the measures particularly the effect of the 1973 Income Tax increases were designed to produce much more, and the full effect of these measures are to be found in the estimated tax yields in the current year and in a comparison of the amounts collected by the Government in Income Tax since they took office which rose from £600,000 in 72/73 to £3m in 75/76.

The 1973/74 accounts did produce a deficit, Mr Speaker, one of £200,690. The only deficit in these four years and a deficit that was not the turn round suggested by the Financial and Development Secretary in introducing the £900,000 Budget of March, 1974. The real deterioration was recognised as being due largely to a number of special factors including expenditure on arrears of wages brought forward from 72/73 amounting to £95,000 and the beginning of the oil crisis which pushed up fuel cost £55,000.

Although the special factors were known to the Government in 1974, these were not sufficient to convince the Government at that time. Indeed we were told that the people of Gibraltar had to accept a cut in their standard of living, that £900,000 in additional taxation was the basic minimum, that we have to stand on our own two feet, and that grim though the picture was with huge deficits all over the place the draft estimates were accurate. These showed:

Revenue at March, 1974	£1,204,219
Deficit	£ 404,990
	<u>£ 799,229</u>

The budget measures were estimated to have the following effect:

Balance 74		£1,204,219
Estimate 74/75	8,177,660	
	<u>7,785,650</u>	<u>£ 392,010</u>
Surplus	392,010	£1,596,229

The 1974 Budget and the actual outcome of 74/75 year are vitally important for the House to understand for a number of reasons.

1. The estimates made by the Financial and Development Secretary were used to justify the huge increases of tax in that year.

2. The statement made on the 4th of October, 1974, by the Chief Minister, about the state of the economy - published in the Chronicle of the 5th of October, in case the Chief Minister has forgotten what he said - and the economic disaster that the claim for parity implied should now have come true - and I would remind the House, and I shall refer perhaps in greater details to those particular figures later on, of the magnitude of increases that were predicted in a huge range of areas such as telephones, water, rent, electricity, tax and so on and so forth.
3. An assessment of the accuracy of the picture that they painted will enable judgment to be made on the justification that the Government had for taking on the Trade Union Movement for 13 weeks, to fight every inch of the way the claim for an interim award which started with a 50p for the labourer and ended with a payment of £5.30 per week.
4. The implications that the actual figures for that year, of income and expenditure now available for the first time have for the credence that the House can give to the estimates that have been produced for 1976/77 and the outcome of 75/76.

The 1974/75 figures given in March 1974 were revised in March, 1975, twelve months ago. At the end of a year when Government revenue had been affected by an industrial action involving the whole trade union movement. A dispute that lasted from the 1st of October to the 24th of December, 1974, and must have cost the Government at least £1m.

After a demonstration outside the House of Assembly and a show of violence the Government agreed to what they had been refusing for months, a substantial across the board lump sum interim payment, which we had to accept on a monthly basis in order to give them something: if they had done it on a weekly basis it would have been seen as a complete capitulation. Given the insistence by the Government that the absolute limits of financial ability to pay had been exhausted, given the fact that insufficient provision for an increase of this size had been made in the 1974 budget and given the damage to the economy and Government revenues of the prolonged industrial action, it would have been logical and natural to expect a substantial deterioration in the economic position at the end of the financial year 1974/75. The one year, Mr Speaker, I think when the House could have easily believed a figure of a huge deficit is the Financial and Development Secretary has chosen to produce one on that particular year.

Instead we find an improved position which clearly indicates that the budget increases of March 1974 of £900,000 were totally unjustified at that point in time. Instead of the revised deficit of £187,477 given in March last year, there was a surplus of £211,743.

Last year was not of course a year of gloom, the position was considered to be better than had been expected, and the Government was anxious apparently to do the political damage it had done itself in its recent clash with the Trade Union Movement. The Financial and Development Secretary in his statement explained that the turnaround in 1974/75 from a surplus of £392,010 to a deficit of £188,437, was not in fact a real deterioration since the first surplus had

been for meeting anticipated pay increases in that year. On the revenue side the industrial action was held responsible for arrears in collection of revenues thus the estimated deficit for the year was used only to the extent of urging prudence and the need to build up reserves.

The estimates for the current financial year now ending was given as:

Reserves at March, 1975		£1,037,680
75/76 Estimates of Revenue	£10,104,400	
Estimated Expenditure	<u>£ 9,573,350</u>	<u>£ 531,050</u>
		£1,568,730

This was increased as a result of the Budget sum of £360,000 to the following:

Reserves at March 1975		£1,037,680
75/76	£10,464,400	
	<u>£ 9,573,350</u>	
	£ 891,050	
Transfer to Improvement and Development Fund	<u>£ 240,000</u>	<u>£ 651,050</u>
		£1,689,730

Mr Speaker, we now have before the House the actual results of the year 1974-75, and we can see from it that the reasons given at the time last year to support the budget measures were invalid. Reserves last year were not just over £1m, they were in fact just over £1.4m. The Government claimed, Mr Speaker, at this time last year that it did not know it had collected revenue in the year just then ending £400,000 more than the House was told.

How could those £400,000 have been misled last year, Mr Speaker, Was it so difficult, Mr Speaker, to calculate accurately the amount collected from income tax, where the estimates is now revised by £200,000, under Repits where the figure has gone up by £30,000 and perhaps most surprising of all under Head 8 Interest. Here the figures have moved as follows -

Original Estimate	£ 165,000
Revised Estimates	£ 172,000
	£ 250,746

How could the Treasury not know in March, 1975, that in the year just ending the Government investments in the Consolidated Fund had yielded £79,000 odd, that is to say, 45% more than the House was told, when presumably a 1 the interest had arrived by the time the estimate was brought to the House. I am sure if one goes through the holdings of the Consolidated Fund, which eventually will have to see the light of day,

we may have to wait a long time to get them but eventually I will, and I shall be able to compute exactly on what date the last interest was received, and on what date the Government knew how much interest it had collected. The House deserves an explanation of this and other anomalies, and perhaps somebody could give it, otherwise the House should be completely sceptical about the figures given for this year's estimates as I will show later on.

Another equally incomprehensible error in estimating is in the Currency Notes Income Account where again it is receipts from investments which should have been credited to the account by March. The figure here was not revised at all last year but has now gone up by £63,205 amounting to a 33% increase. And I might say, Mr Speaker, that interest rates have been coming down at this time. So it is not as if there had been a wild increase in interest rates between the time that the Financial and Development Secretary brought the figures to the House and now.

There was of course at the time £100,000 in the Contingency Funds which is in effect additional reserves, additional to the £1.4m, and there was another £4m hidden away elsewhere in the Estimates. I found it two days ago. Well, I have to wait until the Government reaches the limit of the time that it can do legally before it publishes figures, I cannot get them earlier because I do not get answers to questions. But when the time laid down by law expires they have to make these figures public and I am a very hard worker, I read everything that comes out in the Gazette.

The true reserves of Gibraltar after the payment of the interim award and the thirteen weeks industrial action which the Chief Minister said was causing more damage than the Spanish blockade, which has convinced me that the Spanish blockade has done no damage at all!! These reserves were an all time high of £12m. That is taking into account the hidden £4m.

The picture could have been made to look as good as this. But then perhaps the push of the Trade Union Movement for 100% parity would have been uncontrollable.

The picture today is much brighter, partly because some of these hidden reserves are now being mobilised. The Government is now caught in a cleft stick, should they project gloom to dampen down the aspirations of the worker in view of the unfinished pay negotiations, or should they project optimism in view of the forthcoming elections. (Laughter)

The answer is I think a middle course between the two. But how can the House decide anything. Can any member here feel any confidence that the figures being presented here are a good indication of the true financial position?

At least the House has extracted extra information from the Government as a result of his additional statement giving the estimated cost of the unfinished pay settlements. That this information had to be extracted is in sharp contrast to the platitude in the Financial and Development Secretary's opening remarks about Parliamentary control of the executive. The Financial and Development Secretary's statement this year, notwithstanding the fact that there are no new taxes, still contains references to the need for increased productivity, a need presumably which the Financial and Development Secretary does not apply to himself or other top civil servants but to those unfortunates at the bottom of the scale. The need to productivity and the financial and economic impact of wage costs which feature prominently in the statement are indications enough that the Government has not changed its spots even if it has changed Financial Secretaries. To be quite frank, Mr Speaker, I do not know what to make of our new Financial and Development Secretary, except that I am increasingly gaining the conviction that Monserrat's gain has been our loss.

The deficit he projects for this year in his statement should not frighten him after a 1, I know he is quite at home with deficits and his statement appears to have been as loosely drafted as anything brought previously to the House. I should like to comment on some of its more obvious shortcomings, for which I shall not need to refer to my own notes, then I would like to question some of the revenue estimates in this year's financial statement which again show a marked tendering towards under estimation.

Mr Speaker, the statement of the Financial and Development Secretary which for the first time in Gibraltar looks at the rest of the world is orthodox in the sense that it analyses the problems of inflation and the cures for inflation, and I wouldn't like some of what it contains to go unchallenged because although I don't think it is really very relevant to Gibraltar, I think what he has left out of his superficial presentation of the world's economic problem what he has left out it is relevant to Gibraltar and I would like to put that in. I would like to answer it also because this sort of orthodoxy is being challenged elsewhere and I wouldn't like to give the impression that it can go unchallenged in Gibraltar.

The problem, Mr Speaker, with world inflation is seen by some people as coming out of the intervention of the Soviet Union in international grain market. I believe the Daily Telegraph has been the most known advocate of this particular theory and the connection between Russia's grain purchases and the explosion in prices. That was I think before the oil price went up. Afterwards, the Oil Sheiks replace Russia and I believe before the Russians it was the Gnomes in Zurich. So it has been traditional I think within economic orthodoxy to blame the problems of the capitalist Economies of Western Europe on external factors, and the cure that is now being promoted, which is a cut in the standard of living and in investment led boom which the Financial and Development Secretary mentions in his statement, avoids the essentials dilemma of the capitalist system, and that is that the capitalists system is already without further investment quite capable of producing a veritable cornucopia of consumer goods. What the capitalist system is not capable of, Mr Speaker, is finding customers

to consume these goods. And there are many of us socialists who believe that what is wrong is not that public sector expenditure is too high but that consumer directed expenditure is too high, that what is needed in a sane society is better schools, better health services, and the important things in life, and less of the consumer goods that factories can produce in volume but then cannot sell because there are insufficient customers to meet the quantities that have already been put on the world market.

This is why, Mr Speaker, there are serious doubts within the Labour Party in the United Kingdom, with whom I am in close contact I may tell the Financial and Development Secretary. There are serious doubts within for example what is known as LEFTA, which is an organisation to which I belong, which is where forward planning of financial and economic policy takes place in the Labour Party, there are serious doubts about whether an investment led boom can take place in the United Kingdom unless everybody else in the western world decides to have consumer led booms to allow the British economy to invest and produce the goods to sell to the rest. Because if everybody decides to have an investment led boom they may all finish up with all factories, Mr Speaker, but there will still not be any customers.

So the solution does not entirely lie in simply cutting down the standard of living of the workers in order to create spare capacity for investment. And in fact one of the things that is conveniently forgotten on a great number of occasions is that it is the worker that forms the bulk of the population, that is the consumer, and that a drop in the standard of living of the workers also means a drop in the level of consumption. Because we are talking about the same individuals. If the workers income goes down then the level of consumption goes down, and the level of sales goes down and this in itself generates unemployment. I don't think that this is a sort of problem that we face in Gibraltar, and I think we are extremely fortunate in Gibraltar, in that we have already a very large proportion of our economy in the public sector.

We employ for example 65% of the labour force in the public sector and this is why what matters in Gibraltar is the incomes of the workers in the public sector which will in turn generate the expenditure which will enable the business community to sell, and it will enable them to pay realistic wages to their employees. Now, with the strength of the Trade Union Movement as it is now, and I am very proud of the strength of the Trade Union Movement because I have been involved in helping to create it, the business community in Gibraltar is caught in a rather unfortunate position, and this is where I may be able to answer some of the questions raised both by the Honourable Minister for Sport and Housing, and the Honourable Minister for Labour and Social Security. Perhaps the information can be relayed to him as he has left, obviously because he was not feeling well, I was hoping he would be able to hold out until one of the new ambulances arrived but unfortunately he has had to go before.

MR SPEAKER:

I don't think we should make reference to the health of any member,

HON J BOSSANO:

Well, I know he wasn't feeling very well. I don't think he is that ill that there is a danger of a bye-election or anything like that. Well, I don't know, Mr Speaker, this is inflation in reverse. Can I help the Chief Minister to bringing down the costs? I think Mr Speaker that the situation which surprises both the Minister for Sport and the Minister for Labour and Social Security is that in Gibraltar because of the strength of the Trade Union Movement the business community has now got to pay realistic wages whether they can afford to pay them or not. That is the situation. And therefore the wages are being paid, whether the sales are there or are not there.

Now, the consequence of higher wages are twofold. One is, as the Honourable Minister for Labour and Social Security is aware, unemployment: sub-unemployment as a result of higher wages is not something to frighten people with, not when we have 3,500 immigrant workers in Gibraltar, Mr Speaker. Unemployment is only something to be frightened about if in fact the Government does nothing about it, if the Government doesn't convert unemployment into re-employment then unemployment is nothing to be frightened about. If the Government in fact allows 190 alien workers to have permits then it is worrying that there should be 86 unemployed Gibraltarians Shop Assistants. But if the Government is prepared to reduce the number of permits every time that there are unemployed Gibraltarian Shop Assistants then there will not be unemployed Gibraltarian Shop Assistants, there will be unemployed immigrant workers. And we do not have immigrant workers in Gibraltar because we like to have immigrant workers in Gibraltar, because we have so much space that we want to fill it up, we have them here because we need them. And they are not here because they like being here, they like to be in their own home, they are here because they need us. And the relationship between the local population and the immigrant population is the same in Gibraltar as in any other part of the world: it is a relationship of mutual convenience. They are here because they need the money, we need their labour. But if we need less labour then regrettably they shall have to look elsewhere for work. That is a natural consequence of the situation and I am not suggesting that people should be buffed out over night, what I am suggesting is that if there is a very pronounced labour turnover in Gibraltar then the reduction should come by means of natural wastage. But if it has to be accelerated beyond natural wastage then the Government has got a responsibility to do it, and I am sure that the Government will find that the Trade Union Movement will cooperate with the Government if they need to do it in order to ensure the avoidance of hardship, that they will not try and stop what is economically logical and desirable.

I think the Government if it cares to look will find that the Trade Union Movement has in fact gone to great lengths to deal with unemployment resulting perhaps from high wages in the private sector where ex-Shop Assistants have been urged to go into new types of employment. I think the Government will find that the Trade Union Movement has been at the vanguard of seeking the opening up of new areas of employment for women; gardening, and drivers were two where there has been some success but it has been a very difficult struggle, Mr Speaker, to get. I know from personal involvement in this that the initiative has come from the Trade Union Movement and it has been very difficult to convince the employer.

One would have thought, Mr Speaker, that this sort of initiative would have come from a Government concerned with proper planning and that if anything vested interest would be found on the part of organised labour, because generally speaking one finds within Trade Unions restrictive practising like one does in any other areas, in any professional area, but in fact in Gibraltar it is the reverse. The Gibraltar Government is very fortunate that the Trade Union movement is prepared to cooperate to create a realistic and rational economic structure which will enable people to enjoy a high standard of living and making a lot of money.

Now, I make no secret, Mr Speaker, of where I personally stand. I believe that socialism is inevitable. I believe all the world problems that the Honourable the Financial and Development Secretary made reference to in his statement will be cured when we achieve a world socialist Utopia. I don't know whether we will manage that between now and the next elections - well, I shall be very glad to hear the Honourable Minister for Labour and Social Security's views on socialism and solchenitgin. I understand that the two are not unconnected, but I shall certainly be glad because I think it is desirable that people should know where one stands. I think, Mr Speaker, that if it is wrong to try and gain votes or gain support or gain popularity under false pretences I don't mind if nobody votes for me, I don't even know if I will be standing, Mr Speaker, again for the House of Assembly, but if I do stand I don't mind nobody votes for me because they are frightened of socialism and they think that I am a red and they do not want a red in the House - I don't mind - because I would rather that they didn't vote for me because they don't want the socialist than they should vote for me thinking I am a conservative. Those are my priorities.

MR SPEAKER:

I do not think I would be accused of bias when I say there would not be any fear of that!! (Laughter)

HON J BOSSANO:

But I think that in Gibraltar, Mr Speaker, we have to do a much more limited exercise. I don't think that in Gibraltar we can do anything

/movement other than move at the pace of Western Europe. I don't think Gibraltar can be at the vanguard of the Western European / towards socialism unfortunately we lack the resources, we are too small, we are not here to set an example to anybody else, but we are certainly not here to be left behind anybody else either, and the position of the socialist movement in Europe, throughout Europe, in France, Italy, Britain, is a very strong one and one of increasing strength and most people, Solchenitgin withstanding, most people do not see an inevitable conflict between democracy and socialism.

Neither do I, Mr Speaker, for me, Parliamentary democracy is the best form of Government that there is, but the best form of Parliamentary democracy can only be found in a socialist state. That is why we haven't yet arrived at it. But we are moving that way particularly next week when Michael Foot becomes the Prime Minister.

In respect of the internal economy, Mr Speaker, what then is the position at the moment and what awaits us in 1976/77. Well as we know from the Estimates, Mr Speaker, the Financial and Development Secretary has given us figures which show that the outcome for 1974/75 was £4m better than

anticipated a year ago - I beg your pardon, £400,000 more than a year ago.

So we have got that first figure on page 4 of the Financial Statement, which is £400,000 better than a year ago. And I mentioned, Mr Speaker, the perplexing nature of this additional £400,000 in that the Treasury was unable to identify the existence of this money after the money had been collected a year ago. I also mentioned, Mr Speaker, of course that there is £100,000 in the Contingency Fund: This Fund was set up you will recall in order to deal with emergencies and the Government used money in the Contingency Fund under the Financial Procedures Ordinance and then obtained the authority of the House in a Supplementary Estimate to put the money back into the Fund. So that is in fact a part of the revenues and before the setting up of the Contingency Fund, that money would have been in the General Revenue Balance, so that in fact we have £1½m.

And I also said, Mr Speaker, that there was this hidden £¼m and I am sure that the House has been eagerly awaiting the unveiling ceremony of the £¼m. Now, before I come to unveiling the £¼m I must make reference to the Financial and Development Secretary's explanation of the results of this year and how those results came about.

He mentioned, Mr Speaker, the improvement in the Savings Bank which I am trying to find in his statement. On page 10, Mr Speaker. On page 10 the Financial and Development Secretary informed the House that the increase in this year's figures was due to a revision of the profits of the operation of the Post Office Savings Bank, he said: "the other significant revenue increase arises from the operation of the Post Office Savings Bank". The original estimates for the year was put at £80,000. I think if I am not mistaken this is under Miscellaneous and not under - under Miscellaneous, on page 10 of the Estimates, Mr Speaker, one will find an approved Estimate of £80,000 in 1975-76 which is the figure that the Financial and Development Secretary is referring to. And this figure, Mr Speaker, has been revised upwards to £305,735. And last year's actual revenue, in 1974/75, was £59,626, a very accurate figure one would expect, Mr Speaker, since it is down to the last digit.

Now, the explanation for a difference between the original estimate of £80,000 and an estimate of £305,000 given for this year, that is a difference of £220,000, Mr Speaker, is not true.

MR SPEAKER

It is incorrect, I am sure you mean to say.

HON J BOSSANO

It is incorrect, and therefore it is not true, Mr Speaker.

MR SPEAKER

Well, there is a subtle difference.

HON J BOSSANO

Either the Financial and Development Secretary does not really know his job, Mr Speaker, or else he is misleading the House. I am afraid I cannot come to any other conclusion.

MR SPEAKER

Or mistaken.

HON J BOSSANO

It is very difficult to be mistaken, and you see after I have explained why it is very difficult to be mistaken.

It may be of course that I am mistaken, after all as the House knows I am not in a position to make estimates; one has to be Financial and Development Secretary to make estimates, I am only capable of hunches, Mr Speaker, and hunches presumably are more susceptible of error than estimates and therefore I may be mistaken and if I am mistaken I shall of course be only too glad to apologise for my mistake to the House

MR SPEAKER

So if you say "incorrect", you do not have to apologise.

HON J BOSSANO

Well, I made a mistake in thinking that it was incorrect.

I would like to explain, Mr Speaker, because I do not think it is a question of an error in numbers, I do not think it is the question of an arithmetical error which would be quite human, it is a question of the whole explanation being wrong.

The Financial and Development Secretary says "Given the many factors which can influence the final profits on a year's operation, in particular the fluctuating level of deposits, he has already told us before that the deposits were going down by the way, not fluctuating, but still: the fluctuating level of deposit, the switching of investments in both directions between long, medium and short term, quiet, and the changing market value of investments generally, estimation of the operating profit is bound to involve a wide margin of error". He will find in fact that a margin of error of this magnitude, from £80,£300,000, has never occurred previously if he goes back as I do over all the previous years. "In the event the year's operation showed a profit which after providing for the statutory reserves resulted in £305,000 being available for transfer to revenue."

Now that statement, Mr Speaker, I believe to be totally and absolutely incorrect. I do not think, Mr Speaker, that it was the year's operation which showed a profit which enabled the Financial and Development Secretary to transfer £305,000, because I believe, Mr Speaker, that the previous year's operations would have enabled him to transfer £305,000 the previous year, if he has chosen to do it.

Now, I know he was not there the previous year but the Government was there the previous year and the Government must take the responsibility for the decision not to transfer that money the previous year. And if a decision was taken not to transfer the money the previous year but to leave it there for this year, then the fact that they have it there this year has got nothing to do with this year's operation. It is there this year because they chose not to show it last year, Mr Speaker.

Now, I would refer the House to the Savings Bank Ordinance, Mr Speaker, which lays down the transfer of money from the Savings Bank Account to the General Revenue. Section 13 (2) of the Ordinance says that the surplus of revenue over expenditure shall be transferred to the General Revenue provided that as a result the assets in the Fund exceed by 15% the liabilities to depositors. So that the Government has got the power to transfer to the General Revenue any excess at the end of the year which will not leave the

Savings Bank with less than 115% of their liabilities to depositors: that is what the law says. Whether the Government actually decides to make the transfer or how much of the surplus is transferred, is a matter of policy. They cannot transfer more than that amount but they can transfer either nothing or as much as they want.

Now, last year the chose to make a transfer of £59,626. Last year, Mr Speaker, I do not have the actual figure of £59,626 because these are the actual figures for 1974/75. So in order to know what the position was last year we have to go back to the estimates of last year and there we find that the Government had originally estimated that they would transfer £60,000. And as the Financial and Development Secretary explained, you put a figure there which is an estimate but you cannot be sure whether you are going to be able to transfer that money or not, because if in fact there was a collapse in the gilt edged market, which there was not, in 1974-75, the gilt edged market was, I have checked that as well, going up. If there was a collapse then the market value of the investments might well fall below 115% of the liabilities to depositors and you would not be able to transfer any money. But if there is not a collapse then as you get near the end of the financial year you are able to revise this figure.

Now, when you came to the 1975 Budget, last year, Mr Speaker, the Government brought to the House a figure revised by £9,600, that is they had just finished the year, they knew what the value of the investment was because the year was then ending, and they knew how much money they had in the Savings Bank, and how much money had been left at the end of the year. They then decided that instead of £50,000 they would be able to transfer £59,600, and this year the figure was revised upwards to an actual transfer of £59,626.

Now, that, Mr Speaker, is a very misleading figure, because if you have got £300,000 and you choose to make a transfer you do not transfer £59,636, you transfer a round figure. You either transfer £50,000, or £60,000 or £100,000, but if you transfer £59,626 you are giving an air of spurious accuracy. Anybody would think you have transferred down to the last available pound! This is *not* revenue, this really is a decision to transfer money from one area to another area. So when I saw this, Mr Speaker, I thought the Government must have used all the money that there was in the Savings Bank last year, and then I said to myself: well if they have used all that

money last year what has happened in the guilt edged market since March 1975 that they have been able to transfer this year £305,000 instead of £80,000. Because they have discovered a gold mine, the gold mine of the Honourable and Gallant Major Peliza in the doldrums, Mr Speaker!

So I went back and I checked in the Gazette, No.1588 published on the 14th November 1975, in order to establish whether in fact I could be mistaken - and I may still be mistaken, Mr Speaker - and I found that in the Savings Bank the liabilities due to depositors at the 31st of March last year were £1,437,081.43p - I think we will forget the pence, because after all we are talking about thousands of pounds, Mr Speaker - and 15% increase of that as laid down in the Ordinance is £215,562. So the Government was in a position in March last year to transfer to the General Revenue Reserves anything in excess of £1,652,643, and in fact according to the Gazette the Government had in the Savings Bank at the time, £1,958,725. So that in fact they could have transferred not £59,626, they could have transferred if they had chosen to do so, according to my understanding and I may be mistaken, £306,082. Now they did not transfer this.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, if the Honourable Member will give way I would just like to read for the information of the House, sub-section (3), Section 13 of the Savings Bank Ordinance (Cap 142). "If on the 31st day of December in any year the assets of the Savings Bank exceed the liabilities by more than 15 percentum of the liabilities to depositors then the Governor" - and these are the important words of which we have heard no reference - "with the prior consent of a Secretary of State may direct that the surplus over 15 percentum or any portion thereof shall be transferred". The important omission which I wish to refer to just so that the House is aware of it are those words between the two commas, "with the prior consent of a Secretary of State" and "any portion thereof".

MR SPEAKER

But I think that the point that was being made did not imply that it had been done without authority or illegally, I think the point that is being made is that there was a bigger balance which could have been transferred and was not transferred at a given moment. Is that correct,

Mr Bossano, I may be wrong.

HON J BOSSANO

Well, there is one point that is being made, Mr Speaker, and that is that the statement made by the Financial and Development Secretary to the House that the amount he has transferred this year is due to this year's working is incorrect. That has got nothing to do with a Secretary of State, that is his statement and that statement I believe to be incorrect, and if it is not incorrect then I would like him to tell me how he arrived at the £305,000: that is one thing.

The other thing, Mr Speaker, is that I suspected he might come up with that and I have got an answer for that about the Secretary of State as well. I thought he might come up with that, Mr Speaker, and although I do not say that under Section 13 that he has quoted, in fact that is what he said about transferring it from the Fund, but before the amount is added to the Fund, Mr Speaker, he can transfer the amount to General Revenue from the income of a Savings Bank. It was possible in fact to transfer from income before transferring to the Fund.

That is, the amount of money that is produced in income over a year is available, Mr Speaker, for the workings of the Savings Bank, and the excess of the income can be transferred to the General Revenue Reserves. But if in addition to the excess one wants to transfer the excess of the value to the Fund, then to transfer the excess of value of the Fund one needs to use the permission of the Secretary of State as the Honourable Member has mentioned.

Now, in fact the excess of the income for the year was £109,340, so the decision to transfer £59,626 instead of £109,340 has absolutely nothing to do with the Secretary of State, as I think the Honourable Member can find out if he looks at that, because I have checked that point myself. So the situation is, Mr Speaker, that last year a greater amount could have been transferred to the General Revenue Balance and the reserves would have been higher last year.

The fact that it was left in the Savings Bank and I believe transferred in this financial year does not of course in any way alter real position of Gibraltar. I mean the money has been earning income for the Government just as much by being invested under the Savings Bank as it would have done by being invested under the Consolidated Fund,

but I am not concerned about it having a real effect, I have criticised other decisions in the past about having a real effect, but I have also criticised decisions which misrepresent the true position to the House because if the House is supposed to be taking responsible decisions it has a right to demand accurate presentation of facts.

And that is what I object to Mr Chairman, the inaccuracy in the presentation, whether they have a real impact or not, because the decisions of the House are affected. Now I appreciate that the Government may dislike giving the House accurate figures as long as I am here, I appreciate that, I realise that there is a side to it which makes it difficult for them to produce realistic figures if they feel that I am going to use those realistic figures in my pay negotiations as a trade unionist, but the point is that whether they like it or not part of the penalty of being a democracy is that they have an obligation to inform the House of the true figures. And they have an obligation in fact to go to a negotiation table and tell the Trade Union that they cannot have any more money because they want that money for something else, not by telling them that the money is not there. So it is better, Mr Speaker, to bring realistic figures out showing the true economic position, and if the Government wants to use that money for something else then let them stand by what they believe to be the right use of Gibraltar's economic resources, regardless of the pressure that I may put on them as a trade unionist, and then they will earn the respect of more people in Gibraltar I think. But as long as the argument that I find across the negotiating table is that there is not enough money then I shall make it my business to find the money, and when I find the money that excuse will no longer wash.

HON A J CANEPA

If the Honourable Member will give way. Will he tell the House whether in any of the negotiations in the Scamp Award since this summer, 1975, whether he has been told across the negotiating table by anybody that there is no money to pay Scamp, because the Chief Minister and I are particularly interested to know about that.

HON J BOSSANO

Mr Speaker, I have been told on a number of occasions, and I am quite willing to make available to the Honourable Member the minutes, as indeed to the House, I do not see

why these things should be secret, there are minutes available of the meetings of JIC where I have been told that things that I have asked for could not be considered because of their tremendous cost. An example that the Honourable Member may like to know about was last October when the Official Employers maintained that all labourers on Band 2 had to be put on Band 0, which the Trade Union refused to accept. When I was told, Mr Speaker, and that is on minutes and I have got the minutes with me because as you can see by the amount of stuff I have got around me, I carry everything with me - I think I shall have to borrow one of those lorries from the Police!! (laughter).

MR SPEAKER

Order, order.

HON J BOSSANO

I have got the minutes here, Mr Speaker, and I can quote from them. I was told Mr Speaker, the Union was told then, that the excessive cost was something that the Official Employers could not contemplate, of giving everybody on Band 0 Band 2. And then what I did, Mr Speaker, was I went home as I usually do and I worked out what the excessive cost was and I came back to the JIC and I told the JIC that taking into account the estimated recovery of tax to the Gibraltar Government, of the tax that would be paid by the labourers if they stayed at Band 2, the cost to the Gibraltar Government would be £9,000 in a full year. And that as far as I was concerned that was not an excessive cost for the Gibraltar Government, and if it was an excessive cost for the MOD that I was not prepared to have that sort of argument from the MOD. I am not interested in the cost of the MOD, the MOD have got expenditure of £2,000 million and £1,000 more or £5,000 more or £10,000 more in Gibraltar will not cut any ice with the Trade Union Movement in Gibraltar, unless the MOD is prepared to come out and say how much they consider the facilities in Gibraltar are worth and where the cut-off point is, because that is the only context in which excessive costs have any meaning.

So I am only prepared to accept the argument of cost from The Gibraltar Government, and whenever the Official Employers talk to me about cost I will say what I need to know is what that will cost the Gibraltar Government before I think the cost is excessive or not". And since

then, Mr Speaker, in other meetings there have been other references, and since I do not think these things should be secret, I certainly do not make any secret of it to my members, I feel that when I go to the negotiating table I am talking on behalf of the workers, and when I go back to a meeting I read verbatim the minutes of all the meetings that I go to, and if every union member has access to those minutes I do not see why all the members of the Government should not have it, but if their representatives do not pass it on to them I shall be delighted to send them my copy of the minutes to make sure that they are fully informed of what goes on.

Well, Mr Speaker, I got a little bit side-tracked from the Savings Bank, but the point that I was making, and that I insist on making, is that if in fact I am right in saying that the amount of money that has been produced from this Head in this year's account is not a revenue increase arising from the operation of the Post Office Savings Bank in this year - and that is the implication of the statement - if that is not the case, then I think the House should be told that a mistake has been made. It is a big mistake, but, you know, what is a mistake, big or small it is still a mistake, it does not really make any difference, but certainly, Mr Speaker, I think more care should be taken about mistakes of this type because it is very embarrassing I think for everybody that these things should have to be put right later on. I think it is better, Mr Speaker, to be careful before the figures are brought to the House, it is fair to members of the House and it is fair also to the Government, if I may say so, Mr Speaker, because as far as I am concerned I hold them responsible for the mistakes of the 1,710 civil servants that they say they have on the establishment. That is also the price that has to be borne for being in Government, Mr Speaker.

I think, Mr Speaker, the other point that I wished to make in reference to estimates of income is that I have mentioned the revisions that took place last year in terms of a number of Heads, and in particular the estimates that have been made under Interest Payment and the Currency Notes Income Account.

Now, I know, Mr Speaker, that in the year ending March 1974, and throughout in fact 1974/75, as a result of the international oil crisis the gilt edged market collapsed. and the bulk of the investment of the Government are in gilt edged, and as we all know, Mr Speaker, the Financial Procedures Ordinance requires that the value of investment

should be stated at market value and an adjustment made in the Fund. I would have expected that to have an impact in those two financial years, but the figures that have been put in the Estimates do not in fact make sense at all, Mr Speaker, under this Head because in the years in question, for example, in 1974/75 and then in 1975/76, the revisions are difficult to understand in terms of the value of the investment in the Currency Income Account, as I say, and in the Consolidated Fund.

If we take the Currency Note Income Account the House will recall, Mr Speaker, that I made some pertinent questions, I think it was in 1973, about the money supplies, and I was accused by the Honourable the Financial and Development Secretary - it is in page 575 of the Hansards of March 1974 when again I raised it, and I raised it first in 1973 I think, and I was accused of putting up a red herring, because I asked what was the impact of the money supply increases on the economy of Gibraltar. And I was told that the money supply increases simply as a result of an increased demand by the banks for local bank notes which in turn is the result of inflation, but that there was no connection with the inflation or between the use of printing money for financing Government expenditure because that applies to inflation in the United Kingdom but it did not apply in Gibraltar.

Of course this is not strictly true, it is less true now than it was in 1973 because, in 1973, Mr Speaker, there was a physical limit to the amount of local loans that there can be in the Notes Security Fund. It was I believe, £200,000, and then it was revised to make it 30% of the Fund. So that in fact the Government is in a position, and has been in fact financing part of their expenditure through an increase in the money supplies, because if the issued Gibraltar Bank Notes and then they invested in the Notes Security Fund, in Government debentures in order to provide the security of the backing for the notes in circulation, which is in fact exactly the same procedure as the Bank of England has with the Government, with the Treasury, where the Bank of England issues bank notes and takes in Government stock. But of course there is a limit in Gibraltar in that with the present statutory limits we cannot exceed 30% of the Fund, but there is the same type of operation at work here, and, therefore, it was not a red herring when I asked it. And when I said, Mr Speaker, in March 1974 that I would like to know I said that I had asked for an explanation and I did not really think that qualified for the label of "red herring", but I would like to know whether the increase

that had taken place in the money supply has any effect of any sort on finance, on the question of financing Government revenue. I was given a categorical answer. No, I answered that was the answer from the Financial Secretary, it is simply "none at all. We issue notes but they are covered 100% by deposits in the Note Security Fund." That is what I was told in 1974 and therefore when the approved estimates of £190,000 for the income of the Note Security Fund came up, and these were revised last year to an unchanged figure, you know, I was not very surprised, it was consistent with what I had been told the year before, but when they are revised now by a figure of 45% as I mentioned in my opening statement, Mr Speaker, when the figure now instead of being £190,000, the income from the Note Security Fund is on page 10 and also under Miscellaneous, is £253,205.

I am surprised that last year the Government did not know that that was the income, very surprised, that they thought that the figure would still be £190,000 because you see, Mr Speaker, if we look over the years then we can in fact see a relationship between the amount of money in circulation and the investment in the Note Security Fund and the income in the Currency Notes Income Account.

The Currency Note Income Account, I would like to explain to the House, Mr Speaker, is an account which the Government has where the income from the investments in the Note Security Fund are banked, and then at the end of the year after meeting the expenses of running the Note Security Fund the Government puts into the Fund 1% of the value of the Fund. This is why I asked the Financial and Development Secretary earlier whether it was the value of the Fund in 1977 or 1976, because if the answer had been 1977 then I would have used a different argument now, but I wanted to be sure which it was. But if it is 1976 then in fact it follows the trend of thought that I was following, and when I asked my question, Mr Speaker, about the money supply in fact there was in 1974 £2,505,045 in the Security Fund, and this is to be found in the balance sheet at the beginning of the estimates, not in this year's estimate, I think we will find that in the last year's estimate, Mr Speaker. In this year's estimate we find the figure at the 31st of March 1975, and if Honourable Members would like to look at the figure it is to be found in the assets side on page 2 and it is under Special Fund, the second item, which says Notes Security Fund, £3,289,101.75p.

Now, that figure, Mr Speaker, which is the value of the Fund invested in fact the value of the fund may be higher because the value of the fund according to the Ordinance is the market value of the investments which is that plus cash, and the cash is not

shown separately here but it will be under the assets. And there is no way of knowing by looking at this figure what the actual figure is. In fact there is no way for me to know that until the Financial Report for the particular year appears, and I think the last financial report that appeared was for 1972-73. I do not recall seeing one more recent than that.

But in fact the estimate given last year, Mr Speaker, of the income from investments was £224,900 and this we will find in last year's estimates under the Currency Notes Income Account which is on page 74 of last year's estimate, Appendix D.

So last year, Mr Speaker, the House was told that we could expect an income of £244,900. So in fact my own calculation was made on £224,900 and was, Mr Speaker, that that year we were expecting, on the basis of the value of our investment and on the basis of this estimate of income, we were expecting our investments in the Note Security Fund to yield 6.8%. Now, in fact since I was out by £20,000 in copying that figure down instead being 6.8% the figure which I should be quoting should be 7.4%. Now, it still seems to me, Mr Speaker, a very very conservative estimate. In fact if I remember rightly in March 1975 when the yields on the gilt edged market were beginning to come down, in fact there was quite a sharp movement, they were still in fact in the region of something like 10% for very short term investment, 10% or 11%, and still as much as 14% for very long date stock, and they had come down from something like 16%.

I remember very well, Mr Speaker, because unfortunately due to my involvement in the construction industry strike I missed the market and I was unable to invest union funds, and I was hoping to make a fat profit for the Union, so I remember very well what happened then.

MR SPEAKER

Mr Bossano, are you going to go on much longer?

HON J BOSSANO

Well, I think I will have to, Mr Speaker, because I am just finishing on the income account, on the question of the estimates, but I will then want to go on to the references by the Financial and Development Secretary to the Government's

fervent hope that the current wage and salary negotiations will not drag on much longer, and I am afraid that in order to satisfy that I may well have to drag on much longer!

MR SPEAKER

If so being Friday we have got to end up within the next 15 or 20 minutes. If you feel that you are going to be more than 20 minutes I would suggest that you pick a convenient time - I do not want to stop your flow now - within the next 15 minutes, and then we can recess until Monday at 10.30.

HON J BOSSANO

Thank you, Mr Speaker.

MR SPEAKER

I do not want to break your flow but I thought I would warn you. You still have another 10 or 12 minutes.

HON J BOSSANO

Thank you, Mr Speaker. I think I will come to a natural break in my contribution when I finish dealing with the estimates of these figures and as the Honourable Minister for Labour and Social Security suggested I can give him the weekend to brace themselves for Scamp on Monday morning.

So, Mr Speaker, I was rather puzzled that the figure should at that time be considered an accurate, a reasonable estimate of the anticipated income. I am not suggesting, Mr Speaker, that the Treasury should be able to produce deathly accurate figures and I assume in fact on the basis of the information I obtained from the Financial and Development Secretary in respect of this year's Appendix D that this year's figure is more accurate. Because this year's figure on the assumption that the value of the investment is £3,410,000, which should be 100% of 1% that he is contributing to the Fund, that figure, the estimated income in this year of £330,500 represents 9.7%, and 9.7% this year is a realistic figure taking into account the current yields on the market. But certainly the one given last year was not realistic and I am wondering whether the revision upwards by £80,000 is in fact itself realistic or not.

I am not in a good position to judge, Mr Speaker, because I have only got the experience of what has gone on previously to go by and I do not know whether in fact the Treasury is now coming to a position of making more realistic assessments. But certainly there appears to have been a somewhat wide fluctuation, I do not know whether there is a cyclical pattern in this which will break new economic theoretical grounds, but in 1973 they estimated a 6.5% yield on their investment, in 1974 an 8.9% yield, in 1975 a 7.4% yield as I have just calculated, and in 1976 9.7% yield. So that in fact there appears to be a drop and a peak in the Treasury. I do not know whether it has to do with the mood that they find themselves in at the time they sit down to write the estimates or not, Mr Speaker, but I am making the point because I think that it is right that one should question these figures in this detailed fashion in order to satisfy oneself that they are accurate, and I think of course if the Treasury's figures improve they may eventually succeed in lulling me into a sense of security about the need not to question them any more and then they can get back to their bad old practice of underestimating them again, but I think that for the next few years they will have to be much better, Mr Speaker, in order to try and please me.

I think a similar point can be made, and I do not want to labour it, Mr Speaker, about investments on the Consolidated Fund and the estimates of revenue in respect of the holding of those investments. I would not for a moment, Mr Speaker, expect this year's estimate to be based on the assumption that the present balance of the Fund of £2½m, which may be accurate or may be following previous experience needing upward revision, but even assuming that this year we do not require upward revision I would not for a moment expect the Government to project an income for the year on the assumption that that figure is going to be available all the time, nor would I expect them, Mr Speaker, either, to project an income figure for the interest income in this year on the assumption that they would have to pay out of this the back-money without at the same time gaining in reserves as a result of receipt on other Heads. So that in fact an estimate would say would be based on an assumption which would be perhaps a little bit on the conservative side but certainly there is nothing wrong with conservative estimating, Mr Speaker, there is something very wrong with conservative thinking, and of that I do not think I can be accused.

So I think a bit perhaps on the conservative side towards lower end of 50% figure might be the sort of projection to

make forward and I suppose that one would expect at least the previous years' figure to be used for the project of this, and I would welcome some information on what basis has been used for estimating the income under this Head.

I also think, Mr Speaker, that the House should have had some information from the Honourable the Financial and Development Secretary on what is the position with regard to abnormal arrears. The House will recall that last year in the costs that we made the figure of £400,000 was mentioned I think by the Honourable Minister for Medical Services as in fact the expense of abnormal arrears mainly under the Municipal Head, Municipal Services, which I remember the Honourable Member saying that they hoped they would collect but that he did not know whether they would ever collect. And I would certainly like an indication, Mr Speaker, of whether there are abnormal arrears this year and whether these abnormal arrears have been taken into account in the Estimates of Expenditure for 1976-77.

Now, I appreciate that the Honourable Financial and Development Secretary may be as reluctant to give me these figures as he obviously is to give me the figures about the cost of the Police Force, but I can assure the Honourable Financial and Development Secretary that I also have my own means of arriving at the figures and that he cannot prevent me entirely from arriving at the figures, all he can do is make the job more difficult, it is much more laborious for me to work out the figures than to get the information from him, but arrive there I will, Mr Speaker.

MR SPEAKER

Before I say that we will recess I would like to inform the House that the Honourable the Leader of the Opposition has given a notice that he intends to raise on the adjournment the question of the statement made by the Honourable the Attorney-General earlier on in the proceedings. We will now recess until Monday morning at 10.30 a.m.

The House recessed at 7.20 p.m.

MONDAY THE 29TH MARCH 1976

The House resumed at 10.30 a.m.

MR SPEAKER

When we left on Friday evening the Honourable Mr Bossano was addressing the House, so I will ask him to continue his

address.

HON J BOSSANO

Mr Speaker, in my brief introduction on Friday I

MR SPEAKER

Is that metaphorically speaking or

HON J BOSSANO:

No, Mr Speaker, it is not intended to be metaphorical, it is a reflection of the time I shall need to spend.

In my brief introduction I was looking at the finances and I informed the House that it would be my intention to pass on to the policy of the Government in respect of the Biennial Review negotiations and their selective interpretation of the Scamp recommendation, but just before I do that I should like to round off the points that I was making as regards the estimates of expenditure by mentioning that as regards the transfer to revenue of the surplus from the Saving's Bank, when I was explaining to the House my hunch on Friday, the Honourable Financial and Development Secretary made the point that it required the authority of the Secretary of State and I said that I had anticipated his making that point and that I did not agree that it required the Secretary of State's authority last year. I would mention to the House that under Section 13 of the Saving's Bank Ordinance, 13(2) says: "If in any year the revenue of the Saving's Bank shall be more than sufficient to defray the interest due to depositors and other expenses incurred in the execution of this Ordinance then the Government may direct the transfer of the surplus or any portion thereof to general revenues".

My reading of that, Mr Speaker, and we have got the benefit of expert advice from the Honourable and Learned the Attorney-General if my reading is wrong, my reading of that is that the surplus created by one year's working can be transferred by the Governor without reference to the Secretary of State provided that after the transfer there is still a reserve in the Saving's Bank which meets the statutory minimum of 115% of the liabilities due to depositors. That is under Section 13(2), and that therefore the decision to transfer £59,600 as published in the Gazette, or £59,626 as published in the Estimates, and if it is the Gazette that is right

then I would advise the Honourable the Financial and Development Secretary to correct the figures in the Estimates, which will require that he should reduce the amount in the Consolidated Fund by £26. I do not think he will be able to use that very effectively to counteract pay claims because £26 represent the increase that is being offered to just one worker, £26 a year. But he would have to reduce it if the figure in the Gazette is right, he would have to reduce before the printed estimates are produced the figures given here for the actual revenue in 1974-75 under the relevant Head which I think is Miscellaneous Receipts, if I am not mistaken - yes, surplus Saving's Bank. The figure here is £59,626, Mr Speaker; in the Account of the Bank the transfer is shown in November 1975 as £59,600, and, therefore, those £26 need to be corrected if it is wrong because it shows up in the actual Consolidated Fund balance.

Now, under Section 13(3) of the Ordinance it goes on further to say: "That if in any year the assets of the Savings Bank exceed the liabilities by more than 15% then the Governor with the prior consent of the Secretary of State may direct the surplus over 15% or any portion thereof to be transferred to general revenues." And, therefore, the point that the Honourable Member was making last Friday when I gave way appears to apply to the transfer that has occurred this year. Since the money was put into reserve last year, and if my hunch is correct and if in fact this year's transfers is due not to this year's working but to last year's working, if this is so, then he would need the authority of the Secretary of State to do so. And if he requested the authority of the Secretary of State and obtained it I find it incredible that he should have done that and in fact not know that he had done it and therefore think that he had transferred the money as a result of profit earned in the current financial year now ending.

So perhaps the Honourable Member can clear up the position when he makes his closing speech. I also mentioned, Mr Speaker, that I was puzzled by some of the other figures and I would draw attention as I said to the estimated rate of return on our investments and the fact that for example in the year 1974/75 the balance in the Consolidated Fund stood at £1,226,157 and the estimated income earned from our investments in the Consolidated Fund. I believe I am right in thinking that that interest is that earned on the Consolidated Fund, I have to preface almost everything I say, Mr Speaker, by making it clear that I am working on assumptions because of course I do not have the civil service behind me to provide me with figures, I have to do all my own work.

MR SPEAKER

Mr. Bossano you do not have to prepare the accounts either.

HON J BOSSANO

So, Mr Speaker, if I am right the 1974-75 situation was that there was a Consolidated Fund of £1,226,157 which was originally estimated to produce £165,000, the figure was subsequently revised to £177,305, and this is one of the puzzling features that in 1974-75, at the end of the financial year, it was calculated to produce that much, in fact the final figures now before the House for the first time show that that figure has been revised upwards to £250,746, under Interest, and I assume that no account is taken there of any possible change in the value of securities since that is shown under profit and realisation of investments in the statement of assets and liabilities page 2 of the Estimates.

Now, for 1975/76, Mr Speaker, the amount in the Consolidated Fund shown here, which may require upward provision of course, the amount shown here is £1,437,901, and that was estimated at the beginning of the financial year to produce £184,500. The figure has now been revised downwards to £169,800.

This in fact is not made up entirely of interest. If one looks at page 9 of the Estimates, Head 8 - Interest, we will see that as regards the specific amount in the Consolidated Fund there is an approved Estimate of £175,000, revised downwards to £155,000, notwithstanding the fact, Mr Speaker, that the actual revenue earned last year was £250,000.

Now I should be very interested to hear how it is that the Financial and Development Secretary considers that with £200,000 more in assets in the Consolidated Fund he expects to earn £100,000 less in interest. That to me seems totally paradoxical, no doubt he will have a perfectly satisfactory explanation. And of course for the forthcoming year, Mr Speaker, I note that the anticipated interest to be earned in 1976/77 is again £155,000.

Now, I did of course mention on Friday that I would not expect the Government to project the availability of the £21m shown in the Consolidated Fund as being available now, I would not expect them to project that money being available for the full year 1976-77, and, therefore, I would not

expect them to base their interest estimates on that figure. I said that a more conservative estimate than the one that will be produced by £2¹/₂m of assets would be justified, but nevertheless, it would have to be, Mr Speaker, more than the amount earned on £1,400,000 based on the fact that at least for some of the time they are going to have that money and it will be possible for example to estimate that the money would be available, the bulk of money would be available, for at least I would say a couple of months, which would give them 1/6th of the annual interest, which would be very substantial on a sum of that size.

So there, Mr Speaker, again there seems to me to be a very low estimate of yield which requires an explanation, and I also mentioned, Mr Speaker, on Friday, and I would like to pursue a little further this morning, the Estimates under the Municipal Services where the Government has made no mention of what has happened to what they called abnormal arrears last year. I think they have an obligation to inform the House as to whether they collected all the abnormal arrears, whether there are still any abnormal arrears and whether the situation is in fact better or worse than it was a year ago, I would certainly say, Mr Speaker, that my own hunch in this connection, and this one is a hunch, is that a lot of people in fact are delaying paying bills because they cannot afford to and that the Government will probably get prompt payment of quite a good proportion of the arrears when people get their back money. So I would like to know whether the Government in fact has got a problem in terms of arrears on the Municipal Accounts and whether in fact the problem is greater than the one that existed last year, and I believe it was the Honourable Minister for Medical Services last year mentioned the figure of £400,000. I think if he looks in Hansard he will find that he did.

Now in the Municipal Services, Mr Speaker, an interesting feature of the breakdown of the Municipal Services given on page 10, Head 11, is in fact the General Rate income where we find that there is a figure of £995,000 given. And if we look at the breakdown given in Appendix 5 on page 88 under the General Rate Account there is there £973,560 which compares with an estimate last year of £871,350.

Now, the relationship between the figure in the body of the estimate and the Notional Accounts of course always create some problems and I believe I am right in thinking that part of the difference of this is to be explained by different methods of arriving at the estimates, in that the Notional

Accounts the estimates are based on billings, and in the body of the estimate they are based on actual receipts and that explains the discrepancies, the different approaches of course, but I think, Mr Speaker, a difference of approach on this should in fact enable us perhaps to obtain an indication of the extent to which bills are being paid by comparing what is happening in the body of the accounts and in the Notional Accounts. But what interests me particularly about these figures is of course, Mr Speaker, that there is an increase there of £100,000 and I would like to know whether this £100,000 that the Government has got here in this year's estimate is due in fact to a higher yield in the General Rate Account due to revaluation of properties and new property which I think also shows up in the Housing Account, where on the expenditure side of the Housing Account there was a substantial increase in the Notional Accounts over the last year on the amount attributable to the payment of rates. Now, if there is an increase on the expenditure side of say the Housing Account to cancel out the increase in income I think the House would wish to know that so that we are not in fact misled into thinking that the Municipal Services Revenue, at least as far as this particular side of it is concerned, is more buoyant than in fact it is. If that is not the case, if it is not the explanation, then I would certainly like to know whether the General Rate is in fact producing more revenue as a result of new property and more revaluations taking place which I would have expected, Mr Speaker, both with the coming of Varyl Begg and with the private developments, I would have expected the General Rate Account to reflect this, and I would have also expected them to reflect the valuations that are done periodically by the department which to my knowledge are always in an upward direction. I do not think they ever value downward.

Now, if that is so, if that trend is there then either, Mr Speaker, the Notional Account has not in fact included the Government's own higher contribution, because in fact there is on the General Rates a difference between last year and this year. If one looks at page 91 of last year's estimate, appendix I, Housing Account, and if one looks at page 86 of this year's estimate, Appendix I, there is a difference on item 3 on the expenditure side of £237,000 this year and £143,000 last year. So there is a difference there of £90,000 which is expenditure on the Housing Account which should show up as income on the General Rate Account. Now, since income on the General Rate Account is in fact of that order it does not leave any margin for anybody else paying any more rates other than the Housing Account, and to my knowledge other people are paying more

Rates, and, therefore, that estimate should show that. As I say there is also the question of any arrears and whether in fact the figures include any anticipated collection of abnormal arrears in the current financial year.

Also of course in last year's Housing Account there was a deduction for rates paid through rents, which I think is treated differently this year and I have not been able to figure out, Mr Speaker. I think any further information that the Honourable Financial and Development Secretary may be able to give which would throw some light on that I would welcome.

So I think, Mr Speaker, the Municipal Services Estimates for this coming year are puzzling in that they fail in fact to be consistent with the estimates given for 1975/76 and 1974/75, in particular if we look for example, Mr Speaker, at the Electricity Supply we find that the Government's estimate for 1976/77 is £1,040,000, there was an approved estimate 1975/76 of £825,933. Now if we look, Mr Speaker, at last year's estimate we find that the figure last year was in fact revised downwards and the explanation given at the time was a dual one: there was the explanation given that there had been a declining consumption I think because of mild weather, which accounted for some of the drop in estimated revenue, and there was also the disruption caused to the collection of electricity bills and indeed the delivering of electricity bills, by the 1974 industrial action.

Now, there the original estimate for 1974/75 had been £1,066,000 and this figure was revised downward to £800,000 and we can see now that the revised figure was a very accurate one. It shows in fact that the Treasury is capable of producing very accurate estimates sometimes. The actual revenue collected in 1974/75 is £825,933. So the abnormal arrears there should have shown up in 1975/76. Now, if in fact we assume that the Electricity Supply Consumption is increasing, although at a low rate but I believe it is increasing, and I believe we had an indication from the Honourable and Gallant Member, the Minister for Public Works, about the need to plan for more capacity in the Electricity Generating Station, even if it is increasing at a small rate we would expect the estimates to reflect this increase.

Now, if we look at the estimates for 1974/75, and we take say £1 million figure, as what we would consider to be the normal yield of electricity, and we take the revised figure of £800,000 as an indication of abnormal arrears, then we have £200,000 there which should have shown up now in the revised estimate had they been collected in the current financial year 1975/76. So that if the normal yield is £1,020,000 or £1,040,000 then this year we should have had £1 $\frac{1}{4}$ million because we have £200,000 of arrears from last year. But we do not have £200,000 of arrears from last year, so I am assuming, Mr Speaker, that they have not succeeded in collecting it, and since we are not estimating that we will have it next year either, I am assuming the Government either intends to write it off or they never expect to be able to collect those arrears, but I certainly think they ought to give an explanation of how it is that they estimate that they will only succeed in collecting on 1976/77 £1,040,000 as a result of sale of electricity.

The situation, Mr Speaker, probably applies to some of the other Heads, some of the other items under Head 11, but I think the electricity one is the more significant one and I think an explanation under that one would probably apply to any other discrepancies of the type that I have mentioned.

Now, Mr Speaker, I made it quite clear I think both in my contribution on Friday and also in my rounding off remarks this morning as regards my questioning the estimated figures of revenue that I believe that estimates are being conditioned by a political desire to present a particular financial picture.

Let me say of course, Mr Speaker, that even if this were not so, I would still consider it my duty as a member of the House who believes in parliamentary control of the executive, I would still believe it to be my duty to question anything that I could not understand. Because I believe that if I am to exercise the power to vote the expenditure of public money which has been given to me by the people of Gibraltar then if I am to exercise that right that I have on behalf of the people of Gibraltar to sanction the expenditure of public money in a nature and consistent fashion, I should do so with the maximum amount of information at my disposal and I think that applies to any member of this House that takes his duty in the House seriously. And, therefore, I resent very much, Mr Speaker, being refused information which is necessary as far as I am concerned in order to arrive at clear decisions. But I believe that the refusal of information has been conditioned by a desire to present a particular picture. And in order to do that, Mr Speaker, I think the Government has gone to quite extreme lengths in the past, and it would be all too easy now I think to shift the blame onto the predecessor of our present Financial and Development Secretary. After all we had the Honourable Minister for Sport and Housing giving us a long list of all the shortcomings of the colonial Commissioners of Police because it is much safer to make statements of the sort when they are gone rather than when they are here. It is much more practical to make them when the people are around to be able to defend themselves and when the shortcomings need putting right. So I would suggest to the Honourable Financial and Development Secretary and indeed to the Honourable and Learned Attorney-General after the contribution of the Minister of Sport, since they also come from Colonial Territories I believe, that they should not be overwhelmed by the sort of statement that the same Minister made when he informed the House that we were blessed with our present Financial and Development Secretary.

Well I, Mr Speaker, cannot share that sentiment, I do not think we are blessed with the present Financial and Development Secretary. I shall be delighted to applaud all the things that he does which I think are good for Gibraltar, and I shall not hesitate to condemn and criticise all the things he does which I think are bad for Gibraltar. But I do not think one should go into an exhalation of praise and say that one is blessed with the Financial and Development Secretary, nor do I think

one should wait until a Financial and Development Secretary goes and then start criticising him for what he does or heaping balme on him because he comes from a Colonial Territory or he comes from anywhere else.

I think the estimates for this year are in fact totally consistent with the estimates of the last three years and I think they are totally consistent with the approach of the AACR Government, regardless of which Financial Secretary has been sitting in the Chair. And the reason why I think so, Mr Speaker, is because I think that the Honourable and Learned Chief Minister made a tragic mistake in 1972 when he won the election. I think the tragic mistake that he made was to think that the Transport and General Workers Union was committed to unseating him from power because they had publicly shown that they would have preferred him not to win the election when the elections campaign was taking place.

I do not mind telling the Honourable and Learned Chief Minister that I believe that it is better for the Trade Union Movement to be politically unaligned, and I believe that this is true whoever the alliance is with. I think it was equally true of all the time that they were aligned to him. But they are not aligned to him now, the Trade Union Movement is totally independent and has got one and one objective only, and that is to do the utmost to raise the standard of living of its members to the highest level and to fight whoever they need to fight in order to do it.

Now unfortunately, Mr Speaker, the Honourable and Learned Chief Minister has acted throughout the last four years as if there was a personal vendetta between him and the leadership of the Transport and General Workers Union. I think that the antagonism that has existed between the Transport and General Workers Union and the Government has existed because the view of many of us in the Transport and General Workers Union has in fact been the exact mirror image of the Government's view. The Government seems to think that we were out to destroy them and we have certainly interpreted everything that the Government has done in the last four years as an attempt to destroy us. I think the amount of circumstantial evidence that there is to support our belief is quite overwhelming.

In 1972, Mr Speaker, the Honourable Member as I said brought into play the question of financial abilities. And in 1974 the people of Gibraltar were told that the Government could not accept in fact a link of wages in UK, never mind the 100% parity, a link with UK because of two fundamental reasons. One, that they would lose control over local wages, which was

politically unacceptable and would be totally irresponsible, and two, because it would be an economic disaster which would produce the total collapse of the private sector and in fact enormous increases in every possible head of revenue in the Government; telephones, electricity, rent, income tax, everything would go up, and that was stated quite clearly and categorically in a public statement by the Honourable and Learned the Chief Minister.

Now, we know what happened after that, Mr Speaker, and we know that Sir Jack Scamp came to Gibraltar and he studied the submissions of the Trade Union Movement for establishing a link with UK wages and the objections of the Government for not doing so. And those objections, of course, Mr Speaker, were repeated and published in the Scamp Report. The MOD, Mr Speaker, said

HON CHIEF MINISTER

The Official Employers, you should not just pinpoint the Government.

HON J BOSSANO

Well, the MOD, Mr Speaker, made it quite clear to Sir Jack Scamp that it was the advice of the Gibraltar Government as to the financial ability of the economy of Gibraltar that was the major consideration. That is what Sir Jack Scamp says in his report, Mr Speaker, that the MOD told him. Now, if the MOD lied to Sir Jack Scamp then perhaps the Honourable and Learned the Chief Minister should not let the MOD hoodwink him in the way they apparently do. But I think there is absolutely no doubt as to the position of the MOD. But I think there is absolutely no doubt as to the position of the MOD. In pages 38 and 39 of the Scamp Review it says quite clearly that the attitude of the employers, the Official Employers in the 1974 pay offer was that the advice of the Gibraltar Government was that within the constraint of the Gibraltar economy and because of the effect on the private sector wage and salary increases generally on the 1st October 1974 should not be more than 8 - 10%. That is what the MOD told Sir Jack Scamp, that that was the advice of the Gibraltar Government: if it was not the advice of the Gibraltar Government, then I am surprised that the Honourable and Learned the Chief Minister let it get into print. And so, Mr Speaker

HON CHIEF MINISTER

I wonder if the Honourable Member would read 421.

HON J BOSSANO

Yes, Mr Speaker, I shall be delighted to do so. It says there that parity was unacceptable to the UK Departments under the worldwide policy and practice of determining local earnings in relation to local conditions. That is to say, the UK Departments would not be prepared on their initiative and as far as they were concerned to accept a commitment to pay their employees UK wages because they were paying their employees in UK, UK wages. They were quite prepared of course to pay their employees local wages. and had the Gibraltar Government decided to pay UK wages then the MOD would have had to pay Gibraltar Government wages which were UK wages. That is implicit in 421 because the Honourable and Learned Chief Minister must realise that if he wants to have the Kudos of being the Chief Minister of Gibraltar, if he wants to have the credit for the things that he does he must also take the blame for the things that he does not do. And it is not a good thing that the MOD and DOE were unwilling to pay, Mr Speaker. The MOD and DOE have got no choice in Gibraltar. If we have a policy in Gibraltar that they pay the wages set down locally then it is the Gibraltar Government that decides. Now if we have a policy in Gibraltar where they pay UK wages then of course it is neither MOD nor Gibraltar Government who decide, it is in the last analysis the British Government. And since it is in the last analysis the British Government that foots the Bill that might be a good thing, Mr Speaker.

And so we have a situation where for idiological reasons, and through shall we say a mistaken analysis of the economic impact, shall we put this no more than that, the Gibraltar Government put up a tremendous fight to prevent a link between Gibraltar wages and UK wages. But finally when the Scamp recommendations appeared they came out with a public statement saying that they accepted the Scamp Report as it stood and that they were prepared to implement the recommendations. And so, Mr Speaker, negotiations started for the implementation of Scamp.

They started in October of 1975 and here we are, Mr Speaker, six months later with the major section of our labour force, that is the industrial workers, really no nearer to a

settlement than they were six months ago. And the Honourable Minister for Labour and Social Security, in a rather heated exchange that he had with me last week, said that the workers could thank me for that. Well, Mr Speaker, I know that the workers can thank me for that. They will thank me for that. They will thank me for not accepting the pittance that has been laid on the table just like they thanked me for not having accepted the 10% or 7% or 5% in 1974. They thank me for that. But I can tell the Honourable Minister for Labour and Social Security, and indeed the Chief Minister, that there is something that they can thank me for. They can thank me, Mr Speaker, for the fact that we are still negotiating or trying to negotiate; they can thank me, Mr Speaker, for the fact that we have not got a general strike, because I have stopped people going on strike until now, and I am still trying to stop them. Although I am getting overwhelmed by all this thanks that people have to give me and I may decide to stop doing it so that they do not have to thank me any more for anything else, because, Mr Speaker, the industrial workers had every reason for going on strike last October when the Government came to the negotiating table after deciding that they had accepted Scamp, and they tabled a pay offer where the bulk of the industrial workers were being downbanded.

Now, they claimed that the Scamp recommendations made it impossible for them to offer anything else. If we look in fact at the Scamp Report, Mr Speaker, we find that on page 18 there is a table that compares wages in Gibraltar with UK, and we find that there is a comparison of a labourer, Band 2, of a craftsman, Band 18, and of the progressmen Band 24. And Sir Jack Scamp lay down the wages from 1968 to 1975 in Gibraltar and in UK for each of these three grades and expresses them as a percentage of UK. And he says in his report that at the time of the interim the wages of the industrial workers had risen to between 70 and 80% of UK and as a result of subsequent increases in UK the percentage had fallen and he recommends obviously moving up to the percentage that had been established in the interim, that is where the 70-80% comes in, because there is no detailed economic analysis to justify the percentage that was offered. The only indication that there is in the Scamp Report of how the percentage was arrived at is by virtue of the fact that Sir Jack Scamp says in the report that that was the level arrived at in the interim and that that level was reduced by subsequent increases in UK and he obviously recommends a return to that level.

But the percentages that he expressed, Mr Speaker, on page 18, are percentages of the same bandings in Gibraltar and in UK, and, therefore, if Sir Jack Scamp expresses the percentage of a progressman in Gibraltar 1975 as being 60% of the UK because he puts the UK progressman on Band 24 and the Gibraltar progressman on Band 24, and he expresses Gibraltar Band 24 as a percentage of UK Band 24, how did the Official Employers come to the conclusion that he did not expect them to offer 70% of Band 24 of UK, he expected them to offer 70% of Band 18 which is what they have offered.

If Sir Jack Scamp equated a progressman in Gibraltar with Band 18 in UK, why did he give in his report the percentage that he was getting on Band 24 in UK? Why did he not give the percentage that he was getting on Band 18 in UK. And if he expected the labourer to go from Band 0 to Band 2, why does he compare Band 2 labourer in Gibraltar and in the UK.

Now, the staff Side was convinced after reading the Scamp Report that it had never been Sir Jack Scamp's intention that the banding of industrial workers should be lowered and that in arriving at the figure of 70% and 72% he had arrived at the figure of what he estimated the employers were prepared to pay on the assumption that those percentages would be applied to the existing banding structure. And the figures given in the Scamp Report of the Government's estimates of the cost of the Review support this, because in fact those figures are higher than the estimate given by the Financial and Development Secretary in the House, they are higher even if we assume that that is based on 100% and that the Financial and Development Secretary is working on 70%, and I have no doubt at all in my mind, Mr Speaker, that when the Official Side made their representations to Scamp they did not for one moment tell him that 90% of the industrial workers would have to be down-banded.

Now when we started negotiations we pointed this out to the Official Side and we pointed that monetary constraint which had been made known to us as being one of the factors that Sir Jack Scamp was taking into account - he said it to us quite clearly that the cost of the review was something he would have to look at when he made his recommendations - that that could hardly be said to apply when we had a situation where for example every worker on Band 2 was being put on Band 0, and in the case of the Gibraltar Government, out of 1,327 workers there were 437, that is, 33% of the labour force was on Band 2. And Band 0, Mr Speaker, was 9p less than what they were already getting. So where was this enormous cost of introducing the Scamp recommendations if

1/3rd of the labour force were supposed to get 9p less than what they already earned, and in the case MOD/DOE out of a total labour force of 2,600,543 were on Band 2, that is, 1/5th and another 1/5th were on Band 4, and they were all going down to Band 2. So that 2/5th of the MOD/DOE labour force were on Band 2 and 4 and almost a half of the Gibraltar Government, 650 out of 1,300, were on Bands 2 and 4, and the increase for those 3 groups started off with nothing and then went up to a minimum increase of £26 a year, for a very large and substantial proportion of the labour force.

And then, Mr Speaker, after a lot of argument the Staff Side managed to get the Official Side to agree to retain labourers on Band 2 for 1974/75 only, and they would go down to Band 0 in 1976. Now we are talking about pennies difference, that is what we are talking about. In fact the situation is that so obstructive were the Official Employers in their negotiations that when we asked them to do the same for Band 4 they said "No", they would give them 50% of the difference between band 2 and Band 4, of the difference of about 40p a week they offered us 50% of a difference between Band 2 and Band 4, although there is not such a thing as Band 3.

Now in the face of this very difficult negotiating position the Staff Side made it quite clear to the Official Side that if the thing was put to the members it would be rejected and in fact it was put to the members in a general meeting and it was rejected by the members in a general meeting and the members voted to take industrial action, and that was a decision taken, Mr Speaker, in December of last year, and the industrial action has yet not materialised. That is why I am saying that Honourable Members opposite have something to thank me for as well as the workers.

But the Staff Side in JIC also made it quite clear last October that since they were absolutely convinced that it had never been envisaged by Sir Jack Scamp that his recommendations would be interpreted in the way that they were being interpreted by the Employers, that the matter could be referred to Sir Jack Scamp for his views, because if, we said in JIC, Mr Speaker, somebody has come to Gibraltar and looked at the situation and made certain recommendations that are contained in that report, and if the two sides that are supposed to implement those recommendations are acting in good faith, and the two sides

have got different views of what those recommendations mean, they are reading those recommendations in different ways, there is absolutely no doubt of who is the best authority, the best authority is the man who wrote them, whatever view we may have about what Scamp meant and whatever view the Official Side may have about that Scamp meant, there is absolutely no doubt that there is one man who knows what Scamp meant better than anybody else, and that is Scamp. But that offer was not acceptable to the Official Side, that was rejected in October last year.

HON CHIEF MINISTER

I have asked the Minister of Labour whether he knew that and he was telling me that he did not.

HON J BOSSANO

Well, Mr Speaker, I am sorry: I have already offered the Honourable and Learned Chief Minister to include him on my mailing list for the Minutes of JIC, and I shall do so.

That offer, unfortunately, Mr Speaker, was not acceptable to the Official Side and therefore placed in that corner the Staff Side while maintaining throughout that they did not consider this to be the proper interpretation, was prepared to go along with the desire of the Official Side to examine everybody on every Band. In fact there are, Mr Speaker, 4,200 workers in the public sector, in the three Official Employers, and there are 11 Bands, and there are 133 job descriptions. So the computation that we had to do was to examine 4,200 workers doing jobs carrying 133 different labels and spread over 11 rates of pay to find out whether in fact the changes that the Official Side wanted to carry out were justified. In fact what the Official Employers wanted to do was to change everybody first and pay them whatever money would be due to them after the changes, and then to carry on negotiating to establish whether the change that had been implemented was justified and they furthermore gave a commitment that if we proved to them that the change was not justified people would be reverted back to the Band from which they had been down-banded and the money paid back retrospectively to October 1974.

I am saying this because, Mr Speaker, I do not want the House to ignore any of the proposals that had been put forward. But I must also say, of course, that to my knowledge no Trade Union anywhere in the world has ever accepted a situation where they agree to a worker being downgraded, e.g. like they want to do in the Gibraltar Government with Charge Plant Attendants when they want to down band them from Band 16 to Band 4 so that we agree to their being put on Band 4 and then we argue for them to be put back on Band 16. Well, it is obvious to anybody who had anything at all to do with trade unions, and I think Honourable Members of the Government side have got some experience of trade unions, that once you agree to put somebody on Band 4 you have to move heaven and earth to get him back on Band 16. So you do not agree to move him unless it is absolutely impossible to stop the move. Therefore the Staff Side said; "What we will agree to is that you leave everybody on the bandings as they are now and then we carry on negotiating with a view to reaching agreement on a new banding structure for implementation of the 1st October 1976, but that unfortunately was unacceptable to the Official Side either so that was rejected, Mr Speaker. And so, we had no choice but to examine the 4,200 workers spread over 133 jobs and graded on 11 scales of pay and it has been very laborious, Mr Speaker, I have the Minutes here of the meetings of JIC and I can tell the House there was a meeting on the 8th January. There was another meeting on the 12th January, there was another meeting on the 20th January. There was another meeting on the 28th January, there was another meeting on the 12th February

HON A J CANEPA

If the Honourable Member will give way. Are those Minutes of full JIC meetings or a sub-committee of JIC?

HON J BOSSANO

No, Mr Speaker, when in the full JIC we agreed to the wishes of the Official Side that the bandings should be changed at this stage, a sub-committee was set up with a representative of each of the employers on our side. On the Union Side there is a Gibraltar Government representative, and MOD/ARMY and MOD/NAVY and a DOE representative.

MR SPEAKER

It is a sub committee, in other words?

HON J BOSSANO

And the sub-committee was set up to examine in detail the proposals for each of these specific bands and each of these groups of workers. These Minutes are of that sub-committee.

HON A J CANEPA

I think it will assist the Honourable Member to know that Ministers, including myself, do not have Minutes of those sub-committee meetings.

HON CHIEF MINISTER

Not yet, anyhow.

MR SPEAKER

I would like to say, Mr Bossano, that I have not interrupted you for an hour. I know that Scamp is of the utmost importance, generally, and in particular to the Budget which is being presented, and that the finances of the colony are completely and utterly relevant for the purposes of Scamp and that Scamp must depend on the finances for the purposes of its implementation. I say this because any reference in particular as to the Scamp negotiations and to the finances are of course completely and utterly relevant. What we must not fall into the temptation of doing is allowing the detailed negotiations of Scamp being brought into this House when we are discussing the Budget. You follow what I am trying to say? Whilst you have to refer most certainly to all the negotiations and to the generalities of the negotiations, I think we must not get bogged down. I am not trying to inhibit you and I am not ruling on anything. I am just giving vent to a feeling that I have that we could easily go off at a tangent.

HON J BOSSANO

Well, I think there are two points in particular, Mr Speaker, that I want the House to be aware of. One is that if the negotiations from the point of view of the industrial workers, if those negotiations are taking a long time it is not through any desire on our part to hold things up, which seems to be the misimpression that the Government is under. That is one thing that I want to clear up, Mr Speaker, and I want the House to know it. I also want the House to know that the situation as regards the industrial workers is a very difficult one and that in fact the movement between specific data and specific goods shows just how difficult it is and that in fact what we are talking about the cost of the implementation of the Scamp recommendations unless in fact we are aware of what it

means to be moved from Band 16 to Band 4, which in the case of the Charge Plant Attendants means that on Band 4 theoretically they should earn 86p less than they are already earning, unless we know that that then we will not really know what we are talking about when we talk about cost. As I said this reference that I made, Mr Speaker, shows that the meetings have been frequent and in fact they have been lengthy. They have been meetings lasting 3 and 4 hours. And to show the heights of absurdity to which one can go, Mr Speaker, we have often been there in a situation where 10 public servants, i.e. both trade union representatives and the official Side who are paid out of public funds, 10 public servants have been engaged in four hours of negotiation about the pay of one public servant. Now, I do not know, Mr Speaker what is going to cost more money at the end of the day, the implementation of the Scamp recommendations or the negotiation of the implementation, because one particular case, Mr Speaker, we had recently was in the Naval Hospital - I just intend, Mr Speaker, to quote one or two examples to illustrate. One particular example, Mr Speaker, was in the Naval Hospital where we had a case of a man employed as a Storeman on Band 12 who had been a Storeman for 14 years and it was the Official Side's view that he should be rebanded to Band 4 which is in fact now on the present structure that of skilled labourer. This would have meant a 4p a week increase. After four hours of negotiations they agreed that he should be Band 14 which means a £4 a week increase. So that, in fact, we moved from 4p to £4 in four hours. I think that the question that arises from that is, how accurate was the comparison made with the UK analogues for this man in the first place when they agreed that he should be Band 4? Another area where we had a particular situation was in the case of drivers where again in ODE it was the contention of the Staff Side that drivers who drive vehicles which can carry 12 passengers - like the ones the Government propose to supply the Police with - should be Banded on Band 6. I think the Honourable and Learned the Attorney-General, perhaps, will now know what drivers he needs to recruit although of course if he uses Police Officers to drive the cars it will be much more expensive than if he uses drivers. But of course if he uses drivers he will not be able to use the vans in a strike because the drivers will be on strike. I suppose he has got to weigh the cost of the driver against the use to which he intends to put the mini buses. But if they are not intended for strikes then I would advise in the interests of economy that instead of using Police drivers for the vans he should use ordinary drivers who are only paid Band 6. But at the time, Mr Speaker, that we were negotiating the pay of the drivers it was the view of the Official Side that they were Band 4 because in UK they said that a vehicle that weighs under two tons is graded Band 4 and a 12-seater bus is under two tons. The contention of the Staff Side was that a vehicle that carries twelve passengers is graded Band 6, and it took the employers 5 weeks to find out that the hunch of the Union, since I am the one who is there as well, the hunch of the Union was right and their information was wrong. Now, when are the negotiations going to be finished, Mr Speaker, at this rate? It seems to me to be an unending exercise. I do not kind giving the House information that I have not yet taken to the JIC and to tell them that

we are now going to go back to the JIC and ask for a higher banding for grave diggers which are employed by the Gibraltar Government because I have managed to discover that they are on a higher band in UK. So you see, Mr Speaker, the situation is that unless the Official Employers change their approach the position will be that I will continue as the negotiator for the Trade Union Side to contain the impatience of my members and keep them at work as long as possible while I carry out negotiating. But it is becoming an increasingly difficult task, I do not mind informing the House. Because once we settle the Storeman in the Naval Hospital, of course the Storeman in the Naval Hospital quietened down but the other 4,199 are still as impatient as they were and it is a very laborious way in which to proceed. One of the things I think, Mr Speaker, that I have been most insistent on both in my questioning in the estimates and indeed in my previous questions in the House, has been that the Government had taken a particular stand as regards the industrial workers and a different stand as regards other groups of workers that in fact they were being totally inflexible and dogmatic in their interpretation of Scamp as far as industrial workers were concerned and they were not, in fact, doing the same thing in the case of non-industrials and to me, Mr Speaker, if this Working Party that the Government set up looks at Scale 7 and decides that Scale 7 which has got 20 odd posts in it should be equated with UK SEO's and then afterwards they will try and establish through a staff inspection team whether the people who are now on Scale 7 should be there or not, whether the job that they are actually doing merits their being on the Scale that they are, if that is the approach of the Government for non industrials and that is defended by the Government Industrial Relations Officer by saying that it would produce an unacceptable delay in the conclusion of the pay negotiations both from the point of view of the Government and from the point of view of the Unions, if they attempted to do this prior to settling, I cannot for one moment understand why when you go to Band 16 where again there are some 20 public servants, Band 16 is not equated with Band 16 in UK and then a staff inspection is carried out to find out whether the 20 people on Band 16 should be there or not. But, in fact, the inspection of the 20 jobs on Band 16 is done prior to the settlement and they decide that some should go on Band 4 and some should go on Band 8. Now, I would have thought that if doing this sort of exercise for the non-industrials presented the possibility of unacceptable delay, doing it

for industrials did so only more so because there are more people involved. To me it is incomprehensible that the Government should have taken this different approach and it is an indication of bias against the industrial workers. Now, the Honourable Minister for Sports and Housing said during the course of his contribution that it appeared that some people had not done their sums right and had not realised when they were asking for parity that they were already on 70% or 80% or whatever the percentage is. Well, I can assure the Government that as far as the Trade Union Side is concerned, they certainly did not do their sums on the assumption that everybody would be put down on a different band, that I can assure them. The assumption on which the comparison was carried out with UK was on the basis of the existing banding structure and in fact the position of the Trade Union Movement let me make it quite clear, Mr Speaker, as far as the Industrial workers are concerned, and that has been made explicitly clear in JIC, is that on the table of JIC there is a pay claim which was put by us in August, 1974, and that pay claim is for the UK rates of pay with the existing banding structure. Now, everything else that has been considered since then has been, as far as we are concerned, counter proposals from the Official Side. Our claim is still the same as it was before and we have said that we are prepared to accept the Scamp recommendations as the basis for negotiation. We are not prepared to accept the Scamp recommendations as they stand and even less would I be prepared to accept whatever interpretation the employers choose to put on them. In the case of the industrial workers, Mr Speaker, as I say, there has been this detailed job-by-job comparison by the employers and this has not happened with other grades and, in fact, the flexibility of the Government in their approach can be seen in the most recent of the settlements, the settlement with the Police Force which the Honourable Financial and Development Secretary, of course, knows nothing about, Mr Speaker, because when I asked him whether he could tell the House about the estimated costs based on the offer that was being made to the Police, he said that he could not and when I further questioned him as to whether he was unable to tell the House or unwilling to provide the information, he said he was unable. And of course it would be against Standing Orders for me to impute that he was lying and, therefore, I am not imputing that he was lying. I am saying that he did not know, Mr Speaker. But I am saying that he is a very inefficient Financial and Development Secretary if he does not know on Friday, Mr Speaker, what the police are being offered and while he does not know in this House, the Government is signing an agreement with

the Police agreeing to what he does not know. That, Mr Speaker, is a very sorry state of affairs particularly when that produces a situation where now the Government are party to an agreement they have signed to introduce certain scales of pay in the Police Force. I heard somebody say it is not signed, well, I am told by the beneficiaries that it is signed. Now, if it is indeed the case that it is signed, then of course, Mr Speaker, there is no question about it, the money will be paid and the House will have to vote the money because the Government has entered into that commitment. But I think it is very bad that the House should not know the extent to which it is committed. Because, unfortunately, the Financial and Development Secretary is not in a position to inform the House, with my limited resources I have attempted to provide the House with my hunches on what the cost is in order to make up for the Honourable Member's lack of information because I think it is regrettable that he should be unable to provide the information and I think the House is blatantly interested in that information since there was so much debate about it and I am sure that if the Financial and Development Secretary does not know it means that Members of the Government cannot possibly know and I think it is very bad that Members of the Government should not know what the Police are going to cost them, so I shall do my best to tell them, Mr Speaker.

Now, if we go to the Estimates of Expenditure for the Police vote, and of course I am talking about the Police vote in the Estimates, not the Police vote that the Honourable Minister for Sport and Housing was trying to catch the other day when he went into that long detailed tirade of the good work the Police were doing. The Police vote in the Estimates, on page 38, Mr Speaker. The figure given there is £397,000.

Now, in the time at my disposal I have not I am afraid been able to produce a full and comprehensive picture of what the new cost is going to be partly, Mr Speaker, because I lack certain information and partly because the information I did manage to obtain I obtained rather late in the day and I had to be working over the weekend: I hope the House will bear with me.

The situation is, Mr Speaker, that as far as the Constables are concerned, of which we know there are 131 provided for here, the scale of the Constable ranges between 1 and 15 years and, therefore, what I have done, Mr Speaker, is I have taken the mid-point in the scale on the assumption

that on average we can take it that the Constables will be on the middle point of the scale and the pay for the year 1976/77 I have computed on the basis of the offer for the entrant aged 22 and over, because according to the agreement officers in post regardless of their age will be graded on the scale for age entry 22 and over. And this scale, which goes from a basic of £1,706 per annum to £2,179 - basic pay which is the one that counts for over time earnings - is also increased by a supplement which probably reflects a cost of living supplement that there is in UK or it may reflect an unsocial hour supplementary scale there is in a publication called "Time Rates of Wages and Hours of Work", published by the Department of Employment and showing the scale in April 1975. In there there are two supplements to the pay of a Constable: one is for unsocial hours, the other is for cost of living, and I have been unable to establish for which of the two this is, but the supplement in any case - which will apply here goes from £155 to £197. Therefore, the pay of a Constable ranges from minimum of £1,861 to a maximum of £2,376. This is of course, Mr Speaker, for a basic 40-hour week.

MR SPEAKER

What are you driving at. I am not quite sure what you are driving at.

HON J BOSSANO

Well, I am going, Mr Speaker, through the Estimates on page 38 which are totally incorrect of course, and giving the House a more up-to-date picture since there are obviously a great number of speakers still to come on the debate

MR SPEAKER

No, Mr Bossano because you see this we have done before, but we know the differences that exist between the Government and the Opposition, as to whether this Budget should have catered for the finances which are needed for the purposes of meeting the cost of Scamp, I know that. Now, what we have done in Committee is voted certain sums under different Heads. I have said during the committee stage that at a later stage they would have to come back

to the House for the purpose of voting the necessary extra monies and it is then perhaps that what you are saying now would be relevant. What we have done in Committee is to vote certain monies for certain Heads including the Police. Right? To meet certain commitments. In principle now you can speak on whether this is right or wrong or whether the budgetary policy of the Government in not providing for the extra cost of Scamp is correct or not, do you follow that? We must not go into the details again.

HON J BOSSANO

Yes, but you see, Mr Speaker, I feel it is very important because I do not like to make statements which are not backed by facts and therefore it is impossible for the House to know to what extent the amount of money that we have voted on page 38, to what extent that amount is realistic or not.

MR SPEAKER

You must relate your realism to the purposes for which the money was voted. We must not refer to what would have been needed had Scamp been provided for.

HON J BOSSANO

But it had been provided for, that precisely is the situation, Mr Speaker, it has been provided for, and signed and sealed

MR SPEAKER

No, no, Mr Bossano you know what I am referring to when I said they had been provided for, by the Budget, not by the agreement. Let us be very clear and very clear minded on this one.

HON M D XIBERRAS

Mr Speaker, this is the point on which obviously all members on this side of the House have an interest because

of the so called euphemistically stated distorting effect which the Financial and Development Secretary referred to in his opening statement. I think the information which the Honourable Mr Bossano may have to bring to the House is of very great interest, even in a detailed form, because this is the one indicator which might show at least in one particular area the extent of this distorting effect. I would remind the House, Mr Speaker, that the general distorting effect is reflected in the body of the Estimates

MR SPEAKER

Yes, but let us not get confused. Mr Bossano did not misunderstand me. It is one thing to say that due to the new agreement signed with the Police the financial commitments entered by Government instead of being what they have been shown in the Head which we have voted in Committee should be that plus X. I accept that that should be so but what I must not allow in a general debate is to go into the details.

HON J BOSSANO

Mr Speaker, I think it is wrong to tell the House that the difference will be between X and Y and not tell the House how I arrived at one particular

MR SPEAKER

No, I accept that it is one thing saying that it is the difference between X and Y and it is another thing to go to the other extreme and that is the only thing I am ruling on.

HON J BOSSANO

Well, Mr Speaker, I was explaining to the House that there is in fact a scale. I have got no way of knowing of the 131 Constables that there are there, whether everybody is on less than a year or on 15 years. Obviously the true position of the number of

MR SPEAKER

Anyway, you know what I am driving at and I do not want

to distract your trend of thought.

HON J BOSSANO

For example my estimate of what will have to be provided there could of course in fact prove to be wrong because I am assuming that the middle of the scale would be an appropriate figure to multiply by 131, whereas in fact it may be that we will be skewed one way or the other.

MR SPEAKER

Precisely, that is the generality that I am referring to.

HON J BOSSANO

So on that basis Mr Speaker the figure for Constables would then become £212,000 which would produce a total provision there under 1976/77 of £276,672 as opposed to £148,949. Now that figure of £148,949 of course would have to be increased by part of the provision shown under Cost of Living, £30,260 and Biennial Review, £52,443, so that in fact the true increase is not here of £120,000, because part of the £120,000 will consist of consolidation of what is shown here as a separate item and that also needs to be taken into account.

I also think, Mr Speaker, that it would be a realistic assessment to increase in every case the amount of money produced by the new scales by £130 a year which would be 26 weeks at £5 on the basis that people will be offered 76% of the £6 pay limit that there is in UK plus a small percentage increase on their existing relationship, so I think a £5 a week for 26 weeks would be a reasonable estimate of what the Government would need to provide for on the basis of the present situation for the next stage of the pay review recommended by Scamp, that is, the 1st of October 1976. Now, as a result of this, Mr Speaker, this sort of computation, I have in fact come up with a figure as I said of £276,672 for the Constables, 131 Constables, plus £17,030 for the next stage.

In the case of the Sergeants, Mr Speaker, the figure becomes £68,536 plus £3,380; in the case of Inspectors it is £39,897 plus £1,690; in the case of Chief Inspectors it is £17,675 plus £650; in the case of Superintendents

it is £9,014 plus £260 since there are two; and in the case of the Chief Superintendent it is £9,932 plus £260 because again there are two at £130.

Now that brings the provision on the basis of the offer to £421,726 and the October instalment would cost £23,270, bringing the total amount that would need to be provided for Personal Emoluments in 1976/77 to £444,998.

Well, Mr Speaker that is what I made it, as I said. I hope the House will accept that they are hurried calculations but they do give, I think, a very important indication of the magnitude of the provision that is being required in this vote and perhaps it will enable Members to assess how accurate is the produced by the Honourable Financial and Development Secretary for the cost of the review as a whole when that is debated now in the general debate.

I think of course, Mr Speaker, the new pay scales are important in a consideration of the question of the new structure of the Police Force which is something which obviously we consider on this side of the House to be an unsatisfactory state of affairs because, Mr Speaker, I would like to reiterate the point that we made in the earlier part of the debate, because if we require to have 13 Inspectors in Gibraltar, and 5 Chief Inspectors, and 2 Superintendents, and 2 Chief Superintendents, we need to be given detailed explanations of why it is that we require them. I certainly have been told in my investigations, Mr Speaker, which have not by any means come to an end yet, that some of the work that is being allocated to these new Inspectors was previously done by people of much lower rank. It would appear to be that the point I made earlier is indeed taking place. So we have to establish, indeed as we have chosen to do in the case of industrial workers, whether there is enough work in Gibraltar, in a community of our size and with the responsibilities that the Police have got of the rank of Inspector to justify 13 bodies. That is something we need to be quite clear about. And then if there is absolutely no doubt of this the next thing we have to be quite clear about is whether we can afford to have 13 bodies if those 13 bodies are going to cost us, Mr Speaker £41,000.

So we need to know that it is inescapable in the sense that there is a great need for it and also that public

money of this order is required to be able to afford the luxury of 13 Inspectors in Gibraltar, and that in fact there is nothing better than we can spend the money on, you know, that that is the best priority to which these funds can be allocated, because that is probably the most important function of the House, which is to allocate money in order to maximise the benefits that the community derives from the expenditure, unless in fact there are unlimited funds. If there are not unlimited funds then it is a question of choosing priorities. Of course if there are unlimited funds then I shall be delighted to hear that before I go back to JIC, Mr Speaker.

I am just talking about the pay scale, I have not been able to compute all the rest and I must, Mr Speaker, point out the costs that I have mentioned in fact should not be compared directly with the figure at the bottom of the column of page 38 of -392,000 because in fact this includes a whole range of other allowances as well as other non-uniformed grades in the Police Department whose wages I have not included in the calculation, and that in fact all these allowances have also been substantially increased as has the payment for overtime. So that in fact in order to get an idea of the increase one would need in fact to total the subheads that I have mentioned, that is personal emoluments of the uniformed officers plus the Biennial Review and Cost of Living lump sum included in the Estimates, and subtract one from the other. That gives an accurate indication of the increased costs, but not a comparison with the Head as a whole with the figure that I have produced.

Now, Mr Speaker, I think I mentioned earlier that there was a different approach in flexibility and in interpretation as regards the industrial workers and non-industrial workers, and if we look in fact the way in which the Government has interpreted Scamp for the purpose of arriving at the analogue for the Police Force we find that whereas in the case of the industrial workers they have interpreted a loosely drafted clause very rigidly, in the case of the Police they have interpreted a rigidly drafted clause very loosely. This, Mr Speaker, is illustrated by considering what Scamp says about the proportions of the UK wages . . .

MR SPEAKER

Mr Bossano, we must not, and you will agree with me, try and debate the policy which is being applied in the Scamp negotiations insofar as Scamp is relevant we must of necessity apply the effects of Scamp on the Budget, you follow what I am trying to tell you? Believe me, I am doing it after having allowed you to speak for a long time without interruptions. You will agree I have been as liberal as I can, this is the general debate.

HON J BOSSANO

Well, Mr Speaker, if you will just allow me to make this point then I will be able to show how a different interpretation in this particular

case would have produced a different result in the case of the cost and the Budget.

MR SPEAKER

Well, yes, fair enough, but you must generalise.

HON J BOSSANO

Now in the case of the recommendation that was made by Scamp it says; "I recommend that as a guiding principle the ~~parties~~ would aim to establish a more stable relationship between Gibraltar grades to approximate 80% of the UK rates for corresponding grades of employees". Richt? And I have said that this in fact has been interpreted to mean that we have to find the specific band of each worker and that that produces a particular cost which is very low in the case of an industrial worker.

MR SPEAKER

Yes, you see you find yourself in a deft stick, that since you are not being asked to vote monies to meet Scamp, Scamp to this extent is not relevant, you follow what I am trying to say, and insofar as whether funds should have been voted or should not have been voted I agree; that you can say as much as you like, but going into the detail of the negotiations is another thing.

HON M D XIBERRAS

Mr Speaker, is it not a fact that we are discussing how much money should be spent on the different votes?

MR SPEAKER

No, no.

HON M D XIBERRAS

Are we not approving estimates of expenditure?

MR SPEAKER

As presented to the House, not as you would have liked then presented. And on a general principle you are entitled to make a comment as to whether they should have been presented differently. Now when we go

into the details we have to be careful what we discuss. That is what I am trying to say.

HON M D XIBERRAS

We could in fact spend our time discussing token votes of £1 for each of the different Heads.

MR SPEAKER

In Committee.

HON M D XIBERRAS

We could not! But, Mr Speaker, this I must make absolutely clear that when I asked the Financial and Development Secretary for a figure for the Scamp negotiation the Financial and Development Secretary eventually gave us this figure starting with £2.7 million and the matter was not pursued Head by Head as I said we would because it was understood that all these matters would be ventilated in the general debate.

MR SPEAKER

Oh no, no, no. I think, the Leader of the Opposition, I think, is misguided in the statement that he has made. What we are debating now is the general principle which is applicable to the Budget which has been presented, and every member will be entitled to censure the Government if they feel that provision should have been made for Scamp. That I am not putting in doubt and I will not put in doubt and I do not want to be misunderstood, what I am ruling about is the fact that the detailed negotiations of Scamp are not relevant to this debate because we are not voting money for Scamp. That is all I am saying.

HON M D XIBERRAS

Mr Speaker, I can perfectly understand your concern about the detailed negotiations of Scamp becoming the main theme but . . .

MR SPEAKER

And let it be said that I am doing this after an hour and a quarter of detail.

HON M D XIBERRAS

I perfectly understand, Mr Speaker; on the other hand any information

which any Honourable Member may be able to bring to show what the order of magnitude is under the different votes

MR SPEAKER

It is my prerogative to decide how far a Member is allowed to go and as long as I sit here I must be allowed to exercise my judgment.

HON M D XIBERRAS

Mr Speaker, I absolutely do not intend to question your judgment but I want to make it absolutely clear that when I decided, as far as Honourable Members on this side are concerned or Honourable Members in my party are concerned, not to pursue the matter of the order of magnitude which the Financial and Development Secretary

MR SPEAKER

I am not talking about orders of magnitude.

HON M D XIBERRAS

I am, Mr Speaker, if I may say so with respect.

MR SPEAKER

But you must not, just now, you have not got the floor!

HON M D XIBERRAS

Well, I am talking on your ruling, Mr Speaker, and expressing a point of view.

MR SPEAKER

No, you are not talking on my ruling, that is what I am trying to call your attention to. I have not ruled anything about orders of magnitude.

HON M D XIBERRAS

Mr Speaker, I just wanted to say that that was my position.

MR SPEAKER

Certainly, yes.

HON J BOSSANO

Well, Mr Speaker, as I was saying, the point I am trying to make here is that the interpretation of the Government as to how the Scamp recommendations are to be applied to different groups of public servants has already been taken and that decision and that interpretation has got certain monetary effects. And these monetary effects have not been brought to the House by the Government, not because they cannot be quantified

MR SPEAKER

You are therefore, Mr Bossano, begging the question. Because when they are brought to the House this is the sort of thing you will say.

HON J BOSSANO

Yes, Mr Speaker, but if we are going to have to wait in the House of Assembly to debate a thing until the Government chooses to bring it here because it suits them to bring it here then, we may be faced with decisions that are irrevocable and therefore it seems to me a very valid time to discuss this now before the Government is totally committed. Because they are saying here that they know that they will have to spend more money in 1976/77 than they have told the House: they do not know how much, but how much they have to spend depends on what happens in the pay negotiations. What happens in the pay negotiations, Mr Speaker, is going to be conditioned partly by the views that the Government has of what is going on and it appears that the Government does not know what is going on. Therefore, it seems to me that I am doing a great service to the cause if as a result of this debate the Government is better informed and the negotiations proceed to a conclusion which may bring about the settlement of the Biennial Review and the Government bringing here Supplementary Estimates, otherwise we may well find ourselves that instead of having Supplementary Estimates we will be having a strike on our hands.

MR SPEAKER

Mr Bossano, I am not trying to cut you down: the only time I have called your attention is when I have had to because you have gone into minute details, and that is all I am asking you to be careful about. I think you will see, when you read the Hansard, that everything that I have said is completely and utterly correct, however much I regret to have to say it.

HON CHIEF MINISTER

If the Honourable Member will give way I would like to make one point which has been made before but apparently it is either not accepted or not permeated and that is that as far as the Government is concerned apart from the natural expectancy on the part of the Government that officials look after the general monies of the Territory in a prudent way, there has been no

HON M D XIBERRAS

Mr Speaker, I think we might as well go home, if Honourable Members opposite are not responsible for what the Government does.

MR SPEAKER

You must not give way otherwise we are going to have a debate.

HON CHIEF MINISTER

There has been no directives of economic constraint on the settlement of any particular claim or negotiation. I would like to make that very, very clear. That they might or might not become problems later on is another matter, but in the acceptance of Scamp and all its implications there have been no definite economic constraints put on the negotiators. This is quite clear, let it be quite clear now and at any time that the matter is raised again. I will have more to say in my reply, but this is a very definite must. To that extent perhaps I am grateful for some of the details that the Honourable Member has put to the House.

HON J BOSSANO

Well, Mr Speaker, I am also very grateful for that information because I shall certainly make it my business to ensure that that is recorded in the JIC where the point has been made for example in October last year that retaining labourers on Band 2 instead of down banding them to Band 0 had very serious economic implications because of the numbers involved which I have said in the case of the Gibraltar Government involves about a third of the labour force.

HON CHIEF MINISTER

It may well be true that it has a serious economic implication, I am not disputing that, what I am saying is that if that on merit, in the view of the negotiators, was fair and reasonable there would be no constraints in their accepting it. The contrary is also true, if they thought it was not acceptable then that is their criterion and we stand by one way

or the other. We get the blame but I do not mind. One thing is quite clear, there has been no direct economic constraint, or directives on economic constraints on a fair and reasonable interpretation of Scamp.

HON J BOSSANO

I think, Mr Speaker, that perhaps that will be reflected in the development of negotiations from now on and I hope it will be.

I would like to finish the point that I was making simply by saying that in the case, for example, of the Police Force I do note that the statement made by Mr Scamp to the effect that the appropriate rates for non-industrial staff to which the percentages were to be aligned, being that of the 1st April 1975, in fact that which is clearly stated in the Scamp Report has not been in fact the criterion applied to the Police Force since I have got the scales that were in application on the 1st April 1975. In fact I have not yet got the subsequent modification but there are indications that in the case of the Police Force the Government has adopted the flexibility to say, no, rather than apply that particular rate of pay because there was a settlement in September 1975, we will look at the figures that were arrived at in September 1975.

Now, that, Mr Speaker, is to me an absolutely clear indication of the approach that I would expect from the employers who are concerned to arrive at a negotiated settlement, who are concerned to produce a formula which is not totally inconsistent with Scamp but which in fact Scamp envisaged in saying that any departures from his recommendations should be mutually acceptable to both sides and should include the element of flexibility in moving towards the 80% of the UK rates that he was recommending. Now, if the employers in the case of the industrial workers approached the problem of the industrial workers with the same amount of flexibility I think in fact the possibilities of a settlement, Mr Speaker, are very good. And I think the possibilities of industrial peace and the House being presented with the estimate to vote the money are good.

I think the converse, Mr Speaker, is equally true, I think the situation has now been reached where the Government may find itself having to have a show-down once again with the Trade Union Movement, notwithstanding the obvious desire expressed to Sir Jack Scamp for this not to happen. Now I must make it quite clear, Mr Speaker, that if the Government does not want this to happen then they must really refrain from giving the impression that that is what they want. They have got an opportunity to refrain from doing so in the course of the debate. I am not in fact at all worried by the prospects of the Government accusing me of delaying negotiations or accusing me of having made a mistake in being involved in the push for parity, I have absolutely no

doubt at all in my mind that the link with UK wages is in the best interests of the workers and will produce long term benefits, nor do I have any doubt at all in my mind that if we are changing the structure and relativity of Gibraltar we have to do this over a transitional period, we cannot do it overnight.

You cannot get a man from Band 16 and put him in Band 4 when you have got a Pumping Station and there are now three men employed in that Pumping Station, one is a charge plant attendant on Band 16, one is a plant attendant on Band 8, and one is a skilled labourer on Band 4, and the proposal is that all three should be on Band 4. That you cannot do, Mr Speaker, It has nothing to do with Scamp, it has to do with common sense. It has got to do with common sense because it just goes against the grain regardless of the increase, even if everybody was going to get £10 a week, Mr Speaker, the problem would still arise that if you are changing the relativities you have to do it in a way that will smooth the introduction of the new system. You cannot do it any other way if you are really genuinely concerned for industrial peace. And if you are really genuinely concerned for industrial peace then you do not in fact show that you are not concerned at the implications of what is being attempted because you are confident that you can pin the blame on somebody else.

That, Mr Speaker, also follows, and, therefore, if the Government wishes to convince me or the Trade Union Movement that it is not their desire in fact to provoke another confrontation then they must be conscious that what they say must in fact reflect this consistently. It is not enough to say as the Honourable Financial and Development Secretary said in the Budget speech that it is the Governments fervent hope that there will be a speedy settlement. I mean, what is happening, Mr Speaker, is not that that is the Government's fervent hope that I will accept on behalf of the Trade Union Movement something that is totally unacceptable and that fervent hope has got absolutely no chance of being fulfilled. Absolutely no chance whatsoever, Mr Speaker, because even if I did want to do it, even if I did want to go along to the Union Members and tell them they had to accept it, they would say, no, to me. The Government seems to be labouring under the impression that in fact workers in Gibraltar can be manipulated left right and centre without their having a say in the

matter, and I think the way that the negotiations between the Official Employers and the Trade Union have developed over the last three months indicates this. The position of the Trade Union Movement as regards the proposals of the Government were put initially to the Branch Committee and rejected, to a Shop Stewards meeting and rejected, and to a General Meeting and rejected, because the employers apparently thought that the committee was not reflecting the views of the members, and then the Shop Steward's were not reflecting the views of the members, and then finally when it was the members themselves who took the decision then of course they run out of arguments.

So the proposals as they are have been carefully explained to the workers and are unacceptable to the workers and will lead to industrial action. There is absolutely no question about it. Now the only problem is that the Government which has got various responsibilities, it has got a responsibility as an employer but it has also the responsibility for the stability and good order in Gibraltar, must make it quite clear that that is a consideration that they have to weigh, and I want to make it absolutely clear, Mr Speaker, that this is not - in case it is interpreted as such - it is not an intention to issue any threats or anything of the kind, it is simply giving the House the benefit of my experience which is part I think of the role that I have to play in this House of Assembly.

I believe that a parliament should be a reflection of a cross-section of the community and a parliament can work well if those individuals who come from different cross-sections bring to the House the information that they have available and share it with other members of the House, and what I am sharing with the other members of the House is the knowledge that I have that people are absolutely determined to fight this one out, that their patience is exhausted and that I do not really understand how in fact they have been kept at work for as long as they have. This, Mr Speaker, is my honest belief of what the situation is at the moment, and I think that it is a matter that members on both sides of the House should take very seriously because I mean it to be taken seriously.

I believe, Mr Speaker, that there is obviously in a political situation where we are approaching the elections and where people are keen to get returned to

Government as the Honourable Minister for Labour and Social Security said for the next four years, there is a constraint put on politicians which is most regrettable and that sometimes they say what they think needs to be said in the run up period to an election, rather than what they should be saying if there were no election in the offing. I think I would urge the Government not to allow, however difficult it may be as politicians, not to allow that particular consideration to gain the upper hand, because this time round, Mr Speaker, with one and a half years back pay in the air, this time round the workers will be much more difficult to control and the mini buses have not yet arrived. (Tapping on table).

HON A J CANEPA

Mr Speaker, undoubtedly in this year's Budget the most important issue to have been aired is Scamp and all its implications and I am going to ask you now, although I do not intend to speak at this moment on Scamp, to treat me with some indulgence, I think half the indulgence that you have allowed the Honourable Member across the floor there will be sufficient. I think Scamp does play a very, very, crucial part in what is before the House today and if as a result of this debate we can avoid any industrial turmoil over the next few weeks, over the next few months, I think that will have been a very, very good thing indeed.

I am very grateful to the Honourable Member for the way in which he has presented the Trade Union's case, I shall have more to say about it later on, I am very grateful to him and it has enabled one to have a far better understanding of what is really essentially at stake. But first things first, Mr Speaker, and the Honourable Mr Bossano has not of course been the only member from the other side of the House to have spoken because on Friday we had the benefit of the intervention of the Honourable Major Peliza, and it is a pity that he is not present in the House this morning, a great pity indeed for one does not like to have to say things when Honourable Members are not present, even though they may not have the opportunity to answer there and then, but one likes to say things in the face of people and not behind their backs. But of course what is not acceptable is that the Honourable Member, to use a Spanish phrase, should "Armar el dos de Mayo" and then

promptly leave on the Sunday plane for London: that is not on.

Listening to him, Mr Speaker, I could not help recalling what I think it was Winston Churchill said about an MP; I think it went something like this - "The Honourable Member who has just spoken is one of those persons who before rising in his place has not the slightest idea of what he is going to say; who whilst he is addressing the House has not the slightest idea of what he is saying; and who when he has sat down has not the slightest idea of what he has said." I am not going to apply that to the Honourable Major Peliza because that would be cruel, for although I disagree with many of the things that he said in this House I nevertheless do have a very, very high regard for his sincerity and, therefore, whatever remark I may make, Mr Speaker, I hope will not be taken by Honourable Members opposite or by Major Peliza when seven days from now the Post finally reaches him and he may have some inclination of what I have said, personal at all. But one cannot help but contrast his manner of speaking, his intervention, with the very coherent and cogent speech that we have heard from Mr Bossano.

Again I do not necessarily agree with everything that he has said but it has been an interesting - in the earlier part of it, the first part of it - was an interesting, informative account of what he considered to be the four AACR Budgets that we have had the privilege to present.

The first part of his speech, if I may be a little bit patronising, where he was using copious notes, I did not think had the emphasis or the impact that the second half had, and as I say being absolutely patronising, I would commend to the Honourable Member the approach of the latter half and the approach that he has always adopted in the House speaking extempore rather than from copious notes.

Mr Speaker, what he did omit to say of course about the Budget, and in particular about the 1973 Budget is that he described that one as a very fair and socialistic Budget, but of course I can understand that the Honourable Mr Bossano prefers not to recall the 1973 Budget. He had a somewhat traumatic experience in that occasion I recall, when having discoursed about how fair the electricity charges that we were levying were, promptly having sat down, the Honourable Member; also absent from the House this morning, the Honourable Mr Willie Isola, rebutted everything that Mr Bossano had said in that intervention that I am sure we all recall as the episode of "Las Casuelas".

MR SPEAKER

Was that not Mr Caruana?

HON A J CANEPA

It may have been the other member who is absent, but I remember distinctly that it was the Honourable Willie Isola

MR SPEAKER

And was it not "Ollas" and not "Casuelas"?

HON A J CANEPA

"Oyas". I remember distinctly that it was the Honourable Mr Willie Isola who rebutted what the Honourable Mr Bossano had said, and on that occasion of course Mr Bossano found himself at odds with his colleagues and he did not have the freedom to vote with us that he now has.

I know, Mr Speaker, that the Honourable Mr Bossano would feel much more comfortable on this side of the House sitting with us. I know he is more at home with AACR philosophy.

To return to the Honourable Major Peliza, he said that thanks to the policy that his Government had adopted in 1969 Gibraltar, seven years after, was in a very healthy state. What a pity of course that the policy adopted in 1969 did not have earlier fruition and that would have avoided in 1972 that disastrous Budget that led to the Honourable Members opposite being given the order of the boot!

No, Mr Speaker, the reason for the healthy finances this year, is that it is us on this side of the House that have discovered the gold mine, and the gold mine of course was the introduction of Pay As You Earn. That is the main single factor for the far happier financial position this year: I have no doubt that the introduction of PAYE will have a continuing beneficial effect over the finances of Gibraltar in future years and that future administrations will be able to look back upon that as one of the most felicitous innovations introduced by the AACR Government.

As usual the Honourable Major Peliza went back to the famous occasion of the £5 to £6 increase of 1972, and perhaps I would invite the present Leader of the Opposition

who was the Minister of Labour, before 1972, later on to comment and to tell us and I hope he will accept my invitation and not do what he did last year that he did not follow my intervention. Well I wish him to comment on whether that offer of £5 to £6 had been cleared with MOD both locally and in London. Because we found a vastly different picture, Mr Speaker, when we came in. The very first morning that we were sworn in as members of the Government, that offer of 40p was made at the meeting of the JIC and we knew nothing about it. But perhaps he might tell us also whether the £5 were to be given to everybody, whether it was £5 to the labourer and so on all the way up or whether £5 to £6 was the maximum and when it was scaled down the labourer in fact would get 40p and very little more.

I think someone somewhere, Mr Speaker, pulled a fact one on us when we came into office. We were also presented with a situation where there was no money available for wages we were told and again the position had not been made clear in the 1972 Budget about how much money was being put aside for the July 1972 Biennial Review. The other difficulty, Mr Speaker, that is a continuing one for us and for other administrations is that we are now faced with a situation of direct negotiations with unions, and there were direct negotiations for the first time ever in 1972 and not the situation where a Commissioner used to come out, produce a report and all the Trade Unions just bowed their heads and accepted the recommendations of that Commissioner. That was a new situation for Gibraltar in 1972, and it was not an easy one for a new Government to be faced with.

The Honourable Major Peliza of course had his say about parity, and of course it was a mere coincidence that both the IWBP and the Unions espoused the policy of parity. Difficult to reconcile that, Mr Speaker, with something else which the Honourable Mr Bossano also made reference to, namely the call by the Transport and General Workers Union in the 1972 elections, the call for the electorate to support the IWBP. But because we did not go along with the policy of parity, Mr Speaker, that has not meant that the Government has not been prepared to work with labour as the Honourable Major Peliza alleged. And let it be said, Sir, that neither does Scamp go along with the policy of parity, and I will quote very briefly 5 (17) page 49; "My conclusion, therefore, is that the Unions have not established the case for parity" and earlier, 5(12) "My own conclusion is that in the circumstances of Gibraltar there is in fact no practical alternative for the parties but to acknowledge that their general wage and salary levels should bear some relationship with those negotiated in the UK". A relationship, Mr Speaker, a link with wages in the

UK but not, Mr Speaker, parity.

If, Mr Speaker, Scamp had recommended parity I daresay the labourer, be he in Band 3 or Band 2, would have got some more money certainly in the present round of negotiations but those "peses gordos" that have been talked about, "the big fish" that the recent leaflet of the Transport and General Workers Union talk about, they, instead of getting £8,000 would have got more like £11,000 or £12,000. So the position would have been pretty well the same in relative terms, maybe worse even. Let us be thankful at least for something.

Mr Speaker, this allegation that the Government is not prepared to work with labour, that we are intent on destroying Gibraltar, that we have destroyed the understanding that existed in this community. I cannot help but recall the previous administration faced with three one-day strikes on consecutive Wednesdays some years back and calling the Trade Union leaders in and asking them what were they doing, telling them they were going to destroy Gibraltar because there were three one days strikes on consecutive Wednesdays! But no it is the AACR of course that is intent on destroying Gibraltar. I am not going to say, Mr Speaker, that the advent of the IWP some years back has sewn hatred, I am not going to say that it has done that in the community, but that it has led to a materialistic attitude to life, that it is destroying the very soul of Gibraltar, of that I have no doubt. In their years of office we had the slogans "Ask for the Moon"; "We live on a goldmine"; statistics about the numbers of cars in Gibraltar; the number of TV sets: Well, Mr Speaker, we do not tell the people that there is prosperity in Gibraltar because there are 2,000 colour TV sets. We do not tell the people in reviewing this year our economic situation that there is prosperity in Gibraltar because so many hundreds of new flats have been given in Varyl Begg and everybody is chucking their furniture out of the door and buying new furniture. That is a materialistic attitude to life, and I think there are things in life that are a great deal more important than that. Those are the insatiable demands of a consumer society that I totally reject.

I am glad to agree with the Honourable Mr Bossano when he talked about the ills of the capitalist society, the ills of capitalism in this connection. That is totally out of line with the thinking that has permeated the Peliza

Administration and other Honourable Members opposite. If, Mr Speaker, the people of Gibraltar today are "metalizados" we can thank the Honourable Mr Xiberras, the Honourable Major Peliza and other members opposite for that.

Talking of the improvements that we have introduced over the years, Mr Speaker, the Honourable Major Peliza said that that had been due to pressure from them, from Honourable Members opposite, and from other people in Gibraltar. Mr Speaker, the improvements that I have introduced in those fields that I am directly responsible for have not been due to any pressure, I am not aware of people being up in arms about the matters that I am concerned with particularly in the field of Social Security. There has been no real pressure. What has been done has been done because I believe in it. It is one of the main reasons that prompted me to enter politics and that work is not finished. And I told the Honourable Mr Bossano and the Gibraltar Trades Council recently at a meeting that we had two or three weeks ago what my policy was on social security. I told him that I could see that I was aiming at a pension for a couple of 50% of average earnings, a social security pension, and then of course, together with the occupational pension, I have no doubt that we would be within the ideal situation that Mr Bossano made reference to on TV on Friday.

I was invited by the Trades Council to comment about a motion that they had passed that we should aim at reaching European standards in social services and that is what I had to say about social security. But it could well happen, Mr Speaker, that the yearly revision as they succeed each other are taken for granted, it could well be then when I mentioned the other day in the House that I was already working on proposals to increase pensions by 20% in 1977, and I also said that I would be making a statement in May, the next meeting in May, to that effect, it could well be that either the Honourable Mr Bossano was not here in the House when I said so or it is something that is taken for granted, because he did say that we had brought up no new proposals in connection with the Budget.

I want at this junction, Mr Speaker, because these things are taken for granted, to pay a very brief tribute to the the hardworking and loyal staff in the department, who keep up-to-date on these revisions and I am very proud to be able to say that no one in Gibraltar is submitted to any delay in payment of social benefits, particularly when

they are revised, and I think without a hardworking staff all the way through, with good advisers, I do not think that this work would have been possible.

The Budget, Mr Speaker, has so far been described as a "car budget". And I do agree that there are a great deal of cars or other vehicles being purchased. But I am surprised that Honourable Members Opposite, who have paid so much lip service to the Beeching philosophy, have missed what I consider to be a very very significant item in this years Budget, and that is the amount of money that is being spent on training, and I am not talking about apprentice training, I am not talking about teacher training, I am not even talking about industrial training, for which I have specific responsibility: I am talking about the training of other Government personnel. It is a very important feature in this year's budget and one has encouraged and supported the introduction of this aspect because undoubtedly, Mr Speaker, a better trained staff is more efficient and this is conducive to greater self-sufficiency in the labour requirements of our community. There is an increase, Mr Speaker, in the Electricity vote of over £2,600 on training; the Magistrates' Court £500 odd; in my own Department there is an increase of £2,000; the Police, nearly £4,000; the Public Works Department, £4,000; the Revenue Department, £1,500; the Medical Department has an increase of £8,000, very significant, Mr Speaker, all totalling up to well over £20,000 on training for the personnel that we employ. The figure can be seen at its true value if you look back over previous years when hardly more than £5,000 at the most have ever been spent in any one year on this aspect of training.

A very considerable improved provision, Mr Speaker, and I am very proud to be associated with this.

Mr Bossano on Friday, Mr Speaker, said that many people believed that the Government had been debunked so we shall see, Mr Speaker, in September whether there are more people that believe that or whether there are more that believe to the contrary: I am willing to wager that it will be the latter. We heard also on Friday quite a lot about unemployment and in particular unemployment amongst Shop Assistants and what the Government ought to do in order to remedy the situation, which briefly I think amounted to a cancellation of work permits for aliens. Major Peliza himself mentioned the payment of £25 a week to Shop Assistants and I had wanted to ask him whether he himself or his firm rather had given in to the strength of the Trade Union Movement as described by Mr Bossano in order to pay this £25 a week for Shop Assistants and giving in as manifested by industrial action or by some other means. There has been no industrial action in the private sector but I do know of pressure by Trade Unionists on individual firms to pay the increases for Shop Assistants. I had also wanted to ask Major Peliza how many Shop Assistants have been sacked by his firm, whether they were now employing fewer than perhaps they had been employing fifteen months ago or a year ago.

Now Mr Speaker my policy, the Government's policy in order to combat this element of unemployment, and I made some reference, Honourable Members if they look back to Hansard will recall, in last year's Budget when I spoke about some increasing signs of unemployment, our policy, Mr Speaker, is first of all to adopt a positive approach by the creation of more opportunities for females and we have seen the Government specifically as an employer doing this in the Drawing Office. To open up new areas of employment for females. Mr Bossano said that the Trade Union Movement had been in the vanguard of this. Well, I would like to remind him that about a couple of years ago on returning from an official visit to the UK I spoke about the impressions that I had gathered. I spoke about the fact that I had been very impressed to see female apprentices and that I was determined to have apprenticeships opened to females. I am on record as having said this publicly in a television interview, and I followed that up, Mr Speaker, by conversation, discussions with the General Manager of the Dockyard, who is the Chairman of the Official Employers Apprentices' Board and I gave instructions to the Government representatives on the Board to this effect. Hence, Mr Speaker, my direct involvement, as I was able to indicate in answer to a question from the Honourable Mr Bossano with regard to the employment of females apprentices, and more directly with regard to the adoption this coming September of this policy of opening up all those trades that are suitable and available for females. And the Official Employers will be taking very definite steps over the next few weeks to that effect.

Other measures, Mr Speaker, that I am responsible for are the instructions that I issued at the beginning of 1975 that no new work permits were to be issued for unskilled labour and more recently at the beginning of 1976 I issued instructions that there were to be no renewals of work permits of workers who had been in Gibraltar less than a year unless these were cleared specifically by me, and the connection of the one year is something to do with the law on Unfair Dismissal.

With regard to the retail trade, Mr Speaker, which is specifically the area where the problem has manifested itself, the policy is one of gradual wastage. I am loath at the moment to take the drastic step of cancelling work permits and sending people packing home: I think it would be a difficult policy to implement fairly, the criteria to be laid down would not be easy and so one is at the moment rather more concerned to adopt rather more positive measures, to keep the situation under constant review and if these measures are not successful then perhaps more more drastic measures can be considered.

The quota has been cut, Mr Speaker, very significantly. The number of work permits in the last 15 months have been cut by about 260. The Government has accepted the Trade Union representative's recommendation in the Manpower Planning Committee to allow no leeway whatsoever in the quota for the retail trade. Here we have the case of the Government working with labour and, Mr Speaker, in addition to that I am very

hopeful that an early settlement of Scamp will help naturally by generating far greater activity in the private sector. So I am keeping the matter under constant review and if all the steps that I have mentioned taken together do not alleviate the problem then perhaps more drastic steps will have to be taken probably beginning with the requirement that there is already in the law that the Director of Labour can require employers to train Gibraltarians, in this case girls, to take over from an alien worker and moving on if necessary from there to the cancellation of the odd-permits. But as I say it is a difficult policy to implement fairly, I must stress this, without treating the individual employer invidiously, but the principle of priority of employment for Gibraltarians is one of course that I am sure we all subscribe to and we want to see upheld. And that, Mr Speaker brings me to Scamp.

MR SPEAKER

Perhaps it might be better suited if we recessed now until this afternoon at quarter past three and we will patiently listen to what you have to say on Scamp. So we will recess until quarter past three this afternoon.

The House recessed at 1.00 p.m.

The House resumed at 3.25 p.m.

HON A J CANEPA

Mr Speaker, I would like to make clear that the reluctance from the Government benches last week, particularly when we were in Committee, to speak at any length on Scamp, was mainly due to fear of saying anything that could be seized upon by any of the Unions, and I mean any of the Unions, and thereby be used in a manner that could prejudice or exacerbate the cause of the on going negotiations. Let me make clear, Mr Speaker, that even the Police Agreement, I understand now, was only signed last Friday, and, therefore, as I say, whilst in Committee we knew that the Police were favourably disposed towards accepting but at that stage no settlement had been signed. The position with the teachers is similar, we know

HON M D XIBERRAS

If the Honourable Member would give way, does he mean Friday of last week?

HON A J CANEPA

Last Friday, Friday the 26th.

With the Teachers we know that they are disposed towards accepting but the document which has to be drafted is a lengthy and complicated document and it may not be signed sealed and delivered even now for a few days if not weeks.

But in any case, Mr Speaker, I think that it may well be that the open debate which we have had in the House on Scamp will have been a very good thing and may well contribute to both Employers and Unions arriving at a better understanding of their respective positions. In the interest of industrial peace, Mr Speaker, the Government last summer accepted the Scamp Report and all its recommendations quickly and fully. I recall that we were criticised for the delay of about two weeks or so from the publication of the Report until we announced our acceptance but that was mainly due to the fact that I myself was away from Gibraltar at the end of July and the beginning of August and my Colleagues wanted to have the benefit of my views and advice on Scamp before the Government came to a final decision. Butñ Mr Speaker, as far as the Unions are concerned of course none of them so far, and even the Police, have accepted as fully as the Government has done and as the other Official Employers have done in the sense that there has been no acceptance of the percentages recommended by Scamp for October 1976 and October 1977.

I would like also to make clear at this junction that there has been no deliberate attempt whatsoever on the part of the Government or the other Official Employers to divide the Unions. What one can understand and one can appreciate is the reluctance, justified in my view, if I were on their side I think I could be reluctant as well, they are reluctant to commit themselves fully to accept analogues which are going to determine salary structure for the future. I think it is appreciated, it is natural that they should be determined to secure the best possible deal now when the basic gradings are to be established for the future. And that of course is part of the reason for the negotiations having taken so long and having now been in

progress for about six months.

In some areas, Mr Speaker, involving non-industrials there have been no great problems. For instance it is not difficult to arrive at the fact that a Qualified Teacher in Gibraltar is equal to a Qualified Teacher in UK. No problem there. But there is a problem and there has been a problem about what is the Experienced Teacher who is not qualified, yet is not totally unqualified. What is the Experienced Teacher for instance to be equated to? And that has been something of a problem which I am glad to say seems to have been favourably circumvented recently. With the technicals there has been no problem. But there has been a problem with the clericals and in particular with the Senior Clerical Officers and the problem is very similar in nature to that described by the Honourable Mr Bossano this morning with reference to the Band slippage of industrials. It is a similar problem. There does not appear to be a direct analogue, a straight forward analogue in UK equivalent to the Senior Clerical Officer and, therefore, not a great deal of progress is being made with the Association concerned.

With the industrials there does not seem to be any problem with the Craftsmen. I think the Union and the Craftsmen themselves are well disposed with the offer and certainly I welcome what the Craftsmen are going to get out of Scamp. It is going to mean some restoration of those differentials which have been very seriously eroded by the payment of Cost of Living Allowance and the Interim Award at flat rates which to all intents and purposes makes it not worthwhile at all that someone should go through an apprenticeship of four years to get at the end of the four years what, a mere £3 or £3.50 a week when we are talking of wages of the level of £30 or over. So the restoration of differentials is something which I as a matter of policy, and I think I have stated in the House before that I wanted to see the status of the Craftsmen improved. So this is being done. Whilst there is no problem with the Craftsmen, as far as the industrials are concerned, there is the problem with the labourers that the Honourable Mr Bossano spoke about this morning.

It is clear, Mr Speaker, that we have been able to make greater progress where we have been concerned with Government employees only. But even there there has been some delay when there have been issues or principles that have required clearance, that have required some agreement from the Civil Service Department in London.

And I am referring here to the issue of the abatement of salaries because of superannuation. This was a matter which seriously delayed the progress of negotiations because we could not get clearance from the Civil Service Department in London on this matter. They were sitting on it for 7 or 8 weeks.

As far as the industrials are concerned, Mr Speaker, and it is a pity the Honourable Member is not here, but I would like to say that I think he put a very fair case across. I can understand and I think he explained very well the reluctance by workers to accept any down-banding. Scamp, the new structures that are going to emerge from Scamp, is not something that can be implemented overnight. The implications do not just involve merely wages and salaries, they involve social attitudes, social patterns, patterns of employment over the years, and you are not going at the stroke of a pen to be able to change that overnight. So I do see very much eye to eye with the Honourable Member on that point. But we must not forget, Mr Speaker, that the delay in the negotiations, and I am now talking specifically on the industrials, has also been partly due to the fact that the leadership of the Transport and General Workers Union, and in particular the Honourable Mr Bossano, had a mandate from their members, I think they had a meeting in November, they had a mandate from their members that they would be the last Union to settle.

In 1972 they were the jugernauts that were used to get with the one week general strike a settlement of £1.85 for the Industrials and then non-industrials later on were able to benefit from the efforts of the industrials. So there has been a reluctance on the part of the TGWU to commit itself to any settlement until the non-industrials had settled. And as I say that was precisely a mandate which they got from their membership, and when I in the heated exchange that we had last week, when I said something to the effect that the workers had to thank him, I was not referring to the delay, I was referring really to the fact that even full parity would have meant that the lower paid workers, labourers and allied grades, would not do very well out of this settlement compared to other people. I recall, Mr Speaker, about 15 months ago, at the time when we had the lengthy industrial dispute at the end of 1974, I recall an occasion when the Gibraltar Trades Council, and Mr Bossano was a member of that delegation, came to see the Acting Chief Minister, my friend

Mr Montegriffo and myself, the Chief Minister was absent from Gibraltar, and they came to discuss the issue of the flat rate award. Both Mr Montegriffo and myself pointed out the danger of a flat rate award that would be pitched too high for the labourer, because it was clear that anybody who came to carry out an inquiry was bound to recommend some degree, and in my view a considerable degree, of restoration of differentials and, therefore, if you pitched a flat rate award on the basis of the labourer too high, it was clear that the effect all the way up the industrial, the non-industrial grades right at the top would be very, very considerable. And that really, Mr Speaker, is what in a way has happened. The Interim Award was considerably high for a labourer. Since 1972 the labourer and allied grades had had exactly the same increases as everybody else, "los peces gordo", including the fattest of them all, the Deputy Governor, himself. Exactly the same increases. But now the position needs to be looked at again, and matters need to be put right.

The increase for the lowest paid industrials, Mr Speaker, is not very high arising from the Scamp recommendation, even if there were to be no band slippage. In other words, let us say the Official Employers were to agree with the Union to leave the labourer at Band 2, no requirement for the labourer to slip one Band to 0, nevertheless the increase would amount to a mere 80p. A Band is approximately equal to 80p. And I wonder, Mr Speaker, whether that, when compared against the salaries which the top boys are going to receive, whether Mr Bossano or anybody can sell that sort of a deal to his members, particularly if the majority are labourers or allied grades.

I going to say, Mr Speaker, that I do appreciate his problem in this respect and moreso where the Band slippage that the Official Employers have been stressing it more considerably than that. And I think the Honourable Member mentioned a case, I think it was a Plant Attendant in the Distiller, I believe it was, where the Band slippage would be from Band 16 to Band 4. That is not by the way Mr Speaker, 12 bands, bands are even, it is 6 bands. But it is very, very considerable and I can understand the problem of the Union leaders to try to sell that sort of thing to their members, even if they themselves were disposed to accepting it, particularly if they are in any way indebted, as they

must be, to what are some of the key figures in the vanguard of any industrial action. That in itself is bound to be a consideration.

If it was Sir Jack Scamp's intention, Mr Speaker, that there should be no band slippage, in other words the banding should be as pointed out by Mr Bossano in Table 7, page 38, I think it was, of Scamp, if he is right in that, if the Trade Union interpretation is the correct one, and if that were to be accepted by the Employer, I still ask, Mr Speaker, the question: are his members going to accept that, particularly in the light of Morgan. The concern of the Government has been, Mr Speaker, that there should be no come-back in the settlement of Scamp. We want to see fair analogues established, even if it is over a period of time, and we accept that a transition period may be required for people to adjust, but even so, Mr Speaker, we do not want come-backs from the Transport and General Workers Union or the other Unions for that matter, because it is not just the present round that needs to be settled. I think we need to ensure that there will be real prospects of industrial peace, not now not only for the next few weeks but in the future, over the next few years as well. I do not think Gibraltar can afford, Mr Speaker, two or three years of industrial strife.

Let me reiterate, Mr Speaker, what the Chief Minister said in interventions this morning. That the cost of Scamp is not a consideration for the Government. We are committed to honouring Scamp because we have accepted it fully and if in the case of the labourers the cost, as I think Mr Bossano mentioned on Friday, for the Government is of the order of £9,000 to £10,000 to leave them on their present Bands, I would say, Mr Speaker, that in a Budget of, what £11 or £12 million, that is neither here nor there.

As I understood it this morning, Mr Speaker, the policy of the TGWU is that the Bands should be left as they are and that a new banding structure should be introduced as from October 1976. This is how I understood it from the Honourable Mr Bossano and I would have been grateful if he had been here to confirm that. I do not think, Mr Speaker, that those are unreasonable proposals. I think the public interest requires an early settlement of Scamp and in my own particular case, I myself am in a bit of a cleftstick as an Employer on the one hand, or as one of the Employers, but I do have a function as

Minister of Labour to perform to try and see that industrial disputes either they do not emerge or if they do when they are apprehended that they be settled as soon as the signs are there that there could be trouble. It is a difficult role to play, it is much easier in the private sector and I am glad to say that I have in the past been able to play that role with some success. But it is a very difficult one as far as the public sector is concerned. But I do think, Mr Speaker, that I have a duty to try to conciliate and to find common ground. I think we can work together, I certainly understand the position of the Unions and in particular the Transport and General Workers Union, far better after having listened to the Honourable Mr Bossano this morning, and I think that by talking we understand each other rather better than by reading minutes. It is not easy to extract from minutes the essence of what policy is.

I was going to invite the Honourable Member now and on any other occasion to come to see me. We may not always be able to agree in our respective points of view but to talk things over I think I would hope can do nothing but good. I have been frankly impressed by the presentation of his case and I am prepared to discuss those ideas that we went over this morning or any other that he may have that could help to accelerate matters in the knowledge that I support any reasonable solutions that will provide real prospects now and for the future of greater industrial peace. And if it was going to help him at all I was going to take up the challenge which he made last Friday of pointing out, of explaining where I stand in the political spectrum.

If socialism, Mr Speaker, means the brotherhood of man then I am a socialist. If it means communism, no, I am not a socialist in that case, and the trouble to my mind is that far too many people are sheltering behind that label of socialism. I believe in reform not in revolution and therefore I am a moderate and therefore I would say that if I do have to append a label to myself I would describe myself as a social democrat.

MR SPEAKER

That is precisely what Mr Bossano described himself as.

HON A J CANEPA

A socialist, he described himself as.

MR SPEAKER

No, he believes in social democracy.

HON A J CANEPA

Well, Mr Speaker, he then said and I have a note here, he said that he was a member of LEFTA I think he said and I was going to point out by the way that I am not a member of that organisation. But anyhow, Mr Speaker, . .

HON M D XIBERRAS

I happen to know what LEFTA is because I considered joining myself except that I have not got the necessary qualifications as an economist. It is simply an ideas group influential on the labour party. The spelling is not to the left of left, even though the sound may be that and it is by no means a communist organisation.

HON A J CANEPA

The letters that I have got here appertaining to this were LEFTA, I think I have got it right. Anyhow I am not a member because I am not qualified in any case. But anyhow, Mr Speaker, what is a label? I really prefer to be judged on ones work and to be judged on ones record and the Honourable Mr Bossano speaking of concern in particular, talking of ones record and ones work, speaking of concern for the senior citizens, I would have hoped that he agreed with me that I have also been trying to do what I could for the senior citizens. I think my efforts clearly show that he has no monopoly of concern for these people but it did not seem as I hinted, Mr Speaker, this morning, it did not seem that it suited him last Friday, and it is a pity that he has come in at a stage when I am going to be less conciliatory than I have been so far.

MR SPEAKER

May I say that the Member has so far been very conciliatory.

HON A J CANEPA

Thank you, Mr Speaker.

MR SPEAKER

For what may be coming now!!

HON A J CANEPA

It did not seem to suit him last Friday on television to admit that any improvements, particularly on social matters, had been announced in this Budget. We have had mention of the social insurance revision of plans for 1977; there is provision in the Estimates, I think it is under the first Head of Expenditure, for the increase that will become due in respect of occupational pensions as from July this year; there was also of course the greater income tax relief for the over 65's mentioned by the Financial Secretary in his Budget speech. This was one of the three measures concerning revenue that were mentioned and they were very glibly dismissed in last Friday's interview particularly by the interviewer himself. But then of course having the day previously or two days previously having announced in headline news "The Minister of Labour announces increase in Family Allowance to £1.50", the interviewer also forgot two days later very conveniently that item of news. And even more conveniently chose to forget an interview some months ago, not that long ago, when I went on television and I was interviewed purely on plans for the future in social insurance and supplementary benefits in particular for January 1977 when I spoke of pension levels of £15 a week. But again the interviewer suffered from a bad memory apparently and forgot that.

In ending, Mr Speaker, may I say that although this is the last Budget of this AACR administration it remains to be seen whether it is the last AACR Budget. In September people are going to be asked to choose a Government and I am sure that they are going to do so mindful of what I consider to be the most serious indictment against our predecessors, against the Peliza administration, namely that I consider that in their years in Government they degraded and debased our community life because they preached the gospel of the free for all, the gospel of the "grab what you can", the gospel of "ask for the moon", and the gospel of the self regarding affluent society in which the verbs "to get" and "to have" mean so much more than the verb "to be."

HON M D XIBERRAS

Mr Speaker, I rise to take up the Honourable Mr Canepa's challenge

MR SPEAKER

Which surely you will be able to do in due course.

HON M D XIBERRAS

Which was in fact, Mr Speaker, you might not have heard this.

MR SPEAKER

I had, yes.

HON M D XIBERRAS

Then you will understand what I am talking about. When he said: "I hope that the Honourable Member rises after me to speak". And this is what I am doing.

MR SPEAKER

Yes, but you are rising now not after him. You have finished? I beg your pardon, my sincere apologies.

HON M D XIBERRAS

That is alright, Mr Speaker. I have enough notes here to justify the Honourable Members' intervention in respect of length if on no other basis.

I would like to deal with some of the points which he raised. I do not know whether to deal with them before I have made my general contribution or afterwards. Perhaps I should reply to the Honourable Member now.

The Honourable Member has made some very good speeches in this House. Speeches which evinced principle,

resolution, determination, an ability to be true unto himself and true unto other people, and setting aside my personal regard for the Honourable Member, his present performance could not be a more abject apology for his conduct as a Minister over the last four years in respect of labour matters, yet the Honourable Member has gone on his knees and said sorry to the Honourable Mr Bossano. Not so very long ago, was it Friday or Thursday, the Honourable Member, if I understood him correctly in a heated exchange almost challenged the Honourable Mr Bossano to meet him downstairs, or the other way round. No, the Honourable Member in fact said "you have a family too". Well, of course, these are heated exchanges

MR SPEAKER

Which have been ruled out of order.

HON M D XIBERRAS

Which were ruled out of order, Mr Speaker, and I am the last one to mention things about lynching and so forth, because you would rule me out of order as well. It would be a nice point, Mr Speaker, whether you would rule me out of order if I started talking about rock throwing through the House of Assembly window. I think you probably would not, but in any case

MR SPEAKER

Provided you are talking about the past, I would not rule you out of order.

HON M D XIBERRAS

I do not intend to bore the House with this, I simply want it quite clear that the Honourable Member's abject apology for his behaviour in the past four years arises out of the situation which was grave both for the Honourable Member's political future, and this concerns me somewhat, but not as much as the political future of Gibraltar.

Mr Speaker, the Honourable Member in his conciliatory

mood, which the Honourable Mr Bossano was not here to appreciate, seems to have forgotten his appearances on television: it must be the place, Mr Speaker, which makes people lose their memory of the fact because the Honourable Member I remember quite distinctly not being in the studios perhaps at that time made some very forthwright statements on television invoking, I believe even the name of the Almighty and banging his fist on the TV table and assuring the general public of Gibraltar that the Government was there to govern. And by God", he said, or words to that effect, "govern we shall come what may". Well what had to come, Mr Speaker, has come today in the House. The Honourable Member has now become conciliatory, but that, Mr Speaker, much as I welcome his new mood, is not going to help us much in the consideration of the Budget or what I may call the para-budget, the budget within or without the budget, which involves Scamp and the policies of the Government in relation to labour particularly, but also in relation to other things.

I have seen Honourable Members opposite change so much in the last four years that I can give little credence to what is said now but being a fair man I am prepared to allow Honourable Members opposite and the Official Employers time to allow this new attitude of the Minister for Labour to seep right through down to his various committees about which he appeared singularly uninformed until this moment, but I am warning Honourable Members opposite that whereas it has been my unpleasant duty in the past to remain on the sidelines whilst the battle raged outside this House, while it has been my attitude to take without shirking it the responsibility for the attacks made on Honourable Members of this House without deserving them, and whilst I have observed a studious impartiality in these matters despite great provocation, to which I shall come back later, at this point I place the Government on notice that the impartiality of myself and my colleagues cannot be taken for granted unless we see convincing proof that the Government is going to make a go of Scamp, is going to arrive at an early settlement. Otherwise, for what it is worth, I intend to support the arguments of the Unions in this respect.

I say this, Mr Speaker, because much as I am heartened by the new attitude of the Minister for Labour and Look forward to an equally prepitatory attitude from the Chief Minister, I cannot be certain after the evidence of

the past that Honourable Members are really going to be sincere and are really going to try their best to arrive at a solution. Mr Speaker, I note that the Police agreement as Mr Canepa said was signed Friday of last week. I would imagine and it would seem to be the case, and it is obviously fairly early in negotiations whether a general deal can be done or not, I regret that the Financial and Development Secretary, the Attorney General or the Honourable Member was not able to give an indication of costs to this House, particularly since the Police vote has been a much debated one.

I was aware that in Education a deal was all but done, if it has not been done already, but I have not said anything about it until the Honourable Member has confirmed it. I would have thought there also that the Honourable Member should have informed the House as to the approximate cost of our Education vote. The Honourable Member said that the Government had accepted Scamp in the interest of industrial peace. I am very glad that they did both because our own party has always been interested, as the Honourable member knows, in a link in wages and salaries with Britain for very compelling reasons which I shall go into in a moment, because of the economy of Gibraltar which we are discussing today, and also our attitude has been vindicated from a letter which I wrote to Sir Jack Scamp at the time of the negotiations from which I shall quote, if there is any need to quote, because Honourable Members opposite, except for the Financial and Development Secretary, know that for three years and even before that we have been putting forward a consistent point of view on these matters. But even though I am glad that the Government accepted Scamp with all the contradictions involved in their acceptance, I am not glad that we had to go through thirteen weeks of industrial strife, that there had to be comings and goings with London, that Ministers in the UK had to be involved, that there had to be practically an overturn of the way of life of Gibraltar before the Honourable Member of Honourable Members opposite finally realised that this was the way to industrial peace. But when the Minister says that they accepted it for industrial peace is he saying that there was no alternative for him and for his colleagues in the Government to end the industrial strife, there was no alternative but to accept Scamp and thus achieve industrial peace, or is he saying that by the acceptance of the wages link with the United Kingdom there will be a greater probability of industrial peace for the future?

HON A J CANEPA

Sir, if the Honourable Member will give way. I am saying the latter obviously, because having established certain criteria for 1974/75/76 and 77, and hopefully beyond that, having established a link with wages and salaries in the UK, all that we would require to do here would be to monitor changes in the UK and follow them wherever appropriate. That was what I was getting at.

HON M D XIBERRAS

I thank the Honourable Member for that contribution, Mr Speaker. He will find, if he does not find it in Hanzard he will certainly find it in this letter of which I will send him a copy if he has not got one already because it was made available at a Press Release, made to Sir Jack Scamp.

MR SPEAKER

Letter by you to whom?

HON M D XIBERRAS

Sir Jack Scamp. It is dated the 19th June 1975 and there is another one attached of the 17th July 1975, in the same document.

In this letter, Mr Speaker, I say amongst other things, I said "For the last 11 years Gibraltar has been under very great pressures especially 1969 when siege conditions have prevailed psychologically if not materially. These have engendered a desire for security and permanence which pervade everywhere". Now the whole letter really is based, if I can find the quotation, the whole letter, Mr Speaker, is based on the need for a permanent solution of our labour problems. Permanent insofar as one can make them permanent. I say in the letter, Mr Speaker, that we could not go on having a confrontation between Government and Union whatever the Government, every two years. I set out the various criteria which we would find acceptable, which are of wages link with Britain, and I justify the application of this criteria in relation to various things - letters of about 10 pages long - of the constitutional aspirations of my party,

of the Gibraltar Government Ministers and the way they were forced into certain situations because of this tri-partite arrangement of MOD/DOE and Gibraltar G Government, I talk about the political dimension, I talk about the effect on the economy, and all I want to tell the Minister is that if he is now convinced that industrial peace demanded some sort of permanent solution of this kind, one which would allow semi-automatic negotiation of wages, then why did he not propose this himself. Why did not the Government, and the answer might be there that the Honourable Member had not thought of it. Then I would ask him if he is so interested in industrial peace and he thinks that this is a good solution, in other words, if there is any conviction in the Government acceptance of Scamp, why did Honourable Members opposite deride the idea of any kind of wages link when Honourable Members on this side of the House, and Mr Bossano was then a member of my party, brought in a motion on parity.

The Honourable Member is aware that on that notorious occasion the Chief Minister made great play on a certain unemployed Britisher in Newcastle by the name of Macmahon

HON CHIEF MINISTER

He is dead now.

HON M D XIBERRAS

Well, the Chief Minister is confessing to a homicide. But when it is ascertained whether Mr Macmahon is dead or not perhaps the Honourable Member and his party might recommend him for a posthumous OBE or some similar award, because I am sure that Mr Macmahon deserves to be recorded in the history of Gibraltar labour relations as the very first analogue. I am sure the Honourable Member makes great play on this word analogue now, and having received so much if not abuse at least have been treated derogatively by the Chief Minister, the Honourable and Learned Member opposite should make amends of some kind. But Honourable Members are aware that the Government threw out this motion, did not even consider it seriously, a fact which I also mentioned in my letter to Sir Jack Scamp. Not telling tales, Mr Speaker, just giving information. Just giving information. Mr Speaker I am glad to hear that Mr Canepa says that he has no problems with the clericals.

HON A J CANEPA

Mr Speaker, I do not need him to put words into my mouth. I would not want to interrupt him, I want to listen to him in the same way as Honourable Members opposite have listened to me, but please would he not put words into my mouth. I have not said any such thing.

HON M D XIBERRAS

That there are no problems with the clericals.

MR SPEAKER

Will you define the word clerical.

HON M D XIBERRAS

He did not and I do not see why I should.

HON A J CANEPA

Mr Speaker, I have the notes and I can refer to them. Whereas on the one hand there are no problems with the technicals we are having problems with the clericals because we cannot find an analogue for the Senior Clerical Officer.

HON M D XIBERRAS

Well, this is in fact what I have in my next note: problems with band slippage, Senior Clerical Officer. Although he is very much in the know with the negotiations he must bear with me because I have just heard this information for the first time: because we have pressed for it otherwise we would not have heard of it at all. No problems with the craftsmen, but there are problems with the labourers. He spoke about the superannuation problem and then he said that Mr Bossano had made a very fair case for the labourers, and he said: "I do see very much eye to eye with Mr Bossano on this".

Well, I am delighted to hear that, I am delighted to hear that the Honourable Member sees eye to eye with Mr Bossano on the question of the labourers.

HON A J CANEPA

Again, Mr Speaker, he is putting words into my mouth. I was saying that I see eye to eye with Mr Bossano on the problem of changing overnight, attitudes, social pattern and attempting to have this band slippage overnight, that I appreciate those problems, but I do not think I said "eye to eye" specially on the question of the labourers.

HON M D XIBERRAS

The Honourable Member should check his notes, or should check the Hansard later, but I assure you that I made a copious note of this. "Mr Bossano put a very fair case for the labourers", he said - I am delighted, Mr Speaker, the Honourable Member need not get annoyed, because I am delighted with this, that he feels this way about it, but if I got the sense of his remarks the other day, remarks which later Mr Canepa has qualified, it was precisely on this point of the labourers that Mr Canepa hoped that Mr Bossano and the rest of the Union would, to use a Spanish expression, catch his fingers on. The member has a number of Spanish expressions. In other words that he hoped that the case which the Union had made for parity would not apply that well to the labourers and this he attributed in his outburst, he attributed to a lack of homework on the part of the Union. And that the Union, Mr Bossano in particular, should have done his homework. And the tactic, Mr Speaker, is easy to recognise. It is easy to recognise, because it has been employed as Mr Bossano himself has made clear in his very long and very good statement on the last four years, it has been the practice of the Government over four years to try to divide the Union and try to break it up except that now it is not the Union, it is Mr Bossano. I correct myself, Mr Speaker, it was Mr Bossano until today.

Now it has all changed and the Honourable Member is conciliatory and has seen the light where he could not see it before. I am very glad for the sake of Gibraltar. Mr Speaker, the Honourable Member opposite made an allusion to the juggernauts, the reference being I imagine to the industrial workers who were used as a juggernaut in the past industrial unrest. Well, Mr Speaker, the Honourable Member has not told the whole story about the juggernauts. It is not a nice word to use nor shall I bore the House with a repetition of it, but I am

surprised by the Honourable Member's attitude because the Honourable Member has not exercised his post, as I see it, his power in conciliation as he has attempted to do today and I hope that he is successful. The Honourable Member as Minister for Labour has not been characterised by his mediating ability, the Honourable Member has often been well ahead of the Chief Minister in the attitude of confrontation with the Union. I do not know who pushed who forward, Mr Speaker, but in this House often enough we have seen the Honourable Member in sharp exchanges not only with Mr Bossano, but with other people, laying down the law, as he saw it, making his point quite vehemently, and after this we have seen the Honourable and Learned the Chief Minister turn on his smile and try to charm the very person which the Honourable Member was taking a stand against, quite rightly or wrongly.

MR SPEAKER

We are not really speaking about the Budget, we are talking about the performance of the existing members of the House.

HON M D XIBERRAS

Mr Speaker, it was put into my mind by a phrase used by the Financial and Development Secretary to review the performance of the Government.

MR SPEAKER

Well, the Government as a Government but not as individual members.

HON M D XIBERRAS

Well, Mr Speaker, unfortunately this particular Minister in this particular aspect of his responsibilities, has had a great deal to do with the Budget but I take your point and I intend to be brief, or briefer.

However, at this point both the Chief Minister and the Minister for Labour, no doubt they have thought things over, have made very important contributions to the

future of industrial peace. I do not know how responsible a contribution it is but they have said that cost is no consideration in respect of the on-going negotiations on Scamp.

HON CHIEF MINISTER

Mr Speaker, here again, an attempt to put words into my mouth. I said that there were no constraints on the costs, once Scamp was accepted. I did not say that cost was no consideration. There were no economic constraints in the on-going negotiations of Scamp.

HON M D XIBERRAS

Well, Mr Speaker, I thank the Honourable Member for that: there are no economic constraints.

HON CHIEF MINISTER

Once we accepted Scamp, we accepted it in good faith and the consequence of it have to be met.

HON M D XIBERRAS

Well, Mr Speaker, if the Honourable Member says that there is no economic constraint on Scamp being implemented as it is, then we have not advanced at all from the position, because the Unions disagree with Scamp. I will give way to the Honourable Member to make himself clear.

HON CHIEF MINISTER

I hope to make my own contribution at a later stage and I interrupted this morning to help to remove a misconception. I said that the question of a reasonable interpretation of Scamp has been left to the negotiators, and that we as Ministers are not concerned with that, but once Scamp was accepted there were no economic constraints on the natural consequences of Scamp. We did not say Scamp, but; we just said Scamp "yes".

HON M D XIBERRAS

Mr Speaker, no doubt the Honourable Member will make it clearer when his time comes to speak, which I hope is directly after myself.

Mr Speaker, the Honourable the Minister for Labour also said: "public interest demands an early settlement of Scamp". I am delighted, Mr Speaker, with that sentiment coming from Government benches. I have asked in the House, I have been assured that there is an interest on the Government side for the settling of Scamp: now we get a categorical statement: "public interest demands an early settlement of Scamp".

It is a bit, Mr Speaker, behind the times but nonetheless it has come. And the Minister for Labour then finished off by saying that the Peliza administration had degraded and debased our society, because we had infused a sense of materialism in the people. Well, the Honourable Member has got this all wrong and this sort of empty phrase is not going to change, it is not the revolution but the intense reform which he believes carried out by my colleague between 1989 and 1972. If the Honourable Member now is pressed with wage claims so were we; the Honourable Member has had to accept something for which my party has stood for a very long time, well, that is just too bad. But as Mr Bossano very rightly put it, even though we cannot lead ourselves in Gibraltar because we are very small, we are not going to be left behind the rest of Europe. That is a philosophy to which I subscribe entirely and not because of our own moralising or the Minister's moralising are we going to allow standards to slip in Gibraltar if they are going to go up in other parts of the world and we are not going to accept permanently lower standards of living. If that is materialism then the Honourable Member is entitled to fight it, but I do not think it is. The Honourable Member also, before I finish commenting on what he said, made a remark also to my Honourable and Gallant Friend Major Peliza about ACMODA, about giving in to pressures for wages and so forth, which I thought was in very bad taste. I could make similar remarks about the applicability of Scamp to the Honourable Member, but I shall not do so.

MR SPEAKER

May I in fairness say that it was the Honourable Major Peliza who referred to the wages that his firm was paying

and he has replied to what Major Peliza had said.

HON M D XIBERRAS

I think, Mr Speaker

MR SPEAKER

What I am trying to say is that it is not instigated. . . .

HON M D XIBERRAS

My Honourable Colleague was making it purely as an illustration, purely to say that the Government had not paid what the private sector had had to pay.

MR SPEAKER

No reference to wages paid by ACMODA was made by the Honourable Major Peliza.

HON M D XIBERRAS

Mr Speaker, I will deal more quickly than I planned to with the Financial and Development Secretary's opening speech.

We welcome the breadth of approach of the Financial and Development Secretary's statement, it was a liberal approach and we were pleased with the use of statistics and the general use that it has made of Governments resources. I think it has the distinction - and comparison are not odious - compared to the statement of his predecessor they were much more thought provoking in the general sense.

I think the hard work of the staff deserves commendation and he was good enough to give it to them at the end of his contribution.

We were impressed also with his delivery, if I may say so. But a display of knowledge of economic principles and all these sophisticated techniques of Government are of very little use to the House if I may say so or to the people

of Gibraltar the Financial and Development Secretary does not answer basic questions on which the House is entitled to have answers from him before it considers the estimates of expenditure, and these answers have not been forthcoming at all. This is Mr Colling's first Budget and allusions have been made to Monserratt and it is a part of the world with which I have a certain affinity. And certainly I would not begrudge him his previous post or why he has come here and I know nothing of his record whilst he was there. I am sure that he has a contribution to make.

However, he might regard the contributions of Honourable Members as recorded in Hansards with a great deal more respect than he has. Hansards, Mr Speaker, may be a turgid document for one who is not interested in Gibraltar, but I assure the Honourable Member that there are some passages, which perhaps he has not read, which stand up to most debates, to any debate in any small legislature. And, therefore, not having read all the Hansards, because they are turgid and heavy going, the Honourable Member has fallen into his main trap in this Budget, and that is, that he has spoken of hunches.

Mr Speaker, a hunch, one might have, in a moment, in a split moment of enlightenment, but the Honourable Member must be aware of the consistent approach of Honourable Members of the Opposition, and if he was not aware of the consistent approach of Honourable Members of the Opposition then he has been reminded by that other Budget speech that we have heard from the Honourable Mr Bossano.

It has been a record of consistency a record of pointing up at the Government whilst continuously misrepresenting the finances of Gibraltar to the people of Gibraltar, that they were over-estimating the amount that they were going to spend in any given year, and underestimating the amount that we were going to collect to colossal amounts, this despite continuous warnings from my Honourable Friend Mr Bossano, from a number of members here, until the last Financial and Development Secretary, Mr Alistair Mackay, said that he would try his best to keep estimating within credible limits. But the Honourable Member has spoken now of hunches and that we do not take to kindly at all.

Mr Speaker, the Financial and Development Secretary is in a difficult position for other reasons. The last Budget

of the Government whose main characteristics has not exactly been consistency, as Mr Bossano has pointed out and proved I think, the Government does not want to give an exact picture because it is facing an election and because its record does not bear examination. If Honourable Members must be convinced about something it is that this is a political Budget without a doubt. It is a preparation for an election. That all the taxation was imposed last year and the year before and in 1973; that Honourable Members opposite who spoke of savage taxation in our time, have now discovered a gold mine in PAYE, as the Honourable Member Mr Canepa has said, and that they have certainly worked hard at this gold mine and produced a lot of gold. Certainly. But as far as consistency is concerned, the Honourable Member, the Honourable and Learned the Chief Minister, can hardly claim that he has done a good job.

The Honourable the Chief Minister is entitled to change his shirt, as we say in Spanish too, to change his shirt as often as he likes, but perhaps he could give back, if I may say so, the coat he is wearing to the Honourable Mr Bossano, his pants to the Honourable Major Peliza, and his shoes to me. No doubt the Honourable Member will find a change of shirt if not of a suit in his closet. Mr Speaker, the Government has to fight an election and does not want to raise any taxes this year and this is the blatant fact about this Budget.

However, the Financial and Development Secretary has a responsibility under the Constitution and because he has that I am sure that the Honourable the Financial and Development Secretary would not lend himself to any political manoeuvring of this kind. I am sure that the Honourable the Financial and Development Secretary is quite convinced that our finances can stand the strain, even in the post Scamp era, because otherwise in the interests of political stability the Financial and Development Secretary would have warned the House that there would not be enough money to go round. I am quite certain about that.

The Financial and Development Secretary, contrary to his predecessor, has not given an assessment of the situation as he sees it, and the very first line of Mr Kackay's speech last year was "I shall begin by giving you an assessment". This is pretty much bread and butter and

mundane kind of stuff, for the Financial and Development Secretary, but it is an honest approach to his task of informing the House as to how and on what basis it should make up its mind. Now because of a certain set of situations the Honourable the Financial and Development Secretary has not wanted to do this. We have extracted information from him, the £2.7 millions and so forth, after he has made his main statement, and this has not been developed all that much. Therefore we have no accurate assessment of what things are going to be like next year. Nonetheless I am not particularly pessimistic about the outcome, I think that we will do well.

Mr Speaker, the Financial and Development Secretary might have told us how much money was spent last year or was payable for last year. He should have given us a pretty firm figure on this. It is not a question of an order of cost at least in broad figures what the amount which is on offer came to. I do not think that something in the nature of £2.7 millions as a whole is a sufficiently accurate figure for the House to make up its mind on.

The Honourable Member should tell us how much money was collected under the different Heads for the last year with a greater degree of accuracy; how much money was due to be collected under different Heads taking into account Scamp, taking into account the back payment, so that Honourable Members would be able to determine in each department of Government what the position was. I am still not sure, Mr Speaker, whether his estimate for Income Tax includes the point into the paying out to the workers of the Scamp Report and the consequent effect on income tax.

The Financial and Development has said nothing about the level of reserves after the Scamp Award is paid. Is he going for three months, four or five months reserves, what will be the financial position of Gibraltar when the Scamp Award - at least the 72% stage - has been completed. I think Honourable Members in this House have a right to know that, but the Honourable Member has not been able to tell us because the Honourable Member probably started on the wrong premise and that is that the distorting effect of Scamp, as he has euphemistically as I said earlier called it, was not a matter to be taken into consideration by Honourable Members at this stage, and, therefore, he did not include it in the presentation of the estimates of expenditure.

The fact is, Mr Speaker, that the whole of page four of

the Estimates would very likely have to be revised. I am not talking of one single figure I am talking certainly without excluding the Improvement and Development Fund, we should have to have a complete recasting of page 4 of the estimates. Amounts of money which appear as being in the Consolidated Fund will have to appear as expenditure - I am not talking of one or two pounds I am talking of **very** substantial amounts - amounts which reflect the working of last year will of course be passed on to this year, I imagine, or I do not know what he is going to do, is he going to take it out of the surplus for the year which is just ended. Every Head of revenue will have to be changed I imagine,; every Head of expenditure would have to be changed. So it would not just be page 4 it would be the whole of the Estimates of Expenditure, and yet Honourable Members on this side of the House are asked to decide whether Gibraltar's finances are doing well or how much money we can afford to spend under the different Heads and so forth.

Now this, Mr Speaker, if one takes into account what the Honourable Financial and Development Secretary has to say about the purpose of the Budget, creates another great paradox. Asking parliament for the grant of supplies for the Financial and Development Secretary to continue its administration. Well, I ask Honourable Members whether the Financial and Development Secretary's statement tells us the amount of supply which is required to run Gibraltar in the different departments in the coming year. I think one inspired question by the Honourable Mr Bossano puts a price tag of something like £440,000 for the Police Department. I do not know what the Education Department cost is going to be, or the Secretariat or any part of Government. So really what are we doing here in this House discussing this Budget. Second aim: instrument of economic policy: there the Honourable Financial and Development Secretary is at a disadvantage over this because it is very difficult to determine what has been the economic policy of the Government in the past and what is likely to be the economic policy of the Government in the future. If we had not had the assurances from the Chief Minister and the Minister for Labour we might be here this time next year still discussing the Scamp Award, an eventuality which I sincerely hope we can do something to avoid if Honourable Members opposite do not avoid themselves.

The third one was: examination of Government performance of the whole range of activities. Mr Speaker, we have

been able to deal with this quite satisfactorily though obviously with little meaningful relation to figures.

Mr Speaker, in the Financial and Development Secretary's statement we see on page 8 that the quantum of revenue and expenditure for the purpose of these estimates is based on 1972/74 rates. Mr Speaker, I do not blame the Government 100% for this being the case since they have apportioned some blame themselves on other parties of the wage dispute, but is it not, talking objectively, a ridiculous situation, and a ridiculous state of affairs reflected that this year's Budget for 1976/77 should be based, in the words of the Financial and Development Secretary on the quantum of revenue and expenditure based on 1973/74 rates.

Mr Speaker, what the House has been considering is simply a list of items of expenditure, because it is not only the personal emoluments that have been affected, any work having a labour content is also affected. If one is going to build a wall in 1976/77 the cost of that wall would be greater. Now, I will give way to the Financial and Development Secretary who tells me that he has worked in this figure into the Other Charges under the Public Works Department vote or anywhere else, but I reflect on his speech that he has not done this. So I am not just saying I do not know how much it is going to cost personnel wise to run the Education Department, I am saying that if there is any minor work or major work to be done in respect of the Education Department. I do not have a good figure either to go on. It is the whole of the estimates that is completely awry and completely useless to all the members on this side of the House.

Mr Speaker, it is a fact, if he had told me how much there was in reserve, how much had been collected in revenue for last year, and put all this information on one piece of paper I could have used last year's estimates. Mr Speaker, the Financial and Development Secretary had alternatives for this and his predecessor used one alternative of setting aside money under special expenditure - the figure I think was two years ago £300,000 - it was set aside to indicate to Honourable Members that this was the amount of money that was going to be spent on wages. Sometimes the Honourable Mr Mackay would come to the House and say "I think so much needs to be set aside for wages", but there is an expedient of putting down a sum of money for the guidance of Honourable Members. It means nothing at all to the Unions because if the Unions were to be excited by

a huge surplus they must have been excited by the surplus announced by the Honourable Financial and Development Secretary. It is quite clear on page 4. If we have a £2.5 million surplus in 1975/76 it will be like a red raf to a bull in any case so why not as well quantify what the services of the Government are going to cost and minimise the effect of this surplus which is shown.

So, Mr Speaker, most of the detailed consideration of Heads of expenditure has been a matter of hunch and a matter of conjecture for Honourable Members on this side of the House. I think we are still in time, Mr Speaker, for the Honourable Financial and Development Secretary to tell us at least in respect of the Police and in respect of Education figure for these two Heads and also an indication as to by what percentage works generally, other charges, might have to be upped as a result of Scamp.

Mr Speaker, Mr Bossano, has already gone through the record of the Government in respect of the Wages claims but there was some disagreement as to the wording used by the Honourable the Chief Minister in his television address of 4 October 1974 to the people of Gibraltar published in the Chronicle in full on the following day, on Saturday 5th October 1974. Now, Mr Speaker, it must be clear to the people of Gibraltar who went through 13 weeks of industrial strife what it was that the Chief Minister was opposing and why he was opposing it. Let me say straight away that the Chief Minister was not just opposing parity he was opposing a wages link with the United Kingdom. I quote from the Chronicle: "The Trade Council" these are the words of the Chief Minister in fact; "the Trades Council then requested a meeting with me to raise the matter constitutionally with the Government rather than to negotiate with Government as an employer. At this meeting it became clear that the Unions were not all of the opinion that parity meant the same wages as in the United Kingdom, whilst some felt that 100% parity meant the same wages and salaries, others among the Unions believed that a percentage of UK pay was the solution. I undertook to examine this proposition and having done so in depth with my colleagues and after considering all the material at our disposal I informed the Trades Council on September 27th that even this proposal, the wages link proposal, was not accepted because conditions in Gibraltar differed substantially from those in the United Kingdom and because no responsible Government could agree to an automatic formula which would place wages policy outside its control".

Now that was on the 4th of October on Television and I am quoting on the Chronicle of the 5th. Mr Speaker, I only wish that the Honourable Member Mr Canepa had been able to bring to bear some sort of pressure on the Chief Minister before he made that statement because it was that statement made to the whole of the Gibraltar population which sparked off the worst industrial trouble we have had in Gibraltar. Now the Chief Minister is not a man who makes categorical statements all the time but I have not read any statement from him or heard him make such a more categorical statement than the one I have just read to the House. "That no responsible Government will accept." Now, Mr Speaker, I cannot allow the Honourable Member Mr Canepa's explanation of the events or the reasons for the Government's acceptance of parity, or the wages link if I may call it that, to be a substitute for the responsibility of the Chief Minister to explain to the people of Gibraltar exactly for what reasons the Honourable Member has accepted the wages link after resisting it. The Honourable Member had plenty of time to think about this. We had made a contribution in this House advocating such a thing. The Honourable Member was fully conversant with the benefits of the idea and yet he thought it fit at that particular time to go out and say, no, not just parity but no wages link; and not just myself but no responsible Government in Gibraltar. Then when eventually the decision to accept was announced, it was the Deputy Governor I believe speaking for the Official Employers who made the announcement. Since then I have not heard the Chief Minister say another word on his statement and I am hoping that he will make a justification to the House of his attitude at this meeting.

Mr Speaker, the harm that was done to industrial relations started in 1972 but the Honourable Members must recall that toing and froing between London and Gibraltar at that time: I have a heading here: "UK Government say, no, to parity but progress made" - Mike Brufal... .

HON CHIEF MINISTER

I did not know that Mike Brufal was an authority on anything.

HON M D XIBERRAS

No, Mr. Speaker, but there were in fact

HON CHIEF MINISTER

He said today that Mr Pitaluga was a Gibraltarian in the Falkland Islands!

HON M D XIBERRAS

Mr Speaker, but there were in fact official communiques issued by the Government. Mr Speaker, the reasons for the rejection of this idea of parity were clearly spelt out. "The private sector for instance. That was our constitutional responsibility. If persons working in the private sector were not to achieve parity as well they would be at a disadvantage. If it were to achieve parity"

MR SPEAKER

Now we are going beyond the scope. I think. I have let you say a fair amount on parity and the attitude of the Chief Minister on that point. I think that point has been driven home but we must not go much further.

HON M D XIBERRAS

Yes, Mr Speaker, I will just finish this one if I may because it has to do with a million unspent pounds and the wage movement in the private sector. "If we were to achieve parity the cost of goods and services would rise so greatly that nobody would be any better off and Gibraltar could not compete in tourism or trade. Many businesses would no longer be viable and many people would be driven out of employment and a general depression would follow". Hence the budgetary contents of this, Mr Speaker, this is what we are talking about, we are talking about the post-Scamp era but it is not 100% parity, very well, Mr Speaker.

HON CHIEF MINISTER

What we were talking about, if I may, the main theme there was that at that time the GTC would not go into negotiation before the principle of full parity was accepted, that was the principle.

HON M D XIBERRAS

Mr Speaker, I do not want to repeat the quotation. I am talking, Mr Speaker, about the effect of parity in the private sector but we are talking about a fairly optimistic kind of a financial situation at this moment. What I cannot see is how the Honourable Member can in October 1974, about this principle say that there is going to be catastrophe if we accept this link but then now that he has accepted it say that the financial prospect is a good one. I cannot see how most of the private sector, as the Honourable Mr Canepa told me in answer to a question, has implemented wage agreements on the basis of the wages link, and the private sector has not collapsed, and now Mr Canepa is quite optimistic about the situation. Even the Honourable the Financial and Development Secretary is optimistic about the situation when he said "we stand ready to pay". We have not seen the collapse of the private sector even though the private sector has now paid on the basis of Scamp according to the Honourable the Minister for Labour.

Mr Speaker, the Honourable the Chief Minister quantified to a greater extent than the Honourable the Financial and Development Secretary has done now the effects of introducing parity at 100%. He went through a whole list of measures that would have to be taken. "The cost of achieving parity will be nearly £3m a year without taking into account necessary consequential increases in our social security service. This sum will have to be found from further taxes in Gibraltar and by the proportion of any increases in Government salaries and wages would be the capital for existing taxes on the whole community. £1m would also have to be found in addition and it would be therefore necessary to impose the following increases to everybody if the labour cost in providing the following services are to be recovered. Electricity will have to go up by 25%; Telephones by 60%; water charges by 30%; Post Office Charges by 28%. This would in normal circumstances produce £500,000 and so forth". Well, Mr Speaker if this had had the benefit of a similar economic analysis of the cost of Scamp, there would not be so much grousing from these benches today.

And then the punch line, the clinching line, "that I am completely convinced and so are my colleagues that this would be absolutely disastrous for our economy and against our interests, against the interests of the community as a whole". Well, Mr Speaker, it appears that the Chief Minister was somewhat mistaken, and if he feels that he was not mistaken then he should make some sort of explanation now.

Mr Speaker, the Minister for Labour has referred to a meeting between the Honourable Mr Bossano and himself and the acting Chief Minister and the Trades Council in the Chief Minister's Office, I believe. Well I would like very briefly, without falling into anecdote, Mr Speaker, to tell the House of another meeting that we had with the Chief Minister just after he left this House on the 16th December. Now, the Honourable and Learned Member will remember that we were mediating on

this question of the interim award and the Honourable and Learned Member will remember that after a lot of areuous negotiations and against the background of a screaning crowd outside and chanting crowd outside the Secretariat, we were able to come to a figure which was generally acceptable as far as the Unions were concerned in respect of the interim award. And after sitting all through all hours of the night with the Honourable Members opposite, they came to a stage when the Unions we thought would accept something which the Government too would accept, and at the very last moment when the deal was done on the figure on which it was done, the Honourable Member told me that he would talk to the people who mattered. I telephoned him and I said "what about another meeting, now that the thing is finished" and the Honourable Member told me: "I shall talk to the people who matter".

Now that meeting, Mr Speaker, is at least as much evidence of the attitude of the Government towards the Unions and towards the Opposition as the meeting which the Honourable Mr Canepa has referred to, and it is that which has had a very great economic effect on Gibraltar. Luckily things have turned out for the better, with the implenmentation of policies we have advocated for a long time.

Mr Speaker, I said that there was just over £1m which had not been spent; it appears as part of the Consolidated Fund on the working of last year, I think. I think it may be something like £1.4m. I do not know exactly what the figure is, apparently the Financial and Development Secretary has given a figure, £1.4m now. I think it should be realised by all in Gibraltar that this £1.4m, because of the inability of the parties to the dispute to get a settlement this has been short-circuited straight from the pay packet, into the Income Tax Office and now lies in reserve. It has not been paid out as wages, it has not fertilized the economy, it has not created a multiplier effect, it has not produced a momentum to the economy, it has deprived people of the extra money which they need for spending, and because of this the record of the Government on this matter is to be censured, if only because of this. There have been some very real and very threatening movements in the private sector, of which the Honourable Member is no doubt aware, where Gibraltarian businesses had gone under and I am sure that the extra spending power which could have been given to the population at large would have been very beneficial for Gibraltarian businesses who rely on selling to people here.

Mr Speaker, I do not know to what extent the Honourable and Learned Member toop up the stand against parity in order to protect the private sector. There is a substantial evidence of this even within Scamp itself, but it is a fact that the private sector has not been well served by the policy of this Government. The policy of not coming to an agreement, of resisting, of holding out, of waiting for something to happen. And as far as the £1m are concerned, these £1m,

were not altogether absent from the economy because people, as the Honourable the Financial and Development Secretary has indicated, have been borrowing from the bank. The Banks have been doing good business, we have been told by the Honourable the Financial and Development Secretary. Well, who will have to pay for the business done by the bank, and with what money. Surely it will be the people who should have been paid some time ago, who would have been paid in normal circumstances a long time ago, and the people who have to pay interest for the loans that they have taken out for the 2,000 television sets which the Honourable Member, Mr Canepa, was talking about earlier. That money has been taken out of the bank, as will as money for holidays, out of the credit card system. That money will have depreciated even at 15% of whatever the rate of inflation is now, will have depreciated quite enough by the time they receive it. And therefore the effect on the workers themselves, has hardly been a good one.

Mr Speaker, I was interested in the comments made by the Honourable Mr Canepa about his tightening up of the quota system and the number of permits to be issued. I think he mentioned two dates, both in 1976?

HON A J CANEPA

The beginning of 1975 was one of them, and then the other one is January 1976.

HON M D XIBERRAS

Well, Mr Speaker, the control of labour from abroad, for which it is true the Honourable Member is not directly responsible, is an important factor, a most important factor in this community. I have often said that he has done very well on pensions but he has not done well on labour matters. And it is a matter for concern, not because of the small number of women or young women who are out of work now, but because of the whole momentum in labour affairs. That the Honourable Member reacted to this only too late and never as now, where he is talking of cancelling permits, of doing various things to cut down on the labour force from abroad. But this is what Honourable Members on this side of the House were telling him all along. It has had a very substantial effect on the economy. It was first of all that we were not spending enough on the development programme, and secondly that the goodies were being shared out too much because we had not kept a strict control of our imported labour force. I think the Honourable Member has provided us with a clue as to why he did not act like this before: because he did not like what he calls the materialistic appearance of Gibraltar under our Government when there was money to be made and people work very hard to get it. But better late than never, once again, Mr Speaker, I am glad that this action is to be taken and I would like to see a

considerable reduction through wastage which the Honourable Mr Bossano has said that he supports as well. We would like to see a reduction of the labour force and our dependence on outside labour. This is the real spur to productivity. Because employers will not nationalise if it is possible for them to have a large turnover of labour with no repercussions at all. And whilst we are about it, Mr Speaker, I would like to see Official Departments adopt the policy of productivity as well in this sense, through natural wastage as well, because that is the gold mine, really.

Mr Speaker, the Financial and Development Secretary made a comment about the possible effect of expenditure cuts in the United Kingdom on Gibraltar. It is on page 9 and I think the Honourable Member knows what I am referring to. Mr Speaker, I would like the Financial and Development Secretary to inform the House what he has in mind. It is a most important aspect, the most important aspect of Gibraltar's finances. Because the gold mine, Mr Speaker, is not PAYE, the gold mine is the work that people in Gibraltar do and the employment situation. Because PAYE would be of no use if the amount of money on which PAYE is collected is small relatively speaking, or if the Gibraltar Government spends proportionately very much more than the UK Departments. Therefore, a statement of this kind should not be allowed to hang in the air. If there are to be cuts that he knows about then the Financial and Development Secretary should tell us about it, because, Mr Speaker, it is the Financial and Development Secretary's obligation, although he is in a difficult position to do it I agree, to tell us how he sees things generally developing as a consequence of the acceptance of Scamp. I could not accept just what he says, "we stand ready to pay", "we can pay without imperalling the city's financial stability", but that would not be the case if the Government had listened in the past to some of the voices in this House, however fair a comment that might be of Honourable Members on this side. I would like the Financial and Development Secretary to give us an idea of how he sees things developing. After all we have a commitment of 76% in October of this year, and we have had a further commitment the year after that, so I would like some sort of reasoned explanation on behalf of the Government - perhaps the Honourable and Learned Chief Minister can make it - as to whether, for whatever reasons the decision was taken by the Government, the decision was in fact the right one, the decision to accept Scamp. Because we have received plenty of warnings about this

from the Chief Minister and now he has accepted it. I am sure the Chief Minister would not accept something which is even today he is convinced is going to work to Gibraltar's detriment, and, therefore, I would like a statement from the Government who have taken this decision and who are implementing it in the last year of their administration, for the comfort of the whole of Gibraltar and that of Honourable Members on this side of the House, that the economy is going to work in the post-Scamp era. Now this is important and it would be responsible as a Government, and this again might help to create one line of thought in this matter after all the disagreements of the past. But if we are going to come back sometime later during the election with the ifs and the buts, that this was not accepted fully, that there were qualifications to this, then we are going to be back to square one. We on this side of the House have no doubt it is going to be beneficial for as long as the employment situation continues to be what it is. Therefore my two requests to the Financial and Development Secretary are tied together. For as long as MOD and DOE employees outnumber Gibraltar Government employees by roughly 2 to 1 then they are all right, but if there is a change then we have to look somewhere else. The Honourable Member opposite I see said "yes" with his head. Well, we were looking at this even before the Government decided to accept Scamp and that is why other matters which the Honourable Member knows we are discussing are vitally important to Gibraltar as insurance against this, and that is why ours has been a responsible attitude to the question of parity.

HON CHIEF MINISTER

If the Honourable Member will give way, I was no more assenting to the fact that it is a big factor what Service employment is at any time. I was not arguing to any of the considerations.

MRS SPEAKER

Is the Honourable Member going to be very long?

HON M D XIBERRAS

I do not think, Mr Speaker.

MR SPEAKER

Do you reckon another quarter of an hour?

HON M D XIBERRAS

That would be ample time, yes.

MR SPEAKER

Do you feel that we can break for tea now and come back again?

HON M D XIBERRAS

Well, I will be finishing off in about 5 minutes.

Mr Speaker, so I pinpoint those two questions; what does the Financial and Development Secretary know about the employment situation and the possibility of cuts in Gibraltar; and secondly, what are his views, and the Chief Minister's views, on the post-Scamp era?

Mr Speaker, my only other point has to do with the report that has been published by Iberplan and Maxwell Stamp. Mr Speaker, I have raised questions about this document, questions that had not been answered about the information; these have been answered and I hope that the answers remain the same. Mr Speaker, it is very important in view of the relevant international situation, that is what is relevant to Gibraltar, things like Suez, the frontier, and so forth, that Gibraltar should be as firm as strong as possible economically at any time when there might be changes in the situation at the frontier. Now by this I do not mean to say that I expect or do not expect changes in the situation at the frontier, but what is important is that Gibraltar should be in as a favourable a position, all sectors of the community as firm as possible, at the moment when this should happen.

Mr Speaker, the reports by these two firms have already been criticised by both the Chief Minister and myself in public, but there are interesting points as there are in every economic analysis, and I would commend to Honourable Members the thought that wages in Gibraltar are no longer well above those in Spain, that the economy in Spain may

be in very bad shape, but the financial standards of Spain are not what they were before, and that if behoves us, it is our solemn obligation to do our best with Britain's help to keep the standards here ahead of Spain if at all possible. And, therefore, this Budget I regard as being of special significance to Gibraltar and I am encouraged, Mr Speaker, by what I see and I seek merely for confirmation of this, and I seek for confirmation purely because of the doubts and serious doubts that Honourable Members opposite have shown in the past of the type of the economy we have now entered into.

And therefore, Mr Speaker, hoping that we shall get some answers to the questions which I have raised, and the important ones are not that many, I would end up by asking the Financial and Development Secretary to take the criticism in the spirit in which it is given, to assure him that we do not expect a change in Financial and Development Secretary if there was to be a change in Government at the next election, and that even though we hit hard most of the time we hit, not on the basis of hunches, we hit on the basis of convictions.

MR SPEAKER

On that note we will recess for a short tea break.

The House recessed at 5.15 p.m.

The House resumed at 5.45 p.m.

HON A P MONTEGRIFFO

Mr Speaker, I hope I will not bore the House with the long speeches that have been made by other Honourable Members whose eloquence I cannot of course match. Sir the debate on the Budget particularly on the scrutinising of the Heads of Expenditure started on a rather dull note. And I think the reasons for it was because the ill temper of some members obscured their better judgement when the Budget was presented to them by the Government and they saw the sort of Budget they were getting, and I feel that some of them decided there and then to be as difficult as possible in scrutinising the Heads of Expenditure. Sometimes it was pathetic, other times it was fun, as when one Honourable Member thought he was

driving in and out of the bollards, in Trafalgar Square. But as the debate went on and particularly in the general debate that has followed it has gladdened my heart to see the standard of debate, the restraint of members and the constructive contributions they have made. And I say this for both sides of the House. However, Sir inevitably in general Parliamentary debate there must be some crossing of swords but I will try to keep the battle at as low a key as possible.

In the first place, Mr Speaker, I would like to take up what I would describe as the chase for the hidden treasure, a chase that started four years ago and has been very ably kept up by the Honourable Mr Bossano. I would say that I was not impressed with his vast array of figures and this is not to say that I want to belittle his efforts, his very hard work in producing the figures that he has. It is only that I would not dare to match him in his knowledge of mathematics or economics. As far as I am concerned I am a simpleminded chap and all I can say to this House is that certainly I have never endeavoured to hide any money at all in order to manipulate the Budget, and much less to hide monies in order to come to this House to increase taxation. This would be not just stupid, but plain foolish. As a simple minded chap I look at page 4 and find that the state of our financial position is not all that bad and in fact I will quote from Mr Bossano's speech: "The picture today is much brighter". But I am not as enthusiastic as Mr Bossano about this brightness, I look at it in a different way, and again I make my calculations as best I can, and honestly feel that the reasons for the state of our finances today are basically due to what Mr Bossano very ably drew attention, the much greater collections in income tax due to two factors: the first one Pay As You Earn; and the second the fact that we put up the rates of income tax. When we restructured the Income Tax Ordinance and the Income Tax rates, taking into account of course that those who had more had to pay more, described the measures as harsh. We never hide ourselves and I myself was the one who used that particular word. This is the reason for the great increase in collection of Income Tax that has taken place from 1974/75 to 1976/77. I hope the Financial Secretary will have more to say about the so called hidden treasure.

Now the Honourable the Leader of the Opposition did say that we had given no information at all as to what would be the state of the nation after Scamp. I do not think

it is quite true or quite fair to say this.

I think the Honourable the Financial and Development Secretary did give a figure, an order of magnitude, which taking into account the Income Tax that would accrue, and here I would like to digress for a moment to say that of course we have not included in the yield of Income Tax as shown in the Estimates for 1976/77 any monies that will accrue eventually out of the payment of Scamp. The Financial and Development Secretary did give a figure and I stand to be corrected, of about £1.4 to £1.5 million net, that is after clawing back the Income Tax that would accrue to the Government revenues, and hence the state of the nation would be, on this order of magnitude, the subtraction of about £1.4 million from £3million-odd, and that would leave us with a Revenue Balance of about £1½ million. That is more or less what the state of the nation would be after Scamp. And in that I am told the Financial and Development Secretary also took into account the Improvement and Development Fund.

Of course basically we are talking of wages and salaries, and of course our workers are either involved in projects under the Improvement and Development Fund, or are working in the Department. As regards any increase in prices that might accrue as a result of increases at source for the development project, this of course has nothing to do with Scamp. Now, why did we not show in each particular vote the amounts on offer that we have already laid on the table, or that we have not yet laid on the table to the different grades employed with Government. Mr Speaker, do we take that question seriously? I do not think we really can. To have come to the House allocating to each vote the offers that had been laid on the table could almost have been a provocation to those who were still negotiating because they could certainly have said: there you are, you are taking to members of the House to approve something over our heads which we have not yet accepted. So I think it is not valid to say that we should have come to the House allocating to each and every vote what we think ought to be Scamp, because there are other people who think that we think is not the right thing. Now I will have to mention the Honourable and Gallant Member Major Peliza, who descends on this House like a man from outer space, leaves Gibraltar within a few days of having dropped a number of clangers, and in this respect I would take on the Honourable and Gallant Member and also the Leader of the Opposition because I am going back if I may, Mr Speaker, to those famous £5. My Honourable Friend on

my right did challenge the Honourable the Leader of the Opposition to comment on this when his turn came and he, through an oversight or conveniently, has forgotten to take it up. However, there is still time for other members to do that, and I will repeat what we used to say at the time. There was no money to pay the £5 and the proof of the pudding is in the eating. If after all the increases in taxation, after Pay As You Earn, and after paying Scamp the reserves are going to be basically or perhaps less than they were in 1972, how then, without these increases in taxation and other fiscal measures that the Government took, could there be the £5 to pay to a labourer at that time, and from there I presume upwards. Now that was the amusing part of the Honourable and Gallant Major Peliza's speech. But then he behaved like a naughty boy, and that was when he described the whole of the Trade Union Movement as composed of meek and humble chaps, incapable of raising their voices or lifting a finger at all.

Mr Speaker, at that stage I thought he was talking about the Sodality of the Children of Mary. (laughter) And of course the Government being the Devil's advocate in baiting and trying to kick the workers around. If ever I have any suspicion that this Government or any Government was trying to kick the workers around, Mr Speaker, I know what stand I would take. And certainly if this Government were doing this I would not be sitting on this side of the House. I am a worker myself and I went into politics because I wanted to help the underdog. I did not go into politics to help big business because they are capable of defending themselves. The Honourable the Leader of the Opposition in a subtle manner played the same theme. I get along well with members of the Trade Union Movement, leaders of the Transport and General Workers Union and the GTC, why not, and I think that they can vouch for the fact - if not they have got the opportunity to say so - that at any time they have wanted to see me or talk to me about anything they have always found me willing to do whatever I have been able to do within the limitations that a Minister has. And when I have not been able to please them all the way at least I have tried to meet them part of the way.

Now we come to Scamp. I hope that we have not got very much longer to talk about this famous personality. Why did Government accept Scamp after having said what they said prior to Scamp? Mr Speaker, this is the normal process of life, we find ourselves after a period of industrial action which we all regret and which I did my

best to stop, and I think the Honourable Member opposite, Mr Bossano, can vouch for that, I did within the limitations that Ministers of the Gibraltar Government have, and I will say no more, try to stop it by by finding some sort of solution and I think we are very near finding one, but I would rather not speak more about that. The fact remains, Mr Speaker, that eventually because of the impasse that was reached the Government was the first to accept some sort of enquiry and arbitration, even before the Unions were ready and prepared to accept it, and was prepared to accept it with all the consequences, and whatever came out of the wash we were prepared to accept it: we said so and we did.

But let me say that there is at least one concept that even today I do not share with Scamp, or rather the implementation of this relationship of the pattern as to how things go in Britain as regards to wages and salaries because one thing I have already discovered, that the philosophy in Britain is something which is very much against the philosophy of my Party, and that is this widening of gaps. But we have accepted Scamp with all the implications, and we have to accept this widening of gaps too, much as we do not like it ourselves. And the previous administration was severely criticised by me on that particular score. This is what was wanted and this is now what we are going to get. And even today on that particular aspect I beg to differ with this pattern of society which we are now copying.

Now, Scamp is not an easy matter to implement. I am not going to talk about the difficulties of finding analogues etc., etc., but as was mentioned by my Honourable Friend on my right, this is the time when people are jockeying for position and this is very natural and very human. They want to make sure that they are placed not just in the right place but if possible a little bit higher because this will set the pattern of their status and career prospects for the future. I will say that I have been - and I make no apology for saying this, and I am not being patronising in the least. My father always said that I was a very independent man and very difficult to control, and therefore what I am saying, I am saying in all sincerity, whatever interpretation Honourable Members opposite would like to place on this. As I said at the beginning I was pleased by the constructive approach to the debate and that I would carry on on the same tone and on the same lines.

And I was very impressed, very impressed, with the second part of Mr Bossano's speech on the case he made on behalf of the industrial workers. I am not going to shirk any responsibility, nor place the responsibility on anybody if I did not understand the position clearer before. I would just say that now I understand it very much clearer and I am sure that if we all engender all the good will that we can muster, all the trust we can muster, and all the determination we can muster in order to make Scamp work, I am sure that we are on the right track and that we shall be able to achieve sooner rather than later

what we all want. My only appeal in this connection is that we should approach the problem with a spirit of give and take. It cannot always be giving in by one side or the other all the time. But if the Government has got to give in or rectify its position on something that at any particular stage they are convinced that the other side is right, then we will give in completely and we are not afraid at this allegation that we are always in confrontation with the Unions. This is the role of the Government, particularly in this day and age when Parliamentary democracy is not what it used to be, Mr Speaker. Parliamentary democracy at one stage of development was just what Parliament decided, and that Parliament must be respected, and those who show the lead must have the full respect of the public, otherwise they will be inhibited to talking their minds. Today there is greater participation from extra-Parliamentary groups and pressure groups outside, and it is inevitable that those views have got to be taken into account.

This is something that we are learning and we must carry on learning, and this is part of the process of democracy. Now, having said that about Scamp, I do hope most sincerely that the spirit in which the Government accepted Scamp, even if it had to lump it, will bring that industrial peace that is necessary for a community like ours where we all swim together or we all sink together, particularly facing as we are what some Governor in the past described as the 16th Siege.

From there on, Mr Speaker, I hope you will allow me as Minister for Medical and Health Services to take up the post-mortem that the Honourable Mr Bossano started on Friday, and it is only fair that being responsible for this particular Department I should carry on with the post-mortem and complete it.

Sir, I do not know whether there is any hidden money or not; I assume there is not although I am beginning to wonder, Mr Speaker, why perhaps it is that the Honourable the Chief Minister keeps his wine and spirits cupboard closed and hardly gives any drink to certain Ministers. But let us see what transpires out of this post-mortem in these four years of AACR miscry!

Sir, when we took office Family Allowances were 50p, this year we leave office with Family Allowances having gone up to £1.50. Supplementary Benefits I think were about £6 for a married couple will now be going up to £14 for a married couple. We voted money for something which passes almost unnoticed but which I think has done very good work for Gibraltar, and we have voted money again in this year's estimate of expenditure, and that is for the Consumer Protection Unit. It is a silent service which does wonderful work; every week we see the number of complaints that are attended to and the number of the redresses that are carried out in the interest of the consumer. And let me say too that although it is a fact that we

import inflation, I think a little credit should be given to the Consumer Protection Unit for having at least attempted to try and keep prices down. I think they have also made a little contribution, a little, not much, but a little at least, to keep inflation down.

The number of scholarships have been increased considerably during the last four years. We have had a restructure of Income Tax where the socialistic concept of those who have more being asked to pay more, was implemented and in fact we have the pleasure of being complemented at the time by the Honourable Mr Bossano. The account of course was in helping those in the lower income groups and families with children. We have had more tax relief for pensioners, which I think was also welcomed by the House; we have developed the Sponsored Patients Scheme to include the cost of escorts, which was a bone of contention three years ago, everyone now is entitled to an escort, and the Government if necessary pays them a subsidy of £35 a week.

We have had the introduction of the Group Practice Medical Scheme, though there is still a lot of sniping at it and here I will say that I am very grateful for the support I have received in general from the Gibraltar Trades Council, and I hope that we can resolve the little problem that I still have with them as a result of their meeting with me to the mutual satisfaction, not of the two parties but of the community as a whole.

I think that the work done at Montagu Sea Bathing Pavilion is an example of the silent work done by the PWD in many spheres, and we have to have a reactivation of sports and youth activities, especially with the Youth Council, with which the Government has a very good relationship.

Now, Sir, I think that this list of social achievements, amongst others, proves that the Government, if nothing else, if they do not know much about figures at least they have got a sense of conscience. And, therefore, Sir, in order to cross swords, which usually takes place during Parliamentary debates, has finished, and we have put our sword back into its scabbard and a message should go out from this House to the whole of the people of Gibraltar, and that message should be motivated by a note of optimism as reflected not only by the state of our finances but by the progress we are steadily making in the social field.

It should be a message of hope, a message that Gibraltar, despite all the attempts and all the efforts of those who love us least has a future and that that future can be a better one that we can pass to our children if all of us in this House and in the whole of Gibraltar pull our weight together.

Thank you, Mr Speaker.

HON MISS CANES

Mr Speaker, I do not know whether what I have to say has any relevance or not to what we have been debating, but I feel that I have to answer the Honourable Mr Canepa, the Minister for Labour, when he used the words "degraded and debate" which seemed to be what the IWPB administration had done for Gibraltar. Well, I would like to remind him that when the Government were in Opposition it was their way of being brain washing the general public into becoming a slap-happy b people by throwing as much rubbish as they could around Gibraltar, by allowing the dogs to foul the streets, by defacing walks etc., as a consequence of which today we find ourselves voting - and I am referring now to Head 19 Public works - £294,350 for the sanitation of Gibraltar: collection of refuse and sweeping of highways, disposal of refuse, toilets, sewers, and so on. This is a medicine which now the Government have to take, the kind of medicine they wanted to prove that we, the IWPB administration were not fit to govern Gibraltar, were not fit to keep Gibraltar clean, so much so that they have to take this medicine not by spoonful but by the bucketfull!

There is one thing that the IWPB administration never did to the Chief Minister, the Honourable Major Peliza, and that was to embarrass him in having to reshuffle a Minister for the mishandling of a department. There were 3 Ministers for Housing in the IWPB administration. What we did when we were there was to try to bring order out of chaos, and I know that very well because I was the first Minister for Housing and found that department to be chaotic, disgracefully left in a mess by the AACR administration prior to the IWPB.

Yes, the present Chief Minister had to remove one Minister from his department because he had disorganised that Housing Department again, had mishandled that department, not only in relation to the staff but also in relation to the public. And as for the Department of Education the least said the better, because the situation the Chief Minister found himself in with the Teachers Association and the Parents Teachers Association with regard to the attitude of the Minister for Education was most embarrassing and we never caused this embarrassment to Major Robert Peliza when he was Chief Minister of Gibraltar.

Mr Speaker, I had not meant to stand up and speak because so many people have spoken about so many things and so many figures have been tossed around the table here that there was not much that I could say. There is only one little item and that is Scamp. Although I am not going to go into all the figures like the Honourable Mr Bossano has done and the Honourable Mr Xiberras has done I would only like to say that it is inconceivable to me how on one breath we have the Chief Minister saying that Gibraltar cannot have any wage increases until eight years' time because we cannot afford it, and then in another breath he comes out and says "we have accepted the principle of Scamp". To my way of thinking, I maybe perhaps be very naive but do we just

bring a man of the mentality and the expertise of Sir Jack Scamp only to have the Government accept the principle and not know what it is going to do with it. Sir Jack Scamp may have been paid an exorbitant amount of money to come here and make a report this just being accepted in principle, and then not know whether that principle is going to be paid out or not or whether we are going to need in eight years' time to wait for another expert to come and make another report. How is Gibraltar going to find itself in another 8 years' time? Do we still have to wait for the Scamp Report to be paid, and then have to look at another report? I find, Mr Speaker, that with so many figures coming and going I do not know whether it is fair to ask the Opposition to vote hundreds and thousands and millions of pounds if we do not know what is going to be accepted or whether we are going to have another meeting where we are going to be asked to vote more funds. I am afraid that I am just going to sit down, Sir, and wait and see the results of this meeting.

Thank you, Sir.

HON M K FEATHERSTONE

Sir, we have had a number of interesting speeches from the other side. Amusement from the Honourable Major Peliza, who wishes to see us integrated with Europe. I think he has done a great service in suggesting that. I believe it was the Benelux countries had a mountain of butter, then they had a mountain of beef, he has found the mountain of gold, so he has got one of the assets to take us into Europe. We have had Mr Xiberras - I will not say he bored us as much as he usually does - he made some interesting points, but I think he was a little unkind in his reference to the Honourable Minister for Labour who did not make any abject apology at all or excuse himself for what he said.

We had a very reasoned and very reasonable speech from the Honourable Mr Bossano. We were all very worried over the weekend about the second part of his speech, we were apprehensive of what he was going to say about Scamp. He was most reasonable he gave much food for thought and as one of the members of Gibraltar Council I now know much more about the wage negotiations than I knew before. We only get the JIC minutes, we do not get the sub-committee minutes. It is a pity we do not and I am

sure that as the Minister of Labour has already said a much more sympathetic feeling has been engendered by the Honourable Mr Bossano's exposition.

I am not going to perform a post-mortem on the Education Department because it is far from a dead body, it is a very living body. I am not quite sure that the reference of the Honourable Lady, Miss Anes, was about education, but one small point perhaps might be of interest: in the wage negotiations in 1972, the teachers were most suspicious, they had had rather a rough time under the IWPB administration in the Marsh negotiations 1970 and they were the last to come to an agreement. Under the AACR administration, where they possibly realised that there were less need of being suspicious of AACR intentions, they have been one of the first to come to an agreement, so perhaps we were not quite so bad after all.

Now, Sir, the Education Department is spending this year, before the Scamp award and I cannot quantify what the Scamp figures are much as the Honourable Mr Xiberras would like me to, nearly £1.1m, and I think it would not do any harm to give the Opposition in particular since they have voted for this money some idea of the policies behind the Department and what has taken place over the last year. We see the Education Department as a joint venture between Government, the teaching profession, and parents, and the development of harmonious relationships based upon procedure by agreement rather than by direction. We have been working on this all the time and I must say that the last year has been most harmonious. We saw quite a number of instances under which teachers in the Department were getting together and working for the general benefit of the whole of the Education system. In 1972 the Teachers' Association presented me with a number of points that they thought should be taken into account for the betterment of the services as a whole and many of these points although not yet at fruition, are coming to a much higher standard.

One of the things that the teachers have stressed for a long time is that they feel to some extent rather isolated here in Gibraltar away from the general and current thinking of teaching as a whole and they have pressed very insistently for more in-service training, for closer links with UK, and I am very happy to inform the House that over the past year we have established a very strong and firm link with the Essex County Council. This link

started to come into being when the Director and myself visited Chelmsford where we saw and were very very well received by the Director of Education for Essex County Council. They promised that they would do all they could to assist us in every possible way. The first thing they did was to send their Deputy Director out here to see Gibraltar, to visit the schools and get a feeling of the whole situation. Shortly after that they prepared a report in which they commented that they felt that the next step would be to have some visits to Gibraltar by two School Inspectors where they could get down to the actual detailed recommendations that were needed for such a link, and I am very grateful that they were able to send out here not only two Inspectors but the Chief Inspector, Chief Inspector of Schools for Essex and his assistant. They spent a fortnight here, they went round our schools, they made their report, they commented that they found the standard of education here in Gibraltar extremely high, that we had very good teachers, that we had nothing to be ashamed of in our education system, but that we were as the teachers themselves had felt suffering somewhat from isolation and not being all the time kept up to date with current affairs in the teaching world.

Since then we have sent two teachers to Essex where they have spent six weeks each in schools there, we are sending another two shortly and we will continue to carry on strengthening this link in the future and in the year to come. Now, Sir, we are also endeavouring to give ourselves self-help through examination of the curricula at all levels, and the degree of co-ordination and communication between schools, and this is becoming a most important item in our thinking because as I said the other day we now have with the Comprehensive Schools a situation where the Middle School is becoming of really vital importance as a bridge between the Primary School and the Comprehensive.

Up till now to some extent our Middle Schools have been rather too autonomous and we have been getting the situation where in one Middle School, possibly because the Headteacher has certain opinions, modern mathematics has not been taught, a science has not been taught and the children have arrived at the Comprehensive School and suddenly been mixed with children from another Middle School and the knowledge that each one had been considerably different. It is no good carrying on with modern maths in the Comprehensive School if one third of your

new intake has never met the subject before. And so we have this year appointed a Curriculum CoOrdinator, a gentleman from the UK is coming out to meet us in April, and he will look into the whole situation, to co-ordination of the curriculum especially in the Middle Schools so that the children can move more or less along parallel lines rather than divergent lines as has been noted in the past, so that when they get to the Comprehensive School they are all more or less running along the same track.

We have already created a permanent Co-ordinating and Planning Committee of Headteachers with the administrative part of the Department: they have had several meetings already and they are already doing extremely good work in co-ordination and planning for the future. We hope to set up soon a joint Consultative Committee involving the Gibraltar Teachers Association to join with the Department to deal with matters which are of an educational nature and far beyond the normal bounds of conditions of service about which we have regular meetings in the Whitley Councils.

As I said we have had in-service training by sending teachers to Essex but we are also setting up the in-service training in Gibraltar. Only a month ago we had a course for Primary School Teachers in Physical Education and we are having shortly a course for the 5 to 13's in science, especially for the Middle School teachers and I am extremely grateful that the House has voted £6,000 as a special contribution towards science in Middle Schools where it is extremely welcome and extremely needed.

One of the things that I mentioned in last year's Budget which did evoke a certain reaction from some of the teachers was the ratio that we were thinking should be applicable as a teacher pupil ratio. Well, we had consultations with the Headteachers and Deputy Head and Assistant Heads of the Comprehensive Schools, we hammered out an agreement and the figures, I believe I gave them earlier in the Budget session, were accepted. The teachers have been working very well this term indeed and although in the Boys' Comprehensive we have suffered to some extent of staff shortages, partly through illnesses, the teachers have risen to the occasion and they have covered up for their absent colleagues in a most admirable manner.

The middle schools are taking our attention very particularly this year as I have already said and there is one factor which is looming over the horizon and to which we must give considerable attention, and that will be when the Christian Brothers leave us and Line Wall Boys School closes down. This will put into our Middle Schools approximately another 160 children and at the moment I am not sure if we have the accommodation for that number of children. We are therefore considering the rehabilitation of the Sacred Heart School, and if this is done I hope we will make a start on it this year, this would be an enlarged school St Mary's School, we could put St Mary's into the Sacred Heart make it a school in its own right, at the moment it is a school with an

annex several hundreds of yards away. It would be a single school and it could take the majority of the extra children who would come into our education system on the closing down of the Line Wall School.

As I have said already one of our aims is to have a full complement of Qualified Teachers, though we have no intention of course of throwing out any of the Unqualified Teachers. What we will do is to replace them as they leave us through wastage with Qualified Teachers and our initial Teacher Training Scheme is aimed at just that. We have at the moment some 57 teachers in Teaching Training Colleges, and under our Scholarship Schemes, where there are another 70 persons studying, about 50% of these people are studying also for the teaching profession. So we hope to have coming back to us over the next few years some 20 to 25 Qualified Teachers, qualified either through the University or through the Teacher Training School, coming back to us each year.

I have already commented on the standard of our books, stationery and equipment, and I have commented that we are doing reasonably well in what they would call the league in the UK on what is spent on this. But one of the things that I am happy to inform the House is that the British Council has recently visited Gibraltar through their Library Service and they are going to make a book presentation scheme to Gibraltar over the next 5 years. This year the first part of the scheme will come into effect and they will be giving some £5,000 worth of books to the John Mackintosh Hall; they will be giving some £3,000 worth of books to the Schools; they will be giving also another £2"3,000 worth of books this year, including I am sure the Honourable Minister for Medical Services will be happy to know £1,250 worth of books to the Doctors' Library. This will continue over the next 5 years, the presentation will continue for the Schools, they will also set up a first rate Technical Library in the Gibraltar and Dockyard Technical College, and we have already sent one and selected a second person to go away to train as a Librarian to put this scheme into good effect.

One of the things that is worrying us is the adequate maintenance of buildings and this year we have some £15,000, not counting the increase of Scamp, put into the improvement and repairs of our building, some of which have rather a dire need for that work.

The education of handicapped children continues and we hope it will be on an even stronger footing some time after September, when the new school should be completed. One of the points that is of great importance, as I have I think already told the House, is that the new school will cater for children from the age of two because it is a known fact that the earlier you can start to teach and train a handicapped child the less danger there is of that handicapped building up into something that cannot be dealt with easily later. If we get a child at two we can probably train him sufficiently so that by the time the child comes to 15 or 16 he or she can take a useful part in the life of the community, but if the child is left till 6 or 7 before anything is done then some of their best years have been lost.

We hope to carry on this year with our Scholarship Schemes and we wish to widen it, we want to give awards for vocational and industrial training and we are already thinking of such items as horology - it really means watch making or watch repairing - we are interested in people who are willing to go on courses for hairdressing, for many of the vocational aspects that are needed in our day to day life in Gibraltar. And we hope to give scholarships and training courses on these.

The Youth Services continue to do very good work and I think that we should be proud of the youth in Gibraltar. They are not hooligans as we often hear and see on television in other places and are working very well. We are sending Youth Leaders to England for further training, last year we sent seven altogether and in the coming year we hope to send at least another six. We have had the opportunity of some of our youths taking part in international festivals and one of the things that we are improving considerably is the careers guidance in schools which is being done through the Youth Service. We hope as I have said to expand the educational visits and holidays, and in particular the educational visits we feel should be paid for by Government 100% because if the person needs to visit the UK for pure educational purposes as part of his curriculum then perhaps it is only reasonable that Government should foot the whole bill.

Those, Sir, are the main outlines of our policies for the future, but for all these policies to come to reasonable fruition demand a well qualified and experienced administration set-up to direct and co-ordinate these affairs. We have our present Education Officer in England on a training course and possibly later in the

year I or perhaps my successor, will be coming to the House to ask for supplementaries to create additional posts of another Education Officer and a Deputy Director. The intention would be that the second Education Officer, after some experience in the post here, would also be sent to the UK for further training and then by the time he returns, he or the Education Officer who will remain here will then be in a position to take over as the Deputy Director when the Deputy Director who would come here on an initial 2 or 3 years contract left us. We would thus Gibraltarise the administration considerably more with qualified persons and this I think can only result in an improvement to the service.

So, Sir, as I have said, we are doing our utmost to go forward in a spirit of co-operation and we are trying in the words of the educationalist, Lord Alexander, to be like the gardener, trying to provide the appropriate conditions in which children will grow as do plants coming to their fullness by appropriate care and attention. We are dealing with utmost care, utmost attention, we are being helped in this by the teaching profession, by our administration and also by the kind way in which this House has accepted the estimates.

Thank you, Sir.

HON L DEVICENZI

Mr Speaker, this morning when it was said jokingly from the other side that perhaps the Honourable Mr Joe Bossano would be more comfortable sitting on the other side I said across the floor "I do not know whether Mr Bossano would be more comfortable but certainly the Government would be more comfortable if he were sitting there". I said that jokingly but quite frankly after hearing so many speakers from the other side praising Mr Joe Bossano it looks to me, Mr Speaker, that the Honourable Mr Joe Bossano is going to be somewhat embarrassed, who knows he might even blush, as distinct from becoming red.

Mr Speaker, coming now to the Estimates and the Budget before the House, this is no doubt very much an AACR Budget. It is not a Budget for the people of Gibraltar. True enough the people of Gibraltar will benefit as a result of this Budget, we shall see, but this Budget has not been cooked this year this Budget has been cooked for the last 3 or 4 years.

MR SPEAKER

I would ask you to explain what you mean by the expression "cooked" as otherwise I am going to ask you to withdraw.

HON L DEVICENZI

Perhaps the word "concocted" might be better.

MR SPEAKER

"Concocted", yes, I entirely agree with you.

HON L DEVICENZI

You entirely agree, Mr Speaker, with the word or that it has been concocted?

MR SPEAKER

The word.

HON ATTORNEY-GENERAL

It is a better word, that is what you are agreeing with, not that it was concocted.

HON L DEVICENZI

Having said that, and I think you for the better word Mr Speaker, I mean by this that it is quite normal for all Governments to prepare themselves for the final year of their stay in power, and the way it has been done this year, Mr Speaker, I would give full marks to the Government for the way it has been done.

Having said that, Mr Speaker, I would add that other budgets that have taken place with the present administration have been to my mind a denial of the true aspirations of the overwhelming majority of the people of Gibraltar and certainly that of the workers and those who by and large have been underpaid. I do not know whether this was the idea of the present administration or whether they were helped in this direction by other

outside sources, but from wherever they came it is certainly a fact in my mind that other budgets have in fact aimed at denying the true aspirations of Gibraltarians in the sense of a better and progressive standard of living.

Now, Mr Speaker, this Budget is bound to be a good one, there could be some surprises but I doubt it. In Education, as the Minister has said, there have been some improvements; overall there has been about 10% increase over last year. In other spheres, Mr Speaker, like in the Improvement and Development Fund and other departments I think with all the money that there is around, with the surplus of £1,100,000 and budgetting now for a surplus of over £1m, I would say that the Government has failed in not taking the initiative in promoting at this point of time a more worthwhile outlook for the future.

Mr Speaker, the measures that have been taken I think lack punch, the punch that perhaps has been passed on to or is being given to the Police. I know Mr Speaker, that the Police will be getting very worthwhile pay increases and this I welcome, and as long as the punch which the Police are being given stays in that direction then I welcome it. I am sure, Mr Speaker, that with the three mini-buses being brought for the Police, for which purpose I do not know, I am sure that the Transport and General Workers Union with subscriptions as they are nowadays can also afford another 3 buses to accompany the Police in their roundabout. It is not a laughing matter, Mr Speaker.

You must have heard, Mr Speaker, during the course of the debate the word "Scamp", Sir Jack Scamp. We have already had, Mr Speaker, quite a few very eloquent versatile and very knowledgeable people talking about Sir Jack Scamp. I will restrict myself to just saying that I in common with perhaps most people in Gibraltar would welcome an early settlement of the negotiations now under way. The impressions I get from the opposite side is that this may not be far away, and I hope this is the case. I think, Mr Speaker, in Gibraltar we should do away with a lot of animosity for which perhaps both sides at times are to blame, but I will not pass over Sir Jack Scamp, Mr Speaker, without saying that this animosity which exists today was initiated and promoted by the Opposition when we were in Government by various means, and in a way perhaps they are now paying for the little monster they created.

Mr Speaker, here in Gibraltar luckily there has not been too much of a class distinction but it has existed, and if, and I say this is a big "if", the pendulum has swung too much to the other side, it is certainly the capitalist system which is to blame for what has happened and they are now being kicked in the cheeks for what they have done over many years.

Mr Speaker, I cannot end - and I am not ending just yet - without referring to the Honourable Mr Canepa's words about the words "debased" and "degrading" which he used about the previous IWPB administration. I think, Mr Speaker, to say the least the words he used were debased themselves. I think he mentioned something that we debased in the sense that we were encouraging a free for all, but not in taking but in giving. Mr Speaker, thanks to the previous administration Gibraltar was freed from the shackles which should have disappeared years ago. As we go round the streets, Mr Speaker, many people from all classes, especially the higher classes and those that think that they are losing out as a result of the power of the Union, flame us by telling us that it was us who first started this freedom, the freedom that now we cannot stop. We were the ones who followed the good old days: by the good old days they mean "When I had and you had not".

Mr Speaker, I think the value and the IWPB contribution to Gibraltar, socially, economically and politically, have been tremendous. On the social side, Mr Speaker, we gave, not impetus because there was not any movement at all there, I said before we were the initiators of saying that we should free the Unions and the workers from what they have been held down for many years. Economically, apart from all this fun that is made about the Honourable and Gallant Major Peliza and the gold mine; well, you can make fun of that, but I think the goldmine was there in creating the minds of the people, that high productivity - if it did not come, that is too bad - and employment of more women was good for Gibraltar, and that even if wages would have to be increased because of the very high percentage of Scamp from UK it would be good for the economy. True enough that there is the private sector to be looked after but a very good part of the money that comes from the private sector does come from increased customs duties and in fact in many many ways, Income Tax, and what have you. We in the Gibraltar Government derive the benefits of what the Ministry of Defence pays, and how much they pay I do not care. But

perhaps most important, Mr Speaker, and I will end up this little note here, on the political front. Perhaps the most important thing is that whether integration in or out if only we were useful to the extent that because of our stand we kept and have kept Gibraltar British, then if only on that score we have served Gibraltar very very well in two years and 7 months.

Mr Speaker, coming to the point made by the Honourable Mr Canepa about the £5, £6 that Major Peliza had offered the workers. Well, Mr Speaker, we did mean £5 all round, and I think it was proved subsequently that there was enough money that year to have paid it.

Coming back now to Pay As You Earn, this was not the invention of the present administration, Mr Speaker. If they go back they will see records in the Secretariat - it is there for them to see - and they will see that we were considering Pay As You Earn. Mr Speaker, we were there two years and 7 months, the records are there, and the Honourable Gentlemen on that side can have a look at it. This was being considered and of course being a progressive thing surely it is not strange that we should have thought of doing it. There are actually letters where we suggested and actually made arrangements for someone to come and investigate possibilities to that end. So this is nothing new.

Mr Speaker, this Budget before the House, good as it might appear, I would like to put it across that all this surplus which we have now has been brought about - and I welcome it of course - because the Government has robbed the people of Gibraltar. And I say this very sincerely. It is all very well that Income Tax does not go up this year so I do not have to pay an extra pound. Of course this point that I am not paying this year I paid last year when it was worth 10% more and perhaps two years ago it was worth 20% more. So Mr Speaker, anybody who has paid £500 would at least have been robbed an average of 15% in two years that is the sum of £45: as simple as that. Money we are being asked for when it was not needed, and also, Mr Speaker, it denied the economy of much needed infusion of funds.

Lastly Mr Speaker, just to look ahead to the future, I hope that when the present administration is gone and forgotten - well, let them not think they are going to get another surprise as they got the last time - I hope, Mr Speaker, that with all the money that seems to be around whoever it is in power will use it rightly so that everybody in Gibraltar, Mr Speaker, will benefit from what the present administration has reaped from our initiation.

MR SPEAKER

I am prepared to allow one more speaker if I am promised by whoever stands up that he will not be more than 10 minutes, otherwise we will recess until tomorrow.

HON LT COL J L HOARE

Thank you, Mr Speaker, there have been some things said which must be challenged. I am not going to get really involved in Scamp, because I have not been involved in the negotiations, and I think more than enough has been said about it. But I would just like to make one point which in my opinion might result to the detriment of the workers, of the people who are earning the money, if settlement is overdelayed, and that is this, that there are already 18 months delay, 18 months arrears, a moratorium was added to the first six months so that there is already one year's arrears to be picked up. Now, if this is added to current earnings in the current year, it could well bring workers into a higher scale of Income Tax. That might well be the case. If there are two years arrears, if this is overdelayed and there are two years arrears, this might happen. I hope this is not so because I do not think this is the object of Scamp, but I saw it this way and I am giving this warning.

HON M D XIBERRAS

If the Honourable Member will give way, may I say that this is not so.

HON LT COL J L HOARE

I am not sure that this is not so because I do not work in the Income Tax Office, but I can well understand people in some bands of the economy who with two years' arrears could go over into the higher bands. So that word of warning, whether true or not, I hope it is not, I pass on for other people to judge.

Mr Speaker, it is a fact that we are spending a lot of money on cleansing, disposal of rubbish and I am glad it was brought up because it gives me an opportunity to say that the Government spends this money not because it wants to but because it has to in order to keep the place clean, or as clean as they can do. And here I would like to say to the Scouts Association: "Thank you for doing your bit". They found cause to complain after they had done the first week's cleansing and they were back to square 1. Please carry on with the good work and keep it going.

I am now going to touch, Mr Speaker, very lightly on the work done by the departments for which I am responsible. I have heard very little criticism against it and therefore I presume that there has not been much fault found. In fact someone on the other side suggested that it was because we had done what the opposition wanted. Well, certainly that is one point of view, but I would put it the other way around, that the Opposition approves of what we are doing.

I must mention also the question of slippage. It was pointed out in Committee Stage that there were £700,000 worth of slippage. This is

a fact and this is how I have broken it down, Mr Speaker. £375,000 for the Girls' Comprehensive School; £175,000 for the Garage; £150,000 for the Tallus. I think the Honourable Members on the other side are as well aware as we are on this side of the reasons for this slippage and I would merely just ask the Honourable Gentlemen on the other side for a little help, and that is to say do everything you can to discourage people from slowing down or affecting the completion of these works. For two reasons, Mr Speaker, first of all because costs are escalating, and even if we do get financial aid from the UK as promised, the extra amount is likely to fall on our shoulders: secondly, that although we have money there is a commitment to grant us for money for a Comprehensive School, it is not to provide the Comprehensive School itself, and if costs escalate here, they are most likely to fall on our shoulders, especially in a year like the present one when the United Kingdom Government is having to slash its educational services because of the restraint of spending. They are not likely to encourage us and give us more money when they are slashing their own services.

Mr Speaker, there have been a lot of improvements in Gibraltar during the last four years, it is all around us, better roads, better parking, better facilities in the beaches, over a 1,000 houses completed and occupied, connection of water to old buildings and so forth. Perhaps it is my fault, all this, because we have not made a song and dance about this, and I think this emphasises the difference between the two parties: we do not talk about things we get on with then, we are doers not talkers.

The last speaker mentioned this was an AACR Budget and not a word about people, but in the next breath he agrees they are the very people who will get the most. I find it very difficult to reconcile this. I do believe this is a good Budget and it is for the benefit for the people of Gibraltar as a whole. As for his last crack about PAYE, their having thought about it, let me say that I have been putting this in operation in the UK since it came out in 1945, so it is not quite new.

Thank you, Mr Speaker.

MR SPEAKER

Right, we will now recess until tomorrow morning at 10.30 a.m.

The House recessed at 7.00 p.m.

TUESDAY THE 30TH MARCH 1975

The House resumed at 10.30 a.m.

HON CHIEF MINISTER

Mr Speaker, I have no hesitation in having my say at this stage because my intervention has necessarily to deal with a number of allegations which have been made and I do not mind at which stage I make my remarks.

Now, in the first place I am not going to repeat what other members have said in dealing with aspects of the debate, the details of the figures and intervention of the Honourable Mr Bossano will be dealt with by the Financial Secretary in his reply insofar as the figures in detail are concerned and I would be anticipating what he has to say on it. But there was one remark made yesterday by the Leader of the Opposition which I think it is very pertinent that I should mention here because if the Honourable Mr Bossano was right in his allegations it would mean that I have manipulated three Budgets, aided and abetted by the Financial and Development Secretary of the time. Now it was mentioned yesterday that the Financial and Development Secretary has got a very special position in the Constitution and very rightly I think it was the Leader of the Opposition who said that he had had experience in dealing with precisely the same Financial and Development Secretary and with another one and that the position of the Financial and Development Secretary in the Constitution is a very special one. I think I should draw the attention of the House to the position of the Financial and Development Secretary in this connection. It is very important because it goes to the root of the question of judgement.

Now let me say that I accept all that has been said against me. I accept it as possible errors of judgement, possible differences, criticism of what one has done or not done at a particular time. That is the debate and that is what democracy is all about. Questioning judgements, decisions, but I must refute completely all allegations as to motive. And that is the motive that has been attributed to me by the Honourable Mr Bossano in particular of wanting to destroy the Unions. I hope he credits me with a little more intelligence than to attempt to take the Union on, as his prepared statement and subsequent statement, have appeared to indicate or have in fact alleged, that is the last thing that any sensible person, and I hope that that at least is accepted, any sensible person in public life would do, create more problems than being in office itself brings about with the varying and conflicting interests of the community as a whole. So let me say quite categorically that at no stage have I ever attempted or have my actions been motivated by any attempt to undermine the Union or "to take it on" as the Honourable Member said, I think yesterday, and in more detail in his prepared statement. It seems to me that the statement was a very well prepared public relations exercise against me, for what reason I do not know, in attempting to not only open up old wounds which one would have thought had been healed, but adding a little salt to it for fun. Insofar as the last conflict is concerned, I think that

whilst I do not attribute any obligation to any member in this House or any inhibition to any member of this House to open up as many wounds as he likes, because that is fair debate, and this does not apply to other members of the Opposition, I should have to remind the Honourable Mr Bossano that at the time of the settlement of the interim award, which I will cover in more detail, the Official Employers and the Union and the Staff Associations agreed that there would be no recriminations or victimisation by either side as a result of actions taken or words spoken or written during the period of the industrial action including the 30th August 1974. That I think was not just words, it was the spirit, it is obviously always the spirit when you come to a settlement on terms after an acrimonious debate, that there should be no recriminations. I think it often happens between husband and wife when they make it up after a row otherwise life would be impossible. And it is those who carry on reminding people of what has happened that never get on well together, and I do not believe in that.

Anyhow coming back to the position of the Financial and Development Secretary, the allegation that the Budgets in the past, and even this one, have all been manipulated for political reasons, I would like to read, Mr Speaker, from paragraph (5) of the despatch to the Gibraltar Constitution Order 1969, which says: "The significance of Gibraltar's economic problem at this time as well as the nature of the new Constitution itself and the merging of the finances of the Gibraltar Government and the City Council make it important that all financial affairs, both as regards defined domestic matters and as regards residual matters not so defined should as hitherto be fully co-ordinated. It was for this reason that all those who took part in the Constitutional discussions in July 1968 recognised that the Financial and Development Secretary would be in a special position under the new Constitution and that the Governor should have certain powers in relation to the maintenance of financial and economic stability. Accordingly responsibility for the financial business of the Government of Gibraltar should continue to be entrusted to the Financial and Development Secretary and it is thus necessary that there should be very strong liaison and consultation between him and the Ministers responsible for defined domestic matters." It goes on to say "I should hope, therefore, that the Financial and Development Secretary will be invited by the Chief Minister to attend all meetings of the Council of Ministers where any matters affecting his sphere of responsibility is discussed."

Now that, I think, is coupled with Section 34 of the Constitution. Section 34 (2) says: "If the Governor considers that the enactment of legislation is necessary or desirable with respect to any defined domestic matter in the interest of maintaining the financial and economic stability of Gibraltar and after consultation with Gibraltar Council it appears to him that Ministers are unwilling to support the introduction into the Assembly of a Bill for that purpose or that the

assembly is unlikely to pass the Bill introduced by him, for that purpose the Governor may, with the prior approval of the Secretary of State introduce the Bill for the purpose into the assembly by means of a message addressed to the Speaker, in which case the Assembly shall have power to debate etc.

Now the Honourable Major Peliza also referred to that and also in fact said - this is why it is essential - that the Financial Secretary should be an appointed person and that is why so long as Britain undertakes to maintain financial stability in Gibraltar, the Financial Secretary is in a special position. I think, for the record, it has been mentioned before, that when the new constitution was introduced the practice was to invite the Financial Secretary to go to all meetings of the Council of Ministers which nowadays very rarely is any problems free from, direct or indirect, financial implications, and it is still the practice that the Financial Secretary is a current and a regular member of the Council of Ministers and there are no selections as to when he comes or when he goes. So really the allegations about this "concoction" "cooking" or whatever words were used yesterday apart from attributing more powers than the Chief Minister has and is in fact much more precise in preparing matters, it is entirely, completely contrary to the terms of the Constitution that any Financial Secretary would be directed in its financial preparation and so on for the purpose of political motivations only. I mean if there are options and there are political options within discreet financial procedures, of course, and one option is as good as another, I have no doubt that in those circumstances the Financial Secretary would agree with the proposals. If it was suggested that he required £50,000 for a particular Budget and the options were between putting up whisky or cigarettes something like that, then of course this would be a matter of advice and selection by the elected members of how the money could be got, but I am really surprised - I would like to say complimented to some extent - but I do not like it in this context, I am sure it is not meant as a compliment, that I should have the power or the ability or the foresight of manoeuvring the previous Financial Secretary and to some extent this Financial Secretary, if the allegations are also been about this Budget, in order to come to the end of a part which however much one would like to be attributed that I started thinking when we were re elected in 1972 of what the Budget of 1976/77 would be in order to put ourselves in a better position for the next general election. I am really complimented to be

given such credit for thinking ahead to that extent. I have normally been accused of weakness and being pushed about one way or the other as convenient which is somewhat different to that long sighted credit that is given to me to prepare matters in this way.

Another point made by the Honourable Major Peliza attributed to me the credit of being able to tell visiting British Ministers what to say, when he says that when Mr Peter Kirk, then Under Secretary for the Navy, said in reply to a question about the £5 or £6 increase, that these were things that were said by Leaders of Opposition. Well, again I am flattered to think that British Ministers come to Gibraltar just to say what I want. I wish I had that power and they say other things that they do not say when they come here or when they go away.

So I can assure the House that this Budget that has been presented here has been presented on the basis of the results, perhaps it is the result of three years of prudent Government and careful Government, and this comes at a time which coincides nicely with other circumstances. Well this is the luck of the game, and there are people who have more luck than others, it is a matter of judgement and of circumstance. That is the first point. Now the other one on which I would like to comment is this question of coming back, without attempting to open further the wounds that have been opened by the Honourable Mr Bossano, about the change of attitude with regard/ Scamp.

to
Now, the point is that on the advice, and as I say I stand here to be accused of bad judgement, of wrong judgement, inefficient judgement, whatever it is, but certainly not of improper motivation that would go contrary to a very important section of the community which, with some humility I would like to say that in the past I have been credited with having had at heart, even if I am not credited with having them at heart now, but certainly my record would appear to show that I have had them at heart for a very long time. Now the point at the time that was mentioned yesterday in October 1974 was the point that no negotiations would be started until the principle of parity had been accepted. That was the context of those remarks that have been quoted and I think the principle that we should be responsible for determining the nature of our wages and so on is a good one, and it is one which I think tends to be held by those

who want to care more for devolution than others, devolution of local power and local authority. Another mention has been made in this connection about the comings and goings to London. Well, I do not know to whom those remarks are attributed but the first time that anybody brought London into these negotiations was the visit by the Gibraltar Trades Council to the Ministers in London because there was this implication of parity which affected very greatly. I have lots more to say about the extent to which Ministry of Defence has a say in these matters because the Ministry of Defence was concerned, and, therefore, bringing London into the picture in the first place I do not say that it is right or it is wrong but it has been mentioned as toing and froing to London. I would like to make it quite clear that as far as the Govt of Gibraltar was concerned, Ministers in London were directly involved in this as a result - very rightly - of the GTC going to make representations to Ministers in London. That is how London came into the picture. But it is important to mention this because in fact it was precisely because London had been brought into the picture, and was very much a matter for the Foreign and Commonwealth Office and particularly for the Under Secretary of Defence (Navy), who were the Ministers who saw the delegation in London, that when the Governor and the Gibraltar Delegation were in London, I think it was in November 1974 when the situation was deteriorating here, that it was at the Minister's suggestion that a meeting was arranged between Mr Harry Urwin, Mr Hattersley, the Governor and myself in London, taking advantage of our presence there, because of the aid talks, to see whether some arrangement could not be arrived at. And this of course was a very proper action on the part of the Minister partly responsible for Gibraltar and who had been directly involved in it by the visit of the Gibraltar Trades Council delegation to him. So he was very directly involved, and it was at that meeting with Mr Urwin and Mr Hattersley that the proposal came from Mr Urwin, I think it was I do not want to attribute any credit to that, of an across the board offer and an examination.

Now that to me was common sense, it was a way of looking at matters, an examination of a situation. When parties are in conflict it is desirable that there should be a third party who should look at matters and bring the parties together. It was agreed in terms which were made public at the time and which formed the basis of the further negotiations of the across the board offer and of the examination. It took time to agree as to who was to

carry out the examination. But having committed ourselves certainly in my mind committed ourselves to an examination, well let us have the examination as soon as possible. There were delays because of difficulty of deciding who was to do the examination, and objections raised mainly by the Staff Side of a number of names which had been suggested on the part, as I understand it, of the Conciliation Board or somebody who was advising the Labour Adviser to the Secretary of State at the time. Perhaps my training as a lawyer would indicate that if I agreed to an examination I agreed to it though it was quite clear that it was not an arbitration since the decision was not to be binding on both sides. An examination, arising in good faith out of a serious situation it seemed to me quite clear that there would have to be something very very wrong in the result of that examination for the Government to refuse to accept its recommendations.

There were implications and these had to be examined but it did not take very long after the production of the Scamp Report for the Government to accept it. But here I come to another point which has been made consistently by the Honourable Mr Bossano which I feel requires to be clearly explained. The way he has put it all across is the Government and the Unions. Well, it is more than that, it is much more complicated than that, because it is not the Government and the Unions, certainly not in the case of the Transport and General Workers Union. It is sometimes the Government and ACCTS; it is sometimes Government and the GGCA; it is sometimes the Government and IPCS; and those others where there are areas where the individuals are employed by the Government and the negotiations are taken between the Union and the particular part of the Department which deals with a set of employees. But insofar as industrial workers are concerned I know that Mr Bossano is not telling us that he does not know that the negotiations are joint. Of course he knows, he has been dealing with them all the time, but I think he does not attach, he does not see, he does not understand the difficulties that are encountered, and I do not want to labour this very much because I do not want to do harm to matters that might be more harmful by trying to bring an excuse now, than the legacy that it would leave. It is much more complicated, it is much more difficult when you are not negotiating on your own behalf alone when you are negotiating with others with a third party.

I would assure the Honourable Member that the difficulties are very great, the strains are great, and we are not, if

we want to keep this joint venture, and I think it is important, it may well be that the Unions would like to deal with them separately sometimes, but they will find that it will be in the long run better if they are not separate **for** other reasons. It may be that sometimes it works badly. There is another thing and that is that he says, "Well, I do not care what it costs the MOD, I am only concerned at any particular time with what effect it has in the finances of Gibraltar, that is all". I see his point, I see that attitude regulates perhaps more of his thinking and more of putting us in the dock than is reasonable. I understand he does it honestly but the facts are very far from the case. Because I do not think that is fair to say as he says "Well, if the MOD have got any problems, well, that is the price they have to pay to be here and so on". That seems to me to be a little in conflict with his avowed integrationism, of which he was one of the founders and which, despite the fact that he is an independent member, has not given up, I am sure, to take that attitude of saying "Well, let the British Government pay, if not" . . . well. What, if not? This is the problem. What, if not? And this is the delicate balance that we have to deal with when we are dealing with the Services.

I entirely agree that when you come to items of expenditure, any particular item in respect of the Gibraltar Government is considered much more in proportion to our Budget than in the huge Budget of Defence Expenditure of the British Government as a whole. I agree with that and that therefore the proportions are more negligible, but the attitude as we have found it is not just the expenditure itself but the principles that it involves and the difficulties that are put across by the Civil Service Departments and by many other people.

Now when we disagreed or when we departed temporarily from that unity in order to advance the payment of the 50p in April, which we did also in January instead of April, and we agreed to differ and to depart from unity there, there was a note of caution here about what we were doing. Are we separating ourselves so much from the Services, this could be dangerous and so on. So really all I want to say about that is that the constraints that have been exercised as far as I am concerned, and I made this clear yesterday when the Honourable Member allowed me to intervene on one or two occasions, the constraints that there may be in Scamp are in the nature of terms of its interpretation, of its application, and its implications, but not by any economic constraints set down by the

Government once we accepted it.

Now why did we accept Scamp, if Scamp related wages and salaries to UK as I said in October. This would be given up because a new set of circumstances had arisen, arising out of the meeting in London and I was prepared to honour the agreement to which we arrived at. Now if we had been stubborn and had not wanted to change our attitude we doubtless would have been accused of creating confrontation, if we agree and change our attitude in the changed circumstances now they say "Well why have you turned round and have said something before that you are not saying now". Now this happened with the Labour Government in the 1960's, certainly before 1970, when the famous policy pamphlet was published called "In Place of Strife" where the Labour Government with all its leftwingers agreed on a policy of wages restraints, on a statutory policy of restraint of wages and they had to give it up. They simply had to give it up, they had to change their minds and give it up. Of course they gave it up, they had hoped to be able to convince the labour movement, or rather the Trade Unions, that that was a good thing, and they did not, they could not do it, and they gave it up and then they introduced the voluntary restraint

HON J BOSSANO

I think there are two points that need to be made, Mr Speaker, just to have the record straight and that is that in fact after the Honourable and Learned the Chief Minister returned from UK he was still adamant that the enquiry was not to look at the question of the principle of parity because that was the prerogative of the seat that he occupied, and it was only much later in the day that he changed his views on that, and the second thing, Mr Speaker, is that whilst I accept completely that one can reassess the situation at different points in time and come up with different judgements the Honourable and Learned Member must of course, of necessity admit now, that at the time that he said that accepting such a policy would be the disaster that he described, at that time, it would not have been that disaster. I mean he might have been against it initially and subsequently found that the price for fighting it was too high

MR SPEAKER

But, of course, we are speaking now with hindsight.

HON J BOSSANO

Yes, Mr Speaker, I accept that but what I mean to say is that the judgement of the sort of disaster I think the Honourable Member must admit that there was at least an element of exaggeration in the

description of the disaster that it was.

HON CHIEF MINISTER

Well, what I said was that I was prepared to submit what I did as a matter of judgement, whether it was good judgement or not, and as you, Mr Speaker, rightly said, now with hindsight it is easy to look at things much more clearly, the same as Honourable Members have been looking at the results of the estimated expenditure with hindsight: that is also a similar situation. It is all very well to say "We will give you some figures to show that". It is always easy to look at it with hindsight but when you look at a sequence of things you will find that everybody makes perhaps the same mistake more or less. But I must join issue with the Honourable Member to say that after I came back I kept on saying What did happen was, and I think this is fair comment, and I do not want as I say to revise matters which have been the subject of controversy, was that as a result, and it took a long time, I appreciate and perhaps not so much by his Union, but as a result of the Urwin/Hassan proposal or Urwin proposal, whatever you want to call them, or the Urwin agreement reached in London and the across the board agreement having been reached, the Unions gave up; they may not have accepted Scamp, but the Unions gave up the preconditions of the acceptance of full parity before negotiating. So the Unions also gave up something as a result of the Urwin agreement and that was that there was no negotiation before the acceptance of the principles of parity. That is so because Scamp says that parity as such, because parity means parity, 80% of parity is 80% of parity, when you speak about parity alone it means parity, that is 100% and no more and no less, otherwise the word would not mean what it means. So that in that respect there has also been a change of attitude by the unions in respect of no negotiations before the acceptance of parity.

That was the only principle to which we had objected from the very beginning because that preconditioned all negotiations. Now a new set of circumstances arose, if I may say so, from both sides, both for the Government and the Official Employers and for the Unions, as a result of which the Government agreed to the examination to which the unions agreed, the Government agreed to an interim award over which there was some dispute but eventually it was agreed, and the Unions agreed to negotiate without obtaining the acceptance of the principle of parity before negotiating.

That was a fair deal. I am not saying that the Unions gave up or that the Government gave up, these are the things that happen in public life in all matters of this nature. I am not going to say "Well, you gave up principle, or your judgement was probably wrong at the beginning, that is now a matter of history, it is really of help, if I may put it to look back. The future. One has to look at the future and benefit of one's mistakes if necessary so long as

the purpose is honest and the intentions are not twisted. And that is the situation that we have reached today. But I would like to insist that on this matters that were clarified to some extent by the Honourable Member in his deep exposition of what is happening in the sub committees of the Scamp negotiations at wage levels for the JIC, I would like first of all to thank him, as Mr Canepa has said, for the details that have been available and which if I may say so, not even the Minutes of the sub-committee for which I am very grateful for the offer, but if I asked for them I think I could get them from my side, but they have certainly never come my way. But even the Minutes do not reflect the kind of frustration to which the Honourable Member has referred, because obviously a minute cannot reflect, as he was saying yesterday either here or outside, of having taken one day about what to pay to the seamstresses of the Hospital or to the cleaners at another place. That will never reflect the kind of frustrations which he mentioned, they can never be reflected by a minute however detailed the minute could be.

Now, I do not want really to analyse too much what the purpose of opening these old wounds could be on the part of the Honourable Member. I have said I do not believe in raising this.

Now, on the question of attitudes it is not as the Leader of the Opposition said yesterday that we had now become converted and are all prepared to settle Scamp, and that this is a result of Mr Bossano's intervention. The fact that we have understood the details going on with the Union is one matter and the question of the attitude towards Scamp is another. Now, our attitude once Scamp was approved was a desire to settle quickly. We know now the difficulties that have been encountered but it may be perhaps of significance that where the Government itself is the only body with which a particular Union is negotiating, agreements are more quickly reached when it goes to the extent of dealing with the other side when you have to deal with the MOD and Official Employers. It may just be significant, I do not want to set too much on that because I do not want to exacerbate our position with the MOD because I do not think long term it is in the interest of either the Union or the Government or Gibraltar, but I would like to say, and I think I have sufficient justification for saying, that if there had to be a show-down because we did not feel that the other side was playing fair we would do it. It would not be the first time. When I was in the City Council and a similar body, I forget what it was called then, . . . Anyhow, the Council withdrew from that joint venture which was then represented by the Services, the Council and the Government - the Council was then a separate employer, we withdrew because of certain discriminations to which we were opposed until conditions were fit for us to go back again. I do not say this as a threat to the MOD, I am sure that they would not take this as a threat nor do I intend it to be but I say this as a matter of principle. That if after what we have now learned and have seen there was undue delay or prevarication on matters which we felt very strongly would tend to

smooth the passage of the Scamp negotiations on wages due to the intransigence or the lack of desire on the part of the other Official Employers of doing what we thought was just, we would have no hesitation in getting off and making our deal.

I say that with the full sense of responsibility of what I am saying. But I equally say that one must make every effort to bring them with you and in fact it is much easier for the Union because then they would have to fight two bodies not one. Now they are fighting one across the table I hope that that is how it remains, but the time consuming exercise about seamstresses and cleaners and so on, imagine what that would mean if all the bands that the Honourable Member has mentioned and all the analogues and so on had to be repeated three times. Anyhow on the bigger issue I would like to say that if there was any indication - and there are stresses and strains, I do not mind stating here publicly, normally on the basis that we would like to get on much quicker and much better than the rather slower and perhaps more remote control exercise for the negotiations would indicate, if there was any suggestion there was any undue delays we would have no hesitation of doing that.

But the desire for reconciliation and the desire to settle the matter has not arisen out of this meeting, though it has been greatly helped in strengthening our position with our partners in the Official Side, is, as I say, not new. In my New Year message I said that the various sectors of Gibraltar society had come closer during the last year to understanding other people's aspirations as well as the need for compromise, and then I said: "The first of these at the end of the year would be I should like to relate this thought to three matters which have a major concern and significance for our society in 1976. The first of these is to pay review which as we all know was to have taken effect on the 1st October 1974, 15 months ago. This has now been well on the way towards establishing a record, and however hopeful that reasonably early settlement will be achieved, in the spirit of compromise to which I have referred and in the context of the pay policies which the Official Employers, also in the spirit of compromise have accepted and are keen and ready to implement, I realise fully that in some areas the effect of the sort of policy which the combined trade Unions movement sought and has been granted are less attractive than in others, but I am sure that all concerned will see the need if we are to avoid chaos and even a longer period of waiting for all of us to adhere to the overall policies. So these were, if I may say so, quite sincere and well thought words which expressed a desire not only of myself but of my colleagues where we have been asking for progress in respect of the negotiations.

I think it is fair to say that once, at least certainly from our side, that once we took the decision after looking at it and consulting our fellow employers, that once we accepted Scamp it was not within the imagination of anybody who had gone through those days of anxiety to come to a settlement, I do not think and certainly I can say this

quite honestly in my own mind, I never thought that we would be here in March 1976 and payment not having been effected and agreement not having been reached. I know that there were four or five months delay in the original appointment of the negotiator, but once the appointment was made and once the agreement was reached to accept it sometime in July or August, for whatever reason and at this stage I am making a perfectly neutral statement, I do not think it was envisaged by anybody - I do not know whether the Union immediately thought that difficulties would be encountered or they found them in the negotiating table or they found it in the practice or in the applicability or the reactions, but certainly once Scamp was accepted, in my mind, and in the New Year message I spoke about the time that it was taking, in my mind it was never and I am sure I speak for my colleagues in this, it was never thought that it would take that long to come to a settlement.

I repeat what I said yesterday quite emphatically. Insofar as the negotiating team of officials which must necessarily be the people with whom the Union must deal with, because we must do everything possible to avoid the implication or the participation of politicians, certainly the Ministers in the day to day matters affecting wages and salaries, as far as possible, if we are to remain in reserve for a situation, or if we are not to involve ourselves in detail which is less unfair for the Unions themselves, because all sorts of pressures would come about.

I can say quite categorically now, I said it at an intervention for which I am grateful for having been given way, but I say so now quite openly: there have been no economic constraints on the negotiators other than the normal sensible looking after money which is a common purpose of all civil servants or of all people connected with public money. After all it is not our money, it is the people's money that the officials are dealing with in these negotiations. There have never been any directives, such as "You must make sure that it does not cost more than so much", "You must make sure that the cost does not go that high", that I can say solemnly in this House, has never been the policy, certainly not of the Government, and in fairness to our colleague on the Official Side I do not think that there has been any directive of that nature, either. It would be very comfortable for me to say that the others were told "Be careful about money," and we were quite free to say "Pay whatever it is", That would not be fair. There have been no constraints, of course the interpretation is bound to be a more liberal one by those who have to receive them than by those who have to pay, that is normal but there comes a time when the thing can be discussed ad nauseam or to the ridiculous and that is the thing that was never envisaged in the minds of those who were to give any directive if directives were necessary, but none were given. There was Scamp, there was the Working Party on the one hand, there were the Officials of the other, get on with it, do it at an official level and I think there was a mention yesterday that more progress has been made informally. I remember quite distinctly that very early on we decided that they

should break up into sub-committees in order to get much more done than would be done in the formal set-up of the whole of the JIC, and I understand that this and that have been the case.

Now, we come to the difficulties that have been raised all along the Budget on the question of the cost of Scamp and the distortions that would be created in the estimates or will be created in the estimates. Well, I think my Honourable Friend Mr Montegriffo put it in a very simple way yesterday which I thought appealed to me very much and that of course was that, and I said this in the course of the Committee Stage, if we advertise any posts now we advertise them on current rates plus COLA plus Interim Award and so on, because there is no authority to do anything else. To have tried to put into the estimates at the time when they are still negotiating any order of costs of the ultimate results of Scamp would have been to prejudge the issue and to have precisely put those constraints that have been mentioned before. If in fact there have been any settlement whilst we have been sitting here in the Budget then I entirely agree that the cost thereof should be available to the House, and I have no doubt that the Financial and Development Secretary will in his summing up speech refer to those that have been enquired and so on. That can also have a distorted effect because there may be some areas where the cost may be higher than others, but that is the price of relating local salaries to UK salaries and wages. That is the price, and the price would be higher if it had been 100% parity, however good that had been. But in fairness to the Financial and Development Secretary I would like to read now from what was at the time a confidential report by the Financial and Development Secretary to Council of Ministers on the Estimates, the report that accompanies the draft estimates as sent to Ministers. And I think it is fair to him that I should quote this because it does justice to what he has said and it puts the matter in its proper perspective.

"The Scamp Settlement. In considering the estimated Consolidated Fund surplus and the overall budgetary position as reflected in the draft estimates it must be assumed that the settlement of the Scamp salaries and wages award will be reached during the course of the financial year, and that the full cost of the settlement will fall to be met from the reserves. Until a settlement is reached of course no proper estimate of the net budgetary cost can be made. On the basis of the offer

stated, however, the approximate estimate is £1.3 million net. In arriving at this figure account has been taken of (1) the non-taxable arrears October 1974 March 1975; (2) Income tax recoveries in respect of subsequent arrears payable by both civil servants and MOD/DOE employees; (3) Income Tax recoveries in respect of current earnings subsequent to payment of the settlement. Some allowance has also been made for the feed back of arrears and higher current earnings on indirect tax revenues."

I would like to be quite clear on this. The next item is a completely different thing. This is paragraph (3) and (4) on the Scamp settlement; the rest is something completely different, it goes on to deal with something else.

So here was the Financial and Development Secretary telling the Council of Ministers the order of costs on the basis of the offers on the table. But there, if we had put

HON J BOSSANO

Would the Honourable and Learned Chief Minister mind saying whether that reflects the 1974/75 offers but does not include any provision for the commitment in October 1976?

HON CHIEF MINISTER

The projection for this year. The whole of the financial year. If this was on the basis of the offers on the table, and we had put that on the estimates, the Honourable Mr Bossano would have said: "You are prejudging, you were nowhere near settling on that basis, what do you think, you have to come back for more money or else". Therefore what do we do? If we do not publish the thing, if we do not put it in the estimates, it is wrong: if we put it is wrong, so Government always loses.

I will leave Scamp for the moment: I think I have said enough about it and I hope that the assurances I have given will be quite enough for people to understand that we are as anxious as anybody to come to an agreement which will be acceptable to the Unions and bring real industrial peace free from all acrimony and unpleasantness whatever other struggles there may be in the future, and that is of course

part of the pattern of a free society. I think there were two things which have been said by other members which require special mention. First of all I will not because it has been dealt with and I am sorry but I do not like to repeat what other people have said, when the Honourable Major Peliza's package tour was about to expire we quickly dealt with quite a number of pages of the estimates in an inordinate haste in order that he would have his say before so that the debate could be heard on Friday and he could go back on the Sunday as he had intended. Precisely because of those quick visits, and I am sorry that he is not here to listen to this, in any case it is only just a comment, he mentioned one or two things. He suddenly became terribly excited about legal aid and how little lawyers were being paid for that. Perhaps he did not attribute to lawyers sufficient courage to look after themselves but anyhow that is another matter. But when he spoke about the need to consider the payment of public monies to the funds of political parties, if I may say so, showed how out of touch his residence outside Gibraltar makes him. We have enough onslaught from various sections of the community against the existence of parties, and I entirely agree with the Leader of the Opposition that there is a perfect right to decide as to whether we should have a party, whatever people may think, and associate people with similar ideas, from that stage to suggesting now something that has only been mooted recently and not yet decided in the UK of asking that monies from public funds should be given to maintain the structure of political parties in Gibraltar, does not come at the best or the most suitable of times if I may say so.

One other remark which was made yesterday, but flippantly, as so many remarks are made by the Honourable Mr Devicenzi, which requires the record to be put straight was when he said that they had also thought of PAYE and asked us to look up the files and so on. Perhaps he is not aware that all files regarding views and policies of an administration are expunged by the civil service and are not available to the next administration. If he knows that he would realise that even - and I am not disputing whether they thought of it or did not think of it - even if that had been the case, this administration could not look around for anything that the other administration was thinking of because that would not be in the files available, and I hope that this practice remains and I think it is a very good one. It is based on sound Westminster practice in order

to avoid the necessity of one administration spying on the work of the other, other than what is really concrete decisions and trying to claim what is not. I do not know whether the Honourable

HON M D XIBERRAS

Mr Speaker, I am just saying that whereas I agree with the practice that one administration should not have at its disposal the papers on policy of its predecessor, nonetheless it is the practice that if any Honourable Member of this House wishes the Government to consult a particular paper which might be available there then that is a valid and accepted procedure even in the UK. And I admit this in respect of a number of things. As regards PAYE the Honourable Member is free to look.

HON CHIEF MINISTER

Well, I do not know, I understand that there were difficulties about one case but anyhow I am only talking about the flippancy of this remark by a Member, about a thing which he well knew that even if we wanted to we would not have been able to see, even if it was there. I am not disputing that it was or it was not, there are many things in people's minds but they never take shape and when one thing is done by other people they say that they had thought of that themselves, which of course is very good, but from thinking to doing it is rather a different situation.

Now, mention was made about some remarks made by the Honourable Financial and Development Secretary regarding the possible effect of any defence cuts in Gibraltar. I think he will explain that if necessary but he was not in any way speaking on any detailed information any more than anybody else knows of what is going on, but this is the matter which is of great concern to us and it has an indirect effect if I may say so on the point made by the Honourable Mr Bossano about: "he does not care how much anything costs so far as the MOD is concerned, they have to pay for it". Well of course it is not that the MOD are going to be here insofar as employment is concerned in any privileged condition, I would not for my part be a party to allowing any such state of affairs, but on the other hand the Government itself both in the question of joining with the other Official Employers in JIC and

generally with regards to the defence spending in Gibraltar, must tread a very cautious line in dealing with it, because what we must ensure is that in proper circumstances, in circumstances worthy of the people of Gibraltar, the MOD continues not only to be in Gibraltar but to spend money more or less of the order in which they do now. But what one has to be careful is not to press too hard to such an extent that it might sometimes be given an excuse that the people are being unreasonable and that therefore defence spending in Gibraltar must suffer more severe cuts.

Now this is a delicate line on which to go and one which one must be careful because we do not want to be subservient to the MOD, they have no responsibilities and we are happy that they carry them out properly, but on the other hand we want them, I think this is a desire of both sides of the House, we want their spending to continue for many years to come.

Mr Speaker, summarising my remarks I would like to say that I can understand the frustrations of the Opposition other than the Honourable Mr Bossano of the fact that this Budget has not brought about any increases in taxation. I say, other than Mr Bossano because I saw him advocating certain factors which I took good note of, in case there is any need for an emergency. I hope there is not. But other than that I can well understand the annoyance of the Opposition at the fact that there are no taxation measures. Simple friends of mine have asked me that the Budget is taking longer this year than last year and there are no new measures. "What are you doing, what are you discussing, you have not imposed any taxation this year, why are you taking so long". And I have said "Precisely because of that. Because there is no taxation, noise must be made in order to pretend not that there should not have been taxation, but that we are not doing our job properly."

Well I am glad to say that the Budget provides for progress in all Departments as has been clearly stated and that we will be able to maintain and continue with that and that we hope to see a very early settlement of the Scamp recommendations. Very early settlements, not before Christmas, as it was suggested at one time that Government take advantage of pre-Christmas spirit in order to get settlements done. Well, Christmas has passed and perhaps there will be a settlement before the Gibraltar fair.

Thank you, Sir.

HON P J ISOLA

Mr Speaker, there is no frustration in the Opposition by the fact that no taxes have been imposed by the Government in this Budget. We do not underestimate the political skills of the Chief Minister and our judgement was that there would not be a single measure of new taxation with an election so near. We were quite clear in our minds. As I was coming to the House, to the Budget meetings, I thought, I wonder what will dominate this Budget; will it be Scamp or will it be Stamp or will it be electioneering. Well, Stamp, was too expensive at £30, so probably not many members of this House have a copy or have read it, so that can be quickly discarded; Electioneering, yes, I thought that was going to play a prominent part but, Mr Speaker, it has been completely overshadowed by Scamp. In fact one reading the full text of the Budget debate could have said, "Well, the answer to the Chief Minister's friend who asked him what we had been doing these last two days could be short! We have been settling Scamp". We the Ministers of the Government have been finding out what has been going on for the first time. It has been a very useful exercise and we are now very optimistic that Scamp will be settled".and so are we on this side of the House, and from that point of view I think we are all delighted. There has not been much time to talk about electioneering, the elections still seem very far away to many of us, and we still seem to be worried about the outcome of Scamp as it affects the Community of Gibraltar generally, but I will say something more about that, Mr Speaker, within a moment or two.

When the Budget debate opened, when the Financial and Development Secretary made his Budget speech, and very shortly after I think you will agree that the situation became very strange in this House. And in fact it was only the timely intervention of you, Mr Speaker, that prevented a challenge being thrown, seconds being selected and the Minister for Labour and my Honourable Friend Mr Bossano moving to the Europa Moors and having a duel with pistols or swords. Well, a lot of water has gone under the bridge and if this debate has done nothing else it has brought about a very welcome air of reconciliation between the Minister and my Honourable

Friend Mr Bossano. I do not know whether I understood the Minister for Labour properly or not, I almost detected an invitation to join the Government benches and become their Minister for Industrial Relations. I will restrain myself from commenting on whether that would produce special industrial relations or not, I would just leave it for Honourable Members to think out the answer to that question themselves.

Mr Speaker, first things first. I think this has been an interesting Budget meeting for two reasons: in the first place I myself have personally welcomed the method of presentation of the Budget by the Financial and Development Secretary which has given us a broad picture of the economy, one we can look at, we can study and we can refer to in future years; has given us a better picture of how our economy is run and what it means, than in previous years. It is a pity that we did not have injected into his address the estimated cost of Scamp, because without that obviously the estimates of revenue and expenditure have no meaning and obviously when it is injected then the estimated surplus figures would of course have to be altered as well.

But I like the format of the Budget speech and I like the way our balance of payment, if I may call it that, was put over, and I think one of the most interesting things about the Budget is the part invisible earnings play in our economy, a much larger part than exports: they are estimated £19m and there it puts into proper perspective of course the part invisible earnings play in our economy as reflected in wages and salaries earned, and that in fact, looked at in economic terms from the point of view of Gibraltar, Ministry of Defence expenditure, mainly through wages and salaries, does play a dominant part in our economy. I think to that extent Scamp was of great relevance in this Budget speech, and I think I must compliment you, Mr Speaker, at the manner in which you have freely allowed debate on Scamp because I think it is a matter that clearly affects the economy.

The one other point I would like to make on the Budget speech, and I hope the Financial and Development Secretary will consider this, is the part that the Savings Bank plays in the Budget. It seems from the picture given by the Financial and Development Secretary that there has been a flow of money from the Post Office Savings Bank into the commercial Banks, and it seems, on looking at

the figures which he has given that the amount deposited in the commercial bank as opposed to Government savings is quite disproportionate, and I would think that if one takes the analogy of the United Kingdom, I think see the British Government by having flexibility in its issues of bonds, short term, long dated and so forth, is able to attract a lot of money back from the commercial bonds. I think that in a small place like Gibraltar we have really just two extremes, we either have very long dated Government loans, which are not popular today because of the change in the value of money and so forth, or you have a very poor short dated Government loan, if you would like to call it that, in the terms of the Post Office Savings Bank. I would have thought that there was room for flexibility in the terms of deposits in the Post Office Savings Bank so that that bank should be able to liken its activities a little more to that of commercial banks. In other words let people deposit money in the Post Office Savings Bank at a higher rate of interest on current deposits, 2 months, 3 months and so forth, because it seems to me that what is happening is that the Gibraltar Government puts its deposit rates at the same rates as the local deposits for the commercial bank but the commercial banks offer a depositor much better rates of interest by way of sterling deposits in London, and I think the Financial and Development Secretary might well think of having more flexibility in its Post Office Savings in the terms offered to depositors so as to stop the trend of money out of the Post Office Savings Bank which I think does have some economic consequences on the Budget.

But, Mr Speaker, as I have said before what has dominated this Budget has been Scamp. I think I said we are indebted to the Financial and Development Secretary for his clear presentation of the picture of the Gibraltar economy and I would agree with one expression in his debate when he said that it was a cheerless economic year. I think I would agree with that. Although there have been huge surpluses produced by the Government I am afraid my own conclusion is that the huge surpluses have been produced not as a result of economic activity in Gibraltar not as a result of an increased economic activity, not as that but increased development, but as a result of over taxation in the last three years.

Fortunately for the Government the public has a short memory and they will remember this Budget at the elections: that is why there were no taxes put on. That is a fact,

I do not think there is any other explanation because if one looks, Mr Speaker, at all the revised Heads of revenue, other than Income Tax, one will find that the increases in customs, in imports and so forth, have not been . . . if anything there have not been increases, the increases in collections have been due simply to inflation, the inflationary effect of world prices of which the Financial and Development Secretary spoke. There has been no increase in economic activity in Gibraltar, Mr Speaker, since this Government came into force, on the contrary there has been considerable slowing down in the economy, and these are consequences which the next Government will have to face whoever it may be.

The other important contribution in this debate, Mr Speaker, was from the Honourable Mr Joe Bossano, and I think we are grateful to him, certainly I am, for his exposition of the last four years and what has in fact happened or has not happened during that time. I think that was a valuable contribution too because it enabled us all to put into perspective the economic situation of Gibraltar.

Coming back, Mr Speaker, to the main subject of debate, which was the Scamp Report, and generally the Government's policy over the last four years, I think the chief criticism I would make of the Government during the last four years is that it has been a weak Government. I am indebted to my friend for his quotation of Mr Disraeli which is, "The greatest of all evils is a weak Government". And I say this because when one is talking of a weak Government one is not just talking of a Government which is vis a vis a particular section of the Community, but vis a vis the various parties it comes into contact with. In Gibraltar during the last four years of course the biggest party I suppose they have had to contend with has been the Trade Union Movement, and listening to speeches on the other side of the House in the last few days and listening to their overture for friendship and their protestation in this matter, it is difficult to understand why the relationship of the Government with the Union has been so bad during the last four years. I mean if one thing has coloured the present Government during their period of office, it has in fact been their bad industrial relations, and listening to the speakers on the other side I have not been surprised, because I think the astonishing factor that has emerged on the Budget debate has been the complete ignorance of Government Ministers of what has been happening with regards to Scamp since the report was

made in July 1975.

It astounds me, Mr Speaker, that it has had to take a three hour speech by the Honourable Mr Bossano to put the Union thinking into perspective as far as Ministers are concerned. It astounded me to hear that Ministers had no idea of what had been going on in the sub-committees of JIC, it astounded me to realise that Ministers did not seem to know what was going on with regard to the Scamp negotiation. To my mind that is a tremendous abrogation of responsibility and a tremendous admission of defeat because, Mr Speaker, it must have been obvious to Government Ministers that the settlement of Scamp in pure economic terms was something that was eminently desirable from the point of view of the economy. And that once they had accepted the Scamp Report which set out the guidelines for the settlement, it was imperative from their point of view and from the point of view of Gibraltar's economy that negotiations should have taken place as quickly as possible and settlements reached. And it astounds me to learn that this was the wish of the Government too but they did very little about it: Ministers did not seem to be concerned about what was going on and what was holding it up.

I must believe what they say because how else can one explain the complete volte face on Scamp that we have witnessed in the last two days from Government Ministers. The offer from the Honourable Minister for Labour to the Honourable Mr Bossano to meet him and discuss this problem; the statements that have been made by Government Ministers that the whole situation is completely different to what they understood it to be. Meanwhile of course the economy of Gibraltar has suffered: the money that should have been injected into the economy during the year 1975-76 has not been injected, and if the settlement comes in the next month or two, which we fervently hope it will, there is now the danger that a very very large substantial part of that money will be ejected from the economy because of the time and the period it is paid, and that has its economic effect on Gibraltar. Ejected, in other words exported from Gibraltar during the summer period and rather more substantial from than it would have been exported had the settlement taken place before Christmas and then the money would have stayed very substantially, Mr Speaker, in Gibraltar. It is a terrifying prospect I think from the point of view of good Government in Gibraltar, it is a terrifying prospect to find out here in this Budget debate that there has been no settlement virtually because Government Ministers had not been aware

of what had been going on.

HON CHIEF MINISTER

I am sorry but I have to interrupt for a moment: this is not the case. It is not the case that there has not been no settlement because Government does not know what is going on.

What we have alleged is that the details of the delay have now come to light more, not as I say by just reading minutes but by the frustrations mentioned by Mr Bossano.

HON P J ISOLA

Well, Mr Speaker, it may be that the details of the delay have only come to light now but it is now nearly a year since the Scamp Report came out and it is equally distressing to find that details of delays that have taken place or continue to take place or have taken place in the last four months have only come to light now, and it is interesting here, Mr Speaker, to compare what is happening here in the Official sector negotiations and what is happening in the private sector. There apparently

MR SPEAKER

I have given you a full 20 minutes on

HON P J ISOLA

Mr Speaker, it is only a comment. There apparently because the people concerned seem to come more to grips with the situation, settlements have been effected; here apparently in the public sector the persons vitally concerned with the settlement, who are the elected representatives of the people of Gibraltar, the people ultimately responsible to the Government, do not seem to have come to grips with the problem, and this explains the delay. But the delay has brought about, Mr Speaker, damage to the economy and to its prospects in the year that is ahead of us.

The other disturbing fact that comes out, Mr Speaker, is the apparent conflict between Government statements in

the House as to the part the Ministry of Defence plays, and what the Ministry of Defence says in other publications because they are not represented in this House. I notice from the Scamp Report, I think it is in the conclusions and recommendations, paragraphs 5 - 6, that Sir Jack says: "the UK Departments say they take advice from the Gibraltar Government on the economic constraint. The Gibraltar Government say their aim is to retain local control of their wages policy which should at the same time remain acceptable to the UK Departments. The Official Employers collectively say they wish to pay fair wages and the main factors influencing their policy are rises in the cost of living and their wish to restore differentials of skilled workers and encourage productivity deals".

Well I think it is important, and it goes back to the point I made about a weak Government. I think it is important to define clearly the position of the various official employers: I think that it is important in the interest of good relations between Gibraltar and London and also clear understanding of the situation by the Trade Union movement. I think it is a bit difficult when one hears statements in this House that there has been no progress in the Scamp negotiations, that an offer on the table has not been replied to etc., etc., When we come here during the debate we have this ignorance by the Minister of details and we also have this allegation or implication or imputation with regard to the Ministry of Defence and the economic constraints that there are, that in fact it is not the UK Departments who take advice from the Gibraltar Government on the economic restraints but rather the other way around, that the Gibraltar Government has the money, can settle, but has constraints imposed on it by the UK Departments.

Now this apparent conflict is I think bad for Gibraltar: because the spending of the Ministry of Defence within Gibraltar is the major factor in the economy; and on the broader political side this is bound to cause problems between the people of Gibraltar looking at it broadly and the UK Government. This I do not think any Member on either side of the House would wish and I think it would be a very bad thing for Gibraltar if my Honourable Friend, Mr Bossano, whose integrationist leanings we have all heard about from the other side, should lead his hordes against an enemy who is not in fact an enemy, Mr Speaker, be it either the Gibraltar Government or the UK Government. And I think it is at this particular stage of industrial

relations in Gibraltar, important that the position of the various Official Employers should be stated clearly so that the Unions know how they stand, the people of Gibraltar know how they stand, and nobody should be hiding behind anybody else.

They should be open negotiations and open statements of the position.

MR SPEAKER

Are we coming to the Budget now, Mr Isola?

HON P J ISOLA

The Budget, Mr Speaker, Yes.

Well, Mr Speaker, as I said before when I was listening to the various speeches that have been made in this debate, I thought there was a motion before the House as to whether the recommendations of Sir Jack Scamp should be accepted or not, or the interpretation of the recommendation. And now forgive me if I have spent so much time on it. Mr Speaker, as far as the

MR SPEAKER

Mr Isola, after 25 minutes of listening to you, I think we are listening to a debate on a motion of censure on the Government's performance over the last four years, but fair enough, you know what I am referring to.

HON P J ISOLA

Yes I was coming to that one. Mr Speaker, I mentioned that in this debate a lot has been stressed about the Budget and not enough about the nature of the Budget. It is of course clearly a political Budget with a very clear eye on the general elections that are to come. Let me explain. We have my Honourable Friend the Minister for Labour putting up his Family Allowances on the 1st July; we have of course no further taxes, of course that is the Biggest, as far as the commercial community is concerned I am sure they welcome it very much and the taking away of the irksome penny stamp on receipts which I am sure

shop-keepers will welcome a lot and no stamp duty on cheques. This is nice, it is a nice touch.

Then, Mr Speaker, having dealt with children, the families - the Family Allowances - having dealt with the trade, small, but most people must be grateful for small mercies, they now switch their attention to the senior citizens who are in danger of being taken over by my Friend Mr Bossano. So they have Income Tax relief, a modest Income Tax relief, that should secure what has been the traditional vote of the Government, which is the older part of the community. This is reflected of course, without any disrespect, in the average age of the Honourable Members opposite.

They were very very clever but there was one gap which had to be filled and that was causing very considerable difficulty: that final and possibly most important gap has been filled I think in this Budget, and I think it is a good thing too, and I think we can look forward to a settlement of Scamp in the reasonably near future, which of course would clear the decks, Mr Speaker, for the general election in September or August or whenever it is.

MR SPEAKER

I am beginning to believe that the electioneering has started already!!

HON P J ISOLA

I think the point has to be made though of the general tenor of the Budget and I am sure the Financial and Development Secretary will forgive me if I say that he has played a small part in this as well, without making any insinuation of any kind whatsoever, in not presenting a picture of gloom which would of course have necessitated some measures of taxation, and I rather suspect that no mention was made of the cost of Scamp because this would have affected page 4 of the estimates, Mr Speaker, which is of course the vital page.

Now, if we go to page 4 for one minute I estimate, Mr Speaker, that the three years working of the Government from the first of March 1974 to the 31st March 1977 will produce on the Government own estimating a surplus of

£2 million and I make this up first of all the actual outturn of the year 1974/75, which instead of being a deficit of £187,000 as we were told by the Honourable Member's predecessor last March is turned into a surplus of about £200,000. So that the Consolidated Fund balance on the 31st March 1975, instead of being £1,038,000 as estimated by the Financial and Development Secretary during the course of his address last year to us, was in fact as admitted on page 4, £1,437,000. So that accounts for £400,000 of the £2 million surplus. Then, Mr Speaker, on the year under review the Government expect a surplus of £1,100,000, at this time last year they only expected a surplus of £600,000. They now tell us that they have a mere $\frac{1}{2}$ million pounds more, and I suspect that if we look at how things worked out previously, and for that I refer Honourable Members to the Budget statement of the Honourable Joe Bossano, one can expect that that £1,100,000 could possibly be £1,400,000.

But anyway, accepting the Government's figure of £1,100,000, that is $\frac{1}{2}$ million. And this year we are told without any budgetary measures of any kind that the Government expects a surplus of $\frac{1}{2}$ million and I think it would be unfair for me to say here that it could possibly be more than that, judging from previous estimating this could be so, but accepting the Government's estimating they have a surplus of £2 million.

Now, Mr Speaker, this could be talking with hindsight but there has been a lot of hindsight talking so why should I not indulge a little in it. We all remember what the Chief Minister said in this famous television interview that my Honourable Friend on my right keeps putting in front of me, in October 1974, that parity would bring about the economic ruin of Gibraltar and so forth

MR SPEAKER

To be completely and utterly correct it is 100% parity.

HON P J ISOLA

Yes, Mr Speaker, I was going to come to that. What you mean by parity is what you mean by parity. If the Honourable Members opposite

MR SPEAKER

No, but you must be referring to what the person who wrote the article meant by that and not to what he could mean.

HON P J ISOLA

He says "To accept the principle which it can be clearly shown to bring about the economic ruin of Gibraltar. I think he was referring to parity.

MR SPEAKER

No, no. I am referring, if I have a good memory, to the quotation read by the Honourable the Leader of the Opposition. In other words if you are interpreting what you mean by what parity means, fair enough, but if you are interpreting what was said then you have got to be completely and utterly correct. That is all I am trying to say.

HON M D XIBERRAS

Well, Mr Speaker, I made it clear in another quotation when I referred to a certain meeting had taken place that the Chief Minister and his colleagues had considered both the idea of full parity and any

MR SPEAKER

No, I am very clear minded in what I am trying to say, but I am very clear minded in what Mr Isola is saying. If Mr Isola is referring to the statement made by the Chief Minister on television which appeared the following day in the Gibraltar Chronicle, that referred to 100% parity.

HON M D XIBERRAS

No, Sir. With due respect may I say that it does not refer entirely to that. If I may say so, Mr Speaker . .

MR SPEAKER

Well, let us read the article, that is the answer.

HON M D XIBERRAS

Well, unfortunately the article cannot be read because there is only one copy which I quoted to the House, and this particular copy that we have has a piece missing.

MR SPEAKER

Well, Mr Isola, may I be clear in my mind

HON M D XIBERRAS

May I, Mr Speaker: with respect, Mr Speaker, you are misrepresenting

MR SPEAKER

No, order. No, Mr Xiberras what I am trying to clear up and make clear in my mind is to which statement Mr Isola is referring that is all.

HON M D XIBERRAS

Mr Isola, Mr Speaker, is referring to

MR SPEAKER

Well, he can answer for himself.

Order. Mr Isola can answer for himself.

HON CHIEF MINISTER

Mr Isola can answer himself.

HON M D XIBERRAS

And I am sure the Government can answer for itself as well.

MR SPEAKER

Order, order. Now, Mr Isola you know what I mean, will you please clear your mind.

HON P J ISOLA

What I was trying to say, Mr Speaker, is that when one takes into account what the Chief Minister was saying in October 1974 about parity

MR SPEAKER

Which is what?

HON P J ISOLA

Well, I do not wish to read the whole of the article but I think it is sufficiently fresh in the mind of all members to be an allegation that if they were to achieve parity the cost of goods themselves would rise greatly, that nobody would be better off in Gibraltar and What I am saying is the general version shown to parity by the Chief Minister in October 1974, if one recollects that, if one recollects the long time it took before Sir Jack Scamp was appointed because of the problems that existed between the Official Employers and the Unions on this particular issue and so forth, when one puts all that, October 1974 to July 1975, when one puts all that against the background of the taxation measures that were imposed by the Government in the 1973/74 Budget in March 1973, and then in March 1974/75, one gets the measure of over taxation that this Government put Gibraltar in, because, Mr Speaker, nothing was further from the mind of the present Government in 1973/74, or in March 1974 when they presented the 1974/75 Budget, nothing was further from their mind than accepting any integrationist policy on parity. And the integration policy on parity, if they look at our manifesto, was equivalent, which is what I think Jack Scamp was trying to get at. It could be that the equivalent was 100%, it could also be 80, it could be 90, it could be 50, but anyway the point I wish to make is that without any idea of having to subscribe to parity principles, without any thought that there would be substantial increases, the Government in 1973/74 imposed £900,000 worth of taxation measures - which they were told at the time would produce much more, by the Opposition, and then again in 1974/75 they produced what

they termed £360,000 worth of taxation measures. And those very severe taxation measures which have affected the whole population of Gibraltar the working population and everybody, will produce without any further taxation and with the Financial and Development Secretary's hunch on the cost of Scamp, will produce a surplus at the end of 1976/77 on the traditional conservative estimating of the Financial and Development Secretary of £700,000 in the three years under review.

That is the measure of the taxation, that is the measure of the severe taxation that the people of Gibraltar had been subjected to in the last three years and what has been the result, Mr Speaker? What have the people of Gibraltar had back from it? Mr Speaker, very little in terms of economic growth, in terms of development, in terms of a more permanent basis for the development of the economy. Now what they have had is what the previous administration started to work on, that is, a better standard of living which I was very sorry to hear the Minister for Labour refer to as the debasing the degrading part of Gibraltar because people now thought more of TV sets and motor cars and other things, rather more than aesthetic considerations, spiritual and so forth.

Well, it is a pity, I agree, that there is so little religion, let us put it that way, in the world, but my Honourable Friend Mr Bossano does not subscribe to that view, what can we do about it, it is a pity, but, Mr Speaker, what is the purpose of democratic Government? What is the purpose of Government by the people, for the people, if it is not to improve the living standards, or the main purpose of it is the improvement of the living standard of the people. And I think that one of the things that have emerged since the previous IWPB administration, and they put us firmly on that road, was the improvement of standards of living to a higher level than we had accepted in Gibraltar, and it was a very good thing that this happened, because if it had not happened, Mr Speaker, if there had not been this impetus on higher wages, higher productivity, whatever we like to call it, if there had not been that Gibraltar would have fallen behind the rest of the world and when inflation hit the rest of the world, Gibraltar would have had no means of meeting it at all. The sort of wage increases that would have been required would have been so astronomical that: the Gibraltar Government would not have been able to meet them; and the other Official Employers might not have been prepared to meet them.

So far from there being a debasing and a degrading of the people of Gibraltar, as has been referred to by the Minister for Labour, the only concrete result in economic terms of this present administration, and they will forgive me if I say that a lot of it has been extracted from them by sheer industrial power and force, has been an improvement in the living standard of the people of Gibraltar and that we welcome, and that has been the only positive thing - perhaps I am being a little unfair, but one of the main positive things that has emerged from this administration. When we talk of economic development, Mr Speaker, and we talk of economic progress of the community as a whole of its industry, these last four years have shown contractions rather than expansions.

Mr Speaker, it is incredible for me to read the position of the Improvement and Development Fund. It is quite astonishing. The Minister for Public Works has referred to the slippage there has been, and I would say a little more about that in a moment, but it is quite incredible that in the year 1972/73 - I think it was the last year of the last administration, the last Government has gone out and the new one came in in the middle of the year - the spending in 1972/73, when there had been this tremendous impetus put into development, was £3½ million and today for the current year under review it is only £2.9 million - some £660,000 less than there was in 1972/73 and 1973/74, despite, Mr Speaker, inflation, despite increased costs of everything, very substantial increased costs of that year. And that shows a slowing up in the economy which must have profound effects on the ability of the Government to run Gibraltar with the present level of taxation for much longer. It must have its effect and this I think is reprehensible and is possibly the main indictment I would say against the present Government. It is the slowness with which it has dealt with situations. We had the Minister for Labour refer in his speech to the 1972 offer of 40p which was laid on the table the very day the Government took office. Well we also know that when the general strike came in August 1972, 3 months later, the Government had not moved from that position. At least if they found it was so unreasonable they should have moved. It was the "wait and see Government", that is a good name for it! "The wait and see Government". They just waited unseen in 1972. In 1974 we were subjected to four months of go-slow before the thing was settled. And it is being the same with development, I think, it has been slow, there have been lots of pious expressions, optimistic projections put forward by the other optimistic Minister for

Economic Development, who every Budget tells us all the things he is going to do, what is going to be done and so forth in the year before us, and none of whose projections have in fact been justified for at least the period of two years. No protection in the year under review has been justified. The only development that has continued at full point I believe and has kept the impetus of the previous administration has been the Varyl Begg Development where the money has been going and the building is going up although the Minister for Housing did refer to a slowing of progress.

But everything else, Mr Speaker, has slowed up, the Tallus Quarry does not exist; last June we were going to spend £150,000, in the next year under review estimate is only £100,000; the Girls' Comprehensive School we had a notion here on it, we had the Minister telling us about the plans and so forth, now we find that for 1976/77 less is being budgetted for than was budgetted for in 1975/76 and was not spent. And then we are told that another major development set down for 1976/77 is £ $\frac{1}{4}$ million for filling up the jetties in the port. And again, Mr Speaker, we find that the scheme has only just gone to the United Kingdom for their approval, so we know the money is not going to be spent.

Now, where I think the Government has gone wrong is that they have not been realistic about their appraisal of situations, they have not been realistic about what they can and they cannot do, and in projects such as the Girls' Comprehensive School, where apparently they envisaged lots of difficulties, they should have had other plans going for other schemes, but keep the impetus of development up because that is the only thing that justifies high spending in the Public Works Department, or one of the big things that justify high spending in the Public Works Department. There is something wrong where you have a Public Works Department whose expenditure increases every year quite substantially, who take on Architects, who take on Surveyors, who take on additional staff but who every year seem to produce less in the Improvement and Development Fund, produces less result for it.

There is obviously wastage of public funds there. If the Department needs people, it needs more technicians, give it to them, but produce as a result, let us have some of the results, let us have it in concrete achievement and in concrete expenditure. This Government goes out of office, Mr Speaker, with very little concrete achievement in development except the Varyl Begg which was about to start when they came into office. But in concrete achievement Mr Speaker, very little.

Now, Mr Speaker, I do not think I really want to say very much more except possibly to refer to the speech of the Honourable Mr Montegriffo the Minister for Medical and Health Services when we talked about the political situation in Gibraltar and said that what we had to have in mind was Gibraltar and its good, and its development and its progress. Well, we thoroughly concur with that view, that what we must urge on both sides, what we must seek on both sides of the House in the development

of Gibraltar is having among us a community that can work and live and enjoy life together. This we would agree with, but, Mr Speaker, to achieve this everybody, everybody has to play his little part, and in our view the part the Opposition has to play in this is to try on occasions to bring situations that go for this. We have intervened on a number of occasions, a small number of occasions, when we had felt that the state was in danger in general terms and we have successfully.

I think we have sought during this Budget to show that there is a need for the Government's negotiations on Scamp to be brought to a speedy conclusion and that the Government had the ability and the capacity to be able to do so. We are glad if our interventions have at least resulted in a greater sense of urgency on the part of the Government to settle the Scamp negotiations.

We have also seen it our duty to point out, Mr Speaker, the slowing down, the considerable slowing down in developments that there has been during the life of this Government, and this is something that must alarm people. And we also felt it our duty to tell the people of Gibraltar that with a Government that has taxed so heavily for three years they must not think that because they have not taxed this year their pattern of Government will not be renewed if they elect them back in again next year. In other words that they must not be fooled by the lack of taxation measures this year. This has been a clear deliberate political step to influence the outcome of the elections.

The only sad thing as far as the people of Gibraltar are concerned is that the taxation measures the only taxation they have had they must stick with because very few Governments reduce taxes. This Government obviously gave very serious consideration to do this, Mr Speaker, but they could not go further than the elimination of the penny stamp from receipts and the increases in tax relief for that particular section of the community which of course we all welcome.

Well, Mr Speaker, I think I have covered most of the things that we wanted to deal with and we trust that the Government will take due note of what is being said on our side of the House.

MR SPEAKER

If there are no further contributors I would ask the mover to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, by my reckoning something in the region of one third of a million words have been spoken since the House resumed a week ago. By any test that is enough, by some tests, too many, and I certainly am

not going to attempt to vie with the rhetoric, the dialectus with which we have been, shall I say, almost overwhelmed. I shall, therefore, attempt to be as brief as I can and to the point.

Mr Speaker, I would like to deal with what I am going to describe as the question of the accuracy or otherwise of Government estimation. Now it is perfectly fair criticism, perfectly justified, fair comment, to criticise the Government for lack of accuracy in its estimation. It is perfectly fair to criticise the estimates for being conservative or over-conservative, but it is quite a different matter altogether, and this is where I think the Honourable and independent member debased what was otherwise a valuable contribution, debased that contribution by alleging that the Government in its corporate capacity, the Honourable and Learned the Chief Minister in his personal capacity, my predecessor in his personal capacity, and I myself had deliberately as a matter of policy manipulated the estimates for purely political ends. And I think, Mr Speaker, as I said, to do that in relation to the otherwise valuable presentation was thoroughly to debase it.

Now a good deal was made of the fact that over the last three or four years the Government - and if you go back four years it is not only this Government but the previous Government as well - this Government has estimated originally for a surplus that has then been revised and then in the actual outturn we have had a different result. That is fact, but I think that that is no more than is to be expected and I would just draw the attention of the House to the fact that in pretty well all the presentation on the accuracy or otherwise of the Government's estimates, the Honourable Mr Bossano as far as I recollect never once referred to what was happening on the expenditure side.

Now, you cannot in all fairness look at the ^{cut}turn of the financial year in comparison with either the original estimate or the revised estimates and only look at what happened on the revenue. You have also got to look at what happened in the expenditure, quite obvious. Now we find in point of fact in 1971/72 there was a revised estimate, or at least a revised estimated surplus or deficit, of a surplus of £14,000. In actuality that turned out to be a surplus of £120,000. And if you take the turnover for the year, and that means that you have got to consider both the revenue and the expenditure, that was in error of about 1%. Again that is not bad. It was not quite so good as the following year because a revised estimated deficit of £284,000 was converted into a surplus of £7,000. An error of 2½%. So overall in these two years, budgetting in terms of the out turn of the year was quite good, it was an average error of the order of 1¼%. 1973/74 the revised estimate was a deficit of £223,000 turned into a deficit of £19500 and that's pretty accurate. 74/75 a deficit of a revised estimate of £187,000 was turned into a surplus of £137,000, not too good, an error of 1.85%.

Now when you consider that these surpluses or deficits which are projected are based on a turnover today of something of the order of £17½m. I think that the difference between the surplus or deficit

estimated at the time the estimates are revised, and at the time when all the accounts have been closed and everything has been brought to account of that order or error, is not at all unreasonable. And as I am quite sure the Honourable Mr Bossano will admit it is of course extremely easy and a great deal of profit can be made out of it, to be wise after the event, but it is a very different story to estimate some of these things, and they are important things before they happen. What perhaps Honourable Members on the other side of the House may not realise, especially those who have not been in office, it is that so far as the expenditure is concerned a considerable amount of payments are made in London on the Government's account in London. Some, also, of our revenue receipts are received in London in the Crown Agents. Those payments and those receipts we do not receive for at least a fortnight, in some cases it is a month, and it comes to us in the form of an bastract which then has to be allocated and posted to our own account. It is therefore quite frequently six weeks and sometimes more before our accounts here show up what has happened two months previously, and that makes it very difficult when one is estimating to pick up at an early stage a trend, either upwards or downwards, or correct an estimate which has previously been made on the basis of a situation which existed two or three months before. Then again I think the House must recognise that the original estimates overall, including the revised estimate for the year ending, are put together roughly between two and a half and four months before they are brought to the House, and there obviously has to be a cut-off point after which it is not possible, even if one becomes aware of new evidence, it is just not possible to correct the figures which are presented to the House. It is all very well for members on the other side to criticise, they are perfectly justified in doing so, but I think that their criticism must at the same time to some extent be tempered with the actuality which faces people on this side of the House who are required to make an estimate of what is going to happen, to make some kind of assumptions about things which could alter the estimates on the basis of such facts as there are.

As I say, I think that if the margin of error between a revised estimate and an actual estimate is as little as the figures that I have used here show, I think quite honestly that is a reasonable, I will not say it is good, but a reasonable level of estimation.

HON J BOSSANO

Will the Honourable Member give way. Mr Speaker, it is all too easy to aggregate the total revenue and the total expenditure and then to tell the House that the marginal error has been made in the total. But as I quite clearly stated originally, what is unexplainable is how in the body of the estimate there can be revisions of the order of 40% and 45% and 33%. If the estimating is done at that level then in global if there are 100 figures, Mr Speaker, of which one is revised by 50% and 99 are not revised, the revision on the total may be of the order of one or two percent, but still that does not explain why the one figure out of 100 that has needed revision has been revised by 50% and the other 99 have not been revised at all, and that is what happened.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I thank the Honourable Member for his as usual valuable interruption. I would like to deal with some of the particular points which were raised. One of those, and I think this was perhaps an area to which he was just referring, was the question of the Currency Note Income Account. Unfortunately the figures that he used were not in that part of his address which was printed and circulated, but I think, and he will undoubtedly correct me if I get it wrong, his point there was that we made a revised estimate for 1974/75 of £190,000 and yet the actual receipt was £253,000. Now, he asked, and again he asked quite properly, why that was so, because it is a large margin of error on one particular item.

The main reason, I am not saying, Mr Speaker, it was the only, but the main reason was a large increase of something of the order of £400,000 in note circulation during the last 3 or 4 months of 1974/75, and it was this that was primarily responsible for the increase of the actual receipts as compared with the revised estimate which was made on the basis of facts not then known to us. And here again I come back to what I said a moment ago that even where facts do become known after the estimates have been prepared, at a certain point it is no longer possible to correct them.

Now, another question which he specifically tackled was that he said it was not clear how interest under Head 8 was computed. We are talking now about the Consolidated

Fund. There are two elements, first of all there is of course the actual receipts by way of interest from the investment of Consolidated Fund assets. They, as he quite rightly pointed out, should be easy, or relatively easy to estimate, and they are. As at the 31st of January 1976 Consolidated Fund investments were £1,074,000. The question then is, bearing in mind the fact that there is fluctuation and there is movement on the actual contents of that investment portfolio, what sort of interest rate one should allow. That is a matter of judgement, and my judgement and the Government's judgement and the Honourable Mr Bossano's judgement may be at variance, but that does not mean necessarily to say that either is wrong. We have used for that purpose a figure of 8.5% which if my arithmetic is correct - I might be corrected on this by Mr Bossano with his calculations - gives me a potential receipt of £92,000.

We now come to the second area, and this is a very much less clear cut area. And that is the interest earned on the Gibraltar Government - I am not going to call them investments but deposits, in the joint Consolidated Fund. These deposits fluctuate quite wildly because what happens is that payments of Development Aid are made first of all to the Crown Agents and are placed on deposit. They are made against our claims and our claims are made in advance for the Quarter coming on, but we cannot draw that money out of the Joint Consolidated Fund and bring it into revenue in the Improvement and Development Fund except to reimburse expenditure which we have undertaken on capital projects. There is therefore no possible way in which you can estimate over a year in advance just how long monies are going to stay in the Joint Consolidated Fund and therefore earn interest. And it is not by any means unusual to find that the Government for one reason or another has overdrawn the Joint Consolidated Fund and therefore you have interest working in the reverse direction.

Now, the actual collection, because the Honourable Mr Bossano was looking at 1974/75, the actual collections in relation to the year 1974/75, at the end of the year, 31st December 1974, was £94,000 but the amount which was brought to account during the last three months of the financial year at the beginning of 1975, almost entirely as a result of activities on the JCF was £155,000. Now, if one assumes that the original estimate - this was not one of mine - but a reasonable assumption was made on the basis of what the actual was at the end of the December, I think that it is very unlikely that anybody would have been able

to estimate that something like another £150,000-odd was going to come in during the last three months.

Now in 1975/76 the actual total at the end of February, and this is the very latest we can get, is £144,000. The interest, which is more incidentally than the corresponding figure on which we originally based the estimate of £155,000. The interest on various stocks which will come into the account during March is £21,000, so that is £155,000, and there must be some money, I cannot say how much and nobody can in relation to JCF deposit, so I can say here and now that the estimate for 1975, the revised estimates 1975/76, which we had put on the best evidence available to us at the time we made, of £155,000, is going to be exceeded certainly by some £10,000, and possibly be as much as £20,000. And this is the kind of problem that as I say is very easy to see in retrospect but nothing like as easy to see when you are actually faced with it.

Now in 1976/77 as I said the nominal value of stocks in the Consolidated Fund is £1,074,000 and we are thinking that that will yield, taking into account a switching 8.5% giving us 92, and we have allowed in working out our estimates for next year of £155,000 we have allowed some £63,000 as being the interest which we have got on the consolidated fund. So at this stage we are estimating another £155,000. It may be more but it could be less.

HON J BOSSANO

Mr Speaker, could I ask the Honourable Member a question?

MR SPEAKER

If he gives way.

It is his prerogative to do so or not.

HON J BOSSANO

Thank you, Mr Speaker. Can the Honourable Member tell the House how it is that page 3 of the estimate shows that the investments in the Consolidated Fund a year ago were £1,214,000 and he tells us that now a year later in March 1976 the investments in the Consolidated Fund are down by £200,000 and nevertheless the balance in the Fund according to page 4 has in fact gone up to £2 $\frac{1}{2}$ n. Is he saying then that there are £1 $\frac{1}{2}$ n in cash deposit?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I cannot answer that at this moment but I will if I can

by the time I finish when I shall have some information from my advisors.

First of all, Mr Bossano, was correct when he asked whether or not the difference between the figures in the estimates and those in the Notional Accounts were due to the fact that one was based on billing and the other on actual receipts. That is definitely the case.

He also enquired whether the increase, and I think he was referring to the increase at Appendix J, I think, was due to the increase in the revaluation of properties. That again, Mr Speaker, I can confirm. The Notional Account shows a difference of £102,210 as between 1975/76 and 1976/77, and this is as a result of the revaluation arising from rent reviews and a larger number of properties. Government properties account for some £90,000 of this, that is to say £94,000 on housing and some £4,000 on other properties. The remaining 8% in the estimate is due to private properties.

Now another area in which the Honourable Member was perfectly justified in raising criticisms, and I think he picked the electricity

MR SPEAKER

Will this be a long explanation because we might perhaps recess and come back.

HON FINANCIAL AND DEVELOPMENT SECRETARY

The explanation might perhaps be a little too long I think, Mr Speaker.

MR SPEAKER

Then we might recess now until 3.15 this afternoon.

The House recessed at 1.00 p.m.

The House resumed at 3.25 p.m.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, Sir, when we recessed I was about to say something about

the electricity, in response to a question which the Honourable Mr Bossano had raised during his statement. But before that he had asked me a question about the valuation of Consolidated Fund investments which I am now in a position to answer, having looked at the books over the lunch time. However, I will leave that, I will not say anything about that until the Honourable Mr Bossano comes in.

However, there is one thing I would like to say

MR SPEAKER

There you have him (referring to entrance of the Honourable J Bossano).

HON FINANCIAL AND DEVELOPMENT SECRETARY

A most appropriate stage entry, if I might say so.

So if the Honourable Member is comfortable and is receiving I will now say what I was about to postpone. And that is that he intervened to ask me about a difference, an apparent difference, of some £200,000 in the value of Consolidated Fund investments as between the 31st of March 1975, and the figure I gave as being the 31st of January 1976. First of all we must be quite exact about which valuation we are talking about, and he will undoubtedly either nod or dissent.

The figures he quoted were £1,214,982 which is shown on page 3 as being the market value on the 31st of March 1975. Of course on the 1st of April 1976 when we go into the new financial year it is the practice that that market value then becomes the book value. So we are talking from now onwards of the book value. Having got that out of the way I can say that the figure I gave this morning was not the book value of course, it was the nominal value. So I must correct that figure.

The corresponding figure for the 31st of January 1976 is £1,036,000, the figure I gave this morning as £1,074,000. That still leaves us with something of the order of £200,000 which the Hon Member asked to account for. Well to account for it in detail I would need to produce ledgers and goodness knows what else, but in general terms it reflects the sales of Consolidated Fund investments which have been made necessary primarily by virtue of the fact that the Improvement and Development Fund has borrowed from the Consolidated Fund during the course of the year to finance ongoing development projects. There are two reasons for that borrowing. The first one obviously is the fact that the year's programme on the Improvement and Development Fund was, it was hoped to be financed by some £500,000 of local borrowing. That local borrowing, as the Hon Mr Peter Isola has already suggested, did not in fact materialise. The approximate figures which I was able to obtain in the recess was that we managed to get something of the order of £120,000 from the smaller of the two debentures, leaving us with a gap of £380,000 which has had to be financed as the year has gone on to keep liquidity by borrowing from the Consolidated Fund. The other area of course is this delay, this time lag, which occurs between the time that we get monies granted, Development aid monies from the Ministry of Overseas Development, and in relation to the rate at which we spend it. There are unfortunately lags and leads on this and in many cases it is necessary again for the Improvement and Development Fund to borrow against the Consolidated Fund pending subsequent reimbursement. All that, taking the nine months, has resulted in, or I should say there is one very important area, where we have yet to be financed, and that is of course the excess expenditure which has been incurred, and is continuing to be incurred on Varyl Begg. That excess expenditure over the original estimate approved by the Ministry of Overseas Development, has not yet been approved itself. So that we have been financing current work on Varyl Begg again by borrowing, and that sort of borrowing has had to be the Consolidated Fund. So taking all in all the difference of £200,000 which the Hon Member queried this morning, is accounted for in general terms by sales, actual sales, of consolidated Fund investment in order to provide the necessary liquidity.

Having said that, Mr Speaker, I am going to tell the Hon Member that I am very sorry about this, but at this time the question which, assuming as I do that it is sincerely directed to the ascertainment of information, is extremely distracting when one is looking through notes and figures and so I hope he will forgive me if I stand on my right and do not give way to further interventions because one of the interventions this morning made me fail to round up what I was saying in general about the accuracy or otherwise of Government estimation, and I think the House might care to look at or consider the Government's estimation in relation to those matters which are entirely under its own control here locally, this is a matter in which the Crown Agents or the United Kingdom Government do not enter at all, where there is no question of money being placed with the Crown Agents or money forthcoming from the Ministry of Overseas Development against claims which is brought into account only on reimbursement. I am going to refer to two items, customs and the Municipal Services.

If Hon Members would adopt the information in front of them, they can refer to the actual publication, but in 1972/73 an original estimate for receipts of Customs Duties insertion was made of £1.57m. That is revised downwards, when those Estimates were revised to £1.55m and the actual receipt was £1.5697, so that all the way along the line there was closed estimation. Similarly with Municipal Services, the revenue from them.

The original estimates in the same year was £1.532 revised down to £1.488, and in the event we got £1.578. So again working in very close margins. A similar picture in 1973/74 and again in 1974/75. I am not going to bore the House by reading out long strings of figures. I will just mention 1974/75. The original estimate was £2.068 that was revised to £2.151, I beg your pardon it was revised to £2.150, and in actual fact we collected £2.151. Similarly, Municipal Services, original estimate £2.353, that was revised down significantly to £2.034, and in the event the collection was £2.026. Now, when we recessed I was about to say something in relation to the Hon Member's question on arrears, of electricity, and I think and we will undoubtedly again indicate that I have got it right, he will be saying "look in 1974 there was difficulty over getting bills out and this was reflected in the Draft Estimates, there was some £200,000 less than had originally been estimated". And he said it would seem logical that that ought to have been carried forward into the following year because those would be arrears which in the following year one would have expected to pick up. Well let me say straight away that I cannot refuse the logic of that because it is entirely logical and I myself would have expected that the year's, the following year's estimate would have shown, and I cannot explain at this stage, I simply cannot explain why that was not done. However, what I have done is I have got my advisers, to whom I owe a considerable debt to look at the incured figures. Now, we go back to December, 1974 where the arrears - and I should say here that of course an electricity bill or a water bill becomes an arrear the moment it is issued. So you have got genuine current arrears and you have also got what I presume is what my predecessor was referring to, arrears going back several months. The difficulty of course is to trace those that went back several months, and follow their course year by year and see the extent to which they have been repaid now, and this is a major exercise because it means analysing literally analysing, every single outstanding bill and tracking it back to see whether in fact it was the bill and if so whether it was the same bill or whether it was a lesser bill or whether it was a greater bill, than it was two years ago. However, all I can do is to produce some figures on the general arrears position first of all in December, 1974. I will use electricity because I think that was the particular one to which the Hon Member was referring. The total arrears as at the end of December, 1974, was £299,000. By March 1975 that had dropped to £225,000. By June 1975 it went down to £193,000. It is dangerous and the Hon Member indeed other Hon Members on the other side of the House could rightly accuse me of drawing conclusions where there is no particular evidence for doing so, especially in view of what I have said, but I think that it would not be unreasonable to suggest at any rate that because you have that falling trend by £100,000 of arrears during that six months period, that a proportion, perhaps a considerable

proportion of I think he called it "untoward arrears?"

HON J BOSSANO:

"Untoward abnormal arrears".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

"Untoward abnormal arrears," thank you, as at December were recovered during that six months period. Unfortunately, so far as electricity is concerned, the arrears position at the end of 1975 had worsened and it was up to £329,000, but that, as I think I explained in the course of an answer to a question in this House earlier this year, we did run into problems with billing over the last 3 months of last year, bills were not sent out, this was due to difficulties and the supply of paper for the special machines we have, and as a result the £329,000 at least to that extent, is explicable. A similar downward trend in the arrears position is visible both in relation to the general rate and the potable water sales and the telephone sales. Telephones, for example, at 1974 December was £68,000 and by the half year it had fallen to £43,000 and was down still further in September to £40,000. So once again the extent to which the disruption of making out bills and delivery, postage and so on, was responsible at the end of 1974 for abnormal arrears. I think as I said, it is not an unreasonable assumption to assume that a proportion, and probably a significant proportion, of those abnormal arrears, were collected in 1975. Another question which the Hon Member raised in relation to electricity if I understood him correctly, he queried the difference between the figure of £1,080,000 which appears on page 91 of the Estimates and the figure which appears in, I think, the electricity in the Revenue Estimates under Municipal Services of 1040. The figure of 1080 is based entirely on the estimated generation.

Now as I imagine most Hon Members know, there is always, and it is something of the nature of electricity, a loss or a difference between the number of units you generate and the number of units which you actually supplied to people who then switch on. In the main these losses are purely technical, as I say they stem from the nature of the electricity, and I think are generally described as line losses. This is the explanation of the difference between what appears in the notional accounts and what appears in the estimated receipts. Finally some other figures may be of interest to Hon Members in relation to the general question of estimation 1975-76. The revised estimate for electricity is £1,023,000; but as the latest date I have been able to get which was earlier this month, we have only received £957,000. So it looks as if the revised estimate in this case is not under but over, and it could be over by perhaps something of the order of £50 - £60,000.

Similarly, with General and Brackish Water Rates again the revised estimate is £911,900 and the actual, as far as we can get it is £893,000. We are not going to pick up that difference as far as I can see and we may end up therefore with another estimate where the revised estimate of revenue is not

less than we actually got but is more. In fact it is not going to be met.

Well, Mr Speaker, I want to turn on now to something which occupied the Hon Members on the other side of the House at some length and which I can only perhaps describe as prospecting for gold. When I thought about this afterwards, reflected on it, I had a mental picture. In that mental picture I saw the Hon and Gallant Major mounted upon a large and exceptionally noisy bulldozer thrashing about in all directions prospecting for gold. He was followed by a much smaller gentleman, I think he probably had on a solar topee, he was certainly armed, Sherlock Holmes fashion, with a magnifying glass, and he was sort of turning over every stone looking for this mythical gold lodestone, shall we say and with a beatific smile on his face, he located it under the Post Office Savings Bank. He said that the Government could have chosen to do so, have transferred during the financial year 1974/75, the surplus which subsequently, and we have never denied this, arose during that year. He said we could have, if we had chosen, transferred that during the year of account. Of course that is fair comment. But unfortunately, he went on to say that this was quite deliberate, that this was in order to keep down and to depress and to give a false impression of the Government's financial position for purely political ends. I think we have said enough about that, but the point I want to make is this: that whatever may be the interpretations of Section 13(2) of the Post Office Savings Bank Ordinance, vis a vis subsection (3) in the same section, the practice has been, for many years, and it was certainly the practice since I have checked it, and it was certainly the practice during the years of office of the previous administration, that no advantage and it is not a mandatory Section, it is discretionary, but no advantage has ever been taken or no use has ever been made of this particular subsection. It has been the practice to transfer the Post Office Savings Bank, the surplus arising in a given financial year in the following financial year after the accounts have been closed. Hence the amount transferred in respect of the year 1973/74 was the amount which the Hon Member quoted £59,600. I am coming back to that in a moment because there is a little point that I know he is itching to ask me about. Hence the amount transferred in 1975/76 accrued as the Hon Member was perfectly correct in saying, in the previous financial year. But the fact that it was not transferred in the year of account is simply the practice which has been adopted, as I said, for many years. I am not at this stage going to make any value judgement whatsoever on that practice whether it is a good practice or bad practice or anything. I merely state a fact. Now this figure of £59,600.

I think the Hon Member himself pointed out of course that it did not accord with the figure in the Estimates which is shown as £59,626. He may be able to derive some what shall I say cynical pleasure at the thought that the location of this £26, was pretty well the entire output of an entire Sunday's work, only to find that it is a misallocation. I have here the actual voucher which for some completely inexplicable reason, since it refers to sundries and other things received into the PWD, was credited in the Government's account to the Savings Bank. Please do not ask me why but it is a fact and here it is and it is all ticked off and it is beautifully in order, apparently but no it was brought into account in the Savings Bank. It has, I am reliably informed, alr

already picked up by the audit and therefore of course when the accounts are closed there will be an adjustment to a more appropriate Head of Revenue. It certainly does not belong in the Savings Bank, and the figure of £59,600 is the correct figure, it is the audited figure and that is the correct figure which of course must be and will be reflected in the audited Government accounts for the same year. So, as I said the Hon Member may chuckle at a number of senior officials with red towels round their heads and paper all over the room trying to find this wretched voucher which eventually was dug out of archives and there it is.

Well, Mr Speaker, we have heard an enormous amount this morning about Scamp and I do not propose to add very much to it. I do however want to add just two things. First of all I want to make it, with what I have said and what the Hon Member has said in his criticisms of the accuracy of Government Estimates, and I think it is quite obvious, that what I shall say in a minute in relation to this, it is quite obvious that had the Government even wanted to show under each head of expenditure the possible cost of a Scamp award, they would have been misleading the House, and subsequently I am quite sure the Hon Member would have been on his feet and he would have accused the Government of misleading the House, and he would have been 100% correct.

The Hon Member did some approximations. I think he will forgive the word, he made certain perfectly logical assumptions, and he came up with the figure which he said was, well you know, more or less, thereabouts, what the review would cost the Police. He was I think only talking in terms of the on going year 1976-77. He was not taking into consideration any of the arrears, etc. Of course, that is fine, but there is no point in putting in the Estimates for the current financial year only the cost attributable to current salaries during the course of this year, because if indeed, when the settlement is made, not only wit people who receive salaries at the higher level but of course they will have to receive their arrears and that must also fall in the current year. So he did not attempt that. But I can now say, and this is a provisional estimate. Work is still going on and there are certain areas where further refinements undoubtedly will be necessary. I will mention one big one in a moment, but so far as the arrears for the Police are concerned we now estimate that for the period 1st October 1974, to the 31st March, 1976, including adjustment on overtime, and this is where there may still yet be some refinement, in round figures the figure is £145,000. In 1976-77 including taking into account of the upward adjustment in October 1976, we estimate the cost to be £221,000. Again overtime is the area where of course it is impossible to be absolutely precise.

But I am going to stop there for a moment because I am going to draw attention to the difference between £231,000 and the Hon Member's £142,000. In doing that I am not criticising him because he approached the problem perfectly logically, but what I am saying is that if the Government had made some similar perfectly logical basis of estimation that the Hon Member made in relation to all wages,

bearing in mind that for the purposes of this kind of exercise the Police is a very easy one for the simple reason, with the exception I think of 3 or 4 posts, that it is all Police. It is all one complete settlement. But consider Education. I do not know how many different kinds of agreement will affect the totality of the staff of the Education Department. It becomes a vastly more complex operation.

However, if you simply compare £221,000 with the Hon Member's £142,000 you have immediately got an underestimate of £80,000. In reverse, precisely the same kind of error that he was complaining about in terms of Government estimation. By the way these are gross figures, they are not net figures. As we all know there is an element which is not being financed. It is financed, in relation to the Police from MOD. This was put in terms of both arrears and current payment as £142,800 - I think we might call it £143,000. We also have done a calculation of the total amount of income tax which of course falls on the addition from the 1st of April 1975, to £91,000. But this is not quite the full bill because it has been agreed, as Hon Members know, to provide rent free accommodation to Police Officers and officers living outside official accommodation will receive an allowance in lieu. The cost of this improvement in the conditions of service, which follows the United Kingdom conditions for the Police, has not yet been finally established. All we can do at this stage is to say that it may cost something in the region of an additional £25,000 in the full year.

The other aspect of Scamp which I just want to refer to very briefly links up with that. You know listening to the complaints from the other side of the House about not knowing what the financial position was and so on, really and truly they got themselves into a position where they could not see the wood from the tress. And when the Hon and Learned Mr Peter Isola started this morning, I thought, at last an Hon Member from over there can at least see the wood. But no, he promptly got himself lost in the forest.

The figures I gave which was that - we will not go into the details because it would be really repetition - an order of magnitude overall of £1.3m net. Now if you deduct that from the total reserve, which is on page 4, you come back to £1.7m and that in a nutshell reflects what this Government considers is likely to be the total financial picture after the implementation of the various agreements.

I cannot see, I am sorry, but I cannot see that that does not present, a perfectly clear picture of how the awards when settled are going to affect the finances of Gibraltar. I cannot see what additional information, other than the obvious one of it being nice to know just how that figure is going to be divided up. It will not be the £1.3 m of course that will be divided up. It will be the £2.7 m. If all adds up to turn out the picture, but in terms of let us call it national finance, the picture is £3 less £1.3 m i.e. £1.7 m and this is why I say, that with respect to the Hon Members and I do respect them, they did get themselves terribly lost in the forest.

Mr Speaker, there are one or two odd things that I would just like to mention before I close. I have noticed down here if I can find them in this great volume that I have compiled them. I think the first one concerns the Hon Leader of the Opposition. He did mention something about the reserves but I think I have answered that in relation to what I have just said. But he also said on page 9 of my statement, it will not be page 9 of yours by the way, it will be page 9 of mine.

HON M XIBERRAS:

Mr Speaker, my first question is what does the Financial and Development Secretary consider to be an adequate level of reserves for the coming year.?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I will deal with that when I have dealt with your other points. The one I was going to deal with, he quoted a passage which appears on my version of page 9 but it is a special reading version, so it is not your page 9: We must also bear in mind in its battle to reduce inflation, the British Government has allowed real incomes to fall as not wages increased more slowly than prices and unless next month's budget introduces a change of policy no reflectionary steps have been taken to reduce unemployment from its present records postwar level. Taken together these facts could make themselves...." No, that is not the one I beg your pardon, Mr Speaker, it is further down: "If" this is talking about the reduction of British Government expenditure, "these proposals involve a structural shift towards investment in industrial growth and an overall reduction of three billions by 1978-79 in other programmes, hardly any programmes have escaped unscathed and it will be surprising if a cut of this magnitude did not have some repercussions on the level of the United Kingdom spending in Gibraltar at some stage". That is the quotation, I was searching for and I think he asked what I had got in mind? I have nothing specific in mind, but it does seem to me that where a government such as Gibraltar's depends to such an extent, on development aid for example, on United Kingdom funds, it does suggest in plain common sense that there might - I am not saying there will - but faced with three billions to be cut out of public spending programmes in the United Kingdom, I must confess that personally I find it a little difficult to see how, in some way or other, some of the funds, for example, under the overall global total which is made available for aid throughout the entire world, is not affected and if that is affected, again it is plain common sense to wonder, no more, to wonder, whether or not at some stage we might not find it perhaps just a little harder to persuade Her Majesty's Government to finance some of our, not perhaps quite such obvious social projects. And then again there is the question, we have the United Kingdom's own defence spending right here in Gibraltar. No, I have no idea, Mr Healy has not told me how he proposes to apportion his defence expenditure cuts, but we have all read in the paper that

he does not like defence spending anyway. This is quite obvious, the entire Government despises it, and if defence spending is to be cut, surely it is only plain common sense to wonder whether or not Gibraltar, which is a part of this spending, may not in some way be affected. I mean no more than that. I have nothing specific in mind.

The Hon Member Mr Xiberras has kindly reminded me when he asked me what was my view on reserves. I detect the trap. I believe that my predecessor last year got himself into a certain amount of criticism dispute, over what was and what was not an appropriate level of reserves for Gibraltar, and I think I said, I am not going to turn it up now. But I think I said in my Budget statement that the level of reserves is a matter of judgement. There is no formula, there is no mystical relation between the total Government spending and the totality of its reserves. I do not know whether my predecessor thought differently. Well he may have done because this is a value judgement. It is a judgement which each and every Financial Secretary probably has somewhat different views on. All I can say, and I think my predecessor said this too, is that long experience of this kind of financing has settled, I am going to use that word quite deliberately, has settled on a figure of 25%. That is the judgement of experience. It is not necessarily the right judgement in all the circumstances, and much as the Hon the Leader of the Opposition I am sure would wish me to do so, I am not going to express my judgement in terms of hard figures because I know full well that from now and as long as I am in Gibraltar those figures will be heaved and hurled back at me. All I am going to say is that if I were thoroughly dissatisfied with the level of reserves relative to our expenditure, and relative to our revenue, I would have advised my Hon Colleagues that they better do something about it. That they better either reduce expenditure, which is perfectly possible and is perhaps the most painless way of adjusting things, a much more painful way, as the other side would be only too ready to point out at this juncture of increasing taxation. But the point is I did not so advise then, and consequently the Hon Mr Xiberras must rest content if he is able after that, with those words because I am not going to quantify.

Now, Sir, I think I can dispose of this one first. I covered it in many respects. It also links up with what the Hon the Leader of the Opposition said. I must not be critical because he is not here. But really to open the bowling with the Hon and Gallant Major, the Hon the Leader of the Opposition was not even first change, I think he perhaps regarded himself as the stock bowler, and I must say in a good deal of what he had to say, particularly in relation to matters that I have dealt with over Scamp. His deliveries were not really very much more accurate. But I think we can sort of leave it at that. However, one of the areas which has proved the most critical in this whole debate, and I say the most valuable, when one regards it as objective criticism, I qualify this because I think unfortunately there was a subjective purpose behind it, but objectively the criticism of Government's general estimation, the lack of information in the Estimates, the reasons why this and why that, and the disparity or apparent disparity between figures here

AND figures there, that was a valuable contribution, and it is the kind of contribution which one must expect in any Budget.

Now accuracy, I would be failing in my duty and therefore I would involve the Government in failing in its duty, if it did not make available to the House information which is now, and only now, long since the estimates came before the House, indeed since we started the debate, become available to the Government in relation to Revenue. The figure for the revised Estimates I think, for Income Tax in the Estimates is put at £3m. We have ascertained, by reference to London, whether there has been any receipts in London in respect of Income Tax, and we have been told that there are. This has not yet been got into our account, so from the point of view of looking at the book in the Treasury, they are not yet there but they are in the Government's account in London, and they amount to £234,000 and they will be brought to a account this year. In addition to that I have asked the department concerned to give the very latest figure that they can of actual collection as at the 26th of March and they amount to £260,000. Finally Government servants salaries are now in course of payment and the PAYE to be deducted from that amounts to £46,000. These are approximate figures, they are not meant to be dead accurate. So therefore the estimate in the revised estimates for 1975-76 "Collections from Income Tax" will appear in the printed Estimates as the revised figure of £3,530,000 and the associated statement in the Estimates will be corrected. Thank you Mr Speaker.

Mr Speaker put the question which was resolved in the affirmative and the Estimates of Expenditure for the year 1st April 1976, to the 31st March 1977 together with Appendix G were passed.

(2) THE IMPROVEMENT AND DEVELOPMENT FUND 1976/77.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that this House approves expenditure in 1976/77 of £3,914,841 on the Improvement and Development Fund for the purposes set out in Appendix G to the Estimates of Expenditure for the year 1976/77. Mr Speaker, Sir, I do not intend to make a speech on this because this resolution stands in relation to the Improvement and Development Fund in precisely, in my view, the same way as the Appropriation Ordinance stands in relation to the current expenditure. In other words it gives effect to approvals which this House has already given to the Estimates in Appendix G.

MR SPEAKER:

By which you mean of course that the expenditure has been approved in committee and on the previous vote. I will now propose the question which is that the House approves expenditure in 1976/77 of £3,914,841 on the Improvement and Development Fund, for the purposes set out in Appendix G to the Estimates of Expenditure for the year 1976/77.

HON A W SERFATY:

Mr Speaker so much has been said about slippage.....

MR SPEAKER:

I presume what you want to say is the fact that you did not take part in the other debate.

HON A W SERFATY:

That is quite true.

MR SPEAKER:

Isay this not to deter you but to deter any other member who would of course be entitled to say anything he wants, but of course the rule of repetition would be equally enforced.

HON A W SERFATY:

I am fully aware that I cannot speak on tourism now and that I have lost my chance, but I think I have a duty and a right to offer some kind of explanation not an apology but an explanation of this slippage in expenditure in the year 1975/76. My friend the Minister for Public Works did say a day or two ago that the slippage was mainly due to the Girls Comprehensive School not having been started, to the £150,000 for not having been spent, and the £175,000 for the Public Works garage and workshop, not having started. So that makes up roughly for the slippage of about £700,000. But I would like to explain that the kind of aid programme that we agreed with the British Government in November 1974, is a much more sophisticated programme than for example the Varyl Begg housing scheme, not that I am criticising Varyl Begg, and it is a much more difficult programme to get the necessary momentum for expenditure in say the first year of expenditure. May I quote certain dates, of even a big scheme like the Varyl Begg, on the time it took to get Varyl Begg really completed, and it is not yet completed. The Varyl Begg scheme was announced if my date is right in December 1969. The consultants report was ready in August 1970, the Consultants brief in April, 1971, the tender invitation on the 8th of November, 1971, the letter of Intent on the 6th of April, 1972, and possession of the site in October, 1972. Completion is expected in August, 1976. So this means that it has taken, excluding the extra block which forms part of the new aid programme of this administration, it has taken between 6 and 7 years to build 662 flats in Varyl Begg. The Glacis Scheme before that was even worse. The progress there was perhaps less than 100 flats a year. Let me say straight away, quite sincerely, and I am not blaming anybody, I mean the British Government, but this 3 year programme, particularly when it is a question of a sophisticated scheme, really means a

RACE against time. A race against time all the time, and this is something I am sure everybody will appreciate. One thing I would like to clear because the reclamation was discussed a few days ago, and I would like to clear, that the reclamation was not included in the 1975/76 programme. It is only this year that the first half or part of it was included and it was never our intention and it was never included in the 1975/76 Estimates, so nobody has any right to criticise that the reclamation job had not yet been stated. The Talus was included £150,000, and it has not yet got off the ground, admittedly, but of course there have been great difficulties with the Royal Air Force and Shell as I explained the other day. There is, as I said before the Public Works garage, which I hope will soon start, it is a prefabricated building, and the Girls Comprehensive School. On the expenditure on new houses, £350,000, this has been all spent in No.13 block in Varyl Begg. One hundred thousand pounds of repairs, more or less, have been carried out, and there has been slippage on modernisation where in Improvement and Development Fund it is shown that that we have spent about £82,000. My last information is, because these figures were prepared several weeks ago, that we have spent about £100,000 between £95,000 and £100,000 on modernisation in 1975/76. So there has been a slippage which has been more than compensated by expenditure in new housing in Varyl Begg. We all know that there has been difficulty with decanting. There has been difficulty with lack of staff. Even now we have not got all the Quantity Surveyors that we require, though we have got one Quantity Surveyor. It takes a long time and we have got two new architects on the staff. It has taken time to employ this staff. I do not know whether anybody questions the wisdom of modernisation. It certainly has the great advantage, now that costs have rocketed up so much that to modernise a house only costs about a third of the cost of building a new house.

HON J BOSSANO:

Mr Speaker, can the Minister give an indication of what is the life of modernised houses as opposed to new ones because if the life of a modernised house is not a third or more then in fact it costs the same.

HON A W SERFATY:

I can assure you with my professional background that the life of the modernised house is except for the roof, and the cases vary in modernisation when a roof is not up to scratch we replace it by a new one, apart from that there is no reason why a modernised house should not last as long as a new house. No reason whatsoever. It has got the great virtue too of doing something positive about what otherwise are slums. Nothing has been done about these slums, all these years and someone sometime had to do something about it, even if it means slippage because in the long run it is good for Gibraltar. When all is said and done, having said what I said about progress in Varyl Begg and Glacis modernisation of houses is no slower, in spite of the decanting difficulties, once we have gathered the momentum than building new houses. To give the House an idea of the kind of programme we have, or successive Governments have, in front of them, in the modernisation programme,

LET Me say that of the 1, 488 pre-war houses, about 917 are fit for modernisation. May I add for the information of the House that 221 must be demolished some time or other and the sooner the better, and 343 require maintenance, leaving 7 of 1,488 pre-war where nothing has to be done. Now coming to the development programme the Air Cargo Shed is virtually completed. The school for handicapped children is in progress of construction. The renovation of St Bernard's Hospital is also in progress - there has been no slippage there. We are doing Penney House. We are preparing schemes, the architects are busily doing this now, on the extension of the college of further education. The primary school at Varyl Begg I hope that soon, very soon we shall start construction of the Public Works garage. I am only awaiting the results of the Hon Mr Isola's motion. Though not reflected in these Estimates we are already preparing plans for the extension of the airport building, which is absolutely required, according to my information, if Tri-Stars are going to start flying into Gibraltar with a minimum passenger load of 275. We have also got consultants busily engaged on the Talus, on the reclamation between the two jetties and on the Girls Comprehensive School. And may I say in passing that we have got consultants too preparing now the final report on the soil investigation of the Gasworks Site. One point on tourism which I think, Mr Speaker, you will allow me to speak about, is the Marina. Because I think, referring to what the Hon Financial and Development Secretary has said about defence spending, that it is a jolly good thing that we should try and get on with the scheme that can mean something to the economy of Gibraltar. The Marina as the House, probably does not know, will bring into the coffers of the Government about $\frac{1}{3}$ of the berthing fees that yachts will pay. There will as well be a levy on every yacht that stays in the Marina and of course there will be ground rent Rates etc. But the most important facet, in my opinion, and I hope many people will agree with me, of the Marina is that it will bring people with spending power, with high spending power, to Gibraltar which is what the Development of tourism, is all about, spending money. The reclamation of course is in fact the main recommendation of the Port Advisory Board, and I say in passing that the other recommendations are being proceeded with. In connection with the reclamation may I say that the big progress we have had on contamination means that the reclamation between the two jetties is becoming really important and urgent and I know the Leader of the Opposition will agree with that. Coming back and before I finalise with the Marina, Mr Speaker, I would like to read 4 lines of the letter written by an expert of the Division of Economic Studies of the University of Sheffield where he said: "The Marina is a development which will be a most useful adjunct to the tourist industry without in any way competing with hotel based activities above all it generates considerable revenue without making large claims on Gibraltar's small labour force."

To finalise, may I say that we are trying, thanks to the new Financial and Development Secretary, to streamline the whole process of development and expenditure in aid programmes in the Secretariat. These sophisticated schemes require a lot of ground work in the Secretariat and by all those concerned. I am confident that we have done our best, may I say in passing that since May 1973, because this is all inter-linked with development, we have had 69 meetings of the Development Commission that is 2 years and 10 months which was the duration of the past administration who had 12 meetings.

MR SPEAKER:

Mr Serfaty that is controversial. You may say that you have worked hard.....

HON A W SERFATY:

And may I say that of the Monitoring Committee we have already had over 50 meetings. So we are satisfied that we have done our best, we have prepared schemes that will do Gibraltar a lot of good even though they take quite a long time to gather the necessary momentum.

HON P J ISOLA:

Mr Speaker, this side of the House was actually still reeling from the effects of the last two sentences of the Financial and Development Secretary's address which would appear to put a considerably great amount of money for the Minister of Economic Development not to spend. I am not going to repeat what I said on the Improvement and Development Fund. You will not let me say that. Mr Speaker, I think that the Minister has missed the main point or the main charge on this, and that is that the Government, despite all these meetings of the Planning Commission and so forth, has not produced the goods. This is the main charge. He referred to what happened at the Varyl Begg Estate, but the previous Government did not say in May 1969. "We are going to spend £400,000 on the Varyl Begg Estate." They did not say it till they were going to do it. What I am afraid of which this particular expenditure vote what one is afraid of and this is the reason for my reference to the reclamation between the jetties, that the Government is asking us to vote £4m to fill in the jetties when, from what we heard earlier on in the course of these proceedings.....

MR SPEAKER:

No, the Government is now asking the House to vote £3,914,000.....

HON P J ISOLA:

Yes, but that £4m make up part of that.

MR SPEAKER:

Yes, but that really we voted for before.

HON P J ISOLA:

When the Minister speaks of slippage as he has rightly pointed out, the slippage has occurred not just on the Girls Comprehensive School and on the Talus scheme and on something else that was mentioned by the Hon and Gallant Col Hoare, but on other things on which explanations have been given, but what has concerned this side of the House has been the general slippage in the development programme

WHICH from our, our way of looking at it from here, where we do not know the ins and outs of it all, would seem to indicate that the productivity of the Government of Gibraltar where improvement and development is concerned, is well below scratch and that this is shown by the considerable slippage there has been in expenditure. This is the criticism against the Government on this - this is our complaint. It is no answer to say Mr Speaker with due respect we have sympathy with the Minister for Economic Development, we think he is getting a bit tired but it is no answer to say we have done our best". Mr Speaker, the short answer to that is "Your best is not good enough" and your best is producing a situation in Gibraltar where development is falling far behind to what we are entitled to expect from a progressive Government."

HON W M ISOLA:

I would just like to make a very very small little contribution to this, Mr Speaker, and again this is for the consideration of the Minister responsible for the provision of 3,000 lines.....

MR SPEAKER:

No, I am not going to allow any details. If you want to speak on the fact that we are voting £3,914,000 to be expended in the Development Fund, you are free to do so. In so far as the detailed expenditure we have gone through committee and through the vote already, otherwise we will just open the whole thing again. We must not allow this to happen.

HON W M ISOLA:

I am sorry, Mr Speaker did I not hear the Minister talking about the Varyl Begg Estate and improvements to houses.

MR SPEAKER:

No, he has referred to the general slippage that has taken place and nothing else.

HON W M ISOLA:

Mr Speaker, if you would just allow me, all I would like to ask the Minister responsible for telephones.

MR SPEAKER:

You cannot ask the Minister anything because he is not able to comply now. He has had his say.

HON W M ISOLA:

All I would like to ask the Government to do is that now that we have voted on this item, something like £240,000, the Government would enquire from England the possibility and the cost of

MR SPEAKER:

No, no. We went into that in committee Mr Isola, with due respect to you, and you were told that they could not do it because it was uneconomical and it would mean that the rentals for every single telephone in Gibraltar would go up. I could give you the answers myself, because it has been given here not because I know anything about it. No, not under any circumstances.

HON W M ISOLA:

I bow to your ruling.

MR SPEAKER:

If you want to speak on the general expenditure...

HON W M ISOLA:

I have made my point.

HON J BOSSANO:

I think the point that I would like to make Mr Speaker, in respect of the vote is that in fact the sum in question, £3,900,000, is £1m more than the revised estimated for 1975-76, which itself was something like £700,000 less than the estimate we got in last year's budget. Now I do not know whether the Government has got any reason to feel more optimistic this year about its ability to carry out capital projects than it did last year, but it seems to be aiming, I would say, for the same sort of physical output that it was aiming last year, since the increase on the estimate of last year is in fact less than 10% and from what one has heard about the cost of houses in the Rosia Dale project and so on, it would appear that on inflation alone, one would expect the same physical volume of capital works to cost more than 10% now than they did a year ago. If that is the case then Mr Speaker, the Government is aiming for roughly the same as last year or just under. But that, of course, is a considerable improvement on what they have actually managed to do, and this is why it is a point that I mentioned earlier, and I think it is the point that the Government has not satisfactorily answered earlier. I would have liked to have had it dealt with perhaps by the Minister of Economic Development at this stage, because in fact in previous estimates, I think it was in 1974, it might have been in 1975, this question of the capacity of Gibraltar to work was a very important and controversial matter. In fact I remember distinctly, Mr Speaker, that we had a long debate about the question of the capacity of the construction industry coming up and the fact that there appeared to be a hint in something that was said from the Government benches about having to restrain our local capital projects in order to leave

spare capacity in the industry for DOE. This was picked up and the Financial and Development Secretary came back with the answer that there was absolutely no question of this. That in establishing what the capacity of the industry was nobody had ever thought of as it were, providing for slack in the industry which should be taken up by DOE. That was made quite clear on the part of Government, but nevertheless what is still not clear is to what extent we are maximising our capacities. To what extent or how near are we working to our potential? That, I think, is a most important consideration for the House to have when it comes to voting money because there is no point in voting more money or impressing for more money to be voted if in fact it is physically impossible to get the work done. If there is the capacity to do more work then it is important to know that that capacity is there and then the choice has to be whether to make use of that capacity and then having to find the money or whether not find the money at all and leave a spare element of capacity in the industry. But I think an indication would be useful to the House to know to what extent we are in fact in our capital projects, working as it were to as near full capacity as one would be able to get and of course when we are talking in terms of this what I am asking of the Government for the House is an indication. I do not expect them to be able to tell me that they are now employing sort of 1,999 of the 2,000 Moroccans then there is only I out of work. That is not what I am seeking. What I am seeking is an indication of whether in fact if the House had wanted to push up the capital works project, whether that could be achieved if more money were put into the project, or whether in fact however much money we put into it we cannot produce more because we just do not have the infrastructure in the construction industry to produce more.

HON CHIEF MINISTER:

I think the point that might answer the point raised by the Hon Mr Bossano is that it is expected that with the gradual termination of the Varyl Begg Estate a considerable number of the skilled workers who are now busily engaged there will be available for other capital works of the development programme. Except for the unskilled workers some of which may be lost, the bulk of the workers is expected to be kept in employment either by direct labour or through some of the contract programme, but that part of the labour force that is now engaged in the Varyl Begg Estate, which is gradually coming to an end will drift towards the other programme and therefore the accounting that has been made in respect of the potential in the development programme this year takes that into account.

MR SPEAKER:

Does the mover wish to reply?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I think I will only just say one word sorry perhaps to repeat what I said when we moved Appendix G and that is that any development programme starting from cold takes time to gear up and it is not merely a question of gearing up in the physical sense of ordering supplies etc, but there is a lot of administrative gearing up to be done in the relation to the organisation behind the scenes of ensuring that all the multiplicity of factors which can influence the development programme are adequately catered for, adequately considered, that the necessary technical staff to bills of quantity, to check contracts and so on and so on, are also attended to. This, I am glad to say has now been administratively organised with the Government, and this is again what I meant when I said in opening that it takes time to gear up and this is particularly true where you have a programme which, broadly speaking, is a very different kind of programme from the series of very large projects of the previous programme. I think, Mr Speaker, that that is all I would wish to say in rounding up this debate.

Mr Speaker put the question which was resolved in the affirmative and the House approved the expenditure for 1976-77 of £3,914,841 on the Improvement and Development Fund for the purposes set out in Appendix G to the Estimates of Expenditure for the year 1976-77".

HON J BOSSANO:

I am abstaining Mr Speaker, in view of the fact that in this money that is being voted there is provision for patrol cars.

MR SPEAKER:

Are the other members of the Opposition now voting?

HON W M ISOLA:

On the question of the siting of the Public Works Department garage we voted against that, we still vote against that now.

MR SPEAKER:

No, you cannot. You either vote in favour of the motion or you abstain or you vote against. It is as simple as that. Your vote was defeated. What are you doing then?

HON P J ISOLA:

We are afraid, Mr Speaker, that if we abstain they will not spend the money.

MR SPEAKER:

In other words the motion is carried with one abstention, Mr Bossano.

The Brackish Water and General Rates to be charged.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to move the suspension of Standing Order No.19 in respect of this motion.

Mr Seaker put the question which was resolved in the affirmative and Standing Order No.19 was accordingly suspended.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move in exercise of the powers conferred by Sections 116 289 and 295 of the Public Health Ordinance this House resolves as follows:-

(1) a brackish water rate for the year ending 31st March, 1977 is made and levied: as follows:

(i) In respect of offices, stalls, cafes, bars and other like premises at the rate of 2p in the pound.

(ii) In respect of tenement building flats and other dwelling houses at the rate of 12.5p in the pound, such brackish water rate to be collected by equal quarterly instalments payable in advance.

(2) Subject to the provisions of the Public Health Ordinance General Rate for the year ending 31st March, 1977 is made and levied at the rate of 60p per pound on the full net annual value of each hereditament in Gibraltar and such rate shall be collected by equal quarterly instalments payable in advance on the dates specified in Section 295. In view of the fact that this merely repeats and re-activates the corresponding resolution which was made at this time last year, I do not feel that any comment is called for.

MR SPEAKER:

I will then propose the question in the terms of the motion proposed by the Financial and Development Secretary. I will then put the question.....

HON ATTORNEY GENERAL:

Mr Speaker, I have an amendment to move that the motion should be amended by the deletion of the word "brackish" and the substitution of the word "salt". The motion itself should now have the word "salt" instead of "brackish".

MR SPEAKER:

Wherever it appears in the motion?

HON ATTORNEY-GENERAL:

Yes Sir.

Mr Speaker put the question in the terms of the Hon Attorney-General's amendment which was resolved in the affirmative and the amendment was accordingly carried.

Mr Speaker then put the question in the terms of the Hon Financial and Development's Secretary's motion as amended, which was resolved in the affirmative and the motion was accordingly passed.

MOTION re Shops (Time of closing and Sunday Opening) Order 1976 continued from previous meeting.

MR SPEAKER:

Whether you wish to proceed with it or not I do ^{not} know, but may I remind the House that perhaps this is the correct place under motions, Government motions, to continue where we left off with the motion moved by the Chief Minister in respect of shop hours. May I also remind the House that the position we left this motion at was that the following members of the House had already spoken on the motion, therefore they are debarred from speaking again, but not debarred from speaking on any amendment that may be moved to the motion. There I am cutting Mr W Isola, Mr Bossano, Mr Montegriffo Major Peliza, and we left at the moment when Mr Peter Isola was holding the floor and was moving an amendment to clause 7(1) and (2) of the Order. Now if Mr Isola does not remember the amendment that he was moving I am quite willing to read it to him.

HON P J ISOLA:

Mr Speaker, perhaps you could remind me, enlighten me why it was that I stopped moving it.

MR SPEAKER:

I can most certainly. As far as I could gather it was agreed that the matter would be left over so that there could be consultation between the Government and the Opposition so that you could all agree on how you would like the motion to come before the House and therefore save the time of the House. Whether we are going to achieve this purpose I am beginning to wonder now.

HON P J ISOLA:

I am sure somebody will announce some agreement but I certainly have not heard of any.

HON CHIEF MINISTER:

The point is, Mr Speaker, that there were some ideas, two sections of ideas. First of all the Hon Major Peliza made a long speech about not closing on Saturday and not closing from 1 to 3. That was one aspect of the matter which we did not like and we said we would look into the matter, and I think it was suggested either from this side or from both sides, that this was certainly a matter that would have to be discussed with the Union, which has been done and has been reported on, and then I think that was the main amendment that was being moved at the time and on that I think we have done our work on this matter and perhaps.....

MR SPEAKER:

May I interrupt you to make a correction. You quite rightly showed surprise when I said that you had moved the motion of the shop hours, I was completely and utterly wrong. The motion was moved by the Hon the Attorney-General. What you moved was the adjournment of the debate.

HON CHIEF MINISTER:

I am sorry, I thought I had not but anyhow be that as it may and I did not take part and I am not proposing to, I am just indicating to the House the state of play, and that was that there was this question of the closing on Saturdays - well that was another matter. The question of the two late eating shops was also something of some comment from members opposite. But the one which we undertook to look at, and that I think we were pretty clear on in our own minds, but the one on which we agreed to look into was mainly the idea that they should be open. The shops should be open from 1 to 3 and no half day closing. That was the one on which the matter was referred to the Union and we have the answer here.

MR SPEAKER:

May I remind the Hon Mr Peter Isola that the amendment that he was moving when we adjourned the motion was that he was seeking to move that clause 7(1) and (2) of the Order be amended by the deletion of the figures "2.30 a.m." and "3.00 a.m." where these appear, and the substitution of then by the figures "4.a.m." in both cases.

HON P J ISOLA:

Mr Speaker, if I remember rightly this concerns the late closing of two eating houses and in which it was proposed to.....

HON ATTORNEY GENERAL:

Mr Speaker it does in fact affect in practice two eating houses but it governs restaurants generally, that is premises which sell food for consumption on or off the premises which have not got a liquor licence, I expected two places but in fact it can cover every restaurant.

HON P J ISOLA:

Mr Speaker I think the only point we wish to make on that was that we did not see why the status quo of these particular

MR SPEAKER:

Do I take it that you are now continuing your address since toherwise

HON P J ISOLA:

I might as well, Mr Speaker. If one considers the general situation one sees that paritucular types of premises, as for example nightclubs mainly are allowed to stay open till four in the morning and sell food and people dance you have music and they can drink and so forth. It seems to us to be a bit hard that another type of business that stays open late precisely to service the nightclubs, should be prejudiced in this particular way because perhaps it may be said, that this is a nuisance to some people. Well I would have thought that the same nuisance arises from late night danging till four in the morning which it is not suggested should be curtailed. In other words Mr Speaker, we feel that this is an unfair discrimination against a particular kind of business which, although it is not very vast in its extent or in numbers, nevertheless the proposed amendments of 2.30 and 300 a.m. is likely to affect these businesses considerably, or of course likely to take away from the public that likes to go dancing until four in the morning or drinking or dining, and I suppose we must respect their ideals of fun and so forth, but it deprives them of resorting to these places to have something to eat prior to retiring to bed. It seems to us that to pick the time of 2.30 or 3.00 a.m., and in effect cut down the amount of business that these shops have been entitled to make over the years, is an unnecessary in road into their freedom to trade and an unnecessary in-road into their means of making a livelihood, and I would commend this amendment to the House.

HON A P MONTEGRIFFO:

Mr Speaker, since I spoke before, can I speak on the amendment?

MR SPEAKER:

You can speak exclusively on the amendment to clause 7.

HON A P MONTEGRIFFO:

Could I propose another amendment?

MR SPEAKER:

Not in anything which is not clause 7, but I know that you want to do so and I suggest you pass it on to someone else. As a matter of fact you are the only member of the Government to have spoken.

HON CHIEF MINISTER:

Mr Speaker on the amendment. The original move to cut the hours of these trades was as the result of complaints mainly in one case, of the fact that it was not the place itself that was badly managed, but the fact that people surrounding the place and congregating on the way home were creating considerable nuisance to neighbours. I believe, and I think perhaps the Hon Leader of the Opposition knows more about this than I do. I believe that since the matter has been pending the place has been allowed to open until four o'clock all the time, otherwise we would have heard noises from the people concerned. We have not. We have not had any complaints recently about the matter, and subject to what the Attorney General has to say about regularising other things that might be affected by these proposed amendment which he has something to say, we have an open mind. We are prepared to accept the amendment, for the moment, and if there is a resurgence of the complaints and they are found to be justified, then we would have no hesitation in bringing an amendment to curtail the hours if it so warrants. But I am personally against imposing more restrictions on people's activities, particularly when they have been carried on for sometime, any more than is absolutely necessary, and having received no complaints recently, I do not know whether it is in the expectancy that they are going to be or because the fear that they are going to be cut has caused people to take more care, we do not really feel very strongly on that and we would be prepared to accept it. If in fact there is any resurgence of this complaint, then of course we will have to bring an amendment to the House in this respect. I say that subject to such comments as the Attorney General has to make on the results on another matter which I don't think is subject to controversy.

HON M XIBERRAS:

Mr Speaker, I am sure the owners of these two establishments will be grateful for the attitude taken now by the Government. I know that they have lived in considerable trepidation because they are small businesses who would be very badly affected by this particular resolution. Now the fact of the matter is that the extra hours up to four o'clock or beyond make all the difference because they sell to people leaving nightclubs, and since we have a nightclub right in the centre of town, the "Eros" which also sells intoxicating liquor, which these places do not, I thought from the very beginning it was a bit hard on these two establishments. The Chief Minister says that I am conversant with the facts surrounding the case, and this is absolutely so. It so happens

and I do not declare a financial interest because I do not have one, but I do not know whether other members do or not in other respects, but it so happens that one of the establishments is owned I think, I am not quite sure whether I am being accurate in this or not, by somebody who is related to my wife, and I have received the brunt of these representations, and I know that both Mr Serfaty and the Chief Minister have been accosted as well. I should inform the House however, that around 1970 or 1971 when one of the establishments was open, one pretty near here, a stone-throw away from here, depending on how you throw a stone, it was causing some trouble to some people who were not immediate neighbours but were roughly in the vicinity. Council of Ministers at the time considered the situation and it was agreed that, because we had a great deal of numbers from the fleet coming in, that we should liberalise in this direction and allow them more or less carte blanche to deal with things as they might. The next step was that a committee of Council of Ministers was set up, which unfortunately did not produce any results on this matter, and things went along quite well. I have acquainted myself with the numbers of complaints, the seriousness or otherwise of these complaints, and the dates when they took place and certainly none of these complaints as far as I am aware is attributable to the management. It is in the nature of things that if people leave a nightclub or leave a place of this kind, there might be some sort of commotion at the particular time. But I think, if I may say so, these two establishments which in the last resort become in practical terms the object of this legislation do not deserve that kind of treatment. Something along the lines of the Brewster Sessions, for instance, in which if a licence is refused after complaints, the application of this principle, to my mind, is more suitable than applying a blanket curtailment of their economic activity. Therefore I am grateful for the attitude of the Chief Minister. I think these two establishments do have a definite point and I am sure the parties concerned who would very probably at least in one case have to close down the establishment after considerable capital and human investment, will be grateful.

HON ATTORNEY GENERAL:

Mr Speaker, Sir, there is some problem over the wording of the amendment. If we accept the Hon and Learned Mr Peter Isola's amendment, the para 1 will read:

"Notwithstanding anything contained in para 3 restaurants may be open at any hour between 4 a.m. and 6 a.m. on all days from Mondays to Fridays inclusive, and

between 4 a.m. and 6 a.m. on Saturdays and Sundays." I would ask him, therefore to withdraw his amendment, insofar as it relates to para 1 and I myself will move an amendment which will achieve the same purpose I will move that we amend para 7 (1) as follows:

"Paragraph 7 (1) is amended by the deletion of the figures and letters 2.30 am appearing therein and by the substitution therefor of the figures and letters 3.00 am and by the deletion of everything but the figures and letters 6 a.m. where they first appear."

MR SPEAKER:

Well before we go any further is Mr Isola prepared to do this?

HON P J ISOLA:

Mr Speaker, I accept fully what the Hon and Learned Attorney General has said and in view of his assurances that what he proposes aims to achieve what we have agreed to, I withdraw the amendment.

HON ATTORNEY GENERAL:

Only insofar as sub paragraph 1 is concerned. Paragraph 2 relates to family shops which again it would appear you were....

MR SPEAKER:

No. I would rather that Mr Isola should withdraw completely his amendment and then your amendment should incorporate the whole text.

Well, I assume that Mr Isola has leave of the House to withdraw his amendment and I will now put to the House the amendment to clause 7 moved by the Hon the Attorney-General which reads as follows, and I am putting the question not proposing it: "That paragraph 7 (1) is amended by the deletion of the figures and letters "2.30 a.m." appearing therein and by the substitution therefor of the figures and letters "4 a.m." and by the deletion of everything after the figure and letters "6.00 a.m." where they first appear. And that paragraph 7 (2) be amended by the deletion of the figures and letters "2.30 a.m." and by the substitution therefor of the figures and letters "4.00 a.m."

The question was resolved in the affirmative and the amendment was accordingly carried.

HON M P MONTEGRIFFO:

Mr Speaker I have got two amendments.

MR SPEAKER:

I am afraid Mr Montegriffo, that as I told you you cannot move an amendment as you have spoken on the question.

HON CHIEF MINISTER:

Mr Speaker, I formally move an amendment to the paragraph 1 of the Order and that is that the words "and shall come into force on the 1st of March, 1976" be deleted. The second amendment affects the Minister for Medical and Health Services and that was in respect of.....

MR SPEAKER:

You will be holding the floor when we carry the first amendment, so let us do the first amendment and then go on to the second amendment.

I will propose the question which is "that paragraph 1 of the Shops (Time of closing and Sunday Opening) Order, 1975, be amended by the deletion therefrom of the words "and shall come into force on the 1st of March, 1976."

Mr Speaker then put the question which was resolved in the affirmative and the amendment was accordingly carried.

HON CHIEF MINISTER:

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Now the next amendment, Mr Speaker, refers to Section 10(3) which at present reads "any pharmacy which has been notified to the Minister of Medical and Health Services as being the pharmacy which will be open at such hours the Minister may have stipulated under any agreement entered into for the purpose of supplying prescription under the Group Practice Medical may remain open during such hours for the purpose of supplying prescriptions, medicines and drugs" and the proposed amendment is that the words "for the purpose of supplying prescriptions, medicines and drugs" be deleted. The Minister for Medical and Health Services has the floor.

HON A P MONTEGRIFFO:

if

Mr Speaker, this is doing no more than the previous practice/what is happening today, but in claiming this motion, the chemists were deprived of the right they had and of the Shop times of closing and Sunday Opening Order. So really what we are doing is carrying on doing at present with the section we could have deprived them of the right they enjoy at the moment. That is all.

HON W M ISOLA:

Mr Speaker, am I to understand that during the time that chemists are allowed to open shall we say between 9 in the evening and 11 o'clock at night, not only can the pharmacy sell prescriptions but can sell toiletries, perfumes in fact anything that they have in that shop, even Easter eggs during Easter?

HON A P MONTEGRIFFO:

I do not know whether they have got any Easter eggs.....

HON W M ISOLA:

No, I am sorry perhaps I have not made myself clear but what I am trying to get at is this, will they be able to sell perfumes, lipsticks any toiletries which a pharmacist sells?

HON CHIEF MINISTER:

They have that power now.

HON W M ISOLA:

I am not against it.

HON A P MONTEGRIFFO:

They can sell anything they can sell now, and anything else they want to trade in. There are other things of course they sell apart from toiletries and perfumery which are very necessary and they would carry on selling those things.

HON MISS C ANES:

Is selling Easter-eggs included in the licence under which they bade because I have a chemist with a whole window full of Easter eggs in Main Street and I assume that the licence under which they are trading does not cover chocolate Easter eggs.

HON A P MONTEGRIFFO:

I do not know, they may be Easter eggs for diabetics.

HON MISS C ANES:

It might be.

MR SPEAKER:

Well I will put the question which is that paragraph 10(3) of the Shops (Time of Closing and Sunday Opening) Order, 1976, be amended by the deletion from the said paragraph of the words "for the purposes of supplying prescriptions, medicines and drugs". Those in favour? Those against? Carried. Just in case everyone is at sea I will remind them that all we have achieved so far this afternoon insofar as this motion is concerned is to amend clauses 1, 7 and 10 and to prevent one more speaker from speaking which is the Hon the Chief Minister. So if there are any other members of the House who wish to contribute to the motion they are free to do so, otherwise I will ask the mover to reply.

HON A W SERFATY:

Mr Speaker on the idea whereby shops should be able to open from 1-3, weekdays and Saturdays and on Saturday afternoon, I regret that the Government cannot agree to this. I have consulted with the Hon Minister for Labour and Social Security. The Union is adamant against it. I see their point, and the Chamber of Commerce say they would agree to the 1-3 but they really had to take this Saturday afternoon opening matter to a general meeting, which I presume they will be holding tonight. My personal opinion on this question, as Minister for Trade and a business man myself, is that there is no case really why some shops should open from 1-3 and on Saturday afternoon. Really no need. This is my opinion and my colleagues in the Government share it, and therefore we cannot support this idea. I have already said the Union is against it and we agree entirely with the Union. May I read the letter to the Branch Officer, Mr Feethan. "Thank you very much for consulting my Union on the question of the proposed amendment to shop hours. I have carried out an extensive enquiry amongst our membership in the shops and allied trade to ascertain a general consensus of opinion to the proposal that shops should remain open between 1 and 3 and Saturday afternoon and we have to inform you that there is a unanimous opinion among shop assistants that the working hours should remain unaltered. In fact shop assistants generally would rather do away with Saturday working altogether. There is therefore an obvious resistance to giving traders too much of a free hand with respect to working hours. Shop assistants are therefore opposed to any change of the nature proposed by the Opposition in the House of Assembly."

HON J BOSSANO:

Mr Speaker, is the Government then prepared to consider making it impossible for shops to open on Saturdays as well in view of the fact that the Union.....

HON A W SERFATY:

The answer is "No Sir". Saturday mornings are still necessary.

HON M XIBERRAS:

Mr Feethan's is a very good letter Mr Speaker and I have the greatest respect for the way he has consulted with his membership both in the taxi association and amongst the shop assistants. The Chamber of Commerce has said that they would like to consult the general membership and I believe that there is a meeting of the Chamber of Commerce coming up shortly. I will be interested in seeing whether they in fact do bring it to the notice of their members or not, because the proposal of the Opposition was obviously based on the consideration that there is sufficient protection from Mr Feethan and the Union generally for anybody who might be ill-done by the employers, by the proprietors of the shop and therefore in these circumstances there might be more money for the shop assistant who wished to work on a Saturday afternoon. Of course there is multiplicity of consideration to be considered, not just

the question of the shop assistants I note that the Government specially the Minister for Trade, has put a lot of stress behind this consultation. I have seen it published in, I think, one or two newspapers, and I am sure that if we have been conducive albeit even at this very large stage in the life of the Government, in getting them to consult with the Union and make sure that they did not bring things to this House without consulting the Union, then we have done a public service in any case. I am sure.....

HON A W SERFATY:

If the Hon Member will give way, this was published by the Union not by the Government.

HON M XIBERRAS:

What was?

HON A W SERFATY:

The fact that they have been consulted on shop hours.

HON M XIBERRAS:

I did not say otherwise. I said that I had seen it published, which is even better than publishing it yourself if I may say so. It goes for a more cordial relationship. So Mr Speaker, I am sure the matter is not a dead horse, or a dead duck and I am sure that if it does not receive some airing in the Chamber of Commerce Meeting, as I may respectfully suggest it should because it is a matter affecting the Chamber of Commerce as well, then no doubt in the next House it would receive an airing once again.

MR SPEAKER:

Well, I will call on the mover to reply, if he wishes to.

HON ATTORNEY-GENERAL:

Mr Speaker, I do not think there is anything which I do wish to say. I have some very brief notes which I managed to retain since the original debate. In the circumstances I do not think any points were made which need clarification or a reply.

MR SPEAKER:

I will then put the question in respect of Shops (Time of Closing and Sunday Opening) Order, 1976 moved by the Honourable Attorney-General. Those in favour? Those against? Carried. I think this is a very reasonable time to recess for a quarter of an hour to enable us to have tea.

The House recessed at 5.20 p.m.

The House resumed at 5.40 p.m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move the suspension of Standing Orders Nos 29 and 30 in respect to the 1976/77 Appropriation Bill, 1976.

MR SPEAKER:

I will now put the question which is that Standing Orders Nos 29 and 30 should be suspended in respect of the Appropriation 1976/77 Appropriation Bill, 1976. Those in favour? Those against? Carried.

(1) The Appropriation (1976-77) Ordinance 1976.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg to move that a Bill for an Ordinance to appropriate an amount not exceeding £9,836,260 to the service of the year ending 31st of March, 1977 be now read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move that this Bill be now read a second time. Mr Speaker, this Bill needs little in the way of an introduction. It is to give statutory authority in accordance with the Constitution to enable the monies which this House has approved Head by Head in Committee to be withdrawn from the Consolidated Fund and applied for the purposes as set out in the Estimates.

MR SPEAKER:

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

HON M XIBERRAS:

Mr Speaker, now that this session is nearing its end I might make some comments of the general nature on the size of the Budget and of the appropriation generally which I think I have made in other years in relation to the need felt some sort of in depth look at the economy and the development of the economy. However, Mr Speaker whilst I am on my speech and have the floor,

I would like to refer very briefly to certain statements made this morning in connection with the debate on the estimates of expenditure when my Hon and Learned Friend Mr Peter Isola was speaking, and I would simply like to tell the House, in referring to the Chronicle of October 5th 1974, which reported in full the Chief Minister's appearance on TV the previous day, and one particular part of it, that in fact through an oversight I did not realise that a particular quotation, which was referred to by the Hon Mr Isola, and which I thought had been torn away from this part of the Chronicle, was in fact lying behind it and I now think that for the record I would like to establish what this quotation was. It said "The Trade Council then requested a meeting with me to raise the matter constitutionally with the Government rather than to negotiate with Government as an employer. At this meeting it became clear that the Unions were not all of the opinion that parity meant the same wages as in the UK, whilst some felt that parity meant 100% of UK wages and salaries, other among the Unions believed that a percentage of UK pay was the solution. I undertook to examine this proposition and having done so in depth with my colleagues, and after considering all the material at our disposal, I informed the Trade Council on September 27th that even this proposal was not accepted because conditions in Gibraltar differed substantially from those in the UK, and because no responsible Government could agree to an automatic formula which could place wages policy outside its control." This I say Mr Speaker in general support to the point that I was making that this particular speech referred to both 100% parity and also a wages link.

MR SPEAKER:

May I perhaps once you have said this, make it clear that what I was trying to verify from Mr Isola and my interjection was for the purpose of making sure that he was making a quotation and not trying in any manner or form to express the views of the Chief Minister as to what they were at that particular time. I am really concerned immediately that something comes from the interpretation of a paper in making myself very sure that the quotation is correct and nothing else.

HON CHIEF MINISTER:

I would just like to say that I reiterate what I said this morning and have nothing more to add. Hansard will answer for this and I am very honoured to some extent that my words, are so carefully quoted so many times.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker I beg to propose that the Committee Stage and Third Reading of the Bill be taken at a later stage in this meeting.

HON

MR SPEAKER:

Well do all members agree that the Committee Stage and Third Reading of this Bill should be taken forthwith. Right. Then we will call the Committee Stage.

HON ATTORNEY GENERAL:

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

THE APPROPRIATION (1976/77) BILL 1976.

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.

HON ATTORNEY-GENERAL:

Mr Speaker, Sir, I have the honour to report that the Appropriation (1976/77) Bill, 1976, has been dealt with in Committee and agreed to without amendment, and I now move that it be read a third time and passed.

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

The Bill was read a third time and passed.

PRIVATE MEMBERS MOTIONS

HON W M ISOLA:

Mr Speaker, I have the honour to move the following motion standing in my name: "That this House is surprised and dismayed by the Government's decision to revert in essence to their unpopular and widely condemned proposal of the siting of the public works garage on the vicinity of Eastern Beach, and it urges the Government to consider once again resiting the garage elsewhere."

In view of the motion which in effect states that it is an unpopular and widely condemned place to re-site the Public Works Garage, I would like to go back a little further and give the House some idea of how this matter came to light. And I would first of all like to remind the House that the first indication that the Opposition had, when the Government decided to site the

Public Works garage in the old refuse destructor was exactly a year ago in connection with the Improvement and Development Fund. We were being asked at that particular moment to vote the sum of £175,000 from development aid funds to resite the Public Works garage to where the old refuse destructor, was and as recorded in page 447 of Hansard, I asked the following question: "On the question of the resiting of Public Works Department Workshop can the Minister state where that is going to be resited to, and what is going to happen to the Public Works Department workshop when it becomes vacant?" At that particular moment of time the only information which we had under the Improvement and Development Fund was "Resiting of Public Works Garage". The Minister for Tourism and Trade replied as follows:

"The new workshop will be built on the old refuse destructor site."

Col. Hoare at that particular meeting, again to quote him: when asked whether it was intended to build the Public Works Garage on the other side of Devil's Tower Road replied as follows:

"There were thoughts of building it next to the new refuse destructor, but we are now all convinced that the old refuse destructor site is a better site."

Mr Speaker, I am referring to these quotations, and you will have to bear with me when I go through the questions and answers right through, because the notion which stands to my name is the Government's decision in reverting in essence to their unpopular and widely condemned proposal of the siting. And I would like to stress at this particular moment, the statements which were made at that particular time especially by the Minister for Trade and Development and by the Minister for Public Works. At that meeting on the Improvement and Development Fund, five members of the Opposition spoke against the site being used as a Public Works garage, and amongst them was the Hon Major Robert J Peliza who asked the Minister, to and I quote "Could not the Minister look into plots of land in that area which are not being used for the purpose that they were leased, and try and recover them for this particular purpose."

At that particular moment of time, Mr Speaker we were trying to be constructive and give members of the Government alternative places to site the Public Works Garage, and the Minister for Tourism, Trade and Development replied as follows: "The matter of the two plots that I believe the Hon and Gallant Member is thinking of is in the hands of my friend the Attorney General". So there, at that particular moment of time, Mr Speaker, there were two sites which were telling the Government could be used. These ^{were} opposite the refuse destructor, and these two plots of land which had been leased and were not being used for a purpose for which they were let. And when the Minister replied to Major Peliza, he said that it was in the hands of Hon Attorney General. We have heard nothing further about these two plots of land. Whether they were suitable for the siting of the Public Works Garage, or otherwise. Major Peliza then replied, whilst it is in our hands could we not move a little faster and at least prevent this eyesore being built in the old refuse destructor site.

Mr Speaker at that particular moment of time, and let us remember this, that where the Government wanted to build, or are going to build it now, so it seems the Public Works Garage is on the main road to two or three of our main beaches - our only three beaches on the Eastern side of the Rock, and also on the main road to two hotels, which have been built after the refuse destructor was originally constructed there. We must remember, Mr Speaker, that in the days that the refuse destructor was built there, even Sandy Bay was a private beach and was only open to very few civilians. May I quote Mr Joe Bossano when he intervened in this debate in the Improvement and Development Fund a year ago, he said:

"Mr Speaker, could I perhaps suggest to the Minister that in a practice that I have come across in the United Kingdom is that, when a Government or local Council is planning any new building or alterations, to publicise the fact well beforehand and give the public an opportunity to express views for and against it, and in that way, whichever Government is in power is in a better position to make decisions that are likely to meet with wide approval, rather than to make a decision and find themselves with disapproval when it is too late to do anything to change it. Could perhaps the Minister consider doing something like this."

I am quoting these various people, Mr Speaker, to show how the Government has about-turned already on two occasions on something which has affected the public and which the public had taken to heart.

MR SPEAKER:

Mr Isola that was a statement by Mr Bossano not by the Government.

HON W M ISOLA:

I am sorry did I say Government? I meant Mr Bossano. So there we were already telling the Government, Mr Speaker, why do you not publicise something before, so that members of the public can have some idea and express some approval or disapproval to a particular project. The Hon Mr Serfaty replied as follows: "Does the Hon Member realise that this is an urgent job". Well, if it is that urgent Mr Speaker, a whole year has gone by. "It has been considered very seriously by the Development Committee, and until we can get out of the existing garage and workshop in Montagu Bastion and build it in the old refuse destructor site, or wherever it might be, we cannot get on with the job of building the comprehensive school. Time is very short, we have to spend the money, but above all we have to have that school by September 1977".

If I remember rightly, the Minister for Education did say that the Comprehensive School would not be built by September 1977 at this last meeting. Then the vote on this particular subject was taken and the members on this side of the House voted against the siting of the Public Works Garage at the old Refuse Destructor.

So much so, Mr Speaker, for the meeting of the 6th March 1975 regarding the refuse destructor. When the old refuse destructor started being brought down, on the 14th July 1975, I asked the following question: "Now that the demolition of the old refuse destructor is well under way, will Government reconsider its decision to place the Public Works Department workshop there and consider a more appropriate use of this site by the sea, bearing in mind the desirability of having as much open space by the seashore as possible."

It is interesting to hear if I might recap, the answer of the Minister for Trade for the record which reads as follows: "The decision to resite the Public Works garage at the old refuse destructor to give way for the new comprehensive school at Montagu, was taken because the lack of a suitable alternative site and in the knowledge that the slaughter-house area has never been considered." May I repeat that again Mr Speaker.....because of the lack of a suitable alternative site and in the knowledge that the slaughter-house area has never been considered suitable for recreational purposes due to the fact that the area is for the most time in shadow and particularly well exposed to the winds and sea". Then he goes on to say that "land is very scarce in Gibraltar" which of course we all know.

In supplementaries the Hon Mr Serfaty, in an answer to my brother, said the following; "Last Saturday afternoon I went all over the site and around the site, and I still think that the Government's decision to build the garage there is a wise one". So at the particular time, that is in July, he was still convinced that his decision was a wise one. Then further on in more supplementaries, and I have got the record here, so in case he wishes to refresh his memory he is very welcome to have my copy, he said "We have gone very carefully into this question of the site for the garage and I can assure the House whatever may be said about sites with scrap iron on them, there is not a single site available except that one", obviously meaning the old refuse destructor.

So again we are told in this House, quite convincingly, or perhaps convincingly is not the right word, but quite categorically, that that is the only site available. Then on the question again, and he was queried to some length at that particular meeting, he was queried on the question of the corrosion that the vehicles may suffer by being parked there, and Mr Serfaty's reply was: "Corrosion? We are surrounded by sea". So in any case, Mr Speaker, apart from the question of whether the site was a suitable one or not, we also reminded the Minister of the fact that a certain amount of corrosion could well come out from the siting of this garage at this particular place. So at that particular moment of time, that is in July, Mr Speaker, the Minister told us in no uncertain manner, that that was the only site available and that he was convinced that the decision which the Government had taken was a wise one.

Mr Speaker, we were not on this side of the House convinced with his arguments and I raise the matter again on the Government. Now let me make one thing Mr Speaker, particularly clear, and I can again quote from Hansard so I am not stating anything which is new now. The reason why we objected to the Public Works Garage being resited at the old refuse destructor, was not just because we wanted that place as an open space for development or not. We were thinking in terms of a long term policy, and we were also thinking of the day when the slaughter-house area would come down and eventually the desalination plant. As the Minister for Public Works quite rightly said earlier on in this Budget meeting, the life of the refuse destructor was about 15 years but he had reports that it could be prolonged, and in perhaps 10 or 15 years time we would have this enormous area completely by the sea and available for the public at large to enjoy and Mr Speaker to prove that this is not just something new, I again would like to quote from Hansard on the adjournment of this particular question at page 101 when I said the following:

"As the population gets bigger and bigger unfortunately we require more and more open space. Next to the refuse destructor" and this is the one we are referring to - and "I am very glad to see that the old slaughterhouse is on the point of being demolished, so that will also be another open space. So we would have the slaughter house on one side as an open space and the refuse destructor as another open space."

There is no doubt in my mind Mr Speaker and I am sure that there is absolutely no doubt in anybody's mind, that eventually the old Desalination Plant there will become useless. There is a time limit to the Desalination plant, and Mr Speaker, let us not forget that the time will come when the desalination plant will become unserviceable. Let us also remember that unfortunately and all of us in the City Council must take our share, we were badly briefed on the question of the desalination plant being put on that site because of the intake, and as a result of that the desalination plant has never really been a success, and it is costing us a lot of money. Of that I think, there can be no doubt. So when we brought this question, we on this side envisaged that the refuse destructor, the slaughter-house and the desalination plant would become a big open space. Now, I would like to refer to what the Minister for Development said on this particular point we are still arguing on whether the old refuse destructor should be taken over by the Public Works Garage, I quote from the Hansard again, I am not going to go right through Mr Serfaty's speech. I would gladly do so because I do not want to mislead anybody, but I think if I go to the heart of the matter I will save everybody's time. It reads, again talking about the Public Works Garage: "I am sorry but I must say this. Looking around and studying the question and having the privilege of being an architect and a chartered engineer, and it helps me in my work in the Development Committee, I think I have the right to say that we looked around and none of the sites that were available were anything like the size required for the Public Works Garage. After very careful consideration in the Development Commission we decided that that was the best possible site for the Public Works Garage." May I just requote, he said "that that was the best possible site for the Public Works Garage, I don't care how much the Hon Mr Isola laughs about it" - I might laugh again - "but this was the decision and it had to be a quick one because until that garage is rebuilt, and we cannot remove the present garage in Montagu Bastion,

and until we move the garage we cannot start the Girls Comprehensive School."

This now is going back to July, and we are now in March. Then he goes along, and says "and that site along the east coast from Catalan Bay" - again he is talking about the same area" to the end of Sandy Bay is a much better site than the one we are talking about.. The site we are talking about has only about 20 yards of beach."

Well, Mr Speaker, Gibraltar is very small and 20 yards is an awful lot of beach. "It is next to the desalination plant. It is really nothing and is in the worst possible situation anywhere between the northern end of Eastern Beach right up to the southern end of Sandy Bay. I have no qualms about this decision. I think we have done the right thing". Then the meeting was adjourned sine die. So again, Mr Speaker, on the adjournment, Mr Serfaty insisted and continued that that was the best site available to build, or to resite, the Public Works Garage.

We then come to the correspondence which started appearing in the press condemning the Minister's decision about resiting the Public Works Garage. On the 17th July may I first quote the Gibraltar Chronicle, which after all states that it is a paper with no political bias, and I entirely agree with them, it states: "The Minister said that the Devil's Tower Road site is the only one available ." Mr Speaker, we then come along to various letters which appeared on the 14th August and continued with a whole list of letters in the Gibraltar Chronicle. Not one single one, Mr Speaker, in favour of the Minister's decision that the garage, that his decision to build the Public Works Garage was the right one. It is pertinent, Mr Speaker, for the record, I am sorry to have to go into this but this is building up - to the Minister's questions and answers of the 25th November 1975." The present workshop site at this particular moment of time there is a photograph of the old chimney - coming down, " had to be vacated for the long awaited Girls Comprehensive School. In answer to criticism on picking up what would otherwise be space adjacent to Eastern Beach, Government says this is the only site available. A Comprehensive Study Group some years ago" which incidentally Mr Speaker, the Comprehensive Study Group was brought not by this administration but by that administration on that side of the House, which was paid a lot for construction, though not all of this had been followed up, had this to say: "It is further recommended that the road running the length of Eastern Beach should be completely pedestrianised and that a new car park and a caravan site should be provided on an adjoining redeveloped slaughter-house and a refuse destructor plant site." So the Comprehensive Report, which I do not know what the present Government paid for, actually recommended something which the Minister said that that was the best place in which a Public Works Garage should be sited.

Then, Mr Speaker, and I do not intend obviously to bore this House with all the letters, but for the record, may I say that in my experience in Gibraltar, I

have never come across so much correspondence by members of the public criticising the siting of the Public Works Garage. Correspondence on Friday August the 15th, Monday the 18th, Tuesday, the 19th, Wednesday the 20th, an article on August the 21st and another letter on Friday 22nd. Pressure was coming to such an extent that the Government was forced to issue a press release concerning the Public Works Garage. And again, Mr Speaker, I feel I should quote certain extracts of the communique which the Government issued. It said: "In view of the criticism from some members of the public about the Government's decision to build the new Public Works Department, workshop and garage at the old refuse destructor site, Government feels that the facts of the old case should be put clear to the public." At this particular moment, if I might interrupt on this press release, the Government said "from some members of the public," I spoke to hundreds of members of the public. There was not one single member of the public who was in favour of the public works garage being sited there, and to me the only persons who appear to be in favour of the garage being sited there were just the Government itself. It said "The Aid Programme for the period 75/78, which was agreed between Her Majesty's Government and the Gibraltar Government, provides for the construction of a comprehensive school for Girls. The selected site for this school is Montague Bastion, which is at present in occupation by the Royal Air Force. No other site was large enough for the purpose, except perhaps Grand Alameda Parade."

So again the Government tells us that no other site is available except Grand Parade. So well of course that would have been an even greater crying shame to have a Public Works garage at Grand Parade. The Government took nearly half of the Gibraltar Chronicle front page to try to justify its position and it said "The workshops are architect designed and though of an industrial nature would not be an eye-sore. Can anyone believe, Mr Speaker, that a Public Works garage anywhere in the world would not be eventually an eyesore? Or are we going to have in this Gibraltar a Public Works garage which will not be an eyesore? That, I think, was adding insult to injury. "Any delays in the completion of this work would delay the commencement of construction work on the Girls Comprehensive School." August 23rd 1975.

So again the Government was still determined to go ahead with this and was telling the public in an attempt to stifle opposition, putting excuse on the girls comprehensive school in order to be able to get on with the question of the Public Works Garage at the old refuse destructor. Mr Speaker, the opposition on the 27th August, came out with a press release equally long actually and giving the reasons why we voted against the siting of the Public Works Garage. Mr Speaker, there was such enormous amount of opposition at that particular time, that if I remember rightly the Minister of Public Works came out with a recorded message to the public on television that the site was the only one available and I, on this side, came out with a prepared statement to the effect that I did not agree with the Government. So much so, Mr Speaker, that the Minister for Tourism, Trade and Development was asked to go live on television to defend the Government's stand and again he stated that that was the only site available for the siting of the Public

Works Garage. I was also asked or invited, to go live on television, and I challenged the Government and I suggested that they should get MOD to help them in finding another site. After all, Mr Speaker, did not this present Government hold the last election on this question of the so called "The right to our land"? Well there is plenty of land in Gibraltar. So, Mr Speaker, one could see the enormous amount of interest which had been aroused, and quite rightly, by the public at large against the Government's decision in siting the public works garage in such an excellent area which could be used by the public at large.

On September 4th the Transport and General Workers Union took up the question of the siting of the Public Works Garage at this particular place, and if I remember rightly, the Taxi Association also came up against the siting of the Public Works Garage. If I might read the TGWU on their statement again for the record, it said:

"The TGWU are to take up the question of the siting of the Public Works garage The Public sector Branch of the Union at its meeting this week decided unanimously to request the district committee to make representations to the Government. The Public Sector Branch committee says that the Gibraltar Government has been consulted only as regards the Committee internal layout of the proposed garage from the point of view of adequacy of the working environment. As regards the proposed site there has been no consultation", it claimed, and the Committee has in fact received requests from members in the public sector for action to be taken to prevent the garage from being built on the proposed site."

So the TGWU for which I have great admiration said that as far as they were concerned the working conditions for this particular site are perfectly adequate. That is all. They were not consulted in actual fact as to whether the site was a good one or not. I go back. On the 30th August, Mr Speaker, the Taxi Association also requested the Government to reconsider their decision. Apart of course from the various hotel associations etc who were interested merely from a touristic point of view, I, on this side of the House are not only interested from the tourist point of view but are far more interested that the few public amenities we have on the space that can become available to the public, should be kept for the public's enjoyment and not that such a prime site should be given in to building a public Works garage. May I not forget and I will mention this one, that the Vox also has taken a great part in the campaign against the Government on the siting of the Public works garage. But of course on this particular one I am not saying very much because we might be accused of bias. I do not know but certainly the Gibraltar Chronicle is a paper which does not take either side.

Mr Speaker, right through to September we find that the Government stand is, this is the only place in which we are going to have the Public Works Garage. It is the only site available in Gibraltar. We go on TV and the Minister states that this is the only site, and this is it. We then come to the glorious day of the 26th November 1975, Mr Speaker, at question time when I asked the Minister: "Has the Government now made up its mind about the siting of the new Public Works Garage at Devil's Tower Road". "Yes Sir" replied the

Minister for Tourism, Trade and Economic Development, "I am glad to be able to announce that it has now been decided that the public works garage and workshops complex should be reprovided on the site next to the refuse incinerator at Devil's Tower Road. This decision has been made possible by the MOD agreement to release for this purpose, 60ft by 290 ft of the adjoining compound to Government. We are grateful to the MOD for their cooperation in this matter."

Now, Mr Speaker, if at this particular moment of time, the Minister had asked the MOD much earlier for this particular space, we would not have wasted so much time between March 75 right through to November 75. In a supplementary - this is interesting, Mr Speaker - I said "should we also not be glad to the many members of the public who so courageously discouraged the Minister from having a public works garage at Devil's Tower Road". And what did the Minister have to say? The Minister himself I am talking about the Minister for Tourism, Trade etc, the Minister had responded "but I suppose the answer is that we should thank these people who wrote". So in November, he thanks the members of the public for writing to the press about the siting of the Public Works garage at Devil's Tower Road.

My friend Mr Bossano, at the far end, then asked the Minister for all this: "May I ask the Minister whether the employees who are going to work in the new garage had been consulted at all about the site?" And Mr Serfaty replied: "I believe that the employees have made certain representations to the Union, but of course planning must go on. I hope the Honourable Member will agree." So in view of Mr Bossano's remarks, Mr Serfaty on that particular day said that planning now must go on and Mr Bossano said "On a note of caution, I think Mr Speaker, the Minister would do well to explore the safety angle before everybody starts being congratulated on the new site."

So, Mr Speaker, in November the Government decides at long last and rightly so, to resite the garage on part of the MOD land adjacent to the new refuse destructor. Now much to my surprise, Mr Speaker, we thought that everybody was very happy in Gibraltar that the old refuse destructor was now going to be an open area, work was commencing in the slaughterhouse to make it also an open area for parking in the summer, for anything at all, suddenly it comes to one's ears, the grapevine, that there is a meeting between the Government and the TGWU. Mr Speaker, the Government had seven members attending this meeting as opposed to three members on the TGWU/including the Director of Public Works and all sorts of very important people. Mr Speaker, I will not get to what happened at that particular meeting because obviously the Government already knows, but what a bombshell we had when a month later on the 31st February, 1976, the Government issues the following press release which I would like to quote for the record in Hansard:

"A Government press release was issued yesterday on the siting of the public works garage. It stated: "The Government has now completed "I thought they had done so ages ago-"its re-examination of the siting of the Public Works Garage and has looked again at all possible alternative sites in response to public comment in connection with the old refuse destructor site. It has also considered the views of the works personnel as expressed through the Union

representatives", with which, Mr Speaker, I entirely concur - "the conclusion reached is that the only available site for this important service is that known as the old slaughter house."

So, Mr Speaker, in March, we were told that the only site available was the old refuse destructor, then in November, we are told it is somewhere else and now in February, Mr Speaker, we are told that the only place is the old slaughter house. It goes on to say "the new single storeyed workshop will be erected parallel to the road branching into Eastern Beach from Devil's Tower Road and will be of modern design." Well by God, what do they expect a victoriana - Mr Speaker, we are not that childish are we? "...will be of modern design and unobtrusively simple in outline. It will occupy the land now taken by unsightly buildings and pillboxes". Well of course Mr Speaker, if the Minister will remember in July we are talking that the whole refuse destructor should be razed so of course it is an unsightly place but that should have been altered a long time ago". It should be required to change the layout of the old slaughterhouse without loss of car parking. There will in addition be more parking available on the clearer site of the old refuse destructor." Well of course naturally, Mr Speaker, if they clear the whole of the old slaughterhouse of course there would be more parking space. "The workshop will consequently be restricted to the existing build up area and will complement the desalinator which in its vital role in the water supply of the city, has to remain a permanent feature of this area for the foreseeable future." With respect to the Government I do not see for one moment that the desalinator which does play an important role in the supply of water at this particular moment of time, I cannot imagine it remaining there for the foreseeable future." These changes will increase costs but the need to proceed with the re-siting of the workshop is now of paramount importance. But Mr Speaker, we had the paramount importance as far back as March 1975." Progress on the construction of the new Girls Comprehensive School, which is partly on the site of the present Public Works workshop is not to be seriously delayed." Mr Speaker, I just do not know where we stand with the Public Works Garage at this particular moment of time.

So, Mr Speaker ^{we will} then come to the Improvement and Development Fund and for this simple unobtrusive building we were asked to vote the sum of £307,000 and we are told, if I remember rightly, and if I am wrong I stand to be corrected, we were told that they, I think it was Mr Bossano who brought it up, I think we were told that they under-estimated at the time. So they underestimated by nearly 100%. But Mr Speaker, even though we are being asked to vote for £307,000 for this simple, unobtrusive in outline and of course we do have some idea of what it is going to look like by reading Vox of the 31st of February, which is headed "Garage Cachondeo", we are being asked to vote £307,000 but Mr Speaker, I do not know whether the.....

MR SPEAKER:

Mr Isola you are not being asked to vote. The House has voted £307,000.

HON W M ISOLA:

Yes, but Mr Speaker, may I also remind the House that though the House has voted for this amount, not the whole of that amount has yet been approved by Her Majesty's Government, because this is going to come under Development Aid funds. So it could really be that if the Government has already earmarked £180,000, and England quite rightly I hope for once not give it will mean that the place will be either half finished or we will have to finish it out of our own pockets. But what I am trying to get at, Mr Speaker, and that is the object of my notion, and incidentally I suppose the first thing the Minister is going to say is "well where else can we build it" my reply to this was that in March 1975 he told us that the only place was the old refuse destructor. In July he told us that the only place was by the incinerator, and now he tells us that the only place available is the old slaughterhouse. Does that mean, Mr Speaker, that if members of the public now start objecting he will have to have a change of mind? Are we going to have to live with the Public Works Garage next door, Mr Speaker to the beach which has more families frequenting it than any other beach in Gibraltar? Are we going to have the corrosion of these lorries being exposed to the sea at the cost of the tax payers? Are we going to have this oil from the various lorries coming to the sea and ruining our only beach? Mr Speaker, there was such an outcry about the siting of the garage at the old refuse destructor that now to my mind and to anybody's who goes to those two places, they must come to the conclusion that of the lesser of two evils the other one is far better to have the public works garage, because the other one is the continuation of Eastern Beach. The position Mr Speaker is of course not only far worse, but also instead of £175,000 it is £307,000. Mr Speaker I think it is an awful shame, a great shame that when we are shouting for shore space and we are telling the Government or the MOD to give us shore space around Queensway, that we, when a place becomes available to develop for the good of the public as a whole, that we should now come along and say we are going to build a garage of whatever design he calls it, I do not know I forget now. Mr Speaker, was the Minister approached by the Ministry of Defence again, or has the Minister just approached the Ministry of Defence to give them back 60 ft by 209 sq ft of land. Can the Minister get up and say that he has approached the Naval Authorities to see whether they can share part of their garage? Has the Minister approached the Royal Air Force Authorities to see whether they can share half of the garage with them? or the Army? Must all the cars be all together? Can they not be divided into two sections? I would be very interested Mr Speaker to hear what the Minister has to say as to how far he has pursued the question of other space with the Ministry of Defence, because I have always found at least we have always found on this side in our dealings with MOD that they have always been very helpful and extremely courteous. Surely when we are in a small community as we are at present, on a matter which after all affects the Service people because they also use Eastern Beach as much as we do, that we should have an unsightly thing, because whatever happens if there is a change of Government, Mr Speaker in three months, /six months and that site starts being built on, it is very difficult afterwards to throw that money down the drain and change it. So before the Government, and after all it has taken a whole year now, decides to continue with this, I would

in to this

four months

like to get assurances that the Minister for Tourism has gone again to the MOD in Gibraltar, and if the MOD has not been cooperative enough on this matter, which I am sure they will be, then I would suggest that the Minister should take the matter up at a higher level, because I believe, and I sincerely mean this, Mr Speaker, that in the limited space that we have in Gibraltar it is a crying shame, and I repeat it is a crying shame, that in an area which leads to three beaches in Gibraltar which are packed that we should have a public works Garage with kids running around. In that area there are about 100 odd cars going in and out. I sincerely trust, Mr Speaker, that the Government, if I may read the motion standing in my name again: "That this House is surprised and dismayed by the Government's decision to revert in essence, because it is reverting in essence, it is just a matter of 10 yards from one place to the other and it has taken then a year to move the site from one place to 10 yards to the other..."...to their unpopular and widely condemned proposal of resiting the Public Works garage. Thank you Mr Speaker.

Mr Speaker proposed the question in the terms of the motion put by the Hon W M Isola.

HON A W SERFATY:

Mr Speaker, the Hon and Learned.....

MR SPEAKER:

Mr Serfaty you have the right to reply. I am not stopping you but perhaps it would be better if there are other members to speak that they should do so before you answer.

HON CHIEF MINISTER:

I would like to say that as far as the Government is concerned we leave it in the hands of our able Minister.

HON M XIBERRAS:

Mr Speaker, I would make a brief contribution to this. Before the very able Minister who is eminently qualified for this sort of thing offers yet another explanation to the House about the third re-siting of this Public Works garage. The first point I would like to make is in relation to the desalination plant there. And I would like the Minister to deal with this point because, as is known, the intake is not particularly satisfactory and it has been mooted that perhaps it might be a good thing to move the desalination plant to the part of the reclaimed land next to the other distiller on the road to the port. Now, that, I think, would reveal the potential of the site which would then be absolutely free for development of a social or recreational character the whole of that very large site. Now, I would also like the Hon Member to tell us what the life of this distiller at Devil's Tower Road is to be. Mr Speaker, I would also like the Honourable Member to

tell us what advantages, other than the obvious political advantage of not having to go back precisely to the site that was rejected, the present site on the near side of Eastern Beach holds over the original site. It seems to me that if there is a black spot traffic-wise next to the original site which would make it difficult for lorries to come out onto the main road at that point, equally there is a danger of cross roads on the present proposed site. It seems to me in fact traffic wise, to create even more danger than the original. Also Mr Speaker, I gather that in answer, or I seem to recollect that in answer to questions, the Minister for Public Works said that he intended to use one of the sites for car parking. Now I would imagine that it would be more convenient for users of Eastern Beach to have car parking nearer the beach than further away from the beach. And no, Mr Speaker, we do not want to bring it back to the original site we want the Minister to do something which is satisfactory to the public as a whole. This is what we want. He has had plenty of time to think about it and, Mr Speaker, one of the main arguments of the Government has been that that site is not really prime land for development. That it is windy, that it is in the shadow of the rock and that consequently we are not giving up very much. Now indeed my colleague on the left, Mr William Isola, has said that the Study Group Report which is responsible among other things for the monolith outside, for the Piazza, recommended that particular site as good land for development. It may not be of the very best but it is certainly where land is scarce, quite an important site for development. Now I remember that the ex-member of this House, Mr Serruya, I remember seeing him scurrying around there, and I have spoken to him about this, and he did have, apart from every thing else, he did have an eye for a good site, and in fact he said that it might be developed, and I certainly think that he would not have approved of resiting the garage there. But, Mr Speaker, it has come to my knowledge that there was a proposal for a project of a social or recreational nature, to be sited in that particular area, and I believe that the Hon Member opposite, the Minister for Development, had knowledge of this proposal, and that this proposal was one involving very substantial expenditure in the region of I hesitate to put a figure on it, but it was hundreds of thousands of pounds. Now I do not want to disclose the names of the person involved, because he would not allow me to put this case at that time, now I gather that the whole thing has fallen through, but I would like confirmation from the Minister of my information, if it is correct, or of course that he should inform the House that I am not accurately informed on this matter. But if this is a fact that there was a proposal of the establishment of a recreational nature for that area, which would have linked up very well with the beach, then of course, and if this person has not been able to invest much needed funds in Gibraltar on the development site, on the recreational side, and I can say it was not particularly a night club, it was something that would have benefitted youth as a whole, it was something that would have benefitted the community as a whole, then of course the Minister is to be condemned doubly for this. I shall await with interest what the Hon Member will have to say on the other side. Now undoubtedly this is a completely unsatisfactory decision of the Government. Other members opposite used to complain of instant Government in our time, but this, Mr Speaker, goes far beyond. This is just now making up their minds, and in future when I refer to the Government, perhaps I will have to add the prefix "the Government" by which I mean Hon Members opposite, because they have been blown from one part of Gibraltar to another by one decision after another, and no-one on the Government bench can possibly be satisfied even with this solution at the end of 10 months or whatever it is.

HON LT COL J L HOARE:

Mr Speaker this is not a contribution but merely a correction of two statements made by the Hon Mr William Isola. First of all he attributed to me some pre-recorded interview on TV. I have no recollection of that at all. It is not my practice to go on TV or pre-record on TV. So perhaps that can be taken off. Secondly, the amount that we have in fact voted in this year's estimate is not £307,000 but £278,050, I think, but this is not a contribution.

MR SPEAKER:

You mean that you do not intend making a contribution.

HON LT COL J L HOARE:

I do not intend to do that, it is merely a correction of statements which have been made which are inaccurate and I wanted to rectify.

HON MISS C ANES:

I think I would like also to contribute to the notion of my Hon and Learned friend Mr William Isola. I think, that the public has already started complaining of the latest communique by the Government of the siting of the Public Works Garage. I think an article appeared in Panorama yesterday, the 29th March, against this idea, and I would like to remind the Minister of a letter that he received from the President of the Skol Club of Gibraltar, dated 2nd March 1976, and I would like to read it for the record. "Dear Mr Serfaty, We view with great concern the report published in the local press concerning the siting of the PWD garage at the old destructor slaughterhouse especially since this site is one of the important ones from a touristic development point of view and taking into account the shortage of tourist and public leisure amenities Gibraltar suffers from. We are at a loss how Government can insist on siting the Garage on this site especially in view of the above public outcry when this was at first mooted. We fail to understand why in view of the above, a public enquiry had not been held." Has the Minister anything to say about this letter? I would like to remind the Government they say that there are no available sites in Devil's Tower Road, which could well be used for siting of this garage, but there are plenty of places. There are quite a few plots of land to the north face of the Rock which were leased out years ago to would-be developers and about which nothing has been done. In fact, instead of this area being the industrial site it would be more appropriate to call it the "slumbastrial site of Gibraltar", and one particular plot of land, which is very prominent in Devil's Tower Road, is that opposite the Government hostel, which is a huge and large place full of old buses and motor-vans, pieces of corrugate of iron, iron girders, vermin, weeds, flowers of all sorts etc. I am sure anybody writing a book of flora in Gibraltar would find lots of species there. Perhaps if the Government were to start taking over these plots of land, which have never been developed at all, we might find a suitable place for the PWD garage.

HON A W SERFATY:

Mr Speaker, may I start on the last point.....

HON J BOSSANO:

I thought Mr Speaker, perhaps I ought to make a contribution because I have been rather intimately involved with the discussions with Government. I was one of the Trade Union representatives mentioned by the Hon and Learned Member as regards the meeting with the Unions. The situation Mr Speaker, is that the meeting with the Trade Union representatives of course was to look at the garage from the point of view of its adequacy as working environment for the people who are going to work there, and the matter was in fact thrashed out in a meeting, which took a very short time to get through, because the view that we had from our members, from the people who had to work in the garage, was that because of certain factors connected with the site we anticipated serious problems if the garage was put there. We felt it was our duty. We felt that it was only right and proper since we were aware of this potential problem if the garage went there, that they should be brought to the notice of the Government and that the Government should decide whether they wanted to go ahead or not, in the knowledge that if they did go ahead, they might find themselves with a situation we as Union representatives felt we could do little to control, because the people themselves who had to work in the garage, had very strong views about it, and we thought it was only right before any money was spent, that this should be brought to the notice of the Government, and it was I think, primarily out of regard for the feelings for the people who are going to work in that place, that the Government decided to change their mind, or decided to look elsewhere. So I want to make it quite clear that the decision to move from that site, to my mind, is properly the one decision, out of the four years of Government, which has shown a great deal of consideration and regard for the feelings of the work people who are to use the site and therefore I can support it wholeheartedly. At the same time, of course, I regret that they should have gone back to the site not from the point of view of the people who have to work there, because I do not think the other site has got the disabilities that the second site had from the point of view of the workers, who are to be employed in the place but I think it is a shame that that place should be used for a garage instead of being used or let as an open space. As you know, Mr Speaker, I very rarely speak up in terms of tourist development in the House of Assembly, but I think that open space in Gibraltar, is something that we are extremely short of and I think that open space that can be used for residents of Gibraltar, not necessarily for tourists but for residents of Gibraltar, should in fact be kept as an open space as far as possible. In fact when the discussion took place, we pointed out to the management that we thought going back to a site that was virtually next door to the original one was going to provoke the same sort of reaction as the original site had taken. But since our views were being ^{sought} exclusively on the question of the work force, we felt that it is the responsibility of the Government to put the garage there if they wanted it and to withstand whatever reactions that might produce. I feel that what Government ought to be looking at really, Mr Speaker, is ways of rationalising their services in Gibraltar rather than keeping on duplicating them.

I mentioned earlier in connection with another item in the estimates, this question of pursuing with more energy the possibility of amalgamating the water services provided by DOE and Gibraltar Government and I would have thought that in the case of the garage it was an area where it would have been worth investigating having a garage preferably controlled by the Gibraltar Government, but paid for partly by MOD and partly by Gibraltar Government. I would have thought that if we pursued this kind of development in Gibraltar, there would have been real benefit to Gibraltar, (a) because we would be able to maximise the use of skilled personnel, being under one roof. Secondly because at the level of management it might be easier to fully employ management and skilled engineers and technicians and so on where perhaps, they are under employed at the moment, for the obvious reason that we might need half a water engineer in the Gibraltar Government and half a water engineer in the DOE, obviously because we cannot employ people by half or part time in these sort of capacities, we need a full post in each organisation. I would have thought this could well be an area where this could be repeated and it is an area where the Government I would have thought, could pursue with benefits to the economy, with benefits to their own problem of financing the provision of public services, and also in fact where they would have a bigger say in a situation where perhaps the MOD might be simply responsible for funding the part of the cost, in the way they do now with the Police Force, and where the Gibraltar Government would have a bigger say in recruiting and in promotion prospects. And we might have less of this situation where the top jobs tend to be filled by "UK eyes" individuals which come out from U.K.

HON CHIEF MINISTER:

Mr Speaker I hear the Hon Mr Bossano speak about the question of water? I might have had something to say on that earlier on I forget....In what connection was the question of...?

MR SPEAKER

It was in the estimates. In Committee.

HON CHIEF MINISTER:

I am sorry. I missed that because I would have said that there is provision for rationalising the water authorities.

HON J BOSSANO:

Mr Speaker, I think I raised it in last year's budget in fact the question of one water authority pursued it this year and I think the Hon Member gave an indication that the Government in fact was very keen to see this and I would have thought that this was a line well worth pursuing in other areas, and this might well prove...it might well be that it has been tried and been found a dead alley. But if it has been tried, I think the House would like to know about it, and I certainly think it is worth the Government pursuing this line whenever it can, because that is one of the most glaring anomalies in a place as small as Gibraltar, the amount of duplication that there is in a great number of services.

HONA W SERFATY:

I am grateful to the Hon Mr Bossano for bringing this meeting between top level executives of the Government in Public Works mainly and Union representatives into this debate because I wasn't going to for several reasons, but I am glad to hear from his own mouth that the new incinerator - because this is important - the site joining the new incinerator is not satisfactory and I must say this is the second time that I have stood up to say that I agree with the Union on two subjects, the question of the shop hours and the question of the siting of the new garage adjoining the new incinerator. The House will excuse me if I go from one point to another because quite a number of points have been raised. I believe it was the Hon Miss Anes who mentioned the site opposite the hostel. Well, that is one of the two sites that I referred to sometime ago was in the hands of the Attorney-General. But let me say straight away that the site, if and when we get it back because the matter has to go to the Courts, is not large enough for the requirements of the Public Works Garage and Workshop. I think I have dealt with that point of the site opposite the hostel. As to the letter the Hon Miss C Anes also referred to written to me by the President of the Skai Club as a result of that letter I had a meeting with the President of the Skai Club and I discussed with him at length and explained to him over a map of Gibraltar the problems I had to face and I went away with the impression that I had convinced this gentleman that we were doing the right thing. I explained to him all the difficulties of obtaining a site that was large enough, so I think I need not say any more about that letter from the Skai Club. I had a long meeting with this gentleman. Referring to this recreational centre of this unnamed gentleman that the Hon Leader of the Opposition referred to, this gentleman - if we are on the same wavelength - submitted to the Development Commission a scheme for the construction of a recreational centre with my full support, mind you, and encouragement, for the construction of this centre on the caravan site. Of course, I explained to him the difficulties that would arise because if he required the whole of the Caravan site we would be faced with the problem of reprovisioning some of the caravans still there and in fact I discussed with him and suggested to him that perhaps the old destructor site might meet his requirements provided of course that the Development Commission, the Government and this House agreed perhaps, but I must say that this gentleman suddenly dropped the whole matter and it was not because I did not encourage him because when it is a question of encouraging people who want to invest money in development in Gibraltar, they do not find me wanting and I don't lose any time whatever in discussing these matters with them to further encourage them. One thing is worth saying and I think that what I am going to say will be recognised by the Hon Members and the public in general when I hope and I am confident the new Gibraltar city plan is exhibited in John Mackintosh Hall sometime in May and I will be as good as my word and will send to the Hon Members opposite a copy of the report that will accompany this plan. If we have a look at this plan, we will see that 30,000 people living in 2½ sq miles a lot of which cannot be built upon, presents problems of all kinds. I am happy to say that this plan which will be accompanied by a very large number of plans of all kinds - over 30 - and charts galore, have been the subject of close study and I think Hon Members when they look at these plans will be more fully conversant with the

problem of the Public Works garage. In fact, I think it was one Hon Member opposite who said not so long ago "where land is scarce" - I think it was the Hon Leader of the Opposition. And the Hon Leader of the Opposition pointed the real problem which we have to face when trying to build a garage which has to have a minimum of 40,000 sq ft where land is scarce. Because as the Hon Gentlemen will see when they start studying the new Gibraltar City Plan they will immediately be able to see that it is not easy to find 40,000 sq ft of area for a public works garage but they will immediately realise when they look at this plan that one cannot build a garage in any part of Gibraltar. And whether that site at the junction of Eastern Beach and Devil's Tower Road is the right one or not, it is at least on the boundaries of the industrial area and, in fact, in the industrial area earmarked by the last Chief Planner that we had, Mr Kendall. One of the suggestions that has been made to me and I thought the Hon Mover was going to make, was that Landport Ditch could make a good site for a Public Works Garage. When we look at this city plan it will be seen that it would not be such a good site. This is earmarked for other things, eventually. Let us not forget the parking problem that we are all faced with. Apart from the fact that re-provisioning the existing structures there of the Productivity and Training Unit would add enormously to the cost of the Public Works garage. Another site that will become available - and this is public knowledge - are the MOD Navy stores at Queensway and this will be seen in the City Plan sometime in the future, but that site not only presents problems of re-provisioning but also would go against the grain of modern city planning and if it is a crime, - I don't accept this for a moment - to build the public works garage at the junction of Eastern Beach Road and Devil's Tower Road it would be a much bigger crime. I believe it was the Hon Mr William Isola who asked whether I had approached the MOD on the question of obtaining a suitable site including the PSTN garage at Varyl Begg Estate to which reference has been made. I have already said it here before at another meeting that I am continually sitting around a table with representatives of MOD (Navy) and the Regional Estate Surveyor in the Development and Planning Commission to study all these problems to illustrate the point I will give details of the dates on which I have discussed these problems with the gentlemen I have just mentioned. 19th March, 12th March, 27th February, 20th February, 13th February, 6th February, 23rd January, 9th January. On all these occasions the question of the garage has been consistently discussed. So this question of asking me to get in touch with MOD representatives is something that we have been doing all the time without making a song and dance about it. Now, let us go back to the different planning stages, the Public Works garage has had. The first site we thought of which is one that the Hon Mr Caruana also mentioned in July 1975, was the site adjoining the new incinerator. That was the first site we thought of and that coincided with the thinking of what Mr Caruana said on the 14th July 1975, in this House. But when we got to study the problem we found that the site was too small and that adjoining the site there was a big empty space which was surrounded by the sacrosanct X-Y line which is so important we are told - and I believe it - to communications for

the defence of western civilisation. So we looked for a site and the one which presented less difficulties was the old refuse destructor. The old slaughter-house presented the difficulties of re-provisioning certain installations so we went all out that the old refuse destructor site and a press release was produced and there was an outcry, there is no doubt about it, there was an outcry. And the outcry about which the Hon Mover has been referring to most of the time that he has been speaking has been on the particular site of the old refuse destructor. In view of this public outcry we discussed this matter with the MOD eventually the MOD representatives came out with an offer of a strip 60 ft wide adjoining the new incinerator which would make possible the construction of the Public Works Garage on that site even though there could have been an overflow of lorries which could be parked somewhere else. Of course this presented the problem that other installations adjoining the new incinerator had to be reprovided i.e. Whatlings Building Contractors which are now operating in Gibraltar. This is why I mentioned before 30,000 people in a sophisticated community trying to get more space and this is what we are trying to do, and I am sure Hon Members opposite, trying to get a sophisticated community into 2½ square miles. But then and this is why I am grateful because he is making it easier for me to give this explanation, I am grateful to Mr Bossano, the Union discussed this matter with our representatives and finally came to the conclusion that we better site the public works garage somewhere else. And so we did. Having got this 60 ft strip which we are retaining, mind you, we decided after very careful study to this decision on the old slaughter house site which apparently was acceptable to the interested parties. I don't want to say any more than that. We prepared estimates, we discussed this matter with all the experts and we published a press release on the 20th February, 1976, complete with perspective views of the garage, etc. As far as I am aware, Mr Speaker, only two letters have appeared in the press on the new site at the old slaughter-house area. Maybe there have been more but not to my knowledge, maybe there will be more tomorrow but I am referring to the position today. So I consider, and the Government considers that there has not been an outcry on the construction of the Public Works Garage in this particular place at the old slaughter house. Mention has been made of Mr Solomon Serruya. All I can say, Mr Speaker, is that both Mr Solomon Serruya and I myself after him have never been successful in getting any developer interested in this old slaughterhouse/Refuse destructor site for development for tourism or any other purpose. And I entirely agree, I have said so here before. I remember very well saying in this House that I have never been more embarrassed in my life than when I went with a would-be developer to the old slaughter house site in connection with a development project. I was never so embarrassed in my life because it happened that that day there was an easterly wind and there can be no doubt I am fully convinced whatever the Hon and Learned Mover may say, that that site is no good for development except of an industrial nature like this one. It is at the edge of the industrial area so I see absolutely nothing wrong in building this Public Works garage there. In fact, opposite there are quite a number of unsightly builders yards, there is a distiller alongside. I am not convinced that the desalinator is not going to be there for many years. Perhaps future administrations may decide to have a desalinator there for many years to come

even after the life of the present desalinator has lapsed for the simple reason that if we have all the desalinators around our harbour and there is an oil slick we are going to be very badly off for water in Gibraltar. And I believe that we should not have all our eggs in one basket and have desalinators in more than one place drawing water from different places. I will not say very much more, Mr Speaker. The Opposition of course have not come out with any other alternative site and I sympathise with them. I sympathise with them because there are not any alternative sites, and all I ask this House is to bear very much in mind that if there is one job in the aid programme that is really beginning to be delayed it is this Public Works Garage.

HON J BOSSANO:

The Hon Member has not in fact mentioned whether he has investigated the possibility of sharing the PSTO garage. It might well be that by enlarging the PSTO garage and making it suitable for the needs of the MOD and Gibraltar Government it might be a cheaper and better thing to do than building a completely new one.

HON A W SERFATY:

God help us Mr Speaker, with the problems of car parking in Varyl Begg Estate, if we enlarge the PSTO garage, God help us. Apart from the fact that I have discussed this matter with the technicians of the Public Works Department, apart from the DPC, and they do not consider it advisable for many reasons to have a joint operation. Because it is not only garage, let us not forget this, it is a workshop on which depends the operation of desalinators and electricity generators. All these machines need high priority in a workshop. And I think they are absolutely right when they insist that they should have a workshop which is completely controlled by the Government of Gibraltar.

MR SPEAKER:

A decision has to be taken in consultation as to whether we should recess now until tomorrow morning and finish the debate then or whether we should finish the debate this evening. What does the Opposition think?
Mr Isola?

HON W M ISOLA:

I would be quite prepared Mr Speaker, in view that the Leader of the Opposition has had to go to a meeting, to leave it until tomorrow morning. In any case we have to come tomorrow morning for the other....

MR SPEAKER:

We have most certainly and that is what I have been debating. Whatever else we have to come back tomorrow for the debate on the adjournment which the Hon Leader of the Opposition has given notice of. There is only your reply on this particular vote. I know that some of the members have had to leave for the purposes of attending another appointment and they have expressed a wish to be here to vote. There is a slight divergence of opinion on the matter, but I have been giving some thought to the matter and I have had some impressions from the other side now, and perhaps it would be the most equitable thing to do now to recess until the morning, until 10.30. What I would like to find out now is whether there are any other contributors, because if I recess now it is on the clear understanding that it is for the purposes for Mr Isola replying and taking the vote. You don't intend to be long in the morning do you?

HON W M ISOLA:

I am always very quick Sir, I don't think it will be long.

MR SPEAKER:

By which you mean what, a quarter of an hour?

HON W M ISOLA:

About that yes.

MR SPEAKER:

So we will recess and will start tomorrow morning at 10.30. It will mean that we should be out in just over an hour.

HON A J CANEPA:

Mr Speaker in that case since it might be merely an hour might it not be more advisable to recess to 11.30 if it is going to be an hour.

MR SPEAKER:

Yes, most certainly if it is more convenient to the House. It would be perhaps better to recess to 11.30. If 11.30 is more suitable to members I will recess then until tomorrow morning at 11.30.

The House recessed at 7.25 p.m.

WEDNESDAY 31ST MARCH 1976.

The House resumed at 11.30 a.m.

HON LT COL J L HOARE:

Mr Speaker, Sir, I would like to correct the statement which I made yesterday about a pre-recording which appeared on television. I certainly did not remember it, I have been reminded this morning that I in fact did pre-record the message in my office about the demolition of the old destructor site. Now I would like to correct that and apologise if I had given the wrong impression.

MR SPEAKER:

Right. Mr Isola, I think you were going to reply.

HON W M ISOLA:

Mr Speaker, I would first like to reply to my friend, Mr Joe Bossano on this side of the House when he spoke about the position of the Transport and General Workers Union regarding this site, and for the record, as far as I understand what actually happened at that meeting between the official side which consisted, if I remember rightly of six top members of the Public Works Department and three members of the Transport and General Workers Union side, it was stated that the site which the Minister for Development said was the one by the incinerator, the reasons why the TGWU objected to it was merely because of the workers. But let it be understood that the TGWU does not consider that this site is.....

HON CHIEF MINISTER:

Mr Speaker, is he speaking for Transport House?

HON W ISOLA:

I am speaking for the public of Gibraltar which also includes the Transport....

HON CHIEF MINISTER:

On behalf of the Transport?

HON W M ISOLA:

Which also includes the Transport and Workers Union. I think I am entitled to speak for anybody.....

HON CHIEF MINISTER:

I am asking you, I am not saying that you are not entitled.

HON W M ISOLA:

I am also entitled to speak for members of the AACR?

HON CHIEF MINISTER:

No, I hope you are not.

HON W M ISOLA:

Anyhow what I am trying to get at is this, Mr Speaker, that though they have agreed to this site, they have only agreed to this site because they consider it suitable only for the workers involved, but it does not necessarily mean that they agree that this is a site suitable for the building of.....

MR SPEAKER:

I think the position as explained by Mr Bossano is that they have no objection to this site being used for the purpose insofar as the environmental conditions for the workers is concerned.

HON W M ISOLA:

That is correct, but that does not necessarily mean that they agree that this is the site, the best site, for members of the public. Now it has also come to light, Mr Speaker, that the Government informed the Transport and General Workers Union that apart from using the slaughter-house area for building the garage, that that place, in itself, is not big enough, and that they would have to use part of the ground of the old destructor also for the lorries. Now, Mr Speaker, I am quite prepared to give.....

HON CHIEF MINISTER:

No because I think that the siting is being mistaken. The new, or rather the site next to the new destructor, not the old destructor.

MR SPEAKER:

But the area that was not large enough to accommodate the garage was the area acceded by MOD next to the new refuse destructor.
That is what Mr Serfaty said.

HON W M ISOLA:

I am saying from my information that the Government is not only going to use the slaughter house area for building the new garage, but there would not be enough room there to keep all the lorries, and that part of the old refuse destructor will be used to park the lorries.

HON A W SERFATY:

If the Hon Member will give way. May I first start by saying that this only highlights the problem of the size of the site required. But the idea is not to park them in the new car park at the old refuse destructor site, but any excess number of lorries, particularly, the refuse lorries, will be parked next to the new incinerator site. That is the idea.

HON W M ISOLA:

Mr Speaker, in the debate yesterday I also mentioned the question of corrosion of the vehicles as another reason for not building the Public Works Garage on this particular site. I would like also to remind the House that I understand that at the meeting of the TGWU with Government, the TGWU informed the Government that they were very worried about the effects of corrosion, which would affect the lorries by building the site at the old slaughter-house. Now, Mr Speaker, I heard with interest the Minister for Tourism and Development, and quite frankly, I was not at all impressed by his arguments, because there was no argument put forward by him at all, with the exception that the Public Works Garage must be sited at this particular place. He said, Mr Speaker, that we are a sophisticated society, and that we need modern planning. Well I cannot understand that a sophisticated society can possibly allow a Public Works garage being built next to Gibraltar's most popular beach. To me that is certainly not modern planning, and I cannot for one moment accept that a sophisticated society can have a public works garage next to our beach. Can any Council in Great Britain, Mr Speaker, or in any part of the world, in any seaside shore like Brighton Clapham, Southsea, Blackpool, do you really think, Mr Speaker, that any of those towns would allow a garage to be built next to.....

HON A P MONTEGRIFFO:

Mr Speaker, on a point of clarification, I don't think Clapham has got any seashore.

MR SPEAKER:

I am sure it hasn't.

HON W M ISOLA:

I mean Clacton-on-sea not Clapham Junction, Blackpool, Brighton, Southsea, any tourist resort in Great Britain. Can this House think for one moment that any Council would allow a Public Works garage to be sited next to their particular beach. We talk about development, Mr Speaker, in Gibraltar, surely the development would be that the beaches from Eastern Beach, there should be a beach right through from Eastern Beach to Sandy Bay, that is what I call development Mr Speaker, not putting a Public Works garage right through the centre between Sandy Bay and Eastern Beach. We were told, or rather I mentioned that the cost of the site of the Public Works garage was about £307,000. In actual fact according to Col Hoare the contribution was £278,000. In actual fact that was the estimate for 1976-77 but the revised estimate, Mr Speaker, is £307,000.

HON LT COL J L HOARE:

If the Hon Member will give way, we were talking about estimates for this particular year. He said in this year we are going to provide so and so £307,000 the answer is no, in this year we are only providing.....

HON WM ISOLA:

But Mr Speaker, the cost of £307,000 would be far, far greater when of course the famous Scamp is implemented. Now, Mr Speaker, my argument yesterday, and I have heard no reply at all from the Minister for Development, was on the question of approach to the Ministry of Defence. The only effort and I challenge the Government even at this late stage, the only efforts which they have made, at least if they had made other efforts we are not aware of it on this side of the House, the only efforts which the Government made to MOD was to hand them a few yards, or whatever it was, by the incinerator. No other attempts had been made by this Government to obtain other lands or to share garages with the Navy or with the Army or with the RAF, and I had not one single iota of argument by the Minister of Tourism in this particular matter, which seems to me to be the one and only conclusion, that all that they are trying to do is to get the easy way out. Mr Speaker, the Minister kept on talking about all these various meetings which they have had in the Planning Sector, but to my mind they seem to have achieved nothing, because the resiting they are going back to the place 20 yards away where they originally were going to have the Public Works garage and to my mind and to my way of thinking, of the lesser of the two evils, because they are both evils, I would imagine that as far as the public is concerned, the other site which was originally suggested would be a far better place to have a Public works garage, if they have to have it there than the site they are having now. Because at least on this particular site it is a continuation of the beach it would have a far bigger area for members of the public to park, and it would not be such an eyesore. But let me say one thing, Mr Speaker, that both these places are completely wrong for a Public works garage, and I would again, because the object of my notion which stands in my name is that we would like them to reconsider again this question of resiting of this garage, and, Mr Speaker, I see the Minister nodding, but he was quite adamant in the beginning when he spoke about the garage

in the resiting of the old refuse destructor and he said because of the public outcry he changed his mind. So I would suggest that there is a bigger outcry by the public now that he would change his mind, or will he completely not respect public opinion in this very important matter. Or for instance if there is a big public outcry now, why should he not change his mind now, when he changed it before? Are there any good reasons? Because to my mind, Mr Speaker, if there was a public outcry before there should be a bigger public outcry now about the resiting of this garage, and especially, Mr Speaker when we have heard not one single argument that the Government has tried to get land from the MOD except this particular area. To my mind, Mr Speaker, the Government has made no attempt at all in pushing MOD to give them land to build this garage out of such an area. Mr Speaker, the Minister again yesterday talked about this place being an industrial area. I don't agree, Mr Speaker, that it is an industrial area like it used to be. We have a hostel there in Devil's Tower Road. Is the Minister as a planner not aware, for instance that when Government has been giving leases in Devil's Tower Road, one of the conditions of these leases is that the frontage must conform and not be something which is ugly. So it is not just an industrial area as such, the Minister may call it an industrial area, but it does not necessarily mean that we have got to make it uglier and uglier. Surely, Mr Speaker, as a sophisticated society which we have at present, we should try and improve this area and not make it an eyesore for posterity. Because, Mr Speaker, if we are going to spend £307,000 plus, plus, plus by the time Scamp comes along, and the Minister yesterday spoke about this place, never being an eyesore, of course it will be an eyesore in 5 or 10 years time. Who is the Minister trying to kid? The public? Because he is certainly not going to kid this side of the House. That place will become an eyesore within five years, and that place unfortunately will be there for a long, long time, long after the desalination plant will have disappeared, and we will be left with a legacy of an eyesore right by our seashore. I therefore urge the Government again to press the MOD for other lands, and if Government is not prepared to press them, I challenge the Government to get the TGWU and ourselves and we will get the land for the Government to build the P W Garage. Well, Mr Speaker, the Chief Minister laughs and the Chief Minister in the last election, and again, if I may say so, shouted: "This is the right to our land". Well if it is to our land let us at least get some land for building a P W garage not in front of our seashore. I think, Mr Speaker, like I said before and I will say again, it is a crying shame, a crying shame that this Government with six people in the TGWU Meeting of the 22nd January should come to the conclusion on the P Works Garage site, that the best available place should be right by the seashore and next to Gibraltar's most popular beach. Mr Speaker, may I end by saying it is a crying shame and I hope the public of Gibraltar will realise that at least on this side of the House we have strenuously attacked this choice of this Government with building a P W Garage. I sincerely hope that I am wrong that it won't be an eyesore but for the record I would tell this House that it will be an eyesore and that eventually members of the public will regret forever letting this Government get away with the building of the Public Works Garage at that particular place. Thank you Mr Speaker.

Mr Speaker then put the question in the terms of the motion moved by the Hon W M Isola.

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

The Hon M Xiberras
The Hon P J Isola
The Hon W M Isola
The Hon J Bossano
The Hon L Devincenzi
The Hon Miss C Anes

The following Hon Members voted against the motion:

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

The motion was accordingly defeated.

HON CHIEF MINISTER:

Mr Speaker I propose the adjournment of the House sine die.

MR SPEAKER:

Well, I will now propose the question which is that the House does now adjourn sine die and in so doing I will remind the House that the Hon the Leader of the Opposition gave notice in accordance with Standing Orders that he wished to raise at the adjournment the question of the security classification by the official employers as a matter of public importance and I therefore call on the Leader of the Opposition to speak on the matter reminding him of course that the whole debate will be limited to forty minutes, that there are no votes to be taken at the end of it & therefore if he wishes to have a reply he should make sure that he gives time to the Government to reply.

HON M XIBERRAS:

Mr Speaker, the issue of security classifications in Official Departments was raised in the House by the Hon Mr Joe Bossano and I would have gladly agreed to his moving this motion because I feel that this is really an issue which he has brought to this House in the first place. But as the House is aware - I think I mentioned it in the original debate - as part of my election statement in 1969 I made some reference to it, not knowing that there was such strength of feeling, in fact, behind this. But I was left in no doubt when the matter came to the House that all Members, except the Hon and Learned Attorney-General, but including the Hon Financial and Development Secretary, expressed a wish to see changes in the application of the security classifications. But apart from the application of the security classifications there was from most Hon Members a definite aversion to the terms being employed, namely, "LOCSEN" and "UK EYES ONLY". And I must say that as far as I can judge the public at large is taken up with the issue and it is a matter which goes beyond a mere question of security. It is a matter which does touch upon the estimation in which Gibraltarians, many of whom work for UK Departments, are held by HM Government. The Hon Attorney-General took away the results of this motion and made a statement to this House which Hon Members heard in the course of this meeting. Since I had given notice that if this statement did not meet the points which I feel Hon Members would like to see met I would raise the matter on the adjournment, this is why I am doing so now. The statement is unsatisfactory, it is vague and woolly, and this adjournment debate will give the Hon Attorney-General, if he is able to do so, the opportunity of setting the minds of Hon Members at ease on this matter and if he is not able to do so himself perhaps he will take note of what is said in this adjournment debate and relay it to the authorities concerned. That is my first substantial point, Mr Speaker. I would like the Attorney-General to tell us whose decision this is, on whose authority he has made the statements to which I have referred, whether it is the Governor here in Gibraltar, the FCO, the MOD, or exactly who? Mr Speaker the Attorney-General I believe said that

"locally sensitive" and "UK Eyes Only" were universally used classifications, in other words, Gibraltar was not the only place where HM Government used these classifications and this is no doubt a point to be borne in mind. However, I also understand in the course of the proceedings of this House that "locally sensitive" even though it was of universal application was to be replaced by some other classification, some other wording. And, therefore, encouraged by this and whilst welcoming this removal or this change - and I do hope that the Hon and Learned Member can confirm that this is, in fact, the case - I must tackle him on the same premises as regards "UK EYES ONLY". I cannot see yet why if it is possible to remove "LOCSEN" it should not be possible to remove "UK EYES ONLY". In the course of the debate Hon Members were worried about the prospects of promotion for Gibraltarians in the UK Departments and this point has been partly met by the Attorney-General when he said: "I am now in a position to reassure the House and the Gibraltar Trades Council that regulations do allow for authority to be granted to Gibraltarians to have access to papers bearing certain security classifications if their duties so demand." But it does not meet the point about impediments to promotion completely because the Attorney-General has not stated whether this is in fact being done now. In other words, is this assurance being implemented straight away or is it a statement of intent for the future, some undefined future. However, there is also the feeling of the House that the term itself, the wording of the classification "UK Eyes Only" was objectionable to Hon Members and to the people of Gibraltar, generally, and of course to the employees concerned. I do not think, unless the Attorney-General can advance very compelling arguments in its favour, that the phrase itself should be retained. I feel it should be amended in the same way as "Locally Sensitive" has been amended. If it was possible to do it with "Locally Sensitive" even though it is of universal application, so it would also be possible to do it in the case of "UK Eyes Only". However, I am conscious of the fact that whereas the conceptual division in "Locally Sensitive" is as between Gibraltarians and UK persons, the use of the term UK in "UK Eyes Only" can raise certain embarrassing questions. Not, may I say embarrassing to Hon Members in this House and certainly not on this side of the House,

but perhaps embarrassing as regards Her Majesty's Government definition of what a UK citizen is. I am prepared, because I know that there are changes in the offing in regard to this concept, to listen very carefully to what the Hon Attorney General shall have to say on this if, in fact I am on the right track. But if I am not on the right track and it is not out of any regard which the implications of the removal of the term UK might have on people in Gibraltar, then I must insist that it is the feeling of the House that the term itself should be changed, that is, the whole phrase "UK Eyes Only". It does not meet the point of the House to my mind to say that we are going to be considered along with UK citizens unless this is clearly stated by the Hon and Learned Member or by someone in authority. If what the Hon Attorney General is saying is that we are, for the purposes of the classification, being classed as people with UK eyes, then the statement should be made absolutely clear. It would come rather late and there are certain connotations which would come rather late and there are certain connotations which would not be easily rubbed out because it is a discriminatory term today in the eyes of many Gibraltarians. The best solution, however, would be to find an alternative and then everybody would understand that there is no discrimination against Gibraltarians in employment. But ^{the} possibility of a likelihood or should

I say the implication that the discrimination is not at an end was clearly mentioned in the House when the Hon Mr Bossano asked the Hon Attorney-General whether he was to understand that his statement meant that there would be an end to discrimination and the Hon and Learned Attorney-General, as far as I can recall, said "No". By which I understood him to mean that there was no end to the discrimination. But if the Hon Member meant yes, there is an end to the discrimination, of course it is a point to bear in mind as well. Mr Speaker, we had a very good debate on this and I am not going to bore the House with repetition. I simply would like to tell the Hon Member opposite that these issues once brought to public notice cannot be buried. It sometimes takes years for these issues to come to the level of the legislature but once they are there then they remain in the public consciousness and if there is a point behind the representations there

must be a change to my mind. It is their responsibility no doubt to bring such issues to this House but the reaction which was accorded to the motion of the Hon Mr Bossano, I think, was justification enough for his having brought it to this House. Therefore, any ambiguous reply is not going to satisfy either Hon Members in this House or the public at large. Mr Speaker, my final point which might serve as an introduction to other Hon Members is that the Hon and Learned the Chief Minister as his statement said for his part said that he would take a convenient opportunity to pursue the matter further and this he did. Now perhaps the Hon and Learned the Chief Minister might contribute as I believe he is desirous of doing to this and I hope that we are at idem on the stand of this House in respect of this matter. So, Mr Speaker, I leave it in the hands of Hon Members and I hope that the Hon and Learned Attorney General will approach the motion as something which is important to Gibraltar and to Gibraltarians, important to people working in the UK Departments and last but not least important to Hon Members of this House and to the Trade Union movement whose representations have come to strengthen the views of Hon Members of this House.

HON J BOSSANO:

Mr Speaker, after the original statement made by the Hon and Learned Attorney-General in the House which was patently unsatisfactory and on which the present one is an improvement, the Gibraltar Trades Council executive met and immediately asked for a meeting with His Excellency the Governor to let him know that as far as the Trade Union movement was concerned, the reaction of the British Government to the motion that had been passed in the House did not go far enough and that therefore the Trade Union movement would be taking the matter itself up directly with the British Government through the TUC and Michael Foot in London and also at the level of industrial action in Gibraltar against the employers. Now I think His Excellency took note of our views and gave them the serious consideration that they merited and he came back with an explanation which unfortunately fell short again of the clear cut decision that was required. There was a further meeting and further discussion and as a result of the latest

discussion with the Trade Union movement, as far as we were concerned the position had been satisfactorily resolved and we reported on those terms to the Gibraltar Trades Council executive and we informed the executive, in fact, that what we had been told by His Excellency would be repeated in the House of Assembly because we felt it was very important, not that just a few of us should know^{but} that the people of Gibraltar as a whole should know that there was no desire to discriminate between British subjects born in Gibraltar and British Subjects born anywhere else, by the MOD/DOE as employers. Unfortunately, the statement by the Hon and Learned Attorney General does not make this as explicitly clear as it was made to us in our meeting and I can only suppose that it is because the drafting of the statement creates an erroneous impression, not because there has been a change of mind since the representations were made. Of course, if there has been a change of mind then I would have no hesitation in informing the House that the measures that were being contemplated by the Trade Union movement will be put into force, obviously. The situation, Mr Speaker, is that in the employment of DOE/MOD there are public servants who are British subjects and it appears that security classifications have been made to apply to these public servants basically on the criterion of whether they were employed in Gibraltar or employed in UK, generally speaking. In some instances there seems to have been some departure from that criterion in that even locally employed UK born civil servants have been allowed a security classification which has been denied to locally employed native born Gibraltarians. Now, this appears to have been a departure from the norm. The norm has been, Mr Speaker, from my understanding of the situation, that the overriding element in deciding whether security clearance could be granted to a public servant or not, has been whether he was recruited in UK or recruited in Gibraltar. And in fact, we have had one particular instance of two brothers which, in fact, we informed His Excellency about, two brothers who are employed in similar positions, both Gibraltarians, both born in Gibraltar, one recruited in UK and one recruited in Gibraltar, and of course the one recruited in UK has got UK eyes, I don't know what the father will have to say about that, but still. At least, Mr Speaker, I haven't mentioned any names. So the

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situation is of course that it produces some rather farcical distinctions which appear to bear no logic because obviously if there was a security risk then I would have thought either both these individuals are security risks or neither of them are. In asking earlier on the Hon and Learned Attorney General for an explicit statement as to whether the discrimination that had in fact been in practice up to now was now definitely ended, the answer that I got was "no" and I assumed then that it wasn't ended. I don't know whether he meant something else and he will no doubt be able to explain in his contribution. But I think it must be accepted that the discrimination has existed even if it was not intended that it should exist. That it has existed is undeniable. The volume of evidence is overwhelming, Mr Speaker, and therefore if it was never intended then, of course, it is more satisfactory that it should have been unintentional but nevertheless unintentional or not there must be an absolute clear cut cast iron guarantee that it cannot continue any longer, that those who have to take the appropriate decisions have been told quite categorically and have been given clear guidelines on the application of the classifications or whatever name they want to put on the classifications, to ensure that they operate horizontally and not vertically that is, that it is either a particular level of responsibility that people are allowed access to certain documents and it is absolutely immaterial where the occupant of that post comes from. Because if he is not fit to hold that post he should not be allowed to hold it, Mr Speaker. That is the way these classifications should work and that way they are perfectly acceptable to the responsible trade unions involved in representing the workers in these areas because it is recognised that there are certain documents which have to be restricted to a certain level, and this is something that we do ourselves inside the Trade Union movement and we accept that it has to be done like that. Everybody does it, every institution has to have this system. But it must be made absolutely clear that the way the system is operating now and the way it will continue to operate will be on the basis of the level of responsibility of the post and therefore the classification will go with the post and therefore the origin of the occupant of the post will not even be looked at because it will be an irrelevant outside factor.

HON CHIEF MINISTER:

Mr Speaker, as the statement at this session that was made by the Hon Attorney-General rightly pointed out, I did say at the earlier one that I would take the matter up on an appropriate opportunity and in fact the Hon Attorney-General has said that I did. At that time I think it was just by an enquiry across the floor that the Hon Mr Bossano asked me where and I said: "to the Governor", but I would like to make clear as I made clear to him already to remove any misunderstanding that of course I have to make representations to the Governor and the Governor makes these representations to the representations to the Foreign and Commonwealth Office. I would not deal direct with the FCO unless I was satisfied that my representations were not being transferred to the proper channel and I have no reason whatever to believe that that is the case nor have I ever had any reason to believe that that is the case. Therefore, I would like to make that clear that my representations were to HE the Governor for transmission to the FCO if only because it is not strictly within the Governor's direct authority, immediate authority, I should put it that way and therefore, he had to refer this matter to London. Then the Governor saw the Trades Council. I am not speaking for the Governor here, I have not spoken to him about this matter and it is not for me to speak for the Governor here but I would like to put my position quite clear because this side of the House supported the motion, I said I would pursue the matter and I have a function as Leader of the House to report to the House whether what is happening here is having its effect elsewhere. That is why I am saying this perhaps in anticipation of anything that the Hon Attorney General has got to say. I have a responsibility to the House and I have to report to the House on the things entrusted to me to deal with in areas which are not within our province. Now, as I understand it, there was a meeting with the Trades Council as the Hon Member has said. There was a second meeting because the Governor wanted to make sure of his materials and what he had received and he wanted more clarification. It was not because the meeting lasted too long that it had to be left for another day but he asked for an adjournment of the meeting, that is as I understand it, in order to make sure that any statement that he made was authoritative and in sufficient detail having regard to the material that he

had obtained in the course of his efforts following the representations of the House and the detailed representations of the Members of the Gibraltar Trades Council which is understandable some of which made there across the table may have had to be looked into in further detail. And at the second meeting an assurance was given by the Governor - this is how I understand it so that there should be no misunderstanding - that all civil servants are supposed to and will receive equal treatment irrespective of their place of birth, that the security classifications are linked to the post and not to the origin of the occupant and that therefore there is no barrier from promotion. Now, I understand that these are the assurances which were given by the Governor and which as the Hon Mr Bossano has very fairly stated, were accepted by the Trades Council as being a satisfactory outcome to the representations earlier made by the House and by the Trades Council. I got this this morning from its proper source and I have no doubt that the Hon Attorney-General will be able to confirm that this is the case and if the earlier statement has not satisfied Members it may well be, as the Hon Member has said, a question of perhaps careful drafting. But I have got this myself this morning and I hope that if this is confirmed, as I am sure it will be confirmed by the Hon Attorney-General - I have not spoken to him about this matter, I have done research on my own - that that will satisfy the House and be a satisfactory end to the matter.

MR SPEAKER:

Perhaps, if there is no other contributor the Hon Attorney-General would like to reply.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to thank the Hon Leader of the Opposition for the very fair attitude which he took towards my part in this matter. He could have attacked me but he didn't and I thank him for that. Now, one of two points I must make. I was asked on whose authority I made the statement. The

statement came from the UK, I won't say it came either from the FCO or the MOD. I think the security classifications are a general classification which are in common use throughout all ministries of HM Government. I did not, in fact, say - if the Hon Member will look at my first statement - I did not say that LOCSER was going to be removed. I said it would be replaced wherever possible and those were again the instructions which have come from HM Government in the United Kingdom. On the question of "UK EYES", the Hon Leader of the Opposition raised some query as to how this might be tied up with any changes that might be occurring in citizenship. I think I can fairly say the expression has been used for a very large number of years now and it was adopted, I imagine, without any particular reference as to who might or might not be a citizen of the UK and colonies or who was a UK citizen. I would again remind members, as I did say in my first statement, that these classifications are not merely in use in Gibraltar, they are in use in the UK itself, they are in use in foreign countries, they are in use in the independent commonwealth countries and they are in use in the dependent territories. It is not aimed at Gibraltar. However offensive they may be to people in Gibraltar, the point I must make categorically clear is that it is not only in Gibraltar that they are used. I think that is generally accepted. If you look at my earlier statement these markings which have their origin in the UK have a national application and are, as the House should be aware, in common use in establishments and offices both in the UK and overseas. I will certainly transmit the proceedings of what has been said in this House. I can assure the Hon Leader of the Opposition that although I can give no guarantees as to what will or will not be done, I can certainly give him the assurance that the record of this debate will go to the United Kingdom. It will go first of all to His Excellency the Governor but it will certainly go to the United Kingdom so that the views of all Members of the House are understood and appreciated there.

HON M XIBERRAS:

Mr Speaker, if the Hon Member will give way for a second. My point about the possible changes in the UK citizenship legislation was a very general point. Perhaps I could explain that very briefly now. It is that if the distinction which is drawn here as elsewhere, in the UK and so forth, as the Hon Attorney-General has said, is one aimed at separating people who have a basic loyalty as UK citizens and people who cannot be trusted, to put it in blunt terms as such, then we would like to feel in Gibraltar that we are to be counted amongst the UK people who are for the purposes of that classification inside the line and not outside of it. Now, I don't know.....

MR SPEAKER:

I would like to remind Members that there are exactly six minutes left.

HON M XIBERRAS:

I thought the Hon Member was almost finished. I don't know whether the dividing lines would be changed as a result of any new legislation on citizenship and that is why I mentioned the point.

HON ATTORNEY GENERAL:

I have no doubt that the persons here who are responsible for deciding whether or not a particular person may look at a particular document, they will be told that he will not be ruled out because he may be a Gibraltarian. There will be no question of the persons responsible saying: "Well, I don't think so" or "I don't know". Clear instructions will be issued on this particular point so that no doubt can arise as to the exact position. It does appear although I must admit that I have not received this directly myself, I can only reiterate what the Chief Minister has told this House, that whether or not one is entitled to look at a document will not depend on the place of his birth. I have understood that to be the case, it has not been said to me directly, but I have no doubt that if this has been said to the Chief Minister then this is so.

The House then adjourned sine die.