

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

25 March 1980

Vol. 1

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Second Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday the 25th March, 1980, at the hour of 10.30 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development, Trade and Labour and Social Security
The Hon M K Featherstone - Minister for Public Works
The Hon H J Zammit - Minister for Housing and Sport
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J E Perez - Minister for Medical and Health Services
The Hon D Hull QC - Attorney-General
The Hon R J Wallace CMG, OBE - Financial and Development Secretary

OPPOSITION:

The Hon P J Isola OBE - Leader of the Opposition
The Hon G T Restano
The Hon Major R J Peliza
The Hon W T Scott
The Hon A T Loddo
The Hon A J Haynes

The Hon J Bossano

ABSENT:

The Hon I Abecasis - Minister for Tourism and Postal Services } who were
The Hon Major F J Dellipiani ED - Minister for Education } unable to attend due to illness

IN ATTENDANCE:

P A Garbarino Esq MBE, ED - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 28th February, 1980, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

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

The Elections (Amendment) Rules, 1980.

Ordered to lie.

The Hon the Minister for Economic Development, Trade and Labour and Social Security laid on the table the following documents:

- (1) The Employment Injuries Insurance (Amendment of Benefits) Order, 1979.
- (2) The Social Insurance (Amendment of Contributions and Benefits) Order, 1979.
- (3) The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment of Benefits) Order, 1979.
- (4) The Employment Injuries Insurance Ordinance (Benefit) (Amendment) Regulations, 1979.
- (5) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations, 1979.
- (6) The Social Insurance (Contributions) (Amendment) Regulations, 1979.
- (7) The Social Insurance (Benefit) (Amendment) Regulations, 1979.
- (8) The Social Insurance (Overlapping Benefits) (Amendment) Regulations, 1979.
- (9) The Merchant Shipping Ordinance (Amendment of First Schedule) (No 2) Notice, 1979.
- (10) The Pilots (Amendment) Rules, 1979.
- (11) The Port (Amendment) Rules, 1979.
- (12) The Prison (Amendment) Regulations, 1980.

Ordered to lie.

The Hon the Minister for Housing and Sport laid on the table the following documents:

- (1) The Landlord and Tenant (Rent Relief) (Terms and Conditions) (Amendment) Regulations, 1980.
- (2) The Traffic (Glacis Estate) Regulations, 1980.
- (3) The Traffic (Taxi Fares) (Amendment) Regulations, 1980.

Ordered to lie.

The Hon the Minister for Municipal Services laid on the table the following document:

The City Fire Brigade (Discipline) (Amendment) Regulations, 1979.

Ordered to lie.

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

- (1) The Colouring Matter in Food Regulations, 1980.
- (2) The Preservations in Food Regulations, 1980.

Ordered to lie.

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

- (1) The Supreme Court (Barristers and Solicitors) Rules, 1980.
- (2) The Coroner's Rules, 1980.
- (3) The Denmark (Extradition) (Amendment) Order, 1979.

Ordered to lie.

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

- (1) The Explosives (Amendment) Regulations, 1979.
- (2) The Imports and Exports (Control) (Amendment) Regulations, 1979.
- (3) The Imports and Exports (Control) (Amendment) Regulations, 1980.
- (4) The Income Tax (Appeals) Rules, 1980.

- (5) Supplementary Estimates Consolidated Fund (No 4 of 1979/80).
- (6) Supplementary Estimates Improvement and Development Fund (No 4 of 1979/80).
- (7) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 6 of 1979/80).
- (8) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 7 of 1979/80).
- (9) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1979/80).

Ordered to lie.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, with your permission I would like to make a short comment about the Estimates of revenue and expenditure for the year 1980/81. These are not ready to be brought to the House at this particular juncture and I am therefore unable to lay them but in accordance with Standing Order 44(1) the Clerk will send to Hon Members copies of these Estimates not less than 15 days before they are considered by the House. In due course, when I come to the House, I can ask leave to move under Standing Order No 7(3) that I be permitted to speak to the Estimates as they are laid.

HON CHIEF MINISTER:

Mr Speaker, before we start question time I would like to make two comments. First of all, the questions which were addressed to the Minister for Education will be answered by the Minister for Public Works who has considerable experience as he has held the portfolio of Education in the past because as we all know by now Major Dellipiani suffered a very severe accident over the weekend in the course of some Gibraltar Regiment exercises and it will take a little time before he is fit. I am sure I am expressing the views of all Members present in wishing him a speedy recovery. With regard to the questions down for answer by the Minister for Tourism and Postal Services, he is not able to be here because he is indisposed. I have had a word with the Leader of the Opposition and we will leave them till the end of question time to see whether he is able to do so when he comes, if not we could adjourn them to a later date because his indisposition is, fortunately, not a serious one and he may be back tomorrow or the day after.

ANSWERS TO QUESTIONS.

The House recessed at 1.00 pm.

The House resumed at 3.20 pm.

Answers to questions continued.

The House recessed at 5.40 pm.

The House resumed at 6.05 pm.

THE ORDER OF THE DAY

MOTIONS

HON CHIEF MINISTER:

Mr Speaker, there is nothing very new in this motion, it is only to bring up-to-date and to take into account the changes that have taken place following the election. The first motion is: "That a Select Committee be appointed, to be designated the Select Committee of Public Accounts, to examine the accounts showing the appropriation of the sums granted by the House to meet the public expenditure and such other accounts laid before the House as the Committee may think fit and to report from time to time". This follows exactly the same wording as the original Public Accounts Committee which, of course, came to an end with the end of the previous House of Assembly. I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's motion.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON CHIEF MINISTER:

Mr Speaker, following on the motion which has just been passed and following on consultation with the Leader of the Opposition, I now have the honour to move "That the following Members should be nominated to the Select Committee of Public Accounts: The Hon Major F J Dellipiani, the Hon B Perez, the Hon G T Restano and the Hon A J Haynes."

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's motion.

HON P J ISOLA:

Mr Speaker, I support this motion. In the course of consultation I did inform the Hon and Learned Chief Minister that it is proposed from the Opposition side that the Hon G T Restano should be Chairman of the Public Accounts Committee. I am quite sure that Mr Restano as indeed the other two Members of the Committee who have served on the Public Accounts Committee under my Chairmanship will continue doing the good work that I feel the Public Accounts Committee has been doing over the last year or so and may I express the hope that the recommendations that the Public Accounts Committee makes to this House will continue to be treated with consideration and the seriousness that they obviously deserve and I hope that, as I said earlier on during question time, that changes that are recommended by the Public Accounts Committee will not be dismissed lightly by the administration.

MR SPEAKER:

In order to obviate any misunderstanding, of course the Chairman of the Select Committee will be appointed by the Committee itself and not by the House.

HON CHIEF MINISTER:

Yes, except that in order also to avoid any misunderstanding it should not be a Member of the Government.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON CHIEF MINISTER:

Mr Speaker, this motion also arises out of the change of circumstances following on the elections and the motion reads: "That this House resolves as follows: (a) that a Permanent Select Committee on Members' Interests consisting of four Members, two from each side of the House irrespective of the number of Members as between Government and Opposition, be appointed with the following terms of reference: To examine the arrangements made for the compilation, maintenance and accessibility of the Register of Members' Interests, to consider any proposals made by Members as to the form and contents of the Register, to consider any specific complaints made in relation to the registering or declaring of interests; and to report on these and any other matters relating to Members' Interests; (b) that the Committee have power to send for persons, papers and records; to sit notwithstanding any adjournment of the House and to report from time to time".

Sir, again as with the previous motion, it follows the pattern of the previous motion which were passed too late in the light of the last Legislature to be effective.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's motion.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON CHIEF MINISTER:

Mr Speaker, following on the resolution just passed I now beg to move "That this House resolves that the following Members should be nominated to the Permanent Select Committee on Members' Interests:- The Hon A J Canepa, the Hon I Abecasis, the Hon G T Restano and the Hon W T Scott". Again the question of Chairmanship of this Committee is a matter, of course, for the Members themselves but it is intended that Mr Canepa who chaired the Select Committee that led to the passing of the resolutions and so on, certainly would be the nominee of the Government to Chair this Committee, but that is a matter for the Committee itself.

Mr Speaker proposed the question in the terms of the Chief Minister's motion.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

MR SPEAKER:

When the Standing Orders were amended to incorporate the re-commendations of the Select Committee, Standing Order 54(7) was amended to read as follows: "Where a Member has a direct personal pecuniary interest on any subject he shall declare that interest and shall not vote on the question". I have given this matter very careful attention and the way the rule is drafted it means that once a Member considers that he is in a position where he has to declare a direct personal interest, by making such a declaration he is automatically, in accordance with the Standing Order as it stands now, dis-allowing himself from voting. I do not think that this is what the Select Committee wanted to achieve. There must be circumstances where a Member should and where it is proper that a Member should declare an interest so that the House knows exactly what the personal position of that particular Member is at the particular instance but having declared an interest he can at a later stage take a decision as to whether the interest he has declared is one which he should consider as to nullify his right to vote. The declaration should be completely and utterly separate from a decision as to whether the interest in itself is of such a nature as to not entitle him to vote. I say this so that since the Select Committee has now been appointed to consider all these matters they might perhaps give this matter their attention and perhaps amend the rule so that Members should be required in all instances to declare an interest but they should be at a later stage entitled to decide whether the interest is such as to not entitle them to vote.

HON CHIEF MINISTER:

I think, Sir, that that follows the House of Commons pattern. As in fact we are going to have a review of the Standing Orders perhaps the Select Committee could give us their advice on that. Mr Speaker, I have given notice on the 19th March, 1980, of a resolution that the House approves the giving by His Excellency the Governor of a notice which appears in the Order Paper and which is titled "Licensing and Fees (Amendment of Schedule) (No 2) Notice, 1980", and it shall come into operation on the 1st day of April, 1980. May I have the leave of the House not to read the whole of the notice?

MR SPEAKER:

I will most certainly on your behalf ask the leave of the House that the Chief Minister should not be required to read the full text of the motion since it has been circulated with the Agenda.

HON CHIEF MINISTER:

Mr Speaker, the Passport Officer and members of his staff occasionally have to attend at weekends and after office hours in order to issue a passport. At present no fee is charged but the cost to Government at current rates of pay for attending outside normal business hours is quite considerable \$13.55 on Saturdays and \$18.06 on Sundays and public holidays. It is therefore proposed to charge the persons requiring the service a standard fee for attendance after office hours for the issue of a passport. The amount of the fee would be closely related to the amount payable to the staff required to attend. The table of fees levied under the Consular Fees Order-in-Council, 1978, in that table the fee charged by consular posts for attending outside customary business hours is \$16.50 for each hour or lesser period and it is therefore proposed that this fee should be charged locally to be reviewed in the light of future pay increases. This fee will however be waived in cases arising out of bereavement or serious illness and other cases of hardship, for example, sponsored patients in need of urgent travel to the United Kingdom. In no case will a charge in excess of \$16.50 be raised since the work concerned would not normally take more than one hour. Another fee, and that is the fee levied in Gibraltar at present for the legalisation of documents is 5p. This fee has remained static for many years and from what we have been able to look at the fee certainly it was there in 1932. It is therefore proposed that it be increased to \$3 which is the fee charged by the Foreign and Commonwealth Office and Consular posts for this kind of service. Sir, I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's motion.

HON P J ISOLA:

Sir, I would like to make a point on the passports. I do not know how many officers are required, if it's just one officer £16.50 per hour on a forty-hour week basis represents a salary of £600 a week. I don't know what sort of overtime fees the Government pays. I don't know on what basis the Government pays four hours overtime to a civil servant if they only do one. If the Government wants to be good and kind, fair enough, but I think it is wrong to charge a member of the public going for a passport and having to pay, apart from the passport fee of £10, £16.50. It is no use saying that that is the cost to Government. Is that a reasonable fee to charge somebody for an hour's work on the part of a Government civil servant? It seems to me that is rather high, Mr Speaker, and I think that although it is not unreasonable to expect a member of the public that wants a service outside working hours to pay for it, it seems to me it is totally unreasonable to ask a person to pay £16.50 who may be going on a holiday or something, to pay £16.50 because he forgot to get the passport in time. I think the Government ought to try and strike a balance between the reasonable and the unreasonable and I think somebody who needs a passport and has forgotten it or has lost it, I'm not talking of hardship, who has lost it and so forth and has to catch a plane and needs the passport, I think to punish him with £16.50 is an inordinately large sum. I would like Government to reconsider that.

HON A J CANEPA:

Mr Speaker, I don't think it is a question of the Government punishing anybody. I think it is a question of a person paying a reasonable charge for a service which is provided for him by the Government at tax payers expense and if the tax payer has got to pay a Government officer who is called out for an hour on a Sunday morning, £16.50, because this has to be paid as per the agreement signed with the appropriate Staff Association and it is based on the practice in the United Kingdom, you don't bring somebody out for 10 minutes, or a quarter of an hour and pay him a quarter of an hour, you have to pay a minimum amount because of the inconvenience that you are causing that officer through having him attend to a member of the public at an unsocial hour. This has to be reasonably remunerated in the same way as a solicitor or a doctor who might be called out at an unsocial hour would also charge someone very, very heavily, there is an element of deterrent, I think, in that and the Government is being very careful in drawing a distinction between cases of genuine hardship such as in the case of bereavement or a sponsored patient and what could, perhaps, be termed a rather more spurious application for a passport at short notice because the person in many cases may not have gone to the trouble of checking on his passport and availing himself of the reasonable opening hours which are available in the course of the week for this service to be provided. I think we must get away from this principle of the tax payer subsidising people.

HON CHIEF MINISTER:

I would just like to stress what my colleague has said. It is not a question of making profit with anybody. I am quite sure that in many cases the person who wouldn't have a passport otherwise would be under a bigger hardship to have to put off all his arrangements because of an oversight on his part. The cases that we have mentioned here are clear and there is no question of means in cases of bereavement or serious illness or other cases of hardship when it will be certainly administered benevolently. This is only an attempt to get the service which the Government renders to people paid by those who benefit by them.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON A J CANEPA:

Mr Speaker, I would be grateful if I might be allowed by Honourable Members to dispense with the need to read what is a rather lengthy motion of which I gave notice on the 17th March and which proposed to raise crantage charges.

MR SPEAKER:

I am sure the Hon Minister has the leave of the House not to have to read the motion. Will you please proceed.

HON A J CANEPA:

Sir, the purpose of this motion is to increase us from the 1st April, 1980, by 50%, crantage charges. These were last increased in November, 1977, in other words, about 2½ years ago and the extra revenue that will accrue as a result of this measure is about £2,000 a year. The proposals have been cleared with the Gibraltar Shipping Association who have expressed no objection. Sir, I commend the motion to the House.

Mr Speaker proposed the question in the terms of the motion moved by the Hon the Minister for Economic Development, Trade and Labour and Social Security.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON ATTORNEY-GENERAL:

Mr Speaker, may I, before we deal with Bills raise a point in relation to the last two motions?

MR SPEAKER:

Yes, most certainly.

HON ATTORNEY-GENERAL:

Mr Speaker, the motions are presented separately for the reason that although they are motions to amend the one Ordinance they were presented as separate motions because they involve Ministers with different responsibilities. The Ordinance requires that the House approve the making of such amendments before the Governor proceeds to make them. In view of the fact that they are brought before the House at this time and will be published at the same time, may I ask whether there is any objection by the House to the substance of the motions being combined and eventually made in the form of one notice thereby saving, I think, cost and also being more convenient to the reader who wants to see what amendments have been effected to the Schedule to the Ordinance.

MR SPEAKER:

That is a matter of form exclusively and will not change in substance in any manner or form the motions that have been passed. Is that correct?

HON ATTORNEY-GENERAL:

Yes, Sir.

BILLS

FIRST AND SECOND READINGS

THE PRICE CONTROL (AMENDMENT) ORDINANCE, 1980

HON A J CANEPA:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Price Control Ordinance (Chapter 177) be read a first time.

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

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Sir, this Bill provides for notices fixing maximum prices and charges under section 3 of the Price Control Ordinance to be issued directly by the Minister charged with responsibility for price control and

not by the Governor acting on the advice of the Council of Ministers as is at present the case. The issue of notices is essentially an administrative matter and notices are often required as a matter of urgency. It is considered to be appropriate, therefore, for such functions to be exercised directly by the Minister. The powers which are contained in section 11 of the Ordinance whereby retailers may be required by notice published in the Gazette to display their prices, is in essence a machinery provision for the better implementation of the Ordinance and it seems also appropriate that this power should be vested directly in the Minister responsible. There is, Mr Speaker, a minor consequential amendment to section 15 which has become necessary if these changes are to be made. I ought to stress, Mr Speaker, that the powers in sections 4 and 5 of the Ordinance, whereby particular enquiries may be undertaken and prices fixed, will continue to be vested in the Governor acting on the advice of the Council of Ministers as will the powers under section 15 relating to the appointment of persons to advise on the determination of prices and the making of the rules. Mr Speaker, although this, as I say, essentially is an administrative matter, I would imagine that from a constitutional point of view, it will also have the support of the House involving as it does greater devolution of power to the elected representatives of the people. Mr Speaker, I commend the motion to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, I was very interested to hear the last remark about constitutional advancement by giving the powers under the Price Control Ordinance to the Minister. I suppose one could say it is a small advance in constitutional practice, possibly, but I wonder whether it is good practice to have an Ordinance in which you have the Governor and the Minister mentioned which is what is going to happen here. I notice that the Governor in the existing Ordinance is referred to right through, it may not be the case I haven't had an opportunity to look at this. I think the important point of principle that seems to emerge from this Ordinance is that the Minister for Trade is apparently now going to

HON A J CANEPA:

If the Honourable Member will give way. There is a mistake in the explanatory memorandum. If the Honourable Member will look at clause 2 he will see that "Minister" is defined as the Minister who is for the time being charged with responsibility for price control and it need not necessarily be the

Minister for Trade. Up to 1973 it was the Minister for Trade, between 1976 and 1980 it has been the Minister for Labour, and at the moment this happens to be me who has a very long title but it is the Minister specifically charged with responsibility for price control and not the Minister for Trade as in the Explanatory Memorandum.

HON P J ISOLA:

that
I am obliged for/explanation, Mr Speaker. I said the Minister for Trade but I am really thinking of any Minister who might have this responsibility. It seems to me that what the Government now proposes to do is that such a Minister will be able, unilaterally, to fix maximum prices in Gibraltar without consulting his colleagues in Council of Ministers.

HON CHIEF MINISTER:

No.

HON P J ISOLA:

Well, I think that is what the Minister said, that instead of the Governor acting on the advice of the Council of Ministers it will be the Minister who will do it. If the Minister is going to do it as a result of passing it through Council of Ministers then it is a very different matter but I would have thought that such a sensitive area as price control, it is indeed a sensitive area, it would be better that orders under the structure should be with Council of Ministers. The other point is that I don't think it is tidy, Mr Speaker, and I don't think it is an advance to have an Ordinance in which the more serious powers contained are given to the Governor and the minor powers are taken by the Minister. I would have thought that if the Minister is going to take responsibility for the Price Control Ordinance and we are talking of Constitutional advance, then the Minister should exercise all the powers in the Price Control Ordinance but I should say that if that was the proposition that came forward to this House I think that we would oppose it. However, if we are going to be logical, if the Minister is in fact going to be the person who is going to be responsible for price control, then all the responsibilities in the Ordinance should be on the Minister and not in the Governor, but we do not like that idea. One might vote for this slight increase, let us put it that way, in the powers of the Minister on the understanding that the Council of Ministers would still look at price control lists, I think we would oppose an individual Minister deciding what inspector should go into premises and so forth which is what is in the Price Control Ordinance.

HON CHIEF MINISTER:

Mr Speaker, the point is that the Minister has always consulted Council of Ministers particularly when the changes are of substance, the routine work is carried out by the Department but we find that it is rather cumbersome to have to seek formally to make a resolution of the Council of Ministers which meets on Wednesdays and then get the decision and then get the Governor to approve it and it is therefore very difficult when it is necessary to make any alterations to have the thing set out in time for the Gazette on Thursdays. There is no element of change in the fact that the Minister is seeking, it is only in the sense of the mechanics of it that it has become necessary. With regard to the other matter raised by the Honourable Leader of the Opposition, it is not the only Ordinance which has powers vested in a Minister as well as vested in the Governor. I can think of the Social Insurance Ordinance and I am not sure whether it also applied in the case of the Education Ordinance. There are others in which the dichotomy is probably there so that it does not matter in that respect. It certainly would not be the intention of the Government to try and seek authority to visit premises and to look at books and so on on the instruction of a Minister, in fact, the Governor acts on the advice of Council of Ministers. But this in the every day administration of the Ordinance, we find is rather cumbersome and that is why it is thought to amend it.

HON ATTORNEY-GENERAL:

Mr Speaker, I, too, would like to add that I think that the fact that one Ordinance provides both the powers to be exercised on the advice of the Council of Ministers as such and also provides for powers to be conferred on a Minister particularly, this does not demonstrate any inconsistency in the Ordinance. I think this is not uncommon and I don't think it is bad practice. I think the main thrust of this Bill to be to provide for greater administrative convenience because these notices are notices which are issued every week, possibly, even more often on occasion and therefore it is essential to be able to fix prices and promulgate them as quickly as possible. Section 45(2) of the Constitution in fact contemplates that powers may be conferred and exercised in such a manner and I think that is the intention of this amendment. Another point I would like to speak to, Sir, is that the effect of this power is the power to determine goods which would be subject to price control and further to determine the actual prices, in other words, to review the prices from time to time. There are other powers in the Ordinance which deal with the investigation of prices being charged by particular dealers, these are investigative powers and these powers will be exercised on the advice of Council of Ministers.

MR SPEAKER:

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

HON A J CANEPA:

Mr Speaker, I would like to underline what the Chief Minister has said. I can think of at least three Ordinances which have been enacted by the House of Assembly in recent years which provide for this dichotomy of the Governor and the Minister in various sections, the Industrial Training Ordinance, the Social Insurance Ordinance and the Education Ordinance and the fact that this was done was regarded by Honourable Members at the time as of some constitutional significance. The Chief Minister is perfectly correct when he says that the time element is some times very limited as between a matter being brought to Council of Ministers on a Wednesday and the need for the notice to be published the next day in the Gazette but perhaps I can assure Honourable Members opposite that on all those matters which involve price controlled commodities of great sensitivity, the practice will continue to be as it has always been to take a well detailed paper to Council of Ministers and have decisions taken collectively. We want the powers vested in this Bill in order to avoid the Minister having to take formally to Council of Ministers a legal notice that will require or that will entail an increase of say 1p or 1p in a particular brand of milk, sterilised milk, of which there may be 20 or 30 brands, this is what we want to avoid, but if there is a need to increase, say, the controlled price of bread or frozen beef and any other commodities which are much more sensitive, I can assure Honourable Members that the practice will continue to be for the Minister involved to take a paper to Council of Ministers because I think that his colleagues would demand that of him. As regards the issuing of warrants and investigatory powers to Government officers which is what I referred to under section 4 and 5 would continue to be vested in the Governor, I would imagine, Mr Speaker, that having regard to the great deal of sensitivity in this House in the last two or three years on precisely that particular point, I would have thought that the House would very much prefer that it would be the Governor who would continue to be empowered to issue such warrants and not the Minister having regard to different approaches by the Minister responsible on purely ideological grounds whereas with the Governor having this responsibility I think citizens would feel, the trade in particular would feel, that there was a much greater deal of protection on a more objective and impartial basis. I disagree with the Honourable the Leader of the Opposition in that respect and as I say I do regard this as being of some significance in spite of the fact that the measure is intended mainly to be of administrative convenience within the parameters that I have mentioned.

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

HON A J CANEPA:..

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

This was agreed to.

THE PENSIONS (AMENDMENT) ORDINANCE, 1980

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Pensions Ordinance (Cap 121) be read a first time.

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

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Sir, the purpose of this Bill is to provide that where a salary increase is awarded to public servants and where the payment of that increase is to be made in stages nevertheless, for the purposes of pensions under the Pensions Ordinance, if the Governor so declares the increase could have been treated as having been made either to the whole or to the part at the beginning of the period when the first stage was granted or at any time during the period of staging up to and including the last date on which the final stage became payable. Mr Speaker, the Bill, as drafted, would confer a discretion from the Governor to decide from what date pensions would become payable. It is the same Bill in substance as a Bill which Members will recall was introduced in 1979 - late 1979 - and did not go through all its stages, as the event, it lapsed. The Bill has been the subject of discussion with the United Kingdom pension authorities and the Government is now proposing that this Bill proceed in its present form. I should perhaps mention that there are also the provisions in the Pensions Regulations relating to industrial staff to whom the Ordinance itself does not apply and it is proposed that similar regulations will be made to deal with industrial staff. Those regulations will require to be referred to the Secretary of State for approval. Sir, I commend the Bill to the House.

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

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

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE TRADE LICENSING (AMENDMENT) ORDINANCE, 1980

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Trade Licensing Ordinance (No 35 of 1978) be read a first time.

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

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Sir, this Bill contains various and not necessarily related amendments to the Trade Licensing Ordinance. Some of them are minor amendments and are intended to make drafting improvements or to correct minor drafting errors that exist in the Ordinance, others are more substantive. I propose to go through the Bill clause by clause and outline to Members the effect and purpose of the amendments. In clause 2 Members will see that the definition of the term "goods" as used in the Ordinance at present is re-arranged. This is purely a drafting improvement and is intended to make the definition more logical. In clause 3 there is also a drafting amendment. That clause at present contains an error referring to a subsection which is not in fact in the Ordinance and the purpose of the amendment to clause 3 is to delete that reference. Clause 4 is the most substantive amendment, it relates to the conditions on which an application for a licence may be refused. At present the circumstances under which licences can be refused are laid down in section 16 of the Ordinance. This inserts an additional situation in which the Trade Licensing authority may refuse the grant of a licence and that is on the grounds that the issue of a licence would unduly prejudice the implementation of price control under the Price Control Ordinance. At present one of the grounds is the public interest but the public interest is a wide term and this is designed as a specific amendment so that where the granting of a licence may create difficulties in the implementation of price control if the Trade Licensing authority is satisfied that this is the case, then it may decline a

licence on that basis. The provisions of the Ordinance of course provide that there is a right of appeal against the decision of the Trade Licensing authority, 6 and 16 is also amended in relation to the Development Aid licences that were issued before the commencement of this Ordinance. Under the previous Ordinance it was provided that where a person had been granted a Development Aid licence then he would automatically become entitled to a trade licence under the predecessor of this Ordinance. When the new Trade Licensing Ordinance was enacted in 1978 it no longer became automatic that the holder of a development aid licence would get a trade licence, they become discretionary but there are those persons who already held development aid licences at the outset of this Ordinance and therefore because they had existing rights under the old Ordinance it is only correct, in my opinion, that there should be a transitional provision providing that where they held a licence before the commencement of the 1978 Ordinance, they would be entitled to as of right to obtain a trade licence under the 1978 Ordinance. So far as is known I don't think anybody has in fact suffered because of the change from a mandatory entitlement to a discretionary entitlement because I believe that in every case licences were in fact issued but nevertheless the law should formally cover that lacuna and should provide transitional provision in relation to people who held development licences before 1978. Clause 5 of the Bill inserts the provision to make it quite clear that where the authority grants a licence it may specify either that the licence which must relate to particular premises will be for goods to be sold by way of wholesale or for goods to be sold by way of retail. At the moment the Ordinance does not make it clear whether the conditions to either of those effects can be attached to a licence and this will be a specific power directed to that end. Sir, clause 6 of the Bill is essentially a minor drafting amendment to spell out more precisely the procedural powers of the authority when it sits. It may regulate its own procedure subject always of course to the expressed terms of the Ordinance and also to any regulations made under the Ordinance. Finally, Sir, clause 7 of the Bill has the effect of deleting the present requirement for banks to obtain a trade licence and of adding two other types of business for which a trade licence will be required, namely, printing and welding. The reason for deleting the requirement that a bank should hold a trade licence is, first, that in fact the banking legislation already provides adequate control for banks and, secondly, that because of EEC directives I think it is desirable that one should look only to the banking legislation rather than this Ordinance as well. So far as the addition of the businesses of printing and welding to the list of businesses which will require a trade licence is concerned, clause 7 does contain transitional provisions the net effect of which I think can be summarised as being this, that if at the coming into operation of the Bill a man is carrying on business as a printer or as a welder then for three months he will be entitled to continue to carry on

business. Moreover, if he chooses to apply for a trade licence as no doubt he would within those three months, he would continue to be entitled to carry on business until the licence is issued and, finally, to complete the transitional arrangements once he does apply he must be given a licence on terms which enable him to carry on business no less favourably than before the licence was granted. That applies to existing printers and welders, of course. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON MAJOR R J FELIZA:

Mr Speaker, I would like to say a few words on this because I am a great believer in competition and anything that restricts free competition in my view in the long run is harmful for the economy and above all I think expensive to the consumer. Because of that I always try and see from the point of view of how necessary is control and how can we if anything reduce this control, not increase it. Therefore, whenever I see an amendment to an Ordinance which introduces further controls I am sceptic in trying to see the reason why. Looking at this, in my view, I think certainly three items in the new Ordinance I would certainly try to hear more about before I am convinced that this is necessary. That is that under section 4 where the question of the issuing of the licence would unduly prejudice the implementation of price control under the Price Control Ordinance. I can see that there would be very good arguments put forward to try and prove that it could make difficulties under the Price Control Ordinance by perhaps arguing that if two people bring eggs into Gibraltar the price of eggs is likely to go up rather than go down for reason perhaps that the quantities that can be brought out at one time would be too large and so on and so forth. I think that people who are in the trade and who are very keen if possible to get a monopoly and therefore ensure that they are going to be in business until the year 2000 will produce very good arguments whereby new importers cannot be allowed to start the same sort of business in Gibraltar. I am not referring to eggs specifically, I am of course bringing this as an example, it could be anything else mainly, I think, perishable commodities, perhaps, open themselves to this sort of argument. I would like to hear stronger arguments on the part of the Government to prove that this would be necessary and perhaps to come out with certain examples to prove the point. I haven't heard that here today, Mr Speaker, and therefore at this stage I am not convinced that this is necessary. Equally, I think, if we go to section 5(a) that goods may

be sold wholesale and not by retail and (b) that goods may only be sold by retail and not by wholesale. I think it is also possible if we introduce this clause, I think it is possible that we may introduce the need of a middleman which will obviously increase the cost. Again I think wholesalers will be able to produce very good arguments as to why we should not have more wholesalers. I think that if you grant a licence for an individual to trade in one commodity then whether he brings it wholesale or retail I really cannot see the reason why this should be introduced. And again, Mr Speaker, on that particular point I would like to hear more from the Government and again perhaps give examples of how this could prejudice both trade in Gibraltar and above all the consumer. Perhaps the most important one is No 7 and I must refer to the printing side. If we are going to have a licence for printing we are endangering to some extent the question of the freedom of expression. We have got to look not at the circumstances as they are today but in the circumstances that could develop. We do not know to what extent the Committee concerned with the issuing of licence could be influenced politically, we do not know, or for any other reason and to what extent their deliberations may be affected by political views or other views which could affect the granting of a licence for printing. Consequently, I think we would be limited as to the number of people who could do printing to those who are already established in the community and any breakthrough would be impossible. Therefore, up to now, I don't believe that there has been any problem. Perhaps it could be said that some business is going away from Gibraltar and therefore harming our local printers. Perhaps if the Government who are the greatest customers for printers in Gibraltar were to make it a point of giving their work to local printers that problem I doubt, Mr Speaker, whether it would ever arise because I think the amount of work that other firms do and that small societies and institutions in Gibraltar carry out are so limited that I cannot see how that work could really be done outside Gibraltar at a more advantageous cost. Therefore, Mr Speaker, for those reasons that I have explained, I at this moment would be inclined to vote against those three clauses that I have mentioned and I would be most obliged if the Government could explain in greater detail and in more convincing terms and above all giving convincing examples as to why this is necessary.

HON A J CANEPA:

Mr Speaker, I think the Honourable Member has a point to the extent that the Government should outline its policy and the reasons that have motivated the Government to bring these amendments to the House. There are three points that the Honourable Member has mentioned. Let me deal with the one that I think I can dispose of rather more easily and that is the question of freedom of expression. I don't think it has ever entered the mind of the Government that it should use printing by including it in the Schedule of the Ordinance in order to lessen freedom of expression.

HON MAJOR R J PELIZA:

If the Hon Member would give way. I wasn't suggesting for a moment that Government was doing it specifically for that purpose in mind but what I said is that we have got to see when we are legislating that we should see ahead and see all the consequences.

HON A J CANEPA:

I don't think freedom of expression is so much limited by printing as by publishing, I think that is the cardinal issue. Anyhow, the reason why the Government considers that printing should be included in the Schedule has been that we have considered representations that we have received from all local printers in Gibraltar who are afraid that there might be unfair competition from people across the way under the guise of a company that could be registered in Gibraltar and it is they who have asked the Government to give them this protection by including printing in the Schedule and bringing it within the ambit therefore of the Trade Licensing Committee as guardians of this Ordinance. That would give them really an opportunity to object before the Trade Licensing Committee if there is an application for somebody else to set themselves up as printers. In all cases of course there would be an appeal from the Trade Licensing Committee to the Magistrate which therefore provides sufficient safeguards. On the question of price control, I don't think that what we are intending so much is that traders who might wish to bring about a monopolistic situation would be empowered to put price control considerations to the Licensing Committee, what is intended is that the Government itself through its Consumer Protection Officers, would be able to put before the committee considerations of policy on price control and I can give a specific example, which is what the Honourable Member requested. The present price list of fruit and vegetables was fixed some time ago on the basis of 38 retail outlets being the reasonable number that would be deemed to cater for the needs of the community. If you are able to have certain prices based on 38 retail outlets then if there were to be further proliferation in that number of retail outlets and you had 55, say, then because of lower turnover and because of overheads the Government would receive representations from retailers to have higher prices to compensate them for lower turnover. This is the kind of consideration that the Government wants to be able to put to the Trade Licensing Committee as perhaps justifying their refusing an application for a licence. It could be said that public interest covers that but the advice of the Attorney-General is that we ought to be rather more specific than to try to cover price control by wider public interest because that might not stand the test on appeal and therefore his advice is that we should be more specific and directly empower the Government to be able to put this aspect of public policy of price control and bring it for the attention of the Trade

Licensing Committee. The third point is the question of trading as wholesaler and retailer. I think I can explain to the House in some detail what has led to this. In December, 1977, when considering an appeal against a decision from the then Trade Licensing Committee to refuse an application for a wholesalers licence, the Magistrate ruled that it was difficult to justify a refusal for a wholesalers licence on the grounds that the needs of the community were adequately provided for. He expressed the view that wholesalers diversified sources of supply and were of benefit to the community as a whole and the appeal was granted. Following this decision there has been a noticeable increase in the number of applications for wholesalers licences in different commodities and the trade licensing authority has to a considerable extent been tied to the ruling of the Magistrate. It is not unlikely that this situation is being abused by wholesalers who are trading as retailers and again the advice of the Attorney-General has been sought on this matter and his advice is that it would be useful to include a provision in the Ordinance to make it quite clear that as a condition of a licence the authority may require wholesale and retail operations to be kept apart, in other words, on separate premises. These are the considerations which have motivated the Government to bring amendments to the House on these three areas which the Honourable Member was worried about.

HON P J ISOLA:

Mr Speaker, I can understand the reasons for bringing these proposals to the House but I am not entirely convinced on the arguments about the implementation of price control under the Price Control Ordinance. It seems to me that that provision is an unduly protective provision. I would have thought that the Consumer Protection Officer is able to go to the Licensing authority to object and that the Licensing authority has power under 16(f) "that the needs of the community either generally in Gibraltar or in the area thereof where the trade or business is to be carried on are adequately provided for". I would have thought that that was a general statement of the principle which should cover this particular situation. I think that by putting a provision like this in, I think it would certainly give the impression of the Government supporting unduly monopolies in Gibraltar. Price control tends to produce this, it is not something that is peculiar to Gibraltar that when you introduce price control as an instrument of keeping down cost of living, inevitably it seems that those goods that are price controlled are the ones to go up most for one reason or another. It may be for the reason my Honourable and Gallant Friend set out of lack of competition, it may be other reasons, I don't know what they are, but I do think that my Honourable and Gallant Friend is right in disagreeing with the insertion of that particular clause in the Ordinance and certainly I am sure that the Opposition as a whole will vote against the inclusion of that clause, which would make it unduly restrictive. I think it is up to

the Consumer Protection Officer to go to the Trade Licensing Committee and put his case for not granting an additional licence. For example, the Minister mentioned fruit and vegetables, if there are already too many fruit and vegetables, well, then I would have thought that the Trade Licensing Committee would not give any new licences and would say that the needs of the community are adequately catered for. I don't see why there should be an additional factor to prevent the normal process of businesses being opened by people and the Trade Licensing Committee looking at an application on its merits under this general guise of 16(f). Mr Speaker, the question of goods being sold by wholesale and not by retail, section 5 of the Ordinance that my Honourable and Gallant Friend spoke about, I think there the Minister for Labour has given us an explanation which if you are going to have the system of licensing then I think perhaps it is fair. I have been slightly surprised, for example, in recent weeks by seeing notices in the press on behalf of people applying for licences to sell everything under the sun almost, wholesale, selling electronic goods and all that. Of course, it is well known by everybody in the trade or in the business, let me put it that way, that the Trade Licensing Committee has decided or decided some time ago that there should be no more licences for electronic goods and I am surprised to see the number of applications I see of people applying for electronic licences. Of course, if this is being done to get round the policy principle that there should be no more electronic shops in Gibraltar then of course I think we should agree with this amendment, it is as simple as that. We didn't necessarily agree with the trade licensing and I share very much the sentiments that my Honourable and Gallant Friend has put forward about free competition but I think that if we are doing it, I think people are going to sort of say they are selling wholesale and then they sell retail should be stopped. However, Mr Speaker, on section 7 of the Ordinance I think there we must maintain our objections. First of all let me just mention banking. I am a little surprised to hear something about EEC directives, I don't know whether EEC directives would affect other matters that are controlled by the Trade Licensing Ordinance but I see no objection in principle to keeping banking in the Trade Licensing Ordinance. And the reason I say this is that the whole purpose of the Trade Licensing Ordinance as was passed by this House in 1978 was that as many trades and businesses as possible should require a licence under the Trade Licensing Ordinance whether they required to be licensed under other Ordinances or not and banking was one of them. It seems to me that a day could come when banks established in Gibraltar feel there are too many banks and I feel they should have a right to object to other banks setting up in Gibraltar. It may well be that the Trade Licensing Ordinance as presently composed will give short shrift to their argument that there are enough banks in Gibraltar but I see no reason why banking should be taken away from the Trade Licensing Ordinance. And as far as printing is concerned, Mr Speaker, the argument that printers think that somebody could come from Spain or anywhere

else and establish themselves as printers, that is an argument that is open in every sphere of trade in Gibraltar. I think the House has to remember that linked with printing is publishing. Nobody can start a newspaper in Gibraltar and survive unless there is a printing business attached to it, and there are examples of this, or they are heavily subsidised. Therefore by making printing an item in the Ordinance that requires licensing, Government are interfering with the freedom of expression. They are ensuring in an indirect way that no new newspapers are established in Gibraltar except with permission of the Trade Licensing Committee on which are represented various sectors of the community and not all sectors of the community. We do and we will maintain our objection on printing as being as interference with the liberty of expression of the individual and a threat to the right of people to publish newspapers, not that I like newspapers that much, and there are a lot of them I think we could do without, I won't mention which, but that is the position, people must be free to express their views and people must be free to express views from whatever side of the political spectrum they come. As far as unfair competition is concerned in printing we see no reason at all why Government who are, I believe, the people who give out advertisements to all the various newspapers, Government who are the providers of advertising space to a great extent and also the people who give most of the contracts in printing, there is no reason why Government should not take a policy decision as to who they give their business to as long as they are fair about it. Nobody in this House is going to get up and say: "Why did you give the printing of this particular Government order to people whom we know come from across the border?" We wouldn't get up and object to the Government taking that view but I think it is strange in the present situation of a closed frontier to find an argument being put forward that somebody from across the way is going to come round the corner and round the way and into Gibraltar to set up a printing works in competition with local printers. Here it is the question of principle that is involved and the question of principle is that it would tend to interfere with the freedom of the press, so we object to that, there is no question about that one. Mr Speaker, I think that the attitude we must take on this Bill is to abstain on the second reading and if the Government persists with the Bill as drafted then, of course, we will vote against it at the third reading.

HON CHIEF MINISTER:

Mr Speaker, I am glad of this debate because it certainly gives me an opportunity of stating quite categorically that the representations which were made by five printers about this matter were considered in bona fide as being a grievance of possible competition from outside and the question of liberty of the subject and of printing never entered my mind until I heard the Honourable and Gallant Member's speech this afternoon. Whether I accept his argument or

not is another matter but I would like to assure the House, my Party having been responsible in 1943 of removing the licensing of newspapers from the old law which held them subject to a licence by the Governor, having fought for that and obtained it, I would never dream of doing anything that would be considered like that. On that one all I will say is that I will think about it because I think it is worth thinking about it and in any case there will be the licensing committee which is representative of both sections of the community, the Chamber of Commerce, the Trade Unions and independent people and even then it is subject to an appeal to the Magistrate who will always be, whoever he may be, an independent person who would see through any attempt at preventing this even if that were the intention of the committee which I doubt it. Having said that of course I would like to think about that aspect of the matter which in fact had not occurred to me because this thing was done absolutely bona fide on the strength of these representations. I am glad that the Honourable Leader of the Opposition sees the point about this question of wholesale and retail because it is fair that if there is a licensing procedure that it should not be abused, that people should go straight forward to whatever they want to deal with and they should know. Incidentally, with regard to printing, we did have objection from an Honourable Member opposite about the fact that the Government had given some contract to some printers from outside so, indeed, there it was an element of protection to the printers in Gibraltar. The objection was made by the Honourable G T Restañó in the past and we did say that though they are going to tender for substantial orders we would certainly not consider that as less competition though it may be interesting to note if you look at some of the volumes of Halsbury's Statutes of England published by Butterworth that they are printed in Austria, it may be cheaper to print in Austria than it is in England. Anyway, we will think about that one. The other point certainly we will proceed with because we think it makes the position tidier and the question of public interest and the question of price control I really haven't been convinced by the points raised by the Honourable Leader of the Opposition. I think in any case it will be up to the Consumer Protection Officer to make his point except that instead of doing it under the umbrella of public interest he will do it under the specific umbrella of his own department.

MR SPEAKER:

If there are no other contributors I will ask the mover to reply if he so wishes.

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to speak to a few of the points that have been raised by Honourable Members on the opposite side. If I could deal first with clause 4 of the Bill. I take to some extent the point made by the Honourable Member

that subsection 1(f) of clause 16 does go to the question of whether there are sufficient businesses or too many businesses already in the community and therefore to that extent is not irrelevant to the purposes for which the price control provision has been made but even though in strict logic there may be an overlap, there is also the question of the practicality of enforcement and this, as the Government has indicated, the implementation of price control is a matter which is regarded as being important, then I see nothing wrong with putting in a provision specifically addressed to being able to deal with that situation and you will see that the provision is in fact worded in those terms where the issue of a licence will unduly prejudice the implementation of price control. Of course it is one ground on which a licence may be refused but I accept that on principle it is a restriction. It is a ground on which it may be refused, the matter is discretionary and there is a right of appeal. The second point, Mr Speaker, I think perhaps I am covering ground which has already been accepted but so far as the amendment relating to clause 5 is concerned I think the point was well made that the principle is established that one may control premises by licencing them and therefore to distinguish between wholesale premises and retail premises is essentially, in my view, a machinery extension of the principle. The first point which I would like to speak to is the question of banks and the Honourable and Learned Leader of the Opposition referred to the EEC directives. I think there are two points about banks, the first is that there is an Ordinance which is specifically addressed to the regulation of banks and under which a licence is required and it would seem to be unnecessarily duplicated administration to also require a further licence under this Ordinance. I appreciate that there may be some Ordinances where more than one licence is required but in the case of banks I don't think that is a reason for saying that banks should remain in this Ordinance. The second point is that so far as the directives are concerned the fact of the matter is that there is an EEC directive which is specifically addressed to banks. There are, of course, provisions in this Ordinance which are addressed towards safeguarding the rights of EEC Nationals but in the case of banks there is a directive which is specifically addressed to that subject and I don't think it is appropriate that this Ordinance should regulate banks. Finally, Mr Speaker, if I may come to the point of printing because I must confess it is a point which I had not taken myself. I will certainly from the point of view of a lawyer look at the implication of the reference to printing and advise the Government, from a technical point of view I should make it clear, whether some modification or whether some safeguard should not be built in, and possibly these are matters which could be looked at before the Committee Stage of this Bill.

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members abstained:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano
The Hon Major F J Dellipiani

The Bill was read a second time.

HON ATTORNEY-GENERAL:

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

This was agreed to.

The House adjourned at 7.30 pm.

WEDNESDAY THE 26TH MARCH, 1980

The House resumed at 10.30 am.

THE ADMINISTRATION OF JUSTICE ORDINANCE, 1980

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend various Ordinances to provide for the better administration of justice be read a first time.

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

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Mr Speaker, this Bill contains various provisions; some are related and some are not. They all have in common the theme that the short title indicates and are to provide for the improved administration of justice. When one has under consideration matters which need revision they are of course ongoing, there are points coming up all the time and one has the choice of two approaches either to deal with each point by a specific Bill as it arises and in cases of urgency or particular importance that may well be necessary, or to gather the points and to present them in a single measure periodically which except in the case of urgency or special importance I think is the more desirable approach because it collates and consolidates the various items and brings them together at a point where they can be duly considered collectively.

MR SPEAKER:

I take it that it is not going to be the practice now to amend Ordinances by general amendment Bills, it is in this particular instance that you are doing it.

HON ATTORNEY-GENERAL:

Mr Speaker, I think myself the matter would be governed by two principles. First it would have to be a matter where there is a practical reason for bringing everything together under one heading and, secondly, I think there would always have to be a common theme, in other words, I think any single Bill should preserve a common theme. It has been the practice in the past here and I think elsewhere, to present law revision measures in a single Bill because of the common theme. I don't propose to do the same thing all the time by any means but periodically I will be presenting such a Bill to the House. If I can deal with the first group of amendments which are the most numerous and which relate to one particular point of administration. They are to be found in clauses 2, 3, 4, 5, 6, 12, 13, 15, 16 and 23. These amendments all provide in the case where an Ordinance appoints a Registrar such as companies, friendly societies, trade marks patents, for the appointment of officers as either deputy or assistant registrars and further provide, and this is really the substance of the provision, that those officers may exercise all the powers of the Registrar subject to certain specified exceptions where it is considered that the power by reason of its gravity is too important, perhaps, to be delegated to an Assistant Registrar or to a Deputy Registrar.

I should perhaps refer to the various powers that are reserved from the ambit or the fiat of the Deputy and Assistant Registrars. In the case of companies you will see that the power to appoint an inspector to call a special meeting of a Building Society which is one of the powers that the Registrar of companies has reserved, in the case of cooperative societies the powers of winding up, of appointing a liquidator and controlling a liquidator, the powers of surcharging officers, attaching properties and settling disputes are all powers which will not devolve upon the Assistant Registrar. In the case of patents the Registrar's power to make rules will not devolve on the assistant. In the case of friendly societies the powers of investigation and dissolution will not devolve. When I say the powers otherwise will devolve on the assistant, of course, the Registrar himself in every case retains both the power to exercise the function in his own name and also the power to control his subordinate in exercising the function. There is one other point I should make, Mr Speaker, and it is this, that these provisions in themselves do not authorise an increase in establishment, I think that is a very important point to make. They are capable of being exercised so as to have existing officers in departments designated officially as Assistant Registrars or as Deputy Registrars. Any question of appointing further officers specifically to fill those posts is a matter which would have to be dealt with separately, this Bill contains no commitment to proceed to that stage. The second amendment relates to the Coroner's Ordinance and the effect of the amendment essentially is to provide for the fixing by secondary legislation of the fees and expenses that are to be paid to people who are performing functions under the Coroner's Ordinance, for example, medical practitioners. This is, if you like, a provision intended for the more orderly, the better administration and control of the Coroner's Ordinance. In saying that I would not like anybody to think that it is being suggested that the control at the moment is inadequate but I think properly fees should be provided by regulations or by rules and this amendment so provides. The third amendment, Mr Speaker, relates to the Criminal Justice Administration Ordinance, it is a procedural amendment, it follows a court decision in the United Kingdom, in 1978. The law at present permits the cross examination of a defendant as to his previous convictions and bad character where he has given evidence against another person charged with the same offence. The proposal in this amendment is to widen that in effect so that such cross examination will be permissible where he has given evidence against another person charged not necessarily with the same offence but in the same proceedings. This proposal has arisen out of a case in the United Kingdom where it was ruled that two defendants, one of whom was charged on one count of one indictment the other of whom was charged in another count of the same indictment, were not regarded as being defendants in relation to the same offence. The amendment has been made in the United Kingdom, it is being considered here and it is felt that it would be desirable to

follow suit in Gibraltar. The next amendment is to be found in clause 14 and it provides that Justices of the Peace should be transferred to the supplemental list once they reach the age of 70 instead of the age of 75 as is the case at present. This is a provision which is considered to be desirable as a general matter of policy. It is felt it is more appropriate that the transfer to the supplemental list should occur at the age of 70 than the age of 75. The next group of provisions to which I would like to refer, Mr Speaker, all relate to the Supreme Court Ordinance. The first of these deals with the provision in the Supreme Court Ordinance at present which requires that the Registrar of the Supreme Court and other specified officers of the Supreme Court are appointed by the Governor but their appointment is subject as a matter of statute laws to the approval of a Secretary of State. It is proposed to omit that requirement from the statute law as such for two reasons, the first being that it is essentially an administrative matter anyway rather than a matter of law, the second being that more than that at this stage it is not considered appropriate that one should have to obtain the consent of the Secretary of State to such an appointment. The next amendments relating to the Supreme Court Ordinance are designed to spell out more clearly the powers of the Chief Justice in relation to the discipline of barristers and solicitors. To this end clause 18 of the Bill spells out the various powers which the Chief Justice may exercise for reasonable cause. These include the powers of striking off, of suspension, of reprimand, of ordering a barrister or a solicitor to repay or forego fee, and to order costs on an investigation into a complaint of professional misconduct. All of these powers are in fact inherent powers of the court already but in the interests of clarity and certainty it is considered to be desirable to actually set them out in full in what is section 20 of the principal Ordinance. I should say, perhaps, that this amendment has not been occasioned by any need within the profession to take such measures, it is purely a measure which has arisen in the course of reviewing the law generally and tidying the law up and seeking to improve it. In every such case the Chief Justice has the power for a good cause to annul any such order. More than that the power of appeal is revised. At present a person who complains about the conduct of a barrister or solicitor in the first instance to the disciplinary committee has a right of appeal against the conclusion of the committee to the Chief Justice as, of course, has the barrister or solicitor affected. More than that both parties have a further right of appeal to the court of appeal. What clause 18 proposes is that so far as that further right of appeal to a court of appeal, that for the future, and I stress the words for the future, will be limited to the barrister or solicitor himself. So far as any cases are concerned which are proceeding at the present time, the rights of the complainant will be preserved so this will not affect any existing right of a complainant to be able to appeal from a decision of the Chief Justice to the court of appeal, I think that is an important reservation

and that would protect persons who may feel that they are being deprived at this stage of a remedy they already have. So far as the justification for the limitation of the right of appeal by a complainant is concerned for the future, the reason for it is this that whereas the person who is affected by the finding of the Chief Justice, the barrister or solicitor himself has a clear interest in appealing to seek what he may consider to be a vindication of his rights for the future, it is felt that in principle it is not a correct conception that a person who is a complainant, who brings the matter before the appropriate disciplinary body, should have a right beyond a right to bring it to the Chief Justice who is in the first instance the judge who is responsible for the proper conduct of barristers and solicitors. No reason in principle was seen why a complainant should have a right of appeal against a decision of the Chief Justice. He has been afforded the avenue of complaint, the complaint has been brought to the attention, as I say, of the judge who is responsible for the profession, and it is felt that in principle that is what should be so provided but no more. If I can go ahead, Mr Speaker, to clause 22 of the Bill because this is related to the matter I am now speaking about. I should explain that whereas the Chief Justice administers the disciplinary provisions of the Supreme Court Ordinance and has all the powers himself in his own name, as a matter of practice he delegates the majority of those powers to a professional committee in the first instance. That committee comprises barristers and solicitors, complaints are made to that committee, there is a right of appeal as I mentioned before from that committee to the Chief Justice. It is considered that the committee should not have the power of dis-enrolment and suspension and the amendment to clause 22 is to provide first of all for the delegation of the Chief Justice's disciplinary powers to a committee consisting of two or more barristers and solicitors and, secondly, reserving the powers of ordering a dis-enrolment or a suspension from the powers which that committee may exercise. The next amendment, Mr Speaker, relates to jurors. It is really purely a technical matter but at present the people who are excluded from service as jurors are described as being exempted from liability to serve whereas properly they are excluded because it is not appropriate that they should serve and therefore a minor amendment is made to provide that they shall be ineligible, which is the correct terminology, rather than exempted which gives a misleading impression. At the same time the opportunity is taken to spell out specifically that police officers and prison officers and any other officers who are involved in the administration of justice are not eligible to serve as jurors. At present so far as police officers and prison officers are concerned that, in my view, is the law in any event but it is a provision to be inferred rather than one which is expressly provided for. The amendment in clause 20, Mr Speaker, is procedural and provides for the court to adjourn proceedings to such date as it thinks fit. In criminal matters as well as in civil matters this provision applies

when a jury is not able to reach a verdict. The reason for saying "until such day as it thinks fit" is that in criminal matters these days there are no sessions as such, it is an ongoing process and it is not possible to say immediately when the next sitting will be. Finally, a very minor amendment in clause 21 to delete references to the Coroner's Court. At the moment the Supreme Court Ordinance, I think incorrectly in principle, refers both to the Coroner's Court and also to the Supreme Court in section 51 and this section, Mr Speaker, relates to the remuneration of jurors. This is in a sense consequential on the amendments which I have already referred to that are proposed to the Coroner's Ordinance. Coroners matters will be dealt with in the Coroner's Ordinance exclusively, Supreme Court matters will be dealt with in the Supreme Court Ordinance. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, if I may first of all commence with what you asked the Honourable and Learned Attorney-General at the beginning. We are not very happy about having an Ordinance that amends a number of Ordinances although in this particular case we know it is really the same sort of thing that is being done by the same Ordinance and it is more or less on the same subject matter, but even though that may be so it is still a little confusing, I think, this system of amending a number of Ordinances by one particular Bill. At least this way it is not too bad but as it was used to be done I think it was very misleading and lead to a lot of confusion among those who are concerned with the law and the practice of it. However, I must say, Mr Speaker, that the Index of the laws that have come out only recently is extremely - if I may say so - well drawn-up and makes things much easier. Anybody who has that index really knows where to go for his law or under different amendments that have occurred so with that sort of index then the problems are not as great as they would otherwise be. We welcome the appointment of all these assistant registrars, we hope that this will not involve great financial consequences but I think it is necessary, personally, with regard to the administration of justice, as a practitioner I do find that the fact that there is only one registrar, one person who has to see everything at the end of the day, causes tremendous delays in the companies courts so that the adoption of having assistant registrars is certainly a step forward as long as these assistant registrars in fact do the work and don't keep referring to the Registrar. I hope that this will mean that responsibility in that building will be shared by the various

senior officials there. Mr Speaker, I notice we are amending the Coroner's Ordinance and I think that consideration should be given by the Government to following the procedure that now exists in the United Kingdom, generally, and that is of making a doctor the Coroner. We heard a lot of talk in yesterday's meeting of the House in lots of questions in which we were told that we were following the practice in England. I think this is an area that ought to be considered of having a doctor as a Coroner, this seems to be now the general practice in England and I think there is a lot to be said for it because they are particularly suited to sit as Coroners in cases enquiring into the deaths of people. I don't think we need an Assistant Registrar of cooperative societies, Mr Speaker, I do not think there is one but if there is one it is lying very dormant but, anyway, I suppose once the law is being passed we might as well provide for it. Apart from that, Mr Speaker, I have little further to comment on the Ordinance but we welcome, I think, the idea of spreading the responsibility in the administration of justice and this should help quite considerably to deal with the number of complaints that one hears today. Thank you.

HON CHIEF MINISTER:

I would like to make clear that the idea of the Assistant Registrar means of course that if there is one Registrar there will be one assistant but it isn't intended for each case in which the point is made that there has got to be an Assistant Registrar because there is not a Registrar for each one, it covers all the province of the Registrar as at present. With regard to the question just mentioned by the Leader of the Opposition about the question of Coroners and people with medical experience, it is true that in England they have doctors but they also have people who are both medically and legally qualified and that, of course, is very advantageous. The difficulty about this, I have a little experience of this because I was Deputy Coroner for many years, the difficulty about this of course is that the office of Coroner is combined with that of Magistrate because the work of the Coroner is not that much to have another person to do it. Perhaps it could be tried in having a Deputy Coroner who would be a medical practitioner and therefore make the inroad into the practice in that way. At present the Deputy Coroner is the Registrar, just to quote another of his many hats. That perhaps could be considered but the difficulty then lies in the appointment because if it is going to be a medical practitioner who is in private practice then of course the numbers who could give evidence, independent evidence, in many matters in which there were Government officers concerned giving evidence for the police and so on in inquiries, the numbers at present would be very limited who could be independent and who could be free to do so. I see difficulties in it and also of course that the Deputy Coroner must have some element of judicial training

in addition to having a medical training even though he may not be strictly speaking a qualified lawyer. It is a point that one should keep an eye on but my experience, and I have a little experience of that, in England because of the number of cases involved, Coroners and solicitors and/or barristers and medical practitioners mainly except for those who have devoted their lives to the post of Coroner which is full-time job in some big areas and of course get virtually legally qualified in the course of their experience.

MR SPEAKER:

Could I ask the mover to clear a point. In section 1 the Ordinance is called the Administration of Justice Ordinance. If it were to be called the Administration of Justice (Miscellaneous Amendments) Ordinance would that not bring to the attention at least of practitioners that it is an amending Ordinance?

HON ATTORNEY-GENERAL:

Mr Speaker, this is a point I had given some thought to. By your leave may I take it into account in my reply?

MR SPEAKER:

That is why I have raised it, most certainly.

HON ATTORNEY-GENERAL:

Thank you, Sir. In reply, Sir, I really wish to dwell primarily on the question of presentation. I take the points that have been made, I understand very clearly the need to ensure and the general desirability of ensuring that each subject has its own Bill so that the subject being amended is clearly understood and the subject can be addressed as a single measure and I can give the House an assurance, Sir, that I will use very great discretion in proposing to the House a measure which combines several topics and as I have said I would only do so where I can see a clear theme and where there are also advantages by way of practical convenience in presenting it in this way. I would also assure the House that I will be most sensitive to any expression of concern about a Bill which may be thought to unnecessarily seek to bring matters under a blanket heading. I do think administration of justice as I have said before is a matter which in a sense is well established or has long been established as a common heading under which various measures of law revision can be brought. I did give specific consideration to whether or not the title should include the words "(Miscellaneous Provisions)". The reason I omitted it, Sir, was this, that to my mind it rather detracted from the common theme of the Bill. I realise that on one point of view it may be said to draw attention to the fact

that various matters are being amended. From another point of view I was keen to stress the common theme of the Bill which is the administration of justice and on balance I did not include the provision. I think people who are dealing with this subject matter of law revision, if I may say this without causing any offence, I think would tend to be lawyers and I think it is well recognised in the profession that there is a general heading "Administration of Justice". But one way of making quite clear what is happening, I think is to ensure that in the index a measure of this nature is indicated as affecting other Ordinances. The index which has just come out of course does not do this because this Bill is before the House and that Index takes effect as from the end of last year. I will make a note I think for the future and the Law Clerk who is responsible in the first instance for the Index will make provision so that it is very clear what an Administration of Justice Ordinance is doing. Mr Speaker, so far as the registrars are concerned, I think I should reiterate that there is, indeed, no commitment to appoint further officers but as the Honourable and Learned Leader of the Opposition has himself observed there is nevertheless point in containing these provisions because they do or perhaps more actively they should avoid the need for an assistant registrar to go back to a Registrar and obtain formal endorsement for what he has done which of course is time consuming in itself. I hope I am not taken amiss if I say that whether that will happen is something which will have to evolve in time and I think it would need time for an assistant registrar to take over functions and do them, develop confidence and confidence at them but in time I would hope that it would lead to the more rapid despatch of work in registries. The only other matter to which I would refer, Mr Speaker, and it is really just to enter a mild reservation. I note the point made about doctors being coroners and from my own point of view I would entertain some reservations, I don't mean that not in a constructive sense, it is a matter I would like to think about and present my views to the Government. One of the advantages of a periodical Bill of this nature I think is that it gives the opportunity for matters like this to come up to be considered and when we come to presenting a further Bill on the administration of justice, the question of doctors being coroners is a matter which we could have looked at in the meantime. Thank you, Mr Speaker.

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

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1979/80) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to apply further sums of money to the service of the year ending 31st March, 1980, be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg to move that the Bill be now read a second time. The purpose of the Bill is to appropriate, in accordance with section 65(3) of the Constitution, a further sum of £544,390 out of the Consolidated Fund and to appropriate, in accordance with section 27 of the Public Finance (Control and Audit) Ordinance, a further sum of £248,466 out of the Improvement and Development Fund. The purposes for which these sums are required are set out in detail in the schedule of Supplementary expenditure which I tabled at the commencement of this meeting. Mr Speaker, Sir, I beg to move.

Mr Speaker then invited discussion on the general principles and merits of the Bill. There being no response Mr Speaker then put the question which was resolved in the affirmative and the Bill was read a second time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

HON ATTORNEY-GENERAL:

Mr Speaker, before moving that the House resolves itself into Committee I would like to request, having considered the points raised yesterday by the Honourable Members on the opposite side in relation to the Trade Licensing (Amendment) Bill, 1980, I would not propose to seek that the House resolves into Committee to deal with this Bill today but rather that it be left and taken at a later date.

MR SPEAKER:

Let us be clear on one thing. Are you suggesting that this particular Bill should take its Committee Stage and Third Reading at the subsequent part of this meeting?

HON CHIEF MINISTER:

That is right. Having regard to the discussion we had yesterday in particular in the aspect of printing, a point which had not occurred to us, which of course as I stated at the time is a valid one and since we do not intend in any way to interfere with the right of freedom of printing or the expression of views or opinions, we are trying to find a way where we can protect the trade that we consider should be protected in such a way that it will not in any way leave it subject to licensing the publication of newspapers and so on, it is really commercial printing that we were concerned with. In order to give us a little more time to be able to prepare an amendment which might well be acceptable to the Opposition and of which when we are ready I will give notice to my Learned and Hon Friend the Leader of the Opposition, we would leave this to the tail end of the second part of this meeting after the budget.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that this House should resolve itself into Committee to consider the following Bills clause by clause:

The Price Control (Amendment) Bill, 1980;

The Pensions (Amendment) Bill, 1980;

The Administration of Justice Bill, 1980, and

The Supplementary Appropriation (1979/80) Bill, 1980.

THE PRICE CONTROL (AMENDMENT) BILL, 1980

Clauses 1 to 5 were agreed to and stood part of the Bill.

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

THE PENSIONS (AMENDMENT) BILL, 1980

HON ATTORNEY-GENERAL:

Sir, Members will recall that when I, at the second reading of this Bill, referred to the fact that so far as industrial personnel in Government were concerned there would be regulations being made complementing the measures contained in this Bill to enable the backdating of salary increases for pension purposes. I think, Sir, that it is desirable in the interest of consistent treatment that there should be the procedural mechanism whereby those two matters can be brought into force at the same time, in other words, whereby the regulations and the Ordinance could be brought into force on the

same day. I have referred to the fact that the regulations require to be submitted for approval to the Secretary of State. For these reasons I therefore propose, Sir, that clause 1 be amended as follows: by being renumbered as sub-clause (1) of that clause and by adding to clause 1, as so renumbered, the following subclause: "(2) This Ordinance shall come into operation on a date to be appointed by the Governor by notice in the Gazette." A similar provision would be inserted in the regulations that would then enable both measures to come into force simultaneously. Sir, I move accordingly.

Mr Speaker proposed the question in the terms of the Attorney-General's amendment.

Mr Speaker then put the question which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

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

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

THE ADMINISTRATION OF JUSTICE BILL, 1980

Clauses 1 to 23 were agreed to and stood part of the Bill.

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

THE SUPPLEMENTARY APPROPRIATION (1979/80) BILL, 1980

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

Schedule

Consolidated Fund - Schedule of Supplementary Estimates No 4 of 1979/80.

Item 1. Head 2 - Customs

HON C T RESTANO:

I would like an explanation on the overtime payments underestimated. Can I know what those savings are in salaries?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, yes, it is savings on salaries. There is always on salaries a certain amount of slippage, posts not filled immediately they become vacant, that is where the saving arises on this.

Item 1, Head 2 - Customs, was agreed to.

Item 2, Head 4 - Electricity Undertaking

HON P J ISOLA:

Mr Speaker, have the increases in fuel prices been due to the higher cost of fuel for the old generators as opposed to the new generators, in other words, have the prices of fuel used in the old generators gone up more than the prices of the fuel used in the newer section of King's Bastion?

HON DR R G VALARINO:

Mr Speaker, Sir, the FCA takes into account both oils used at the King's Bastion. This is a generalised increase in the cost of both oil prices and as I have said in the last report the price of the FCA has come down and we gave a detailed explanation as to why it had come down.

HON P J ISOLA:

I am not talking of the prices coming down, Mr Speaker, what I am really asking is how far is the increased cost attributable to the use of the fuel in the old generators in the old King's Bastion Generating Station. How is this divided up?

HON DR R G VALARINO:

Mr Speaker, Sir, the percentage as laid down in the law is in the ratio of 10% to 90%. At the moment the percentage is slightly different and the percentage is over the 10% for the light fuel. The actual figures I can find out and give to the Honourable Member.

Item 2, Head 4 - Electricity Undertaking, was agreed to.

Item 3, Head 5 - Fire Services

HON MAJOR R J PELIZA:

Is it possible that the increase is as much as 50%? Is that how everybody is affected in Gibraltar, by over 50%? Could he give me an explanation as to how this comes about.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, perhaps I might make mention here that the increase for the Fire Service is 63.96% which is somewhat higher than the next highest increase which in fact happens to be the House of Assembly where there is a 52.26% increase

over the amount. The Income Tax Office public utility cost is only 16%, there is the hospital fuel increase which is a 4.7% increase and the public utility cost under recreation and sport is 100%. I just mention these figures across the board to indicate that it is very difficult. I myself when I got the supplementaries, was trying to find a common factor for increases in wages and the actual cost of oil etc, but it is difficult to localise this because of the different usage in different departments of electricity, water and telephone and you cannot estimate accurately.

Item 3, Head 5 - Fire Service, was agreed to.

Item 4, Head 7 - House of Assembly, was agreed to.

Item 5, Head 9 - Income Tax Office, was agreed to.

Item 6, Head 10 - Judicial (3) Magistrate's and Coroner's courts, was agreed to.

Item 7, Head 14 - Medical and Public Health

HON P J ISOLA:

Is this due to underestimating in the original estimates for 1979/80?

HON J B PEREZ:

One is a slight underestimation and the second reason is due to the budgetary increases and also I think arising under the FCA formula that the amount has gone up and therefore we have sought these necessary supplementaries. It is a mixture of both.

HON P J ISOLA:

Mr Speaker, in fuel there seems to me an extraordinary underestimation as well, there is a 50% increase.

HON J B PEREZ:

Mr Chairman, the fuel relates to the heating at the hospital and that is purchased from a local company here in Gibraltar, that is purchased from Shell. That is fuel oil for the boilers.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I would like to bring to the attention of Honourable Members that when estimates are prepared they are prepared on current costs, we do not build inflation into the estimates to do so would be wrong because one has no idea what the future inflation will be. The only provision we do make is for increases in salaries which is done under a separate head. So that it is inevitable, unfortunately, in this day of high inflation, that on such things as fuel costs the material costs there are supplementaries throughout the year to cover increased costs. I think that Honourable Members will agree that it is better that such increases should be referred to the House by way of supplementary rather than building them in.

Item 7, Head 14 - Medical and Public Health, was agreed to.

Item 8, Head 15 - Police, was agreed to.

Item 9, Head 17 - Post Office, Savings Bank and Philatelic Bureau (2) Philatelic Bureau, was agreed to.

Item 10, Head 18 - Prison

HON G T RESTANO:

Mr Chairman, can I have an explanation of what the escort duties entail?

HON A J CANEPA:

It is the requirement by prison officers to escort prisoners to and from the court.

HON G T RESTANO:

May I ask what transport is being used for that?

HON A J CANEPA:

A van which the prison has.

HON G T RESTANO:

Is local transport ever hired?

HON A J CANEPA:

No, the prison never hires transport, they have a van which has been adapted for purposes of conveying prisoners to various places, to the court, to the hospital and working parties and also for conveying stores and the meals from hospital to the prison are also conveyed in this prison van.

HON G T RESTANO:

Could the Minister investigate that because it has come to my notice that in fact local transport has been used. I don't know whether this is true and I haven't seen it myself but it has come to my notice and I would like to know whether in fact transport is being hired.

HON A J CANEPA:

If there has been a need as a result of the prison van breaking down I am not aware of it, it could be that reason but it would not be the normal practice. The prison is able to manage, by and large, with the van that we do have and it must have been on an isolated occasion that transport may have had to be hired. Transport is required every day for conveying meals from the hospital to the prison so if the van had broken down they might have had to hire transport. It may have been met from the subhead of running of motor vehicles if there were some funds available there, otherwise they may have had to request a virement from the Financial and Development Secretary. But this would have been done by the Controlling Officer, the Superintendent of the prison, without the need to refer it to me.

Item 10, Head 18 - Prison, was agreed to.

Item 11, Head 19 - Public Works

HON P J ISOLA:

Could I ask, Mr Speaker, on this one, there is a similar one in the next section of an officer who accepts at last after about 5 years, apparently, the analogue offered by the Establishment Division. Are there any other people like this still pending? It seems very strange that it should take 5 years to settle the dispute of one officer.

HON A J CANEPA:

I do not think there are any other officers concerned. There were two or three. In fact, there is one particular officer who had not accepted a pay settlement going back to 1970 in the days of the IWB administration. He did not accept the second Marsh award and until fairly recently, I think, until the advent of parity, he did not accept and therefore there were very considerably funds involved. I think there were two or three cases of people who did not accept the analogues offered to them under the Scamp report and I have no knowledge of any other. I may be wrong but I do not think so. If there were to be any others it might just be one or two more.

HON P J ISOLA:

Mr Chairman, I thank the Minister for that explanation but it seems to me a bit odd that there should have been even an officer from the time of the second Marsh award, that officer must obviously had other means. If this sort of thing happened I presume the Government had a look at that too, I mean about his other means.

HON A J CANFPA:

I am sure that it is being investigated generally under the investigations which the administration are carrying out following the complaints by the Chamber of Commerce.

Item 11, Head 19 - Public Works, was agreed to.

Item 12, Head 21 - Recreation and Sport

HON P J ISOLA:

Here the original estimate was £5,500 but supplementary requires another £5,500, this is 100%. Is there any particular reason for this?

HON H J ZAMMITT:

Mr Speaker, this refers to a meter which was not read for a number of years, funnily enough, at the Stadium and they had been using water without paying for it and it has got to be met.

Item 12, Head 21 - Recreation and Sport, was agreed to.

Item 13, Head 22 - Secretariat, was agreed to.

Item 14, Head 23 - Telephone Service

HON P J ISOLA:

Can I ask how many telephone trunk operators there are now, temporary and otherwise?

HON DR R G VALARINO:

Mr Speaker, on this vote of Public Utility Costs £2,390, this is the additional electricity and water and it is also the additional telephone allowance for the seven temporary telephone operators.

Item 14, Head 23 - Telephone Service, was agreed to.

Item 15, Head 26 - Treasury, was agreed to.

Item 16, Head 28 - Pay Settlement

HON P J ISOLA:

This 1979 pay settlement seems to have been remarkably well forecast by the Government at the last budget but if I remember rightly it was forecast on the basis of an increase of 10% on average. This would seem to indicate that with this supplementary the settlement seems to have been of an order of just around 11% on average. Is that the case and if not what is the reason for the supplementary provision now being sought being only £130,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the original figure of 10% was, in fact, adjusted before the estimate went through to a more precise figure on indications from the United Kingdom settlement which we had before the final figures went through and that is why we have been able to be so accurate on this.

Item 16, Head 28 - Pay Settlement, was agreed to.

Improvement and Development Fund. Schedule of Supplementary Estimates No 4 of 1979/80.

Item 1, Head 101 - Housing

HON G T RESTANO:

What are the additional works being carried out?

HON M K FEATHERSTONE:

It is not any new work it is just that they are working faster on the schedule.

HON G T RESTANO:

When will the project be completed?

HON M K FEATHERSTONE:

The project will be completed we hope by July or August.

HON P J ISOLA:

Could I ask, generally, on this estimate, is the figure that we are voting in all which is £248,466, is that an amount that will go into the revised estimates of expenditure for 1980/81 in addition to the figures given to me yesterday by the Financial and Development Secretary?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This increase was taken account of in the revised figures that I gave the Honourable Member yesterday.

Item 1, Head 101 - Housing, was agreed to.

Item 2, Head 104 - Miscellaneous Projects

HON G T RESTANO:

Mr Chairman, may I know if the whole of the North Gorge Hostel is now fully occupied?

HON H J ZAMMITT:

With the exception of two rooms that are being earmarked for the Vietnamese refugees every other unit is occupied.

HON G T RESTANO:

Is it known when these refugees will come?

HON CHIEF MINISTER:

The members of the committee mainly concerned with this have gone to England over the weekend to see and interview people and to explain the limitations, what is available and so on and will then decide (a) whether there are two suitable small families who could come and (b) whether they want to come, I believe they are sometimes very selective. One of the members of the committee is actually in the United Kingdom now and it is for that reason that these two units have been left open without allocation.

HON G T RESTANO:

If it drags on for too long would the Government consider making use of those two rooms for local people who might be in sore need, perhaps on a temporary basis, rather than leaving them vacant when there are people seriously in need of housing?

HON CHIEF MINISTER:

Once the decision was taken one had to honour it and there has been delay for a number of administrative reasons at one end and I think by lack of realisation of the problems involved by these very well intended people who are dealing with this matter but it cannot last much longer because as I say at this moment the selection will be made or will not be made and if it is not made, of course, the Minister has got enough pressures to be able to fill it otherwise.

HON J BOSSANO:

I am abstaining on this vote. In fact, I believe that the hostel should have been retained as a hostel, I think I made that point at the time that the Government was considering what use to put it to when it obtained the property after the DOE project in Europa finished. I feel that the retention of that place as a hostel for immigrant workers would have released more property in town which could have been used to house Gibraltarian families and that retaining it for its original use for which it was designed and equipped would not have involved additional cost there and this money would have been better spent elsewhere. However, I understand that now that the people are there the money has got to be spent to make the place as habitable as possible but I am abstaining on this one.

Item 2, Head 104 - Miscellaneous Projects, was agreed to.

Item 3, Head 106 - Government offices and buildings

HON G T RESTANO:

What are these increased interest charges?

HON CHIEF MINISTER:

The payment of the capital sum by agreement with Cable and Wireless was made on a basis of regular yearly payments and subject, of course, to the minimum lending rate and that of course has altered.

HON P J ISOLA:

Mr Chairman, isn't it cheaper for the Government with present interest rates to pay the full amount, it wasn't that much. To pay another £8211 in increased interest considering the cost of Mercury House, I would have put it to the Government to pay the capital off. It seems to have a lot of unspent funds.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, in order to pay the capital off we would have to borrow money in order to pay that on commercial loans paid into the Improvement and Development Fund so we would have to pay interest on that bill.

HON P J ISOLA:

As far as local funds are concerned the Government estimated it would spend a certain amount in the current year from the Improvement and Development Fund. It has fallen far short of what it said it would spend on local funds so I would have thought if we voted this expenditure last year the funds were there available. How is it that this money would have to be borrowed? I would have thought it could have been one of these virements that you do to reallocate funds.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the funding of the local element of the Improvement and Development Fund for this year included borrowing from the commercial sector of £2½m on which we have to pay interest so that any switches would have to come from that fund.

HON A J HAYNES:

Mr Chairman, could the Minister explain to me the nature of the works and what is meant by 'continued' with regard to money to be allocated to the prison?

HON A J CANEPA:

These are the works which became necessary following on the disturbance last August.

HON A J HAYNES:

When it says continued does it mean that they have been interrupted?

HON A J CANEPA:

No, it means that the £20,000 of supplementary provision which was voted by the last House of Assembly was insufficient.

HON A J HAYNES:

Does this work then have nothing to do with works previously in action or under way before the riots?

HON A J CANEPA:

That is quite right, in fact, we had £20,500 provided originally in the Estimates which we had to subsume because the total cost of the work that became necessary following on those disturbances and the fire and so on, has been in excess of £40,000 and therefore what is likely to happen is that in the 1980/81 Estimates under Government Officers and Buildings, I will have to come to the House for what virtually amounts to a revote of funds which were earmarked in the current year for certain purposes and which we haven't been able to use for that and the work still requires to be done so I will have to come to the House for funds for those things.

HON A J HAYNES:

Does Government envisage in the future allowing prisoners to help in remedial works or other works in prison?

HON A J CANEPA:

Not remedial works of this nature which are fairly skilled. They help in the general upkeep and tidiness of the prison, whitewashing it, painting it and so on, unskilled work, but work of this nature required rehabilitation, rebuilding, in fact, of cells and facilities and so on they would not be able to do.

Item 3, Head 106 - Government Offices and Buildings, was agreed to.

Item 4, Head 107 - Port Development

HON P J ISOLA:

Mr Chairman, this is a surprising item because to the naked eye nothing much seems to have happened. I know the tender has been awarded, I know that has happened, and we know it is confidently expected that reclamation will actually start but where, can I ask, have the £500,000 gone? The £500,000 and £190,000, that is a total of £690,000 in this financial year, can I ask how that money has been paid out please?

HON M K FEATHERSTONE:

£250,000 was the purchase of the steel which is here lying on the jetty if you care to go and have a look. It came from Luxembourg not from British Steel. If you also care to inspect the area carefully you will notice that at one corner you can actually see sand and this is sand that has been put in from dredging operations and the whole of the basin has had its floor lifted approximately 10 to 15 ft,

this was quite a considerable amount of money on its own. There is also the temporary jetty that has been built across which is going to be the basis for the actual piling. I think all these things put together make up the total amount of money. I am sure the Honourable Member is happy that we are working faster than was anticipated.

HON P J ISOLA:

Yes. I am, but can the Honourable Minister assure me that in fact all this money has been paid up?

HON M K FEATHERSTONE:

It will be before the end of this month because we have the bill coming in now.

HON P J ISOLA:

Mr Chairman, the bill is coming in now, can the Minister explain what that means? Has it been posted from somewhere?

HON M K FEATHERSTONE:

No, Sir, the bill for each month is sent in near the end of the month and it is paid accordingly. You pay the work as it is done.

HON P J ISOLA:

The February bill has come in or hasn't it come in?

HON M K FEATHERSTONE:

The February bill is the one coming in now.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may, Mr Chairman, the March bill up to last Friday has also been received by telex, it arrived on my desk and the Minister won't have seen it yet. When the Honourable Member asks has this money been spent yet, the answer is that of the additional £190,000 only £20,000 of that has been paid over, it would be quite improper of us to pay over the money without the House having voted it. I signed a supplementary warrant for the £20,000.

HON A T LOEDO:

Mr Chairman, seeing that this work is proceeding at such a cracking pace perhaps we could know the completion date.

HON M K FEATHERSTONE:

I think if the Honourable Member will cast his memory back to question time, I said late December, 1980.

Item 4, Head 107 - Port Development, was agreed to.

Item 5, Head 109 - Public Lighting was agreed to.

Item 6, Head 110 - Electricity Service

HON P J ISOLA:

We have something to ask about this. First of all, could I ask is this money being paid or has been paid to Messrs Preece, Cardew and Rider, are these the people who are getting it? Question No 2, what for?

HON M K FEATHERSTONE:

Yes, Sir, these gentlemen have been given the consultancy to prepare the drawings, etc, for the Generating Station to be situated at No 5 Jetty.

HON P J ISOLA:

And this payment, Mr Chairman, is it payment in full or payment on account? What is the total cost going to be to the taxpayer of this further power consultancy?

HON M K FEATHERSTONE:

This is a specific consultancy because they are doing the actual drawings, the working drawings, etc, for the whole thing. I believe it will come to about £50,000 to £60,000.

HON P J ISOLA:

Mr Chairman, the Government considers that it is justified in withholding from the public the report of these gentlemen upon which this further contract is now being entered into with the Government and expects the Opposition to vote in favour of this, well we are not.

HON M K FEATHERSTONE:

I cannot see that one ties up with the other. I am sure that the Opposition is only too happy to hear that we are going ahead with our promised plans to put the new power station as rapidly as possible.

HON P J ISOLA:

Mr Chairman, if these gentlemen made certain recommendations in their report which we have not seen and these recommendations were not followed by Government, presumably because the Government did not agree with them, it is very difficult to ask the Opposition to vote for funds for the same gentlemen to draw up plans for Gibraltar when those gentlemen's recommendations were not previously obviously followed or approved by the Government. Until we see the Preece, Cardew and Rider report we cannot vote a single penny in relation to this and we believe that the Government is wrong if it did not consider it necessary or advisable to follow these gentlemen's recommendations in their report of 1976, to engage the same gentlemen to carry on with this work.

HON CHIEF MINISTER:

Mr Speaker, the Leader of the Opposition wants to have his cake and eat it and he has been doing that ever since he came back from the elections. He may get an indigestion one day. In the first place I think it is very unfair to personalise these persons and so on. It is a firm which has been advising the City Council in power and other aspects for many years, in fact, they opened recently new premises in Brighton and we were invited but couldn't go, of course, and they described Gibraltar as one of their oldest clients for many years and therefore they are a firm of great repute and we refer to them as Preece, Cardew and Rider, not as these gentlemen or these persons. They are a firm of consultants who deal with different matters and they have different experts to deal with these different matters. The point is not whether the previous report was acted upon or not, a whole situation has arisen over the years for reasons which if the Honourable Leader of the Opposition is patient enough he will hear in the course of the debate on the motion raised by the Hon Mr Bossano in the Order Paper, and that is the future of the power station. We cannot expect to expand and provide and meet all the criticisms about lack of power and lack of foresight and so on if what we do is not completely up to date and it matters two hoots to us, with the greatest respect, if the Opposition vote against this because it shows their bad faith and nothing else.

HON MAJOR R J PELIZA:

I think the Hon the Chief Minister is being very unfair, first, in trying to make the whole thing personal which I think doesn't do him much credit. We are not being personal in any way with the firm of consultants.

HON CHIEF MINISTER:

I think the Honourable Member has misunderstood me. I didn't say that and I didn't mean that and I am sure the Honourable Member hasn't understood it properly. I said that it is no use attempting to speak about a firm of consultants as persons, that we would rather deal with the firm of consultants by their name and not personalise them in respect of anything to do with their work, only in respect of their consultancy. They have been invited by us and therefore they are responsible people and they should be called by their proper name, that is all.

HON MAJOR R J PELIZA:

Mr Chairman, it has nothing to do as to the qualifications, or the quality of the work of those consultants at all. I don't think that is the case that my Honourable Friend raised. We are being told now that we should pay for consultancy fees on a scheme we do not know in what way that scheme is related to the scheme that was originally offered by the consultants in the report. That is the point. That is the point, I think, my Honourable Friend was making. That is how I see it. I think that however much the Honourable and Learned Chief Minister may wish to find excuses for not releasing that report, whatever he does, this I am afraid is very much a black mark in the attitude of the Government towards the general public debate in this House. I think that there are consumers in Gibraltar who have got to pay for the electricity, who have got to put up with the black-outs and yet we cannot get down to the real reason as to why this is happening. I think that report must give a lot of information which I think the consumers of Gibraltar are entitled to know and certainly this House is entitled to know. There can be nothing there which is a military secret in any way or that can harm the security of Gibraltar. It is obviously a political point that the Chief Minister wants to hide that I think is most unfair and because of that Mr Chairman, on the basis that we do not know what the situation is, on the basis that we cannot accept that the procedure that the Government has adopted in the past, that the procedure that the Government is adopting now for the future, the way for instance that the 5-megawatts engine was produced out of a hat at an adjournment debate and the fact that the position as explained very definitely then that it would take 18 months and now it is going to take 2 years and so on and so forth, all those facts do not hold the argument that the Government is using and makes it absolutely the duty of the Opposition if we stand in any way for the people who have voted for us on this side of the House, that we should not accept the payment of this new consultancy that we cannot vote in favour of that until that report has been released and we can decide whether this is justified or not.

HON M K FEATHERSTONE:

I think as usual the Honourable Major Peliza has done his bull in a china shop act and has tried to bring all sorts of red herrings into the situation. It is quite a different matter from the original report to the situation today in which the Government which gives the terms of references to a consultancy, has said: "Now we have No 5 jetty available, we have obtained it from the MOD, we want to build a power station there, will you please tell us whether it is feasible and if so draw up the plans and working drawings". That is what has been agreed and that is what we are asking the money for. What we are trying to do is to go ahead with the utmost despatch and it appears that the Opposition which in one breath shouts for the solving of the electricity problem on the other hand tries to be as delaying as possible.

HON P J ISOLA:

Mr Chairman, the Opposition has not delayed a single thing. We have been pressing the Government and if we had not pressed the Government in October last year the announcement of a 5 megawatt generator might have been announced today as a result of the motion of the Honourable Mr Bossano, that is a fact. We are voting against this, Mr Chairman, and I know the Minister for Municipal Services whom I have no doubt will not be Minister for Municipal Services for that long; I know he doesn't care two hoots whether we do or we don't. We have noticed in his attitude in this House that he has never cared even since the days the Government had a majority of 10 over 5 he has never cared two hoots for what this side of the House thinks so we accept that situation and we accept the arrogant attitude of the Minister concerned. But, Mr Chairman, we are not going to vote this money, we know this will not delay the construction of the power station, we are not going to vote it as a mark of public protest at the attitude that the Government is taking in covering up on the Preece, Cardew and Rider report. Because if the Government has nothing to hide we cannot see why they couldn't make it public so that there could be public discussion and debate on this most important aspect of the community and the survival of the community of Gibraltar as far as power is concerned. We have not been given a good reason, we were given a good reason before the elections because the Chief Minister was not going to put into our hands ammunition for the election. We accept that that is a difficult point but the elections are four years ahead. I think we are entitled to know, I think the public of Gibraltar are entitled to know what these recommendations contain and what they are before being asked to vote blindly further monies and we are doing it as a mark of protest.

HON CHIEF MINISTER:

If the Opposition did this as a mark of protest they would do it in the usual parliamentary manner by suggesting a reduction of £10 but not against the whole thing.

HON P J ISOLA:

It is for us, Mr Chairman, to decide how we do it.

MR SPEAKER:

As I understand the vote that we are considering now has nothing to do with the actual report of Preece, Cardew and Rider but on the report and the consultancy fees as to the viability of installing a new Generating Station, is that correct?

HON CHIEF MINISTER:

That is right.

MR SPEAKER:

I think I have been very liberal insofar as these matters are concerned.

HON J BOSSANO:

Mr Speaker, I welcome the provision of this sum in the supplementary estimates as a first step in the urgency that I am urging the Government in my motion to adopt in the introduction of the new service and I shall therefore be voting in favour. I respect the right of the other Members of the Opposition to choose to make this a mark of their protest at the non-publication of the previous report and I agree with their view that the previous report should have been made public just like I have done on previous occasions disagreed with both Government and Opposition about the secrecy surrounding the Working Parties and the Strasbourg talks and all these things. I believe that the people of Gibraltar should be as fully informed as possible and at the same time I believe that Members of the House of Assembly should, in fact, not attempt to gain political advantage out of every possible mistake or error of judgement on the part of the Government otherwise I think the parliamentary system can be made totally sterile. It is a view that I expressed during the election campaign, it is a view that I still hold and a view which I will adhere to in conditioning my voting behaviour and my views in this House of Assembly for the next four years.

HON M K FEATHERSTONE:

It is very good to hear the Honourable Mr Bossano who speaks with a sense of realism and not a sense of pique as the Honourable the Leader of the Opposition but I would remind him that other reports have not been given in the past through secrecy and I think the IWBP kept the Beeching Report very much up their sleeve.

HON P J ISOLA:

Mr Chairman, may I just say that I welcome the support that Mr Bossano gives to the publication of the report and I also welcome his new found interest in providing a new Generating Station. I can only say it was perhaps a pity that he did not attend the debate that we had in October on this matter especially the motion of censure on the Minister for not carrying on with proper planning of our power requirements but, anyway, I welcome that the Honourable Mr Bossano now considers this matter an urgent one in the same way as we do. But let me assure him that in voting against the fees for power consultancy we are doing it because we feel it is the only way that we can bring and keep in the public eye the need for the publication of the Preece, Cardew and Rider Report.

Mr Speaker then put the question and on a vote being taken on Item 6, Head 110 - Electricity Service, the following Hon Members voted in favour:

The Hon J Bossano
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon E J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Lodi
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent:

The Hon I Abecasis
The Hon Major F J Dellipiani

Item 6, Head 110 - Electricity Services, was passed.

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

Clauses 2 to 4 were agreed to and stood part of the Bill.

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

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Price Control (Amendment) Bill, 1980; the Pensions (Amendment) Bill, 1980; the Administration of Justice Bill, 1980, and the Supplementary Appropriation (1979/80) Bill, 1980, have been considered in Committee and agreed to, in the case of the Pensions (Amendment) Bill, 1980, with an amendment, in the other cases without amendment and I now move that they be read a third time and passed.

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

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

I beg to move that: "This House considers that the provision of a new Generating Station must be treated as a matter of urgency and that work on this project should start in the financial year 1980/81." Mr Speaker, the position of my Party regarding the problems we have been facing in the Generating Station is, in fact, that one of the things that can fundamentally be said to be wrong in the way the present electricity supply cannot be maintained continuously is that there has been insufficient emphasis placed on the long term planning of the economy of Gibraltar, generally, and that in the case of the Generating Station because of the obvious impact that deficiencies in planning have on the maintenance of electrical supplies, people are more conscious of it but that in fact it is a symptom of an overall policy approach which we have urged on the Government on a number of occasions and which we hope the Government will be placing more emphasis on particularly once the input output study for the economy of Gibraltar is completed. Clearly, the provision of a Generating Station and the planning of a Generating Station should play an integral part in an economic plan because one must look at projections into the future of demand for electricity and plan a Generating Station which would be able to expand consistent with anticipated demands. It is obviously not an easy thing to be able to look into the future with a very high degree of accuracy and one can in any future planning make a mistake in one of two directions, that is, one can over provide facilities or under provide them so, clearly, what we need is a development programme for Gibraltar's economy which can adjust to changes in the world economic climate or to changes in the internal situation or other factors affecting Gibraltar's economy. Therefore the Generating Station in itself, although our concern, the concern not just of the Members of the House, the concern of every householder in Gibraltar, is to have a regular uninterrupted supply of electricity in terms of the

Government responsibility for the economy of Gibraltar, the role of the Generating Station and the provision of electricity must be vitally important in terms of its impact on economic activity. Let me say, Mr Speaker, that the motion has been put in the language that it has been put because its purpose is not to apportion blame for past mistakes or shortcomings but to concentrate the attention of the House and particularly of the Government on the necessity to proceed to rectify matters in the shortest possible time consistent, I think, with not rushing into something and trying to patch up a problem today which will only create more problems in the future which sometimes in a situation of crisis, sometimes we tend to make that sort of mistake in Gibraltar and find that we have stored up much more trouble for ourselves in the future and what we have solved in the immediate term. Therefore the urgency that the matter requires is because what it cannot allow to do is to stay in suspended animation because then the situation can only deteriorate. The position in the Generating Station of which I have quite a lot of personal knowledge because of my involvement as a Union official representing the labour force employed there is one where people are working under extremely difficult conditions in terms of their physical environment and it has to be understood that an unpleasant and difficult working environment militates against harmonious relations and we tend to talk sometimes about industrial relations and industrial action and not really understand the terminology that we are using and therefore one can have a situation where there is not a dispute, where we do not have a claim being submitted on behalf of the workforce and the workforce withdrawing their labour either totally or in part, because there isn't a dispute, and nevertheless people working in a situation where they are not happy and because they are not happy there is friction between management and workers where people's nerves are on edge because there is a lot of noise, the place is dirty, equipment breaks down more frequently than it ought to, spares and tools are not easily available and this creates a situation where you cannot get the best out of people because they are working under pressure which should not exist. That has got to be understood and that has been a problem that everyone in the Generating Station is conscious of and is trying very hard to put right. We can make a contribution in helping to do that which needs to be done until such time as people move into a new and better working environment. We can all help to do that by not trying to exacerbate an already difficult situation and try to blame each other for the mistakes of the past although I think that inevitably it is the Government that must bear the responsibility just like they bear the responsibility for having chosen not to make public the report and having chosen to adopt a policy on that report. I believe that the Government carries the responsibility for its own decisions and is answerable for them and I have no wish to run the Government

from this side of the House, all I wish to do is to be able to persuade them sometimes that it is in their own interests to take one particular course of action rather than another but they do not have to take my advice all they are required to do is to listen. I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON M K FEATHERSTONE:

Mr Speaker, basically we welcome this motion although it has a slight error in it. It is suggesting that work should start in the financial year 1980/81 and I am happy to inform the House, and I am sure the Hon Mover of the motion, the work has already started. Following the visit, a week ago, of a team from Preece, Cardew and Rider, one of the suggestions that they made that was necessary in the provision of the new power station was a certain amount of in-filling of sea in the North East corner of No 5 Jetty and this filling is already under operation. With that reservation, of course, which I am sure the Hon Mover will be very happy to accept, it is obvious that we consider that this work must be treated and will be treated with the urgency it deserves. We are already preparing the tender notices for the trial holes on No 5 Jetty and this tender will probably appear either this week or next week so that the information can be relayed to Messrs Preece, Cardew and Rider with regard to the situation for the working drawings of the actual building. The building will be the commencement of a power station. It will be built, in the first instance, to house three engines but it will be capable of extension in the future and the intention is to build the beds for the first two engines, one engine, of course, will come and the whole thing will be phased over a period of 3/5 years with the first part coming in by the winter of next year and then progressively improving on that and then, of course, the second phase can come in which the whole station is actually increased so that the eventual object is to close down the King's Bastion North and South Stations and move to this new site. At the same time the Preece, Cardew and Rider team are looking into the question of further desalination plants and the intention there, of course, is to try and use the waste heat from the Generating Station so as to feed the desalinating plant and get water as cheaply as possible. I do not think I need to go into much further detail on this but I would assure the House that every urgency is being put into this and we hope to start building in September. It will take a little time to get the working drawings and the tenders through but as the House can appreciate the Government is treating this with the greatest of urgency and although the motion asks us to do so I once again reiterate we are already doing it.

HON MAJOR R J PELIZA:

Mr Speaker, I think that the motion is really a follow-up of what happened before the Election. The question of the shortage of electricity, the lack of capacity, whatever the Government may say, is basically the cause of the trouble. It is not because we have X number of engines with so much capacity that we have got to interpret that capacity is available, it all depends for how long those engines can maintain that capacity. If the state of the engines is such that breakdowns are occurring, and this has been seen during the past, it is, I think, living in dreamland to suggest that the capacity is there when in practice it has been proved over months that the capacity was not there and that action should have been taken to ensure that whatever capacity we speak of was practically available and not just a number of figures on paper. Therefore, what my Hon Friend Mr Bossano is really doing by introducing this motion, however much he may not wish to attack the Government, however much now he is taking the role of the mellow politician, however much he may give the impression to some people that he is going to cross the floor, I know he will not, but his attitude might give that impression, Mr Speaker, however the attitude may be and whatever he may say, this is critical of the Government. Otherwise there would be no need to bring a motion that this must be treated with urgency. What Mr Bossano obviously is saying is that there was lack of urgency in the past on the part of the Government and that he doubts whether this urgency exists today otherwise there would be no need to move this motion.

HON CHIEF MINISTER:

Mr Speaker, on a point of order. Is there provision in the Standing Rules for one Member to speak on behalf of the Mover instead of the Mover speaking himself?

MR SPEAKER:

Provided that the person who holds the floor speaks on the question before the House he can direct his attention to whatever part of that question he chooses. In fairness to everyone, we are speaking about the future and not the past.

HON MAJOR R J PELIZA:

What I am speaking about, and I think I am entitled to do this, is proving that by pointing out those matters that my Hon Friend has brought out, one is being critical of the Government. I am just explaining what I consider the motion to be. If the Hon and Learned Chief Minister does not want me to comment

MR SPEAKER:

No one is entitled to inhibit the right of Members to speak, other than the Speaker, for good reason. I do not think that has happened in this House and I do not think it will happen.

HON MAJOR R J PELIZA:

I know you would not allow it, Mr Speaker, but that does not deter other Members of this House to attempt to do so. Carrying on with the motion as I see it, I think that we cannot, as laymen, talk about a future plan of electricity without professional advice. I do not know how my Hon Friend on my left could possibly make a judgement of what are the requirements of Gibraltar in the future without a report . . .

MR SPEAKER:

Order. We have had our say on that Report and we are going to speak on the motion and nothing else.

HON MAJOR R J PELIZA:

Let us forget about the report, whatever the report may say. All I am saying is that in my view no one in this House, except perhaps my Hon Friend on my right who happens to be an Electrical Engineer and even so he would have to have all the facts and the expertise to project what is required in Gibraltar and which is the best place to put these engines and how they are going to be placed and all the rest of it. I think it is only fair that in making comments today as to the future requirements of Gibraltar one should base ones argument on some technical facts and planning which we have not got. I think it would be very useful to this House, what we are debating here today about the urgency, because it is no good really doing things in a very fast way to find that we have done the whole thing upside down in the end. I think that however fast we move it is important that at least we should know where we are going and when we make a decision that we do so with knowledge of the technical facts. This side of the House have not got it. I believe that my Hon Friend on the left has not got it either. All he is doing is talking generally but I think to talk generally is not going to be that useful in a constructive way. Therefore, I must urge the Government again to produce the facts that have led them to decide that this generator is going in the place that it is going and what it is going to fulfil. That, we do not know, Mr Speaker. It has not been made public yet. We have heard about where the holes are going and all the rest of it, how the bed is going to be laid, etc, but that I do not believe is the kind of information that will lead us to make a decision on the projection of the needs of Gibraltar in the future and how best this can be fulfilled. Mr Speaker, therefore, I think that this motion may well require some amending to bring out what I believe are the real necessities that will be required for the Members of this House to make an intelligent decision on this matter.

HON DR R G VALARINO:

I welcome the motion put forward by the Hon Member on the provision of a new Generating Station. This is the policy of the Government and I am glad that this is reiterated by a Member of the Opposition, Mr Joe Bossano, who has talked sensibly and honestly and not like the Leader of the Opposition who is obviously canvassing for another four years and does not know what he is talking about half the time. Sir, there are some parts in this report which are highly technical and therefore I crave your indulgence as I may have to read them for the benefit of the Opposition

HON P J ISOLA:

If the Hon Member is going to quote from a report should it not be laid on the table? Perhaps it could be circulated, Mr Speaker, and then we could save him reading it.

HON CHIEF MINISTER:

Mr Speaker, the Leader of the Opposition is really attempting to abuse his position as Leader of the Opposition. It is perfectly proper for the Member to ask permission to refer to his notes without any nasty comments and this is really not helping in the good conduct of the House. If the Leader of the Opposition has come here now as a prima donna to take over the place of Mr Kiberras and to emulate him in the element of time given to his speeches, then we better prepare ourselves for such an ordeal for the next four years.

MR SPEAKER:

I think the Hon Minister did not make himself clear as to which report he was referring to. He has now clarified the matter and that is all there is to it.

HON P J ISOLA:

Mr Speaker, I have a perfect right when somebody refers to a report to speak on it. The Standing Rules of this House say that speeches will not be read and it is by the indulgence of the Chair and the Chair, if I may say so, is extremely indulgent in this respect as far as Government Ministers are concerned.

MR SPEAKER:

I think the Chair is extremely indulgent in every respect. Let us continue the debate.

HON DR R G VALARINO:

Mr Speaker, the report I was obviously referring to is my report and none other and I have craved your indulgence.

MR SPEAKER:

To the extent that you will be using technical phraseology then you are certainly free to quote from your report.

HON DR R G VALARINO:

As my Hon Colleague on my left has already said preparatory work connected with the design and the drawing up of specifications and preliminary site investigations is already in hand. This is the first time that the Gibraltar Government has engaged Preece, Cardew and Rider directly and not through the Crown Agents. This will not only save time but money. Two of the potential tenderers have expressed an interest in the project and they have estimated 17 months and 12 months respectively from the time of order to commissioning of a nominally 5mw generator. Therefore, there appears to be justification in stating that 18 months is the most optimistic date by which the initial stage of this project, by that I mean one generator, could be completed. The Chief Minister has already stated in a previous speech that the new engine will be in operation in time for the winter of 1981/82. This is, however, intrinsically linked with the development of a new Generating Station. The new set will be the first engine of the new power station. This will be designed so that future extensions can be provided as they become necessary as my Hon Colleague mentioned. Obviously, this will incur further work and the date has had to be put slightly back to winter 1981/82 where the demand will be most needed. When we provide the potential for future expansion to meet this growth we shall make the best use of all the heat available. This, inevitably, links power development to water desalination. The Hon the Leader of the Opposition has mentioned previously slippage. I think if he refers to the relevant part, we have always talked about a new 5mw engine and we have not talked about a new Generating Station. Obviously, in providing a new Generating Station, a lot of further work is entailed and it is impossible to just fit an engine anywhere but it will incur much greater building and associated complexes. As I have already answered in the House, the consultants, Preece, Cardew and Rider, have been appointed to the project and the development of a new Generating Station on No 5 Jetty will be an important step in the development of Gibraltar and in bringing continuous supply of electricity to our homes. I am sorry at this stage that the Opposition Members have chosen to vote against the money allocated for payment to the consultants as they show a complete negligence of the needs of the people of Gibraltar in developing a new Generating Station which will be for their benefit. Obviously, they are electioneering again but I wonder why they are electioneering since it

is impossible for them to have a Chief Minister. We are very definite. We do not gamble. The choice of No 5 Jetty as the site for the station has certain inherent advantages militating in its favour. With this choice the possibility of delays in the reclamation of land elsewhere can be ruled out immediately and the site's proximity to a sea berth would allow a vessel equipped with the necessary cargo handling facilities to discharge a fully assembled engine thereby cutting down on both stripping and packing time at the manufacturer's works and erection time at site. This possibility represents potentially large savings in costs involved in commissioning a vessel to make a special call to Gibraltar. To meet the target date it is the aim of policy to gear all our resources towards constructing the main foundations which will accept the engine and its auxiliaries even though civil engineering works may still be in progress. The chances of success might be further enhanced if this engine were designed for use with a maximum of pre-fabricated equipment. Let me add that in time, with the complete changeover of the present Generating Station to No 5 Jetty, a prime site will be left in the middle of town for development and possible decongestion of Line Wall Road. There is nothing much further for me to add. The red herring produced by the Members of the Opposition about the Preece, Cardew and Rider Report is merely a red herring and nothing more. They have been, to some extent, annoyed by the honest and forward-looking motion of Mr Bossano and it is only because of spite of the Leader of the Opposition that this red herring has been brought up in this House. Let me finally add that this development will be a tremendous step for the future in Gibraltar and contrary to the expectations of the Leader of the Opposition. I hope that as Minister for Municipal Services I shall be proud to see the end result. Thank you.

HON P J ISOLA:

Mr Speaker, we are grateful to the last speaker for giving us the other recommendations of the Preece, Cardew and Rider Report which was a long term plan for a Generating Station and giving us the site that they chose in 1976. We get bits and pieces of the Report from time to time. We will, of course, support the motion of the Hon Mr Bossano because I think it is a self-evident fact that a new Generating Station must be treated as a matter of urgency. This has been said in this House since October of last year and before when the incidence of power cuts made it clear to the Hon Members of this House that the Government did not have sufficient generating capacity. It was only after severe questioning from my Hon Colleagues in the Democratic Party of British Gibraltar of the Government benches, that we were able to get from them the admission that Preece, Cardew and Rider, these eminent consultants, had told them as far back as 1976 that there was a requirement for a new 5mw generator. It was only because the Opposition fulfilled its role as an Opposition that this came out. If the Opposition had acted, if I

may say so with the greatest respect to the Hon Mr Bossano, in the way that he suggests that we should act, and that is wait till the country is in complete darkness and then put in a mild motion saying; "Please can we have a new Generating Station", and the Government replies; "You are all very good boys, we will support this". If we had followed that attitude of Opposition, Mr Speaker, the new Generating Station would not have been planned yet and no statements would have been made by the Government and we would have gone into utter darkness. That is a reality of political fact and I can only remind the Hon Mr Bossano before he gets up to explain that I heard what he said during the election campaign about providing a real Opposition with his six members and if this is going to be the example of what he meant by a real Opposition, I think it would have been better if he had told the public when he was asking them to elect him to become a real Opposition, an Opposition of yes-men.

HON J BOSSANO:

I have asked the Hon Member to give way, Mr Speaker, to give him an opportunity to correct the misleading things he has been saying because I could have the last word and launch an attack on him and not give him an opportunity to answer me. I have tried to put a motion which is not being used either as a censure motion on the Government or as a censure motion on the Opposition. However, if the Leader of the Opposition chooses to support my motion by making it a censure motion on myself then I suppose I cannot stop him. It is a motion concerned with the need for a new Generating Station and not with his conduct as the Leader of the Opposition or as a Member of this House or his election campaign. He can, if he wishes, on every single occasion take the credit for everything that has ever been done or said in this House for the Democratic Party of British Gibraltar in the hope that in four years' time he will be there when no doubt all the things that he says he is going to do will not be done and all the things he says should not be done will be done because that is the way politicians of his formation think and act. I am not telling him how he should act, I am just telling the House how I will act and I said how I would act in the election campaign and I think people were sufficiently impressed by what I tried to make a very honest and sincere campaign, to vote for me. I think I owe it to the people who did. But, of course, if he wishes to carry on in that vein it is his prerogative. I will not use my last opportunity to launch an attack on him.

HON P J ISOLA:

Mr Speaker, I am glad that the Hon Member has made his intervention at length. I must assure him that I have nothing further to say. I was not doing a censure motion on him but I was replying to the implied criticism in his motion or the way he put it forward which implied a different style of

Opposition to that employed by the other Members on this side of the House and what I wish to stress on him is that with the present Government as he well knows in other areas in which he is involved, the Opposition has to be strong and constructive. That is what we are doing now and I know the Minister for Municipal Services gets very angry whenever we attack him, whenever we say he is doing things wrong and the answer is to do it right and not to say things in this House and to give assurances in this House which three months later he is going back on and for that he must expect criticism. Going on, Mr Speaker, with the motion, I think the Hon Mr Bossano, who is an experienced politician as we all are here, must realise that such a quick and ready acceptance of his motion by the Government shows that it was couched in terms which are very convenient to the Government and I equally say, as my Hon and Gallant Friend Major Peliza said, that I do believe that the Hon Mr Bossano was being critical of the Government in putting this motion. Mr Bossano's Party was saying: "We had better put a motion down that a new Generating Station is put up because if we do not put it down they may never do one", and that is also a reasonable stand to take and to put a motion of this nature down. But, Mr Speaker, we come to the Minister for Public Works and he says Government was already treating this urgently. He said: "We did not need your motion, we were all doing it, we were already treating it urgently", and it is to that aspect of the matter that I would like to address myself and ask whether this is the case. It is not easy to go back on the past but I think one has to in the case of power development and one has to, Mr Speaker, because Thank God the power cuts do not continue every day of the year. We do have respites, we do have periods of time, for example, to the lead-up to the election when there were no power cuts and then we had power cuts and then we have another period of time and then we have more power cuts and it seems to me and of course we cannot tell this because we have not seen the Preece, Cardew and Rider Report but this situation is likely to continue until a new 5mw generator is installed. We have said this and it has been denied by Government spokesmen that this will be the case and it has happened, it happened after the election. Before Christmas we were told that it would be OK for Christmas and it was OK but we do not know at what cost, Mr Speaker. We do not know whether the engines were overworked to provide a continuous supply right up to the elections. We do not know whether maintenance was neglected in order to have a continuous supply. We do not know whether overhauling was put back in order to supply electricity continuously till the elections. We do not have that information, we can only speculate but we do know that there were power cuts. Mr Speaker, we do know that there were power cuts and very serious power cuts only two weeks ago and we do know that there was a dispute between the Government and the TGWU or the people who work there as to the causes of these power cuts. We do know that there was considerably dispute and if there is no dispute as the Chief Minister is saying then I am sure he will be able to accept the amendment that I am going to propose to this motion because it is couched in the terms of the TGWU communique. So if there is no dispute he will be able to defend himself.

HON CHIEF MINISTER:

Yesterday the Hon Leader of the Opposition was praising Mr Netto and putting him forward in his personal communique and supporting him. This is the latest development in political thinking in Gibraltar. First of all they try and get the TGWU to join with them in representations about the Estimates and now he comes in aid of the TGWU when there is no dispute. This is a fantastic development for a right-wing Party.

HON P J ISOLA:

I always like to give way to the Chief Minister to make all his interesting interventions and they all require a lot of reply but I will deal with them as we go along. If the Chief Minister would have waited, he is telling me he agrees today with what the TGWU communique said, yesterday the Minister was denying that the Government agreed to what they said.

HON CHIEF MINISTER:

I think he was using Mr Netto's report in trying to help his case against the Government and now I am telling him that this is a new development because he says that he is putting an amendment that will show that there is a dispute when the Union says that there is no dispute. Perhaps, there is another aspect in this Party's development to swing to the left, towards Transport House.

HON P J ISOLA:

Mr Speaker, I am dealing with the remarks of the Minister for Public Works that the Government was already treating it urgently. I am disputing that and the reason I am disputing it at this stage is because I am proposing to move an amendment to that effect and I mentioned the TGWU communique because I was leading to the fact that the power cuts two weeks ago that were continuous and there was dispute. I was not saying that there was an industrial dispute, there might have been as well, but I was saying that there was dispute between the Government and the TGWU or the men working at the Generating Station as to the causes of the power cuts and the reasons for them and the continuing reasons for them. It has nothing to do with the political colour of my Party. But, Mr Speaker, I should say I am leading to proposing an amendment and so when I propose it I will probably sit down. The amendment will be regretting the lack of planning and I say that, Mr Speaker, because I think it is necessary to remind the Government and to question the question of urgency on the part of the Government on their own statements and on their own declarations in this House. In October we had power cuts and as you will recall, Mr Speaker, we had a lot of debate in

this House and after the very unsatisfactory answers given by the Minister for Municipal Services who read a statement of I do not know how many pages long that had no mention of the need of a new 5mw generator and our dissatisfaction with it, my Hon and Gallant Friend raised the matter on the adjournment. On the adjournment the Chief Minister said categorically and I will quote from the Hansard of 31 October, 1979, which is now, Mr Speaker, five months' ago, he said: "First of all let me say, when I was in the ante-room having a word with our City Electrical Engineer, I heard that the Hon and Gallant Member said that we were not going to have an engine until 1984. That is absolute nonsense, we hope that eighteen months from now a 5mw engine can be installed which is really what is wanted for the next three years". That statement was taken at its value, coming from a Chief Minister who had had a word with the City Electrical Engineer following a very detailed report from the Minister for Municipal Services in this House who said nothing about it but they were obviously apprised of the problem, they had the Preece, Cardew and Rider report, this statement was made. This was a statement that was reassuring to the Members of the public and to the Members on this side of the House because at least we could see an end to power cuts within a defined period of eighteen months. It is no use the Minister for Municipal Services coming here and telling us that now they are planning it, now they are engaging Preece, Cardew and Rider or have engaged them because this has to be planned carefully. We expect statements in this House, Mr Speaker, to be planned carefully and for reasons to be given for them and for Ministers and Chief Ministers to say in this House we will have this, it must be based on the fact that they have done the planning, that they have considered a plan, they have got expert advice and they know they can do it. That is the responsibility that we are entitled to expect from the Government in power. On 5 December we asked questions on this and there was a lengthy question time and it became, as it always seems to do when the Minister for Municipal Services is involved in answering questions, it became rather acrimonious but in the course of supplementaries, my Hon and Gallant Friend Major Peliza asked why was not this 5mw engine mentioned in the statement of the Minister for Municipal Services and the Chief Minister said that what had happened was that the Minister simply omitted to mention that fact. He said: "It was an important fact and I gave the fact as it happened and that is the end". A 5mw generator in 18 months. And the Hon Minister for Municipal Services who was questioned very closely on this matter he said in that debate, not today when he is telling us as if it is something new that the three different manufacturers have quoted between 12 and 18 months. It is nothing new, he said it on 5 December, over three months ago and he said then that the order would be placed within three months, which have now gone by and no order has been placed for the new generator, and when the Chief Minister said in this House there was going to be a 5mw generator within 18 months, on 31 October, 1979,

am I to imply from what the Minister for Municipal Services has said today that he did not know where it was going to go then and if he did not know where it was going to go then how could he say we were going to have one within 18 months? We are not talking about buying a motor car for the Public Works Department, we are talking about a 5mw generator and I can only assume that they did know where it was going to go otherwise they would not have said so. Then, the Minister for Municipal Services who was questioned at great length, when I asked whether he was confident that we would have it within 18 months he said: "I am not only confident I give the House every assurance that we will have one". Didn't he know then where it was going to go? Is this all something new? That is why, and I hope the Hon Mr Bossano will take, if he thinks it is criticism of his motion, as an honest criticism of it, this is why it is not just a question of asking the Government to treat it urgently it is a question of censuring almost the Government for not having given this the urgency that it obviously requires and for not having lived up to their commitment to this House and to the people of Gibraltar, before the election, as to when the 5mw generator would be in operation in Gibraltar. Mr Speaker, how quietly the slippage occurred. How quietly it was introduced in the inauguration of this House on 28 February, a mere four months since the statement was made in this House that we would have one within 18 months, a mere four months, and the Chief Minister quietly says that we will have the new 5mw generator, according to plan by the winter of 1981/82. The winter, of course, of 1981/82 is like the Spring of this year as far as the Varyl Begg Estate. Some people think the winter starts in October and does not finish till April and others think it starts earlier on, that is a matter of opinion, but winter 1981/82, Mr Speaker, if we take one extremity of the winter and call it October, that is two years from the date of the statement less one month and if you take winter 1981/82, take it to the other extremity, that is 2½ years from the undertaking and assurance give by the Chief Minister and confirmed by the Minister for Municipal Services in this House on 5 December, it takes it to 2½ years. That is a serious matter because power cuts will occur again and we know it. There is new development going on that requires new power. I do not know what will happen when they get it. You have got the MOD in the situation now that the Government for the first time in I don't know how long has had to pay the MOD for the power it has acquired and according to the mathematics that we have done on this side of the House, very expensively, but I may be wrong. We will ask for details at the time of the Budget. Mr Speaker, all this slippage of a year is a very serious matter for the public who have to suffer these power cuts. All this, and this is where I come back to the origins of the motion of my Hon Friend, Mr Bossano, seems to indicate to us on this side of the House, a lack of planning, a lack of foresight. Not seems, if I may say so, it convinces us because if the Preece, Cardew and Rider Report has

said there is a 5mw generator required in the next three years, all we can rely is on what the Government tell us it says, but if we could see it then we could judge for ourselves, but if it said that then, surely, the Government must have made plans with all these working committees etc, of what it was going to do and surely when the Chief Minister got up in this House on 31 October, 1979, he must have known what he was talking about and when the Minister for Municipal Services in December, 1979, said they would make an order within 3 months, he must have known what he was talking about and what we know now is that they did not know what they were talking about because it is only now that the consultants are being paid, it is now that they are being asked to design a new power station and we have this red herring coming across of a new power station, we are now going to do something better than what we said in October and that is the reason for the delay of a year. Nonsense, Mr Speaker, they had the plans, they had the advice as far back as 1976 for the new Generating Station and what the October statement was is; "we know we need more power and we are giving it to you within eighteen months". Of course, we all know you need more power, it is nothing new, the Government itself has said it. We have been lambasted with the year 2000. Of course, I agree with the statement of the Minister for Municipal Services that it is impossible to fit an engine anywhere. But why didn't he tell us this in December when he made his statement and gave us all the assurances that it would be in within eighteen months? We do not expect the Minister to say you will have an engine in and then not know where he is going to put it. We assumed they knew where they were going to put it. We were entitled to make that assumption. So, Mr Speaker, I am going to move an amendment to the motion and I will just say very few words with it to explain it and the amendment is that the motion be amended by the addition of the following words at the end thereof: "and regrets that due to lack of planning, vision and organisation the generators are now incapable of meeting continuously and without interruption the demand for power of the City". When I mentioned, Mr Speaker, the TGWU which always seems to provoke a certain eruption from the Government benches, I am not trying to disturb in any way the close relationship that exists between the Chief Minister and the Resident Officer. The reason why I mentioned the TGWU and agree with them is because we agree with the statement made in the communique of the Resident Officer of the TGWU to the effect that the generators are not capable of meeting the demand because of lack of planning, vision and organisation. I think this debate has illustrated this to the full and the statements that have been made by the Chief Minister on October 31st and the Minister for Municipal Services on 5th December and 28th February and in this House today and that is what we were agreeing with with the TGWU. We were not and I have not attempted and it would have been extremely easy for the Democratic Party of British Gibraltar to have interfered during the recent power cuts in the obviously volatile situation that arose between the Government and the

Transport and General Workers' Union and we showed our responsibility as a party, Mr Speaker, in keeping our mouths shut about the dispute there seems to be between the Chief Minister and the Resident Officer. We were worried, everybody in Gibraltar was worried about 2½ hour power cuts or does the Government expect the people of Gibraltar to accept 2½ hour power cuts daily as a matter of practice and have to accept everything else? We took the responsible way out of my Hon Friend Mr Restano who has interested himself enormously on the power situation and on the power problem to go and visit. We were not interfering. It would have been an easy matter for us to have taken political advantage of that situation and we did not, we kept absolutely quiet. Coming back to the TGWU we agree, the Party that I have the honour to lead agrees that the generators in the Generating Station are now incapable of meeting the requirements of the City and the reason that the Resident Officer gives are the reasons that we have given in this House and what we have complained about. We do agree and we do wish to express regret in this House and we know this part will be defeated but we feel we must put it forward and I hope the Hon Mr Bossano will vote with us in this to express his own regret and then quietly accept our defeat on that part of the motion and then go on to greater things with the acceptance of his motion which will of course have our support. Mr Speaker, I commend this amendment to the House.

Mr Speaker proposed the question in the terms of the Hon P J Isola's amendment.

The House recessed at 1.15 pm.

The House resumed at 3.20 pm.

At this stage of the proceedings the Hon I Abecassis joined the Meeting.

HON CHIEF MINISTER:

Mr Speaker, I propose to speak on the amendment. I am glad in a way to be able to do so because in order to be able to speak on the motion I will only talk about the past. I shall talk about the future in the substantive motion which is the one on which we talk to the future. Insofar as the past is concerned the amendment deals with the past and I therefore limit myself to giving a little historical background to the situation. I think this is a red letter day for the House of Assembly when we see the right-wing party of DPEG copying the text of a TGWU communique and incorporating it into its amendment because the wording here follows exactly the wording of Mr Netto or whoever wrote on his behalf. I do not know whether the next thing we will see is any Member on the opposite side contributing to Gibraltar Libre or to attending meetings of the PSG.

Anything like that can happen in Gibraltar. Anyhow, this is progress. We know now where the sources for amendments come from the right-wing party of the DPEG. On the question of the past, the motion speaks about lack of planning, vision and organisation. It would be very long to go further into the past but it is fair to say that all this hulabaloo came around October shortly after a number of power cuts which we unfortunately suffered. After that the Minister made a very comprehensive statement in the House giving the whole history of the situation. There are aspects of that statement which spoke about the way in which the matter was being dealt with. He mentioned in that statement, in paragraphs 25 to 28, the question of the joint venture of the Gibraltar Government and the Ministry of Defence Working Party. I would like to say that this is really one of the reasons, it may be a good or it may be a bad reason, but if it is a reason we have to state it in the House and it is for people to decide or not. Much earlier than that, shortly after the arrival of this Governor, when the future of the power supply in Gibraltar was discussed we were concerned with two things, first of all with the question of power and, secondly, with the question of water and whereas there had been plans for a power station, the question of what kind of power station we would have, and this is why the Preece, Cardew and Rider Report would have given a completely disjointed view of the matter if this background is not known, the question was posed rightly by the local MOD and by the PSA those responsible for the supply of water and electricity for the MOD, and the question of the possibility of a joint Gibraltar Government/MOD Working Party on power supply was discussed by the Governor with me in September 1978, that was at the time when plans were being prepared for the future of the power station. The terms of reference were drafted and agreed in October 1978, and they were amplified. The first meeting of a Working Party was held in November so you see once it was decided that there should be an attempt at a joint venture things moved very quickly, far from the days when there were cuts or anything, when we were planning for the future. The first meeting was in November, 1978. Five formal meetings and a considerable number of informal technical meetings were held. The Working Party's Report was submitted on 26 April, 1979, and considered by Council of Ministers on 23 May and by Gibraltar Council on 4 June. The Working Party considered five options, (1) a new joint Gibraltar Government/MOD Generating Station on the North Mole; (2) a new Gibraltar Government Generating Station on the North Mole; (3) a new joint Gibraltar Government/MOD Generating Station at King's Bastion; (4) a new joint Gibraltar Government/MOD Generating Station in the Naval Base; (5) King's Bastion and the Inter-Services Generating Station to continue as now. The Working Party recommended option No.1 which was a new joint Gibraltar Government/MOD Generating Station on the North Mole and may I say that the Working Party consisted of our engineers and engineers from the PSA and MOD. The Working Party recommended option No.1 and this was endorsed by Council of Ministers and Gibraltar Council and after that the Working

Party recommendations were sent with the recommendations of the Gibraltar Government to London and after some time the recommendation was rejected by London on the grounds: (a) that the present Dockyard power station is adequate for MOD purposes and will be so for several years; and (b) the time-scale for the building of a new station is beyond the period for which MOD (Navy) are allowed by Treasury to commit financial resources, that is to say, that it was looking far beyond what, according to Treasury standards, I do not know whether it is normal standards or under the present restraints on capital expenditure for the future, I could not say that, the reply was that it was beyond what the MOD (Navy) are allowed to commit financial resources. As I say this was a general statement and it was not expounded having regard to present circumstances, that was the recommendation. Then it became necessary to study the construction of a Gibraltar Government power generation, water distillation plant on the North Mole which was the second option and the need to take steps to reinforce the generating capacity at King's Bastion to meet the short-term needs was also noted. The Working Party had observed that the implementation of the recommended short-term solution, the purchase of a 5mw engine should be deferred until a decision had been taken on the long-term solution as the latter might influence the choice of the plant. Here was the Working Party saying: "If you are going for this kind of recommendation, a final decision should not be taken on the purchase of the 5.7mw set until a decision has been taken on the long-term solution as the latter might influence the choice of plant". But it added that any delay which could prevent commissioning by December, 1980, would not be accepted as nugatory expenditure would thus be incurred.

HON P J ISOLA:

If the Hon Chief Minister would give way. I do not know whether this is a point of order or a point of practice. It appears he is reading from a report which has not been laid on the table of the House. If the Report is made available to this side of the House then by all means, but is it in order for him to read from a Report that has not been laid on the table of the House?

HON CHIEF MINISTER:

Mr Speaker, this is the report and I am reading from notes that I have prepared from the report to give the House a summary of it. I am paraphrasing part of the report and I am informing the House of events and not of policies. I am informing the House of the sequence of events of matters which are of a historical nature in the sense that they have happened in this form.

HON P J ISOLA:

I did get the impression from the way the Chief Minister was talking, I know he was not actually quoting from the physical report, but he seemed to be quoting verbatim from contents of the report.

HON CHIEF MINISTER:

I can confirm that because this has been prepared for me, naturally, and each time where I have said something in brackets it says (paragraph 4, on page 8 refers), so really it is not the report, it is a Secretariat note that has been prepared for me for the purposes of the history of the matter in order to inform the House of the events that led to it. It is no use coming to the House and suggesting the lack of planning and my not being able to say what has happened and in the way that it has happened. I am not questioning the wisdom of the report or anything, I am quoting the fact that there was a report and I am saying what I think the report recommended for the purposes. It is not only a summary it is a couple of pages of notes to which I am referring. It is interesting because my intervention in the adjournment debate which was based as I stated on urgent advice I obtained but the text of which I was only speaking entirely off-the-cuff as Members will remember, it is interesting because this was surely in my mind, this question of where the engine was going to go being a very important factor in the whole question is reflected in what I said at the end of my intervention in that debate and I am quoting from Hansard because I had not remembered and this has been brought to my notice by my colleague the Minister for Municipal Services and as you all know I was speaking entirely off-the-cuff after having come down from speaking to the people concerned. I quote: "Anyhow, all I say at this stage is that the question of the installation of an extra engine be it at King's Bastion where I would not like to see it but where it may have to go in lieu of the old engines that will have to be scrapped albeit somewhere else, a new engine of about 5mw can be and will be, we hope, in operation within 18 months at the most from about now". A lot of weather has been made this morning about whether it is 18 months or not, in fact strictly 18 months would not be when the engine would be really required because 18 months, on my understanding, would take us to April or May and about that time there would not be any need to supplement and what we say now is having regard to the new set of circumstances that it will be in operation for the winter of 1981/82 and my understanding of the winter of 1981/82 and you could strictly say that it will be in operation for that time even if it had come within the 18 months, is from about September/October, 1981, that is the winter of 1981/82 and not October of the following year and take 2½ years as the Leader of the Opposition is trying to make.

HON P J ISOLA:

If it is April, 1982, it is 2½ years from October. The winter of 1981 was the date when it was promised, the winter of 1981/82 takes us, using your own words, takes us to April, 1982, which is 2½ years.

HON CHIEF MINISTER:

The winter of 1981/82 which is what I said, is October, 1981, onwards. The arrival of the engine within 18 months would have brought us to April, 1981, when it would not really have been as necessary as in October, 1981, so that the urgency of the matter, the fact that there may or may not be a three-month slippage in the operation of the engine, is neither here nor there. In any case the statement was made on the advice I got and I said we hoped, because we know that there are matters in this respect, in fact you hope to get sometimes a letter from London within three days and it takes two months and sometimes you get it the next day but be that as it may, I think in the general context of the question of supplies to Gibraltar it will not be of any substantial or even important or any difference at all whether the engine is working in May or in October because it will be for the September/October, 1981, period that the engine will be required. I do not want to tread on the future because I am speaking on the amendment. On 31 October which was when the statement was made by the Minister and the matter was raised on the adjournment on 1 November, in reply to Question No 195 on 5 December, 1979, the Minister stated that discussions on the installation of a new generator had been held in Gibraltar with representatives of three of the major manufacturing firms, and we are now talking about what happened after the statement was made in the House about the purchase of a 5mw engine. This happened on 1 November and at the first meeting after that which was 5 December, 1979, the Minister reported progress and stated that discussions on the installation of a new generator had been held in Gibraltar with representatives of three of the major manufacturing firms. Representatives of another firm would be visiting Gibraltar shortly, he said at the time, for discussions. He added that it was hoped that formal terms of reference would be sent to the consultants before the end of the year. That would cover both the short and the long-term problem which he said were obviously inter-related. It was hoped that an order for the new generator would be placed within the ensuing three months, ie by early March. The dissolution of the House occurred on 21 December. In accordance with normal practice the Government does not take major decisions between a dissolution and a general election. However sure we are that we are going to get back, we never do it. Despite that, the necessary consultations continued at official level and because of the importance which the Government attached to it, the matter was dealt with as I announced at the Ceremonial Opening of the House on 28 February at the very first meeting of the Council of Ministers held after the election. That was one of the first things that the new Government did at the first meeting of the Council of Ministers after the election.

At that meeting the Council decided that the consultants should be formally appointed to carry out the designs and prepare specifications in order to invite tenders and place an order within the time scale originally envisaged. I know that all this must be very unpleasant to the Leader of the Opposition but these are facts. The consultants visited Gibraltar early in March and they were instructed to proceed. Tenders will be invited, it is hoped, by May and an order will be placed by the end of June. Here, I just want to say this purely for the record because I do not want to get into the future and away from the amendment but, certainly, it is relevant insofar as to say that there has been lack of planning, vision and organisation in the question of the power station. Then in a statement to the press on 14 March, I stated that the new engine would be in operation by winter next year. The question of a new power station has also been discussed with the consultants and it has been decided that the new engine would be the first engine to be installed in the new power station and that the latter would be designed in such a way as to provide for future extensions as they became necessary. Even if there is slippage it is expected to be in the order of three months from my first estimate of April, 1981, but these arise from the extent of the work that is necessary following the decision to have a new Generating Station as distinct from simply installing one engine which would have been much simpler in a way but certainly not as satisfactory as a general proposition. The other point that has been raised about disputes at the power station. What we have to take into account is first of all in our concept a dispute between a Union and an employer arises when the Union makes a claim and the employer does not meet it and then a dispute is declared between the two then there is arbitration, conciliation, or whatever it is. What has been the case and I made a statement at the time is that there have been difficulties in connection with working conditions and an element of difficulty of understanding in certain aspects of work but it is not as a result of any of the conditions of which we are accused by the pamphlet of Mr Netto which is adopted by the Leader of the Opposition that at no time have we said that the power cuts are purely the result of that nor in fact can it be said that it is only purely as a result of the engines, it is a matter of circumstances that have arisen. It has to be remembered that this power station was started in 1898 at King's Bastion by the Government and then passed over to the City Council who run it beautifully until 1969 but that conditions are not ideal, it is a bastion and the growth of the demand for electricity has been such that King's Bastion North is fully occupied with engines to take it to its fullest use and therefore conditions of work there are not ideal and that is one of the factors that can make conditions of work much more difficult in the ordinary sense of the word that would otherwise be the case. Fortunately, instead of taking the rather abrasive and explosive approach that Mr Netto took, the attitude of the men has been much more reasonable and working methods have been evolved whereby conditions have improved in the output and people are generally as

happy as they can be in the difficult circumstances in which they are working at the power station. I would like to say that we have had special work to be done in the last two weekends and it has been done with great satisfaction and with great enthusiasm by the men and with the best possible industrial relations between management and men. To introduce into this debate acrimony about the trade unionists and the employer is really to attempt to throw coal into the fire and try and create more animosity about the difficulties that have been experienced by the people and making political capital out of difficulties that people have had to put up with, a thing which is very unfair and it is beneath the dignity of this House that Members should take that kind of stand in matters.

HON P J ISOLA:

That is an unfair allegation to make. I took great trouble to say that what we agreed with in the Union communique was this part that we have adopted, that the situation in the power station is due to lack of planning. I deliberately said that I was not intervening nor did we intervene at any time either then or now in any dispute there may have been between the Government and the Union. I think it is unfair of the Chief Minister to say here that I am bringing in the Union. What I am saying is that as to the causes of the power cuts we agree with what the Resident Officer has said. We have been saying that ourselves since October. If that causes embarrassment to the Government I am very sorry.

HON CHIEF MINISTER:

We were talking this morning and people's memories are not so short. When I said that there was no dispute he questioned the matter and said: "Of course there was dispute that was the reasons for the cuts", that was the Leader of the Opposition.

HON P J ISOLA:

No, that is not so. I specifically told the Chief Minister when I was referring to a dispute I was referring to a dispute as to the causes of the power cuts. I made it very clear and I am sorry he is going along these lines because it just does not follow what I said.

HON CHIEF MINISTER:

Well, it may be that I have misunderstood him but certainly on this side of the House we had no doubt in our minds and having regard to the support generally because the reference to the statement by Mr Netto was not in respect of the motion only, it was referred as a whole and there there is very explosive stuff. Anybody listening to the Leader of the Opposition would have thought by the way in which he was speaking that he was supporting every statement that the Netto communique contained. Anyhow, if that was not his intention and he says so now I accept it but that is certainly the impression he gave us this morning.

HON P J ISOLA:

I was not concerned with that statement, that is what I am saying, but what I am concerned is with that part of the statement and I took great care on this.

MR SPEAKER:

Yes, I have to confirm that the Leader of the Opposition most certainly stated that all he identified himself with insofar as the statement made by Mr Netto was concerned were the causes for the present position.

HON CHIEF MINISTER:

I am sorry, Sir, but the statement must be looked at as a whole when you refer to it and it is very difficult to say: "Three lines that I am going to put into the amendment are the only things that I support". It can be tactically correct on the one hand and give the impression that it may have meant to give in another. But in fact that was not the impression that he wanted to give I accept that. Be that as it may, it shows that the question of the future supply of power in Gibraltar has been the subject of study and concern by the Government for a long time. There is one other aspect of this that has also brought some delay into the matter and that was that if in fact we were going to go for our own new power station in the port area, that we also ought to go as was mentioned this morning, for desalination but on that score no plans would be made and therefore the whole of the thing was rested for a while while we decided on this issue was that if in fact the result of the drilling for water was very successful, and we were told by the consultants that it was a 50/50 chance, but if in fact we did really hit water in a big way then the question of desalination would not arise and the capital value of that aspect of it would have to be reconsidered because it would be at any time, we do not know the results yet, but it would be ridiculous if we really found a real good source of water by drilling, to spend a lot of money in distillation which even on the basis of harnessing the exhaust heat of the generators, the cost of production will always be high and the capital cost will be high so that for these reasons, Mr Speaker, we reject the amendment with indignation and we, of course, will vote against it.

HON MAJOR R J PELIZA:

Mr Speaker, no doubt the Chief Minister is quite an expert at bolting the stable door after the horse has run away. That is what I gather from what he said here today. So much so, that I do not think it is worthwhile spending too much time commenting on what he had to say. All that he has said he could have said a long time ago and this would have enabled the Opposition to argue perhaps even on a stronger basis. Be that as it may, what one

has to question is that if the report was available in 1976 why did it take two years for the Working Party to start working on it? Isn't that a long delay of two years? Isn't that perhaps what we are suffering now? If in fact more urgent action had been taken at the time the two years that are now causing all the trouble obviously would not have arisen if the time factor had come into play two years before because by now we would have had that generator in working condition. To say that they had a plan based on the Working Party, to suggest that there were five alternatives, I think he said that one of the alternatives was the North Mole but I understood later that the generator that is coming is for No 5 Jetty. Isn't that a change of plan? As I see it, North Mole is the furthest out and No 5 is one of the pockets.

MR SPEAKER:

North Mole is the whole complex.

HON MAJOR R J PELIZA:

Fair enough, then there has been no change there.

HON CHIEF MINISTER:

At the time it was in the North Mole area and subsequently it has been identified and we have obtained agreement formally from the MOD that it will be at No 5 Jetty in the North Mole.

HON MAJOR R J PELIZA:

I just questioned it because it sounded rather strange and I wondered whether there was a change of plan because there have been many changes of plan and I wonder whether there will be any more changes by the time we get on to the actual generator being finally installed. To come along and suggest that another delay was the fact that we are waiting for whether or not there is going to be fresh water under the Rock, I think this is really going too far. Surely, the answer is to put our situation right on the question of the electricity supply which is what we need badly and then if it is not necessary to have another distilling plant we just do not buy it. In fact, the possibilities are that we are going to need another distilling plant. I think if you put it on balance I would say there is a 75% chance that we are going to need more distilling plant in Gibraltar not just because the amount of water we are likely to find will not be enough to supply Gibraltar 100% but also because the old distilling plants obviously are getting older and will have to be replaced so I do not see quite honestly the logic of delaying one because of the other. It does not seem to me from the knowledge that I have that that would in any way have delayed the ordering of the generator.

HON CHIEF MINISTER:

I did not say that. What I said was that in the study of the whole question originally as to the nature of the power station one of the things that was considered was the site of the power station and whether it was going to have distillation plant or not. In fact, there is a question on the Order Paper which was answered saying that until we knew what the result of the drilling was we could not take decisions on future distilling plant.

HON MAJOR R J PELIZA:

All the more reason why they should have gone ahead even faster. I thought the way he put it, the impression he gave me was that that was one of the things that had to be considered and therefore if there was any delay that was one of the factors that affected the delay. That is the way I understood it, this is the reason why I thought he had brought it out because quite honestly I think it is a little bit at a tangent of what we were discussing which is really the 5mw generator.

MR SPEAKER:

I think the Hon Member will accept, in fairness, that the Chief Minister was saying that there was no lack of planning because he was giving the kind of thought and planning that had taken place and he was giving that as an example.

HON MAJOR R J PELIZA:

I do not think we can really say that there could have been no planning at all, that would be ridiculous whatever Government might be in power but I think there might have been some planning, that there was no decision and this is where obviously one blames the Government above everything else. First the decision to start the Working Party in time and finally having got the answer from the Working Party, a decision to order the generator and get on with the work. This is where I blame the Government, this is why we say lack of vision, lack of capacity and all the other qualifications that we say here and I think that it is only fair that we should regret this lack of planning, lack of vision and lack of organisation. I think they are all justified if we see the results. We can only go by results, Mr Speaker, all the other arguments that have been brought out, lots of reports, some of which we are not allowed to see, all that is really of little importance. What really at the end of the day counts is whether the Government is capable of making a decision and making a decision in time and I do not think that the Government, in this instance, has done it.

HON G T RESTANO:

I want to begin by referring to the accusation that the Chief Minister made this morning about me personally that I had gone to the Generating Station to make political capital.

MR SPEAKER:

May I say that you have not contributed as yet to the question before the House. You will have an opportunity to do that once we deal with the amendment. We are dealing now exclusively with the amendment moved by Mr Isola.

HON G T RESTANO:

I find the Chief Minister a very difficult man to please. If I go to the Generating Station he says that I am trying to make political capital. I would like to refer the Chief Minister to his own statement on the motion on the adjournment in October when he said: "Nowadays Members of the Opposition spend years and they never go anywhere near the Power Station. They do not know how the thing works. They do not know what the problems are. They do not know anything except, of course, to come here and criticise".

HON CHIEF MINISTER:

If the Hon Member would give way. He had already made a visit and he wanted to go at a time of great tension there, that is what I accuse him of.

HON G T RESTANO:

Mr Speaker, I was not going to bring up the question of my visit at all. If I had wanted to make political capital I would have publicised the fact that I was going to the Generating Station but I am sure that he has not heard other than from his Minister than I went. He certainly has not seen any press releases or anything. But, anyway, the Chief Minister, of course, seems to like to say yes when it is convenient to him and no when it is not convenient to him, the same sort of inconsistency which we have seen in the manner which the power situation has been covered by the Government over the last few years. First of all, the placing of the new engine now at No 5 Jetty. I seem to remember quite well after the October debate when I did go to the Generating Station, that there was planning being done at the time as to where within King's Bastion that new generator could have been placed. This was said to me at the time in the presence of the Minister who accompanied me on that visit. Now, of course, there is a change of plan. I am not saying that this is a bad thing, I think it is probably a good thing to have this generator placed in No 5 Jetty, I think it is probably good planning but

what I insist upon, and I am sure that I am right, is that there has been a change of plan and the Government does not wish to admit it. They have changed from the statement which the Chief Minister made in October saying that there would be a new generator put in and he said that whilst he was not very happy about it, that it might well be that it would be installed at King's Bastion. At the time when he made the announcement it was very definitely a possibility that that generating set could be placed in King's Bastion. Certainly that was the impression that I got when I visited the Generating Station the following month and they were then thinking, within that station, as to where that generator should be placed. I think the fact that the Chief Minister said that we could have that set operating within eighteen months of October the 31st was based probably on the assumption that it would be placed in King's Bastion. This morning the Minister for Municipal Services said that there might be delay because in fact it was not going to go into King's Bastion, it was going to go into No 5 Jetty where there would have to be all sorts of extra work done. It makes it absolutely clear to me that there has been a change of plan and this is not admitted by the Government. The Chief Minister also said that in the planning that followed two years after the Preece, Cardew and Rider Report, all these committees that looked into the different aspects, there hadn't been any power cuts or any difficulties at the station. Mr Speaker, again sometimes I do not know what the reason is but the Chief Minister seems to get his dates all wrong. He said at the beginning of his contribution this afternoon that in the days when these planning committees got together there were no power cuts.

HON CHIEF MINISTER:

If the Hon Member would give way. I know that he is a great archivist. He seems to have nothing to do except to look back at Hensards. All I said at the beginning was that the whole hullabaloo about this question arose out of the power cuts in September/October of last year. That is what I said.

HON G T RESTANO:

Mr Speaker, I certainly took that down because I thought it was very significant that he should say that they met before any hullabaloo of the power cuts. Surely, there have been power cuts for long before then and I remember the previous Minister for Municipal Services in 1977 giving warning to the House of the difficulties being experienced. In the Budget of 1978 he again stressed the fact that it was very important to really start planning things properly. This is now nearly two years' ago, Mr Speaker. That is why those words of warning by the Minister in charge of that Department were not heeded clearly by the rest of the Government and that is why the amendment of the Hon and Learned Leader of the Opposition is

absolutely relevant to what has been the situation with power in Gibraltar. There has been lack of planning, lack of vision, although as I have just said the Government was warned by its own Minister apart from the fact that the Preece, Cardew and Rider team presumably had warned them about this two years before that. There has been lack of organisation. Of course, Mr Speaker, we welcome the introduction of the new set, it is very necessary, and we are pleased that at last the Government has decided to do this but it is necessary to point out that it should have been brought to Gibraltar long before. Just one other point that I would like to make. I was, I must say, very disappointed this morning to hear during an intervention by the Chief Minister, an intervention which I felt was really very unworthy of a Chief Minister, getting up, interrupting the speech of the Hon Leader of the Opposition and saying that all he wanted was publicity, that he was a prima donna, that he was trying to take over the mantle of Mr Xiberras. I think this is unworthy and perhaps the reaction of a man who lost more votes in the last election than anybody else.

HON J BOSSANO:

Mr Speaker, I shall be voting in favour of the amendment, not because it happens to be a quotation from a press release issued by the District Officer of the TGWU because I do not represent the TGWU in this House, I am one of its employees and therefore the stand that I adopt in the House of Assembly is one that is consistent with the policies of the Gibraltar Socialist Labour Party which is not linked or affiliated in any way with the TGWU. I would like to make that clear. I would also like to make clear that I regret the amendment, as well as regretting the lack of planning, because if I had chosen to censure the Government I am quite capable of drafting my own censure motion without any help from the Democratic Party of British Gibraltar and my Party discussed the situation when the TGWU issued its statement in answer to the statement issued by the Government, and came out with a press release of its own which was determined by our decision on the matter that the way we should act should be to point to the future rather than get involved in controversies about who was to blame for the past. Let me say that the statement issued by the District Officer was an attempt to ensure that the employees of the Generating Station who are members of the TGWU were not being held responsible or blamed for the power cuts. Whether the Government was intending to shift the blame or not must depend on one's ability to understand English, amongst other things. I certainly did not take it that the Government was blaming the workers otherwise, if I had done so, my own stand would have been different in this matter. In fact, I can tell the House that one of the things that I try to impress the officials with whom I deal, because I do not deal with Government Ministers in matters like this when I am involved in an area where there are problems involving the workforce but the officials that I was dealing with I tried to impress on them the importance of not coming out with statements saying, for example, that the

condition of the engine was the accumulated effect of past industrial disputes which is a point of view that had been put across the negotiating table and which has never been made in public and I think it was felt that it should not be made in public in the sense that if one is trying to get people to cooperate then the last thing one wants to do is to try and shift all the blame on to one side because that automatically produces a reaction of having all the blame shifted on to the other side and, generally speaking, in real life no one is completely black or completely white and nobody can escape some portion of blame and it is true to say, honestly, that although the main responsibility for the state of the Generating Station is the Government's because it is the Government's responsibility to be answerable for the Generating Station, nevertheless the fact that the IPCS had a dispute in the summer of last year when they banned overtime meant that the whole industrial labour force was put on a 37-hour week and it meant that the volume of maintenance work done last summer was less than is normally done in summer and consequently the back-log of work needed to be done this winter was higher than would normally have to be done in winter. That is one factor and it is a real factor. Of course, if the Government had come out and said that it was the fault of the, in this case it was middle management who were taking industrial action and not the industrial workers, but if they had said that it was the fault of the employees for taking industrial action then automatically we would have said that it was the fault of the employer for not saying yes to the claim without having to take industrial action and then, of course, one can say it is your fault for having put the claim in and there is no end to that. Eventually, if one comes to having to take a stand as to who is ultimately responsible then we have to take sides on ideological lines and if in fact the present situation is an indication that ideologically everybody is moving left then I am very happy the only thing is I hope they don't shift me off the edge of the seat. I think there has been a lack of planning and I think to a certain extent we cannot accuse the Government of a multiplicity of sins unless we are just interested in accusing them for everything conceivable under the sun in order to do them as much damage politically as we can. I think we should try, after all this is the first working session of the House of Assembly after the Elections, I really think we should try and make an attempt, Mr Speaker, to work positively during perhaps the next three years and leave the political battles for the last twelve months. Otherwise I think we are going to spend a hell of a lot of time in this House getting very heated and I have been one of those who got very heated in the past. I have learned that in the House of Assembly sometimes one gets more positive results by taking a more low key approach than by trying to hit everybody inside over the head with some accusation or other. I think there has been lack of planning because I think that is not something, as I mentioned in my introduction to the motion, it is not something that is limited to the Generating Station or the production of electricity or the capacity that we need. The whole of the economy of Gibraltar

requires a long-term plan. This is something to which my Party is committed ideologically because this is a standard Socialist policy economic planning, and it is one that people who are not of that persuasion ideologically are beginning to accept as having merit. The position as regards the capacity of the Generating Station to meet without breakdowns or interruptions the needs of the City today arise out of the state of the engines rather than out of the quantity of the engines, that is, that if all the engines were working normally one would expect periodic shutdowns for maintenance and periodic breakdowns but there wouldn't be so many sets affected at the same time that it would be noticeable because we would have spare capacity and we should be able to shut an engine down and get on with the work and with that margin then one would be able to plan ahead the maintenance of those engines and be able to shut down for example on nights when there is a low demand and get the engine back into operation in the morning. That can be done when the management of the station is not working from one crisis to the other. But when the management is working from one crisis to the other it is in a very difficult situation, it tends to lean on the people in the shop floor because they want to get the thing repaired as quickly as possible and the people on the shop floor tend to react by feeling that all their hard work is not being appreciated and on top of that the first time they stop to have a smoke everybody is on their backs. That situation exists in the Generating Station. It is a situation which is in nobody's interest that it should continue to exist and I think we should try and help, as Members of the House of Assembly, to restore the Generating Station, difficult as it is because of a backlog, an accumulation, of mistakes of the past, and I do not want to say whose mistakes they are, an accumulation of those mistakes are now bearing fruit. It is in our interests to try and work towards rectifying the results of those mistakes rather than dwelling on who carries the principal share of the blame. But as I say I will be supporting the motion that regrets the planning and I regret the amendment at the same time.

HON P J ISOLA:

Mr Speaker, I praise the attempt of the Hon Mr Bossano to be all things to all men. Whilst he was talking I was saying, well, does he really support it or doesn't he? I think on balance he generally does support the amendment and I refer to two of his statements about the spare capacity point which is what has been aimed at the Government for so long and which they have kept quiet and consistently denied and, of course, the overworking of people in the Generating Station because you are trying to make do with old machinery, old plant and it cannot take it. This is the reality. This is the reason why we regret it because, Mr Speaker, this is going to happen, it has happened and until the new generator is in operation nothing that the Government can say will alter the situation that we are in for power cuts for the next two years on and

off. There is not a single Minister on the Government side than can deny that or give us any assurances to the contrary. Mr Speaker, the Hon Mr Bossano need have no fears of falling off that end of the bench. I must remind him that at the beginning of this particular House I, in fact, offered him a seat on the extreme right but he preferred to keep his seat on the extreme left. I do not know whether that has any political connotations or not but anywhere he is safe there, I can assure him. Mr Speaker, the defence of the Government to the amendment has been, if I may say so with respect, pitiful. I think the Chief Minister has tried to cover up the mistakes that have been made by somebody or other on the Government side. I do not know whether it is his colleague on the right, whether it is the consultants, whether it is the Working Party or whether it is somebody else but there is no question about it, Mr Speaker, that there has not been a reply and there has not been a reasonable response or a convincing response to the amendment. The reason is that there just is no defence in the action. As my Hon Friend Mr Restano said it was the Minister who first raised the warning signal about the power station. The Hon Major Dellipiani, he was the one who said all this development is nonsense in Gibraltar until we improve our power situation and our capacity. He said it in April, 1978, two years' ago and when the Chief Minister talks about planning let me remind him that the 5mw generator was not mentioned in the statement of the Minister for Municipal Services in October which in fact gave rise to all the concern in the House and it was because the Minister was unable to assure the House and reassure the House on the power situation that the matter was raised on the adjournment and the Chief Minister came out with his promise. The Chief Minister has talked about planning, has talked about the working committee, Working Party and the Preece, Cardew and Rider Report, all these things are very nice and are brought out to defend the Government's position but not made public and this is one of our causes for complaints as I have already said. But, Mr Speaker, in October when the statement was made by the Chief Minister, the Government had a whole month and they said they were going to look at it urgently, they had a whole month. Let me remind the House that the Minister for Municipal Services said that the order for a new generator would be placed within the next three months, he said it in a substantive answer to the question. In other words, it had been looked at by his Department and all the other Ministers, I do not know whether they do or not, before it was given in the House. Anything he said in supplementary questions was admittedly off-the-cuff but that was a considered Government statement and we are now told that the order will be made around the end of June and the Chief Minister seeks to justify this slippage because of the General Election. A Government that stays in office of course should not make new policy decisions but it has a responsibility and it had already made the policy decision and announced it before the House was dissolved. So it was only implementing a policy decision, so that is no defence. We say lack of planning. It is no use

telling us in defence of lack of planning; "we have got the Preece, Cardew and Rider Report and we have got the Working Party", that is no defence. Lack of planning means lack of planning and action. You can have 100 reports but if you do not plan and you do not make a decision you are still not planning. Lack of vision, yes. We accuse them of lack of vision because Gibraltar is in a mess over its generating capacity and it will continue to be in a mess until the new generator is there and therefore it is a charge well made - lack of vision and organisation. Isn't that what has happened? Of course, we should work for the future but we are convinced on this side of the House that unless we ask a question on power at every meeting, unless we keep the Government on their toes, the slippage that has occurred of from 6 to 12 months will get wider and therefore we will press and that is the duty of the Opposition. We have committed ourselves in our manifesto on this question of power and we will press on with it whatever we may be accused of. We are accused of doing a deal with the Union, we have not spoken to the Resident Officer or anybody else. We merely identified a paragraph in the statement of the Resident Officer of the TGWU and we said he was right there. If the Union is right we say they are right and if they are wrong we say they are wrong, others may not but we say they are wrong. The Chief Minister will recall that yesterday in question time I asked were the facts set out in the statement of the Resident Officer correct or not and he said no. We have not spoken to the TGWU about who was right or who was wrong, it was not really our concern, it was a matter between the Government and the Union but this is a matter that affects the whole of Gibraltar and we feel that it is necessary that this amendment should go in the motion and should be passed with the motion because in that way perhaps this may have a salutary effect on the whole development programme of the Government is so important for the well being of the people of Gibraltar, a Development Programme of \$22m in which in two years

MR SPEAKER:

You are replying and you are not going to bring any new matters in your reply.

HON P J ISOLA:

It is important, Mr Speaker, to the whole of the Development Programme of Gibraltar, the power situation is very important and we on this side of the House have to say this and it is not electioneering because the Chief Minister knows and the Hon Mr Bossano knows and we know that in 1984 the people will have forgotten the power cuts of 1980.

HON A J CANEPA:

And vote AACR again.

HON P J ISCIA:

Well, I don't say they will vote AACR again although I know that is the hope of the Hon Members on the other side. But they know that they can get rid of the bad stuff now and that is why they had the dissolution before the Budget, Mr Speaker. What we are anxious is to see Gibraltar supplied continuously with power and with spare generating capacity so that people need not go round rushing home because there is a power cut. Therefore, I think the Government should eat a bit of humble pie and accept this motion because they know it is justified and it is true. That is why nobody in the Government benches has got up to oppose the amendment except the Hon the Chief Minister and only partly the Hon Mr Bossano but we welcome him into our lobby to vote with us on the amendment. I commend the amendment to the House.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Lofdo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon I Abecasis
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Members were absent from the Chamber:

The Hon Major F J Dellipiani
The Hon D Hull
The Hon R J Wallace

MR SPEAKER:

There are three Members absent from the House. Seven Members have voted in favour of the motion and seven Members have voted against the motion and since there is an equality of votes, in accordance with Clause 44(4) of the Constitution the amendment is declared lost. We now have before us the original motion as moved by the Hon Mr Bossano and I will remind the House that Mr Bossano, Mr Featherstone, Major Peliza, Dr Valarino and Mr Isola, the Leader of the Opposition,

have spoken on the main motion and any Hon Member who has not spoken is now free to do so. If there are no other contributors I shall call on the Hon Mr Forzano to reply to the motion.

HON J BOSSANO:

Mr Speaker, perhaps I can just first of all return to the Hon and Learned the Leader of the Opposition my gratitude for the fact that I am going to get now six votes in exchange for the one I have just given him on his amendment. Mr Speaker, one point that is important in the context of what the Minister for Municipal Services said about the siting of the new Generating Station and in particular the way that the Government intends to proceed in this matter, certainly it seems to me that the impression was created at least at one stage last year that the introduction of the 5mw set was a sort of short-term stop-gap solution to meet the immediate problem of the shortage of generating capacity before or in the interim period whilst the matter of a new Generating Station was still being studied and looked at. Clearly, if the new 5mw set is the first stage of the new Generating Station, this is in fact a far better situation because we are now talking about the new Generating Station sort of being phased in as the old one is phased out and that seems to me a much sounder policy. The only thing that I had some concern about was whether the siting of the Generating Station in the Port area would be something we might live to regret in the future if there was a time when we needed to concentrate economic resources on the expansion and development of the Port and we found that the existence of a Generating Station in that area was a hindrance. I am sure that this must have been looked at by the Government. I took note of the fact that the Minister for Municipal Services said that one site of the Jetty would still be used for the unloading of ships. It is a difficult thing on the one hand to urge the Government to plan into the future and to deal with this as a matter of urgency and on the other hand to tell them to look at all the possible consequences of following one line as opposed to another because, of course, if one looks at too many different options then that can become an excuse for indecision and therefore, on balance, the Government has got a political obligation through having obtained the support of the majority of the people, to come to decisions. If they make a mistake because they have to take a decision I think we cannot accuse them both of making mistakes because they have to take decisions and of not taking decisions because of not wishing to make mistakes. On balance, clearly, the situation is now that the new Generating Station cannot be delayed any longer. Whatever other factors one might wish to take into consideration a decision must be taken now and must be proceeded with otherwise Gibraltar would be in very, very serious trouble in a couple of years' time. The object of the motion, as I said,

was a policy decision taken by the Executive Committee of my Party in that we wanted to tie the Government down to getting on with the job at this stage and to dwell on the future rather than the past. I commend the motion to the House and I am grateful for the support that has been expressed for it.

Mr Speaker then put the question in the terms of the Hon J Bossano's motion and on a vote being taken the following Hon Members voted in favour:

The Hon I Abecasis
The Hon J Bossano
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J E Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino.
The Hon H J Zammit

The following Hon Members were absent from the Chamber:

The Hon Major F J Dellipiani
The Hon D Hull
The Hon R J Wallace

The motion was accordingly passed.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that the professional competence of nurses trained in Gibraltar is of the first order and equal to that in UK and that within the coming financial year 1980/81, the necessary steps must be taken to ensure that locally obtained qualifications are recognised in UK and the EEC". Mr Speaker, the situation as regards the training of nurses in Gibraltar is that the school in St Bernard's Hospital has been producing local staff which has meant that whereas in the past we were obliged to go to the United Kingdom to recruit senior nursing staff we produce all of our own now to the extent that the grade of Sister, for example, today can only be filled by promotion. We specifically do not allow even somebody who is qualified to act as a Sister to come into our medical services at that level and they have to enter in at the grades of Staff Nurse which is the basic grade for a State Registered Nurse. I think there can be no doubt as to the service that is provided by the nursing profession in St Bernard's Hospital

because that has been more than adequately testified to by all those who have the misfortune to use it. We can get the benefit of a personal report from the Hon and Gallant Major Dellipiani when he returns to the fold and, of course, we also have the Clerk of the House. But I think there is of course a very important aspect to that in that it is the personal interest that is shown in the patient which is what makes people basically react as favourably as they do and express their appreciation of the way they are treated in hospital when they come out. But apart from the personal interest and concern shown for the patients, clearly, it must be important both in terms of protecting the interests of the staff employed in the Hospital and in terms of protecting the welfare of the patients, that we should be satisfied ourselves that the quality of their training is as good as they could get elsewhere. If we were not satisfied with that we should either update the facilities that we have for training them in Gibraltar or send them overseas but we should not be content to produce inferior trained staff in our own Medical Department. The history of this situation is that, initially, locally-trained nurses could only obtain UK registration as a State Registered Nurse in the Register for England and Wales by going over to UK for a period of time and being examined there and if they failed the examination there then they returned back to Gibraltar and we have had a couple of cases where because of this they have not been able to get subsequent registration in UK. Eventually the General Nursing Council in UK accepted that the local training was sufficient subject to their being satisfied with post-training experience and there has been a variety of treatments for individual cases. Some people have been accepted for UK registration immediately after finishing their training, other people have been required to spend a year in the Naval Hospital in post-qualification training and other people in recent times have been asked to go to the UK and the most recent situation is one which is quite alarming in that a number of those who qualified last year wrote to obtain registration in UK, were told that they could not obtain registration in UK without getting training in UK and that then it would depend on the reports of a Senior Nursing Officer in whatever hospital they went to, but that they had to apply to the individual hospitals themselves and that they had to be accepted by the individual hospital themselves and that the Nursing Council would give them no assistance in this. These people then wrote to a number of hospitals and were told by the Hospitals that they could not be accepted because of the financial restraints of the National Health Service in the UK and there was no money to employ people coming in from overseas. In one particular case one individual was eventually told that he would be accepted provided he went to the UK for an interview and then when he made all the arrangements to go to the UK for an interview he was told that because he did not have a residence permit in the UK he could not be interviewed. So one can see that on the one hand people are being told that

they need to go there and that there are all sorts of obstacles to their going there. I think it is important for us to defend the training that is given in Gibraltar and the qualifications that are given in Gibraltar rather than to try and find a loophole or a back door to get them recognised in the United Kingdom. The recognition of the local qualifications which effectively means the registration of our nurses on the UK Register automatically means that they then become recognised throughout the Common Market. This is an important thing although it is not very likely that we shall have an exodus of Gibraltar-trained nurses willing or wanting to move into France or Italy or anywhere else in the Common Market. We must be conscious of the fact that we are required ourselves not to discriminate against other EEC nationals in obtaining employment in Gibraltar. We are required ourselves to recognise EEC qualifications in Gibraltar and consequently if we have a situation where a Gibraltar-trained qualified SRN cannot obtain employment anywhere in the Common Market in her own or his own profession and yet we are required to give employment in our hospital to any EEC-trained SRN, we are putting our own people at a serious disadvantage in respect of the rest of the Common Market. So there are more than one facet to this particular problem and it is a problem which has been hanging around for too long already. It has been dealt with in consultation between the association that represents Nurses, where I happen to be involved as an Officer, and the Administration, and therefore the purpose of the Motion, basically, Mr Speaker, is to try and put a time limit within which the Government will try to come to grips with the problem because it will probably require Government representations directly to the Nursing Council in UK to find out what it is that they wish to see introduced in Gibraltar or how they wish the thing to be changed in Gibraltar so that it meets their standards. They did send an Inspector out from UK in 1978 and that Inspector produced a report to which references have been made in public and in fact the report was confidential to the Nursing Council in UK and the Nursing Council wanted to keep it confidential, they would not even agree to that being made available to the Nursing Staff here. But that was only a preliminary report in any case and it was not a question simply of carrying out a few minor changes and we would get automatic registration. The report itself went through the whole system of working in the hospital and pointed out in detail to some things but did not go on to say if you do this automatically we will give you registration and because it failed to do that the feeling amongst the staff is that it is only by the Government taking up the matter at the highest level, possibly through the British Government to the Nursing Council, and pointing out to them that because we are obliged by our own laws and by the Treaty of Rome to recognise other qualifications issued in other countries and give employment here that it is only fair that we should get reciprocal treatment. Perhaps, one of the barriers that we may have faced in the way this thing has been handled by the Nursing Council is, quite frankly, because I

have seen the correspondence myself, that there is an overseas section of the Nursing Council which tends to deal with the whole of the Commonwealth and one of the things that they insist on in all the letters that they send out is that unless the standard of English of the applicant is up to scratch they need not even attempt to apply. Clearly, as far as the overseas section of the Nursing Council is concerned, they may feel that Gibraltar is part of the Commonwealth and that the facilities here may be as rudimentary as they obviously are in some parts of the Commonwealth. They may not be conscious of the way our own educational system is geared up to the British educational system and that many of our SRNs have already got 'O' or 'A' levels in English. That may be something that has not penetrated into the people who send out these letters. I am bringing the Motion to the House, Mr Speaker, in the hope that with the support of both sides of the House the Government will have the necessary backing to expedite this matter and that by putting down the financial year so that if there is expenditure involved that can be provided for as well, we have a time limit within which we can hope to see this problem resolved to the satisfaction of all and I think this is something not just as I said in the interests of the staff but also in the interests of the patients in that we want to ensure that the training that we give in Gibraltar is as good as that given anywhere else in the EEC and recognised as such and in the interests of Government itself that it is paying UK wages and it should be insisting on UK qualifications. That is the whole basis of parity.

HON J B PEREZ:

Mr Speaker, Sir, first of all let me say that I welcome the motion of the Hon Mr Bossano and also the manner in which he has presented this motion today. I find from the facts as he has represented that there is very little or hardly anything on which I can disagree with the Hon Mover and I would say that he is extremely well-informed of what the present situation is. As he has pointed out, and as most Hon Members will know, we run in Gibraltar a local Nurses Training School which is responsible for the exclusive training of our local student nurses - they come in as Nursing Auxiliaries, take the intermediary exams and become Enrolled Nurses. Subsequently, when they take their final examinations after a period of, say, about five years they become eligible for registration under Section 13 of the Medical and Health Ordinance. It has been the practice during the last fifteen years and it has been a practice which has been encouraged for our local nurses, once they pass the final exam after they have registered locally, to seek registration with the General Nursing Council of the UK and Wales. The practice has been considered desirable and has been encouraged throughout the years for several reasons. The first reason is one of promotion prospects because it is the practice in Gibraltar that no registered nurse can qualify for the status of Sister

until that person has been registered in the UK. The second advantage which accrues to registered nurses to seek registration in the UK is one in connection with additional training like, for example, midwifery, mental welfare or even a nurse wishing to take a course to become a Tutor in our local hospital, because when they apply to the UK or any hospital there for this additional training after they are locally-registered it is normally a requirement imposed by the hospitals in the UK that that particular applicant before he or she can gain admission into that hospital that he or she must be registered in the register in the UK. Another advantage which accrues is one which I would call one of professional satisfaction and one of status. The fourth advantage that I can see has been pointed out as well by the Hon Mover and that is the question of job prospects in the UK but more important of all is to ensure the freedom of movement of our locally-registered nurses within the whole of the EEC. Having said that, Mr Speaker, I think it is useful to outline the position as it has existed way back in 1970 to the present day. As I have already pointed out once a local nurse passed the final exam she gets registered in Gibraltar and then has to make individually under her own steam an application to be registered in the UK. In 1970 the General Nursing Council of the UK and Wales were requiring our locally registered nurses to undergo a period of assessment ranging from 12 to 18 months in a UK Hospital and on completion of this period of assessment and on the recommendation of the Senior Nursing Officer of that particular hospital they were then registered in the UK. Between 1970 and 1975 there was a slight change and the reason for this was that as more of our locally registered nurses went to the UK to the different hospitals they began to recognise that in Gibraltar we had in fact a very high standard and the period was reduced to about a period of assessment coming down to six months. Between 1970/75 there was a general recognition of the standard of our local school and the period was reduced to six months. In 1975/77 this period was further reduced to a period of three months and in 1976 we had applicants applying to the UK hospitals and they were accepted either attending a three-month assessment course in the Royal Naval Hospital in Gibraltar and others were in fact accepted merely on a personal interview basis in the United Kingdom. The best year as far as locally-registered nurses were concerned was 1977/78 when we had quite a few cases in which our locally-registered nurses applied to the United Kingdom for registration and were accepted automatically and in some cases the assessment period was not required. As the Hon Mover has pointed out to the House in moving the motion the matter has become more urgent now as from 1979/80 and the main reason has been that those nurses who qualified in June, 1979, and who individually applied to the UK hospitals for admission to the register were in fact first of all asked to wait for a period of six months before seeking application. Subsequent to this they waited for the six months period to elapse and when they applied they found that it was indeed very difficult for them

to find any hospital in the United Kingdom that would in fact accept them so that they could undergo this required period of assessment and I think the main reason for this was due to the general election which they had in the United Kingdom and the Conservative Government came in and they introduced certain financial restraints on the National Health Service because we must remember that when our locally trained nurses go to the United Kingdom to undergo this period of assessment the wages and salaries are in fact paid by that particular hospital and not by us in Gibraltar so therefore I agree with the Honourable Mover of the motion that the position today in 1980 has become much more urgent than was originally the position way back in 1973 or in 1979. There is one point which I would like to make clear and I would like Honourable Members to have it clear in their own minds and that is that the motion calls for recognition for the locally obtained qualifications by the UK and by the EEC. I think it is wrong to be under the impression that we do not get any recognition, I think that is wrong, because if we did not obtain any recognition from the UK then our nurses would not be undergoing a three-month or six-month period of assessment or adaptation. If there was no recognition our locally registered nurses would have to undergo the full whack of a three-year period of training. There has been some recognition up to this stage and I think it is wrong to say that we are not recognised at all. However, let me qualify what I have just said and let me add that I myself am not satisfied with the present situation which I find unsatisfactory due to the inconsistency, to the different approaches of three months, six months, personal interviews and the matter as I have said is more urgent now because our locally registered nurses simply cannot get into UK hospitals and if they cannot get into UK hospitals then they cannot be registered in the United Kingdom and therefore there is no freedom of movement as far as the locally registered nurses are concerned. But I wanted to make that point clear that there is in fact, even today, some recognition. Coming back to the actual working of the motion in the first part it says: "This House considers that the professional competence of nurses trained in Gibraltar is of the first order and equal to that in UK". Let me say, Mr Speaker, that I agree entirely with the sentiments expressed in that part of the motion and I would say that I am entirely satisfied with the very high standard that we have here in Gibraltar of our nursing staff and also not only the nursing staff but with the excellent work and the standards which are set by the Tutor that we have at the St Bernard's Hospital. I have no doubt in my own mind that not only are our nursing staff at par with the United Kingdom or with other nursing staff in the EEC but I would say that in some aspects we are even better, the standard is slightly higher, because here in Gibraltar there is a difference of training periods. In the UK you can only go in at the age of 18 and you undergo a three-year training period whilst here in Gibraltar in order to help local recruitment we take in student nurses at the age of 16 and they do in fact do a five-year course. I would say that in that aspect we are

slightly better off than what the nurses are in the United Kingdom or within the EEC. The second part of the motion in fact says that within the coming financial year 1980/81, the necessary steps must be taken to ensure that locally obtained qualifications are recognised in the UK and in the EEC. Here again, Mr Speaker, I entirely agree with this proposal and I would now try to explain what I consider to be the necessary steps and what the Government has been doing for the last 4 or 5 months, what this present Government has been trying to do. As I said already there are two choices available to our locally trained nurses and for the Government. One is to continue with the individual applications and that is the old procedure going back to 1970, individual applications by nurses. Then we would have to sort out the question of getting UK hospitals to accept our locally registered nurses, we would have to sort that one out and to continue wanting our nurses to make this actual individual application. That is one way of looking at it. The second mode of approach which is the one that we are looking into and it is the one which I personally favour and I think it is a long term solution, and that is to have automatic registration. What I mean by automatic registration is this, that we would have to get our local school actually approved as a training school for the general purpose of the register of the United Kingdom and Wales. In other words, as soon as our locally trained nurse passes the final examination not only would he or she be entitled to seek registration in Gibraltar under our Medical and Health Ordinance but he or she would get automatic registration in the United Kingdom register. That would require us to comply with the statutory nurses rules of the General Nursing Council for England and Wales and obviously I think it is clear that in order for us to be in this position it will require changes. It will require change for many reasons and one of the most important ones is due to very recent EEC directives. In fact, even today the General Nursing Council is in fact undergoing certain changes in their training school so we would have to adapt our own syllabus and conform with other directives that have come from the EEC. We would have to move in line with the General Nursing Council of the United Kingdom. I can assure the Honourable Mover and Members of the House that the Government has in fact been looking into the matter for the last few months and we have been trying to identify the changes that will be required locally and we are studying the full implications that these changes will have on our locally registered nurses and our student nurses and in fact what the financial considerations would amount to in this particular case but I can give my assurance to the Honourable Mover and to the Members of the House that I will be giving this matter my full attention within the coming year.

HON G T RESTANO:

Mr Speaker, we intend to support this motion. We think that nurses who have to go for training to the UK do have to suffer like other professions, too, but in this case it can be overcome, a certain amount of sacrifice. One finds that it happens

quite frequently that nurses who have to go to the UK or who have had to go to UK to train in the past have been married women and they have had problems with their small children that they have had to look after or with their husbands employed here in another employment. It has been found difficult in the past for nurses to leave Gibraltar and train in the UK. The point that has been made already but which I think needs stressing is that the tutors that we have in Gibraltar have high tutorial qualifications obtained in the United Kingdom and they themselves if instead of being registered or working in Gibraltar were working and tutoring in the United Kingdom would be taking their students up to the level of State Registered Nurse which is the grade we would like for our own nurses so that other than perhaps refresher courses from time to time it would appear that the qualifications that the local tutors have are no different from those the tutors in the UK have. Therefore there would appear to be other than perhaps as the Honourable Minister has said, an adaptation of syllabuses to work in to the directives of the EEC and that I am sure would not take very long, there seems to be no reason why locally trained nursing staff should not be able to qualify as State Registered Nurses recognised by the General Nursing Council and be given certificates accordingly. I hope one of the last statements of the Minister was one on financial considerations and I hope that there will be no constraints financially by the Government to stop this possibility of State Registered Nurses in Gibraltar going through. I think it is of course terribly important that in Gibraltar nurses qualified here should have full freedom of movement within the EEC. I was interested to hear from the Honourable Member that there had been a report in Gibraltar, I understand it is called the Briggs Report and I wonder whether the Government could say whether there is anything within that report, because I understand it has been done in order to look into the training facilities of nurses and

HON J B PEREZ:

If the Honourable Member will give way. The Report has not been made available to the Minister.

HON G T RESTANO:

Would the Minister not consider that it might be useful for him to try and get hold of the report and see whether there is anything in there which would obviate the possibility of having the local training recognised at a full level with training in the UK?

HON J BOSSANO:

If the Hon Member would give way. The report, Mr Speaker, was a report from an inspector of the General Nursing Council for England and Wales and the report went to the General Nursing Council for England and Wales and although, for example, the staff association felt that they had an interest in knowing what the inspector had found out and they should be told what the inspector says about the facilities here, the Nursing Council said that it was confidential to the Nursing Council and they wouldn't make it available to anyone else. Perhaps some of the problems which they see might have been influenced by the report the inspector made when the inspector went back but the report was not to the Government or the staff associations here but to the Nursing Council in the UK and they are the ones who made it confidential.

HON G T RESTANO:

I was coming to one of the points that the Honourable Member has brought up. First of all I think it would be a good idea for that report to be made available to the Government because I am sure that if an officer or a representative of the General Nursing Council has come out to Gibraltar to make a survey on the general conditions of training for nurses and perhaps even with the EEC context in mind it would be very useful for the Minister to have a copy of that report to be able to see whether there is anything of interest which he could implement straight away.

HON J B PEREZ:

If the Honourable Member will give way. That is why I said that we have already taken steps to identify the changes that would be needed as the General Nursing Council would see it in order to get our local school approved as part of the UK schooling. That is exactly what we are in fact doing.

HON G T RESTANO:

Presumably, Mr Speaker, if somebody has come out here specifically to look at the nursing situation then that report should be made available to the Government and perhaps to other people as well. I hope that nothing that has come out in that report has been the cause for this slight difference of procedure that we have experienced recently in that in the past the personal application with, I believe, a local recommendation as well, was sometimes sufficient to have an SRN certificate automatically granted by the Nursing Council. I think in that respect if we have found difficulties now in the recent past other than the cuts, it would be of interest to find out whether that report in fact contains anything which

has caused these new conditions to come about. Mr Speaker, having said that I would urge the Minister to continue his good work and take the necessary steps as soon as possible to ensure that the training here is at a recognised level with that of the EEC and England and Wales.

Mr Speaker then put the question in the terms of the Hon J Bossano's motion which was resolved in the affirmative and the motion was accordingly carried.

HON P J ISOLA:

Sir, I have the honour to move the motion standing in my name which reads: "This House congratulates the Gibraltar Police Force on the occasion of its 150th Anniversary and wishes to record its appreciation to the Gibraltar Police Force for the work it has done for the Community over many years". Mr Speaker, I think it is fitting that this being the 150th Anniversary this year being the 150th Anniversary of the inauguration, if I may call it that, of the Gibraltar Police Force, that this House should formally record that fact and formally express its congratulations to the Gibraltar Police. I was looking at a booklet on the Police Force of Gibraltar on which it appears that the proclamation of the establishment of the Gibraltar Police Force was signed by General Don on the 21st of June, 1830, which was really barely a year after Sir Robert Peel established a Police Force in England. So even going back 150 years you have examples of Gibraltar following very closely what happens in England. The first Police Commissioner kept the job for 29 years which I think would be very unlikely in present day Gibraltar. He started off as an Inspector of Strangers which is the title for Immigration Officer today so that the police have been dealing with immigration it appears ever since 1830 and it appears that the numbers in the Police when it was first established in the Force would have been around 71 as against the full complement today of something like 191 which is not such a big change considering the population increases there have been since those days. Over 150 years I think as far as the general public is concerned there have been ups and downs and sometimes the Police are popular and sometimes they have not been so popular but by and large I think, and I am sure the House will agree, they have done a good job for the community, they are a modern Police Force today, they have been transformed into a modern Police Force I think really over the last 20 years and in this connection I think I can speak to some extent with some experience of this because only about two weeks ago a delegation from my Party, the executive of my Party and two elected Members, visited the Police Station, the Police Force and we spent some three hours there. We were shown the way the Police was working, how it was organised and the various departments in the Central Police Station and I must say we were very impressed with the up-to-date standards of our Police. I think that on this auspicious occasion, the

150th anniversary, I certainly and I am sure the whole House would wish to congratulate them on having achieved their 150th anniversary and at the same time say some words of appreciation for the work that they do for the community and have done for many years. In our visit we noticed that the police are making real attempts to be identified as part of the community as opposed to "we and they" and this idea they have got of having open house on Saturdays during their anniversary year I think this is a very good idea because it gets people to know more about what they are doing and their work and so forth. Certainly, we in the DFEG were very impressed with what we saw and we are very grateful for the experience. I think the work of the Gibraltar Police Force has been at times difficult in the last few years when there have been problems but I think, by and large, they have tried to keep a balance between the various sections of the community and I think today we have a Police Force we can be justly proud of and I have pleasure in commending the motion to the House.

Mr Speaker proposed the question in the terms of the Hon P J Isola's motion.

HON H J ZAMMITT:

Mr Speaker, Sir, I would like to associate myself with the sentiments of the motion moved by the Leader of the Opposition. Indeed, I feel every Member on this side of the House supports this motion. I do so with some pride because I have been associated with the Police Force for many years. I think one thing about the Police Force which we tend to overlook is the fact that it is possibly one of the only Police Forces in the world, British Police Forces, that incorporates much more than normal Police duties and as has been mentioned by the Leader of the Opposition, direct contact with the public in immigration duties, ambulance services and other extra police duties makes the Police Force of course an important part of our society. But I think the greatest sense of pride that we can have is the standard of our Police Force and experience has shown that we have even had to stop sending our officers over to certain courses in the UK because they were virtually banned because we were picking up every baton of honour and it went to show that our standard was I would say equal if not better than many Police Forces certainly on the aspect of the knowledge of law which is something which I think the Police Force or Police Officers are underestimated. Whereas we have always said that lawyers have much more time to look up the book the policeman has to act on the spur of the moment. The other sense of pride which I have always drawn from the Gibraltar Police Force is the fact that we are the oldest overseas British Police Force in the world and although the Leader of the Opposition is right in saying that we are one year younger than the Metropolitan Police we certainly are the oldest established, then

known as Colonial Police Force within the British Commonwealth. I think we have stood up to our name particularly in courses in England where we have licked even those who have later come to Gibraltar to be our Commissioner. I would not like to go further into that aspect but I do feel very pleased because I was a police officer during the 125th anniversary and of course 25 years later I am in the House to be able to congratulate them from a different point of view. I feel that every Member in this House, indeed, all Gibraltar owes the Police Force a great debt of gratitude. Very rarely they are congratulated for an excellent job and in fact they are all too often criticised for carrying out their duties in a very able manner. A policeman virtually knows everybody in Gibraltar and the job is made even more difficult than being a police officer elsewhere. I am very glad to associate myself with this motion, Mr Speaker, and I hope that we can see them celebrating their 200th anniversary and that most of us will still be here. Thank you, Sir.

HON A T LODDO:

Mr Speaker, for personal reasons I have always had a soft spot for the police and the reason is that my father was for many years a police officer. It should be a matter of pride for Gibraltar as a whole to have a Police Force celebrate 150 years in the best traditions of the British police. The British Bobby and, indeed, the Gibraltar Bobby, is considered by and large by the majority of people, the citizens friend. Unlike other countries where the police inspire anything from mistrust to outright fear, in Gibraltar and in Britain the Bobby on the beat is a reassuring sight and in fact the violent death of a policeman is something which fortunately we don't see in Gibraltar and thankfully we do not get in the UK very often. It is something that produces a reaction of outrage and indignation whereas in other countries this is looked upon as just an occupational hazard and raises no public outcry. This, if nothing else, should be a measure of the esteem in which we hold the Police Force in Gibraltar and in England. As the Honourable Mr Zammit said, something which is overlooked by and large is the very different roles the police in Gibraltar are called upon to perform. Gibraltar is a port authority, an airport authority, we have problems with immigration and we also have a naval dockyard. These are all problems which no comparable city in UK has to deal with and yet here in Gibraltar the police cope admirably. From time to time the police is open to criticism from all especially when we get a parking ticket but by and large I would say that the performance of the police in Gibraltar is exemplary and the fact that we no longer have criminal sessions but a continuing legal process is probably indicative of the success of Gibraltar's police in combatting crime today and I have no hesitation, in fact, I am honoured to be able to support this motion.

HON ATTORNEY-GENERAL:

Mr Speaker, I would welcome the opportunity to speak in support of this motion. I have the very good fortune to be associated in my daily work with this long established Police Force. It gives me great pleasure for that reason to be able to speak in support of the motion and in support of the words of the Honourable Minister and Honourable Members on the other side to mark this occasion of the 150th anniversary of the Gibraltar Police Force. The advantage I think of Gibraltar, Sir, is that the size of the force is such that it is possible not merely to have an association but a close association and not merely with the senior officers of the force but with the officers who undertake the daily work of the force on the ground as it were. The most immediate characteristic I think of the work undertaken by the Gibraltar Police Force is one to which reference has already been made and that is the very wide variety of the work undertaken by them and perhaps it would not be inappropriate for me to refer to the various elements of work which the Police Force does undertake. Apart from the usual areas of police work we have marine work which other forces do undertake but by no means all other police forces, community work which is becoming an increasingly prominent element of police work. In Gibraltar we have the work of the police which I think brings them into very direct contact with the community and beneficially so when they man pedestrian crossings during the time the children are coming to and from school and I think that is something which is obviously a duty which brings them into contact with the public in a very acceptable way. Beyond that they have two other roles which are by no means common, in fact, I don't believe that I have come across them anywhere else, and one is immigration and the other one is providing the ambulance service. Sir, the police work is a very demanding form of work, it requires many qualities, it deals with all facets of life, it calls for tact, it calls for firmness, it calls for discretion, it calls for courage, perseverance and it calls for compassion. I think that when all is said and done the fact of the matter is that the most important side of work which the police do and the work which ultimately the police are really concerned with is that of law enforcement and on this occasion I would like, if I may, to make some comments on what I see as respective roles of the police and of those other bodies which are involved in law enforcement and perhaps to underline my view and I think it is the established view, of the police role. Law enforcement falls into three recognisable elements. The first is the task of investigating and deciding whether or not to commence proceedings for an offence. The second is the task of prosecuting the offence before the courts and the third is the task of adjudicating as to whether or not an offence has been committed. The first is primarily the role of the police, the second primarily my role and the third is a matter for a judge and for a jury. I

think if I can underline what is a most important principle that while lawyers may advise the police on the investigation and on the charging of persons for offences, I think it is essential to the eventual due administration of justice that at the end of the day if a police officer decides that an investigation warrants laying an information and saying: "I believe this charge should be brought", ultimately he should be free to do so. Thereafter what happens may indeed be a matter for the Law Officers and of course it will come under the ultimate review of the courts. But I think that is a most important principle to establish that up until the time that proceedings are instituted a police officer is an officer of the law in his own stead and is free to vindicate his judgment by laying an information. Sir, I don't want to dwell unduly on that side of police work. I would like to say if I may that in my experience the police force of Gibraltar is most ably led by a senior cadre but equally the men of the police force and the women of the police force who undertake the daily police work are of a noticeably able calibre and it is a great pleasure to be associated with them. There are two features of police service in Gibraltar which I think should not be lost sight of and which should be valued. One is the close contact which they have with the community and the other which arises from the variety of work that I have already referred to, is the element of versatility and I cannot but feel that in Gibraltar's circumstances versatility is a most desirable attribute. I think both of these aspects of police work in Gibraltar are very well depicted in the commemorative stamps which were issued to mark this occasion. Those stamps show very clearly how closely the police force works with the community and how wide a range of work it undertakes. It is impossible to see into the future, Sir, but I believe the Police Force will have many more similar anniversaries and I would like to be able to predict what the commemorative stamp in the next anniversary are able to illustrate as being the range of work undertaken by the Police Force. I wish them many more such anniversaries and I take great pleasure in associating myself with the remarks that have been made.

HON MAJOR R J PELIZA:

I, too, would like to associate myself with the words of praise for our Force. I think they have a very difficult task in a small place like Gibraltar and sometimes we take a lot of things that they do for granted. I think if we have a good public order in Gibraltar of which I think we all feel so proud and which I think also impresses our visitors, I think we owe a good deal of that to our Gibraltar Police. As a child and as I grew up one thing I was never afraid of in Gibraltar was a policeman. I saw him as my friend and not as a chap who was going to come and take me to jail. I feel that generally the attitude in Gibraltar, and I must say equally in Great Britain, is precisely that. The policeman is your friend

and that perhaps is one of the greatest things that we have inherited from the police in the United Kingdom. Our standards, and I have every opportunity of comparing it since I come and go, I think our standards certainly are no lower than those of the United Kingdom, with the added advantage here that you really know your policeman in this place, he is either related to you or he is your friend or sometime before you have seen him and spoken to him. This, of course, makes his task all the more difficult in that whilst being friendly he has got to be firm and that is no easy task when under certain circumstances they have to use force against a friend or even a member of his family. Because of that I think we should give them all the greater praise for the important function they play in our small community. One thing that I would like to see changed, perhaps after the 150th anniversary, is the name. I would like to see only "Gibraltar Police" with the "Force" bit omitted because it gives the impression of the use of force - Gibraltar Police Force - and I wonder if whoever is responsible for that could give some consideration to calling our police the Gibraltar Police and not the Gibraltar Police Force. I do not know if that is the official title that they have but certainly that is what they say in the leaflet. There are others who say it should be the Royal Gibraltar Police. Obviously, I do not think that in this House, I imagine, we are anybody to recommend that title but perhaps again, somewhere, somebody might be able to make the suggestion. I understand that this is the only Police Force in the whole of the British Commonwealth now which does not have the prefix "Royal". If this is so perhaps we have a strong case to make that possible. I am not suggesting that the House does it but there are people in this House who may take note of that and perhaps see if this is possible. It might be too late for this occasion, I do not know, but be that as it may, I think my sentiments are expressed and in doing so I myself feel that this change should perhaps be carried out for the enhancement of our Police Force. One of the great things that we sell as a British people to our colleagues 1,000 miles away in the British Islands is our Bobby. The mere fact that they see the police in Gibraltar which are almost identical if not identical to that of the United Kingdom puts them at ease which is something perhaps they do not feel when they go to other countries where the attitude of the police is different, where the general belief is that they use much more authority than we are used to with our own police. I think this perhaps is an occasion when very rightly a motion has been introduced in this House to commemorate the 150th anniversary and I certainly will support the motion.

HON CHIEF MINISTER:

Mr Speaker, it would be idle of me to repeat all over again what has been said about the Police with which I entirely agree. I have been connected with the Police Force professionally the first 15 or 20 years of my life very closely particularly during the difficult days of the evacuation and so on and I was able to see how helpful they were during that

time and throughout after. I will just mention three aspects of the Police work which have not been mentioned. The first one is the fact that the Gibraltar Police Force is part of Interpol which helps in the overall detection of theft and particularly in the traffic of drugs which in turn requires, too, in the day to day running of the investigation department an element of scientific study and knowledge in order to be able to particularise and identify drugs quickly for prosecution. The third aspect is one which has been introduced in the last few years and which has a very good and salutary effect particularly on young people and that is the appointment of community constables in big housing estates and areas where a constable is identified with that area and is like the village botby in the sense that he is there always available to give advice and to help and to soften up any problems that may arise. I think we should be proud of the fact that now no post in the Police Force is unavailable to the Gibraltarian if he is worth his salt, that the bulk of our officers are local people and that we hope that in the future the Commissioner will also be from our own. That is in no way any aspersion on the fact that people do have to come from abroad from time to time but it is also an indication of our ability to be able to hold the higher posts in the Government and in the public service which the Government renders. Therefore, I think that on the whole it is very appropriate that the police should be celebrating the 150th anniversary and that this House should take the opportunity of congratulating them.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, this is one of those occasions where, thankfully, the mover doesn't have to say much in reply. I think all I have to say is to agree with all the sentiments that have been expressed and commend the motion to the House.

MR SPEAKER:

To the extent that I am entitled to do so may I associate myself with the feelings of the House.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON P J ISOLA:

Mr Speaker, I have the honour to move the second motion standing in my name which is that: "This House calls on the Government to improve upon its plans for new housing as announced in the election manifesto of the governing Party

and at the meeting of this House on the 28th of February, 1980". I do not propose, Mr Speaker, this motion will have such a peaceful passage as the last one although I hope it will. It is couched in general terms, Mr Speaker, because on this side of the House we are certainly very distressed with the fate of housing and we have talked about development generally and I don't think I have to talk about that in this motion. We consider, and I am sure that Government does, that housing is the most important priority in our community. With a housing waiting list of 1800 which may now have gone down as the result of the allocations at Varyl Begg Estate just before the election, may be less, but still with a very large housing waiting list, the housing targets set by the Government are just not good enough. In the election manifesto, I mention both in the motion, because certainly there is a slight conflict it may be explained, but in the election manifesto the Government said or the governing party said that they had plans to build 120 new and above 80 modernised housing units between 1980 and 1982 and further plans for further housing with the highest priority for this most important aspect of our social progress. Mr Speaker, I don't mind telling you that we used this figure, obviously, in our election campaign and said that this was very poor and I think this did cause an impression among the people to whom we spoke. I think people were alarmed at the low target set for itself by the Government in a period of two years. In the inaugural session of this House the Chief Minister putting forward Government's policy said that within the coming financial year which would be 1980/81 they hoped to finalise the construction of 66 units and commence work on a further 150 units for completion by 1982. That is why I opened by saying that I referred to both of them because what was said in the House seems to be - and I hope I will be corrected if I am wrong - seems to be a great improvement on what was said in the election manifesto of the governing party and if that is so then I am sure that this must be because the governing party found during their election campaign the concern there was at the lack of progress in housing in Gibraltar or for some other reason. But it does seem to be a significant upsurge, if I may put it that way, on the election manifesto of the governing party. As far as modernisation is concerned, we have expressed our doubts about modernisation and how far it is in fact interfering with the construction of new housing and this is something I am sure we will talk about at the Budget session. At the moment the purpose of this motion is purely and simply to try and get from the Government a commitment at this stage for new housing and to complete the housing programme already in the Development Programme, to make special efforts to complete it within the development period and it looks very difficult from what I can see from the expenditure there has been under the Improvement and Development Fund for the first two years of the development programme of 1978, it is going to be an extremely hard job for the Government to fulfil its targets for housing as stated in that Development Programme. Mr Speaker, what I

would like to see is that we get told whether this scheme, because the 1982 completion is under the new development programme which starts at the end of 1981, it should start at the end of 1981 and what we would like to see is to have an explanation, an explanation of what are the Government targets in housing, do they consider that they can no longer fulfil the target they set themselves in the 1978 development programme for completion by the end of the programme? Are the new figures that have been set out less than those in the development programme? Does the Government not consider the target that has been set for new housing in Gibraltar for 1982, in other words, two years hence, are much too low and what are the reasons for setting such low targets? The Government announcement for new housing must make depressing reading for those in the housing priority list. We would have thought that there would be ambitions and bold planning of new housing to give those people in the housing priority list some hope of getting a house within a reasonable period of time. Mr Speaker, I think that is all I would like to say in proposing this motion. I would certainly like to hear what Government plans are and I would like to hear encouraging noises that the low targets set are in fact going to be uplifted radically.

Mr Speaker proposed the question in the terms of the Hon P J Isola's motion.

HON M K FEATHERSTONE:

Mr Speaker, one is always willing as far as possible to improve on whatever plans one has but the obvious position that has to be taken into account is two-fold, firstly, the supply of money available and, secondly, the labour capacity to actually do the work even if the money is there. We have, as we have stated, a number of on-going schemes and these in particular are White Stores, Tank Ramp, Lime Kiln Steps Phase 1 and Naval Hospital Road. These are schemes which are at the moment on-going and will be finished before 1982, in many instances they will be finished before the end of 1981 and in some instances they will be finished this actual year. Then there are of course the schemes that will be started this year and should finish within 18 to 24 months and that is why we have said, this is what our programme is up to 1982 and they include Catalan Bay, St Jago's, St Joseph's, for which the tenders have just been given, Flat Bastion Road for which the tender should be given fairly shortly, Lime Kiln Steps Phase 1A which has just started, Road to the Lines and Castle Ramp. This will provide the approximately 150 further units that will be ready by 1982. This does not preclude that Government has other plans to continue, improve and enhance the housing programme. When we started the 1978-81 development programme we had to go to the ODA with suggestions of schemes that we would like to put into effect and the situation at that point was that these were absolutely schemes in the air, there was nothing other than the projected sites prepared, there were no

plans, no working drawings nothing whatsoever. For the next development programme we are in a much happier position. We already have plans and in many instances working drawings ready so that once we can discuss the question with ODA, if we get further support from them as we trust we shall, there will not be a tremendous period of time while we are getting the working drawings ready, while we are getting the Quantity Surveyors works done, all this will be absolutely ready and so we will be able to push straight into the new schemes. This, I think, is an obvious improvement on the further plans but of course it is in the next development programme and I do not want to commit ourselves too fully in this at the moment. I can only say that with the momentum we have at the moment we will as promised get our 66 finalised and our 150 further housing, 150 plus actually, further housing done by 1982. That will give us about 212, 220 houses - 100 a year - which I do not think is a very bad effort.

HON CHIEF MINISTER:

Mr Speaker, I am sorry that the Honourable Leader of the Opposition has thought it necessary at this first meeting of the House to bring this motion. It is interesting that if in fact our electoral programme had promised something and I had said something less, I would have been accused of having promised something that I couldn't perform but in fact what we did in our electoral manifesto was to be perfectly honest and made an assessment of the situation at the time when it was drafted which as time has passed has been possible to improve and in fact the number of units in total by 1982 is 218 as I have just seen because sometimes schemes make it possible. What did we say in the manifesto? I quote: "Housing: This must be a continuous concern of any Government and despite the fact that inflation has caused havoc with building costs, we have plans to build 120 new and about 80 modernised housing units between 1980 and 1982 and further plans are under study for further housing with the highest priority for this most important aspect of our social progress". These were facts of what we have done and a promise as to that. What did the DPBG say about housing? I quote: "We will also dedicate ourselves to the acceleration of the existing housing programme so that it is brought up to date. Only by an ambitious reclamation programme can we have a site on which a large housing estate and associated amenities can be built". That was a bit of a pipe dream because there are not many available sites for re-claiming that are not already earmarked for other priorities too but in fact it is less fair even to have put this motion and to mention that they are not satisfied with what I have said at the House of Assembly. I said: "Our energies and resources should be primarily devoted and foremost among these will be housing. The main element in the last development programme was education, before that it was housing and it is to that problem that we will now once again attach the highest priority". Further on I said: "Within the coming financial

year we hope to finalise the construction of 66 units and to commence work on a further 150 units for completion by 1982! Even those figures now are bettered because instead of being 150 it is 153. So instead of overstating the situation I was trying to be as cautious as possible in order not to be told that we were promising what we couldn't deliver. Then I put into that speech precisely what is in our manifesto: "We propose to make the construction of further new housing one of the main issues in our proposals for the next development programme. The bulk of social unhappiness in Gibraltar derives from inadequate housing and we are confident that the Government will receive general support for its decision to make further substantial inroads into the problem". But instead of getting that general support we get this perhaps in the hope that unless we do that we are not going to build housing because earlier today the Honourable Leader of the Opposition said that if he doesn't bring a question every time there is a Meeting of the House of Assembly we won't have electricity. Well, he is living in cuckoo land or he needs an electoral campaign to go round and find out for himself what the position is. We in this Party do not need to go round the districts in electoral campaigns to find out the situation, we know it because we live very near it and we live with it all the time. Therefore I think this motion is really very ill-timed, unjustified, unfair and not warranted. The other thing which we must take into account when we speak about resources as the Minister for Public Works mentioned, we have an on-going plan of other priorities of great importance. The school which has at last got off the ground which I think the contract is going to be signed tomorrow morning, ceremonially I hope, which is going to be more than £5m. That is an on-going project. Then there is the Port Development Programme and within all those, that is why we said that our foremost priority will be housing and we have said much more and promised less in the sense that we have said what we would do which was less than in fact we are going to do, already at the first meeting of the House. I think this motion really does not only call for being defeated but it also calls for it to be amended and I am proposing an amendment now and I am not trying by this amendment to exalt anything but to take note of the situation because it is very easy for a motion to say "that this House urges and calls on the Government" but the Government is here all the time. The amendment is to delete all the words after "This House" and substitute the following: "notes the plans for new housing announced in the election manifesto of the GLP/AACR and at the meeting of the House on the 28th of February, 1980, endorses the Government's intentions to make the provision of additional housing one of its main priorities in the next Development Programme and looks forward to an early announcement of the Government's detailed plans". That will put the matter in its proper perspective and will give the lie to an attempt again at creating in a very sensitive area ideas that by motions you can build houses. By motions you do not build houses, you build houses by being at it all the time and by doing the very best of what is being done. A lot has been said about modernisation.

Well, I know that we have had difficulties on modernisation and I would like to say that it requires a considerable amount of courage to carry on with modernisation because it is unpopular in many ways, it delays the overall housing progress but what we could not envisage for the future is a slum Gibraltar in the middle with houses dilapidating and coming down and in the periphery big blocks of new flats. That I don't think future generations would feel very well that we had allowed the state of some of the housing districts in Gibraltar to deteriorate and not do something about them. Modernisation has got a number of virtues. We knew that we were in for a labour intensive scheme which was slow but on the other hand we needed to put a little pride into neighbourly housing and so on as in fact you already have in Flat Bastion Road and the fact that not everybody wants to live in a huge housing estate, there are still people who want to live in a reasonably modern flat in a neighbourhood where he or she has lived all his or her life and there is a lot to be said for the fact that as you go round and you see modernised houses you feel that it is a continuation of the old Gibraltar under modern conditions apart from, of course, new housing as and when sites can be obtained. Really, I do not think that it is fair that we should at this very first meeting where in fact already it is shown that the figures given in our manifesto have been improved that there should be an attempt to belittle the statement which I made which entirely complies with the manifesto and that is that we were going to make housing our top priority. If, after a little time we had produced nothing or we had produced something very poor then of course it would be right and proper for the Opposition to have criticised it and in fact they can do what they like but in fairness if in fact there is going to be that spirit which was mentioned earlier by Mr Bossano and which was apparently well received by the Leader of the Opposition about cooperation and so on, it seems to me a very negative attitude at this very first meeting to try and belittle our efforts in this respect particularly, as I say, when in fact we are going to improve slightly on our promise and we have made a firm determination and at very great cost as it will be seen because not only are we carrying housing as part of the development programme but the Government is going to make a big inroad into its finances in order to build houses beyond whatever we can get from the development programmes in the next development programmes which we hope will not be disappointing. That, of course, still remains to be argued but as the Minister for Public Works said, we now have the advantage of having had the set-up and the impetus which was given again another thing which was a most unfair remark which was made in the elections about the fact that all the contracts were going out because there was an election. I had a list made at the time to see how the contracts had come through and how in fact it so happened that because Mr Xiberras went and because there was a general election the contracts came out at the same time and I therefore feel that the best way in which this House can reflect the true feelings of the people who voted for the majority of the AACR to stand in Government, is by putting the amendment which I commend to my colleagues.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's amendment.

HON P J ISOLA:

This is an extraordinary amendment, Mr Speaker. Here we are 1979/80 being asked to endorse a development programme which is to commence in 1981 when the existing development programme has some £14m unspent and the Government asks us to say: "Look, forget about what you say about building more houses now, forget about all that", and cheer everybody up saying that we note their plans for 1980/81 the next development programme, I hope the GLP/AACR manifesto wasn't referring to housing after 1981, that it was referring to housing now. Is the noting of their plans an admission by them that there is no hope left for the present development programme and for housing targets to be achieved? Let me say why this motion was put now, we are accused of unfairness in it. It was put before the Budget deliberately, to make sure that housing was in the forefront of the Government plans for next year. And why was this done? A very simple reason, Mr Speaker. The Government said in 1979 that it would spend £3m on housing between 1979 and 1980. We had our question answered yesterday that they spent just over one third of that money, £1,163,423 and to complete the programme you need another £3,893,003. That's another nearly £6m just on housing alone if they are going to complete their target for housing by the end of 1981. And they are asking this House now in an amendment to endorse their proposals to make housing not the main priority, which it should be having regard to the fact that they failed miserably in the new housing required in Gibraltar, not the main priority but one of the main priorities. If the motion had said "endorses the Government's intention to make the provision of additional housing its main priority in the next development programme and looks forward", well, alright we would support that motion. If you want to talk about what is going to happen after 1981, alright, we will talk about it now. We are more concerned

MR SPEAKER:

If an amendment is going to be made which is going to be acceptable, let us do it now.

HON CHIEF MINISTER:

I think that this may have been very quick drafting over lunch and therefore it is not intended to dilute in any way what I said on both occasions. They have talked about "its main priority". If the Honourable Member will allow it I will now amend it technically without having an amendment to an amendment moved by another member of my Party.

HON P J ISOLA:

Yes, let it be moved, Mr Speaker.

MR SPEAKER:

Let us move it so that we do things properly. Let us have a Member of the Government proposing an amendment to the amendment.

HON CHIEF MINISTER:

It will be moved by the Hon Mr Abecasis.

HON I ABECASIS:

Mr Speaker, I propose that the words "one of" between the words "housing" and "its" in the fifth line be deleted.

Mr Speaker put the question in the terms of the Hon I Abecasis' amendment to the amendment which was resolved in the affirmative and the amendment to the amendment was accordingly passed.

HON P J ISOLA:

May I say, Mr Speaker, how delighted I am that we have made progress to the extent of getting Government to agree that in the next development programme housing should become the main priority.

HON CHIEF MINISTER:

If the Honourable Member will give way. I think it is a most unfair way of conducting business. We said this in the manifesto "its main priority". We say this in the speech and now we have changed it because Mr Isola has spoken. He is not God yet.

HON P J ISOLA:

Well, I am glad that that at least has been cleared up but, Mr Speaker, I would like your guidance as to whether we can vote on this and then vote on my motion, my motion disappears, does it not, if we agree to this amendment?

MR SPEAKER:

I will read you exactly what Erskine May says on this one. "The object of an amendment may be either to modify a question in such a way so as to increase its acceptability or to present to the House a different proposition as an alternative to the original question. The latter purpose may be effected

by moving to omit all or most of the words of the question after the first word 'that' and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment but includes the purpose both of the amendment and of the motion both matters being under the consideration of the House as an alternative proposition". If we go on to page 378 it says: "In case of amendments of this type the proposal of the question "That the amendment be made" effectively places before the House two alternative propositions contained in the motion and in the amendment respectively, between which the House has to make a preliminary choice before deciding finally to agree to either of them. Consequently, if the question "That the amendment be made" is agreed to, this vote does not by itself express a decision against the motion, but only a preference for taking a decision upon the alternative proposition contained in the amendment. When, however, the main question, as amended, is agreed to, the original motion may be regarded as having been negatived by implication".

HON P J ISOLA:

Mr Speaker, from what I gather we have to vote against this and then vote for it afterwards.

MR SPEAKER:

If you so wish, yes, but you can vote in favour of both. My duty is to place the amendment, have a vote on it and then to put the motion as amended to the House again even though it reads exactly the same.

HON P J ISOLA:

Well, Mr Speaker, as I said, the motion before the House is entirely different to the one moved and as amended now if we can say at least that in the next development programme housing will be the Government's main priority then at least one can say that there is something positive, we have committed the Government to making housing its main priority in the next development programme. Having said that, I have to express great concern that what the Government have in fact done by this amendment is to push the problem under the carpet, to get the people of Gibraltar to forget their failure to fulfil what they said they would fulfil and they said with confidence in April, 1975, and I was surprised to hear the Minister for Public Works saying that the Ministry of Overseas Development were saying: "Well, all you have got are schemes but you have got no plans and you have got nothing else". I was very surprised to hear that because it was in April, 1978, during the budget session two years ago, when the Opposition questioned the Chief Minister as to its ability to spend the £14m to be granted by the British Government and the £8m from

local funds, £22m, when we questioned him on that the Chief Minister then said: "Well, we now have our establishment in the Public Works Department right up to strength, we are ready to go and I can tell the House that we will spend the money", and two years later we have the Minister for Public Works now telling us: "Don't worry, we have got our plans for the next development programme and we will spend it then". Of course they have got their plans for the next development programme. The next development programme, Mr Speaker, is going to be mainly completing the present development programme because the Government has spent, as we heard in an answer to a question, they have spent £6.6m in 2 years out of £22m and again we have to spend in one year double what they have spent in two years to complete the programme. So having swept the programme under the carpet and got everybody to forget it they say: "Don't worry, fellow citizens, forget this development programme, the next one we are going to make housing the main priority". And of course you will believe us when we say that because after all look at our record". And then if people look at their record then they will get worried about whether they can in fact fulfil and deliver in the next development programme. This amendment, Mr Speaker, is really an attempt on the part of the Government to get the public to forget our development programme, the present one, and just think of the next one and this is why we have a problem because of course we want housing as the main priority. In the amendment they are only asking us to note their plans and therefore if they ask us to note their plans for the development programme, well, we note them. They do not ask us to approve their plans because then we would have to say no we don't because we think that their targets are sighted very low indeed. They just ask us to endorse their intention to make the provision of additional housing the main priority, well, that we do and look forward to an early announcement of the Government's detailed plans. However, frankly, we would much prefer to hear at budget time the Government's plans to complete the existing development programme.

HON CHIEF MINISTER:

If you had waited until budget time and not rushed into this motion you would have got it.

HON P J ISOLA:

Mr Speaker, the purpose of this motion was precisely to ensure that the Government had housing in the forefront of their minds when it came to the budget and what Government is doing is telling us: "Forget the uncomfortable year that exists between now and 1981, forget that. We will get over it and we will say something in the budget and explain about what the Minister for Public Works has been telling us, high costs and all the other problems, no labour and everything else and let us think of the future, think of 1981 and we will announce great things for 1981". Well, alright, Mr Speaker, we have to

vote against the amendment to start with because that means eliminating our motion which we think is much more down to earth and much more constructive, we have to vote against the amendment because it eliminates our motion but once our motion is completely eliminated then we will vote for the second best which is that they are going to make housing the top priority in the next development programme and they are going to announce their detailed plans very soon because the motion says "and looks forward to an early announcement", and as it is the Chief Minister who moved the amendment we can only assume that there is to be an early announcement of the next development programme and that is how I see the game.

HON A J CANEPA:

Mr Speaker, I had not intended to participate in this debate but having regard to what has happened at this first meeting of the new session of the new House of Assembly, I think perhaps I should not allow this opportunity to go by without making some general remarks prior to having something to say on the amendment before the House. I think we are heading, Mr Speaker, in this House for a great deal of acrimony in future meetings. I say that, not because of the actual criticisms which we are having but with the manner in which that criticism is being levelled in particular by the Leader of the Opposition. The Honourable Mr Bossano said earlier today something about the political formation of the Leader of the Opposition being different to his own formation. I think that the political formation of the Leader of the Opposition is also different to mine. I do not believe that politics is a game, I do not believe that politics is necessarily a dirty game. I believe that there are certain standards of ethics that can be maintained in politics and I have tried to do that myself during the eight years that I have been a Member of this House and I am certainly not going to allow myself now, over the next 4 years, or, please God, over the many more years that I intend to be a Member of this House provided that I get the support of the people of Gibraltar, to allow my standards to be lowered to the level of those of the Leader of the Opposition. I think it is about time that at this first meeting of the House we should issue some timely warning to the Members opposite that if they carry on this way we are going to be in for big trouble in Gibraltar and it is not going to do the good name of this House or of politics in Gibraltar in the eyes of the electorate any good, but if the Honourable Members opposite want trouble they will get trouble and in the knowledge that in four years' time we are going to beat them again

MR SPEAKER:

Let us speak on the question before the House.

HON A J CANEPA:

Yes, Mr Speaker. Let the Honourable Leader of the Opposition keep that in mind because if he wants to carry on being the prima donna that he has been for the last two days let him carry on but we are not going to let things lying down.

HON P J ISOLA:

Mr Speaker, I want to make a point of order. Is it in order for the Honourable Member to threaten this side of the House?

MR SPEAKER:

I don't think that the Hon Member was threatening.

HON A J CANEPA:

I am not threatening, Mr Speaker, in a physical manner, I am just saying that they are going to get as good as they give, if not better. Coming to the motion, Mr Speaker. At the very first meeting of Council of Ministers, having just been appointed and been given new responsibilities over and above what I myself already had, namely, Economic Development, I formally proposed to my colleagues in Council of Ministers that we should make housing the main priority in the next development programme, in fact, the main priority of Government policy. I said that we should allow no considerations to stand in the way of that, that no matter how costly the building of new flats was becoming, £40,000 per housing unit, that if anything had to suffer as a result of the need to earmark funds for housing, that we should allow something to suffer. That if there had to be slippage that there should be slippage in other areas of the development programme and not in housing. I think that that proposition was accepted by my colleagues at that first meeting and hence the statement which the Honourable Chief Minister made at the opening meeting of the House. The Leader of the Opposition has said that he moved his motion so that housing would be in the forefront of the Government's policies with an eye to the budget. We have been working on the estimates, Mr Speaker, for the last month. We did not have to come to the House today to be asked to put housing in the forefront. The Estimates of Expenditure are ready, the Estimates of Expenditure in the Improvement and Development Fund have been approved by Ministers and they are now ready to be circulated in due course and housing has been given the priority which it merits before notice was ever given of this motion at this meeting of the House. We are sensitive, Mr Speaker, to the housing needs to the people of Gibraltar. I myself have never enjoyed particularly good housing conditions, I have always lived in a district of Gibraltar where housing conditions have been none too good. Perhaps members of my family have suffered from the poor

housing conditions which have been a feature of life in Gibraltar for some decades, perhaps, to a greater extent than the families of many of the Honourable Members opposite. I have lived the problem and I continue to live the problem and therefore I am very sensitive to it. We are honest about the way that we conduct our business. It was clear in the election campaign that in the eyes of the people of Gibraltar housing continued to be the main social priority. We had to give in the last and in the current development programme priority to education because there was also a crying need for a new comprehensive school and unfortunately the building of that school has been somewhat delayed but now it is a reality and therefore once again we can return to the approach of years past whereby housing has been the top social priority. Over the years I think that the number of new houses built in Gibraltar has averaged somewhere in the region of 100 or 110 and what we have been concerned has been to keep that momentum going in spite of escalating costs. In the Development and Planning Commission, Mr Speaker, we see proposals, we consider proposals for housing development in the private sector; one is able to note for instance that there is a project to build 30 housing units in Gibraltar at a cost of £750,000 which is £25,000 per unit yet the lowest tender which the Government has had to accept, the tender which it has had to accept in respect of forthcoming housing projects works out at £40,000 per housing unit. We are wondering why, why is this, why are we having such high tenders or is it that there is an attitude on this matter which is a fairly generalised attitude in Gibraltar that when it comes to the Government we might as well fleece them. Could that be part of the problem, I ask this House, as to why we are getting very high tenders which are not being reflected in the cost of new housing in the private sector and this is a matter which we have very much in mind and it is a matter which we hope to be able to put to the test over the next two years. If a scheme that we have in mind comes up, if we are able to perhaps prove that houses can be built in Gibraltar for much less than the £40,000 per housing unit that is being quoted, I think everyone will thank us because we will be able to build houses more cheaply and therefore the rents will not have to be as high as they might otherwise be. But I reject totally, Mr Speaker, any notion of Honourable Members opposite that this Government and this Party do not deal with the social, the compassionate approach that we have had over the years, that we do not give housing the priority that it needs. We have built the houses in Gibraltar over the last 30 years, even the houses that were planned by the Honourable Members opposite and about which, unfortunately, there have been problems, nevertheless, it is a fact of life that there are 700 families living in that housing estate and when those problems are out of the way that will have gone a long way towards alleviating what would otherwise be an even more intolerable problem. I think it was sensible of the IWBP administration to take advantage of a very good reclaimed site for that purpose but the fact of the matter is that we came in

in 1972 and we built those houses and to my mind the only houses that they were actually responsible for building unless I am wrong, were the ones at Glacis Estate. Wherever you look around Gibraltar, public housing has been provided by this Party and we would not change because we haven't changed in our basic policies over the years that is why the people continue to return us again and again.

HON MAJOR R J PELIZA:

It was not my intention at all to speak on this motion. I will try and keep it to a low key so that I am not accused of trying to create a revolution in Gibraltar, Mr Speaker. Certainly, there will be no threatening on my part. I am really amazed that the Honourable Minister for Economic Development, Trade and Labour and Social Security should really accuse the Leader of the Opposition of behaving in a manner that is not accepted by this House. If it were not so, Mr Speaker, you would have been the first one to stop him. Therefore, one can only say unless we do not accept you as being a fair Speaker, that my Honourable friend must have behaved in a proper parliamentary manner.

MR SPEAKER:

Please do not bring me into this. I will apply the Rules and Standing Orders of this House but beyond that Members are entitled to conduct their affairs in accordance with their best concepts and precepts.

HON MAJOR R J PELIZA:

We are obviously operating within the rules and nothing that has been said on this side of the House has required your intervention, Mr Speaker.

HON CHIEF MINISTER:

On a point of order. If every criticism that is made of the conduct of any Member in the course of debate because it is allowed or rather because its previous conduct has been allowed by the Speaker is going to be the responsibility of the Speaker and the hallmark of proper conduct, I think the whole of the Parliamentary system will go to the ground.

HON MAJOR R J PELIZA:

Mr Speaker, there is nothing therefore that we have said that goes contrary to the rules of this House and I can see now that it is the Chief Minister who is behaving like a prima donna, if I may say so. First of all, I think my Honourable Friend was more than justified in bringing forward this motion at this early stage of this new Government. It is

most important that Gibraltar should have a good development programme and not one in which we have to send money back to our benefactors because we are incapable of spending it. That is the position. The Honourable Mr Canepa may not like that but those are the facts and who has been responsible for that, the previous Government no doubt. And who are the present Government, very much the successors of the previous Government and the same people more or less in charge. So therefore I think that looking at the past history of this particular Government in their previous administration I think we are very justified at this early stage in order to ensure that as many houses as possible are built, that we should take it upon ourselves to introduce the motion that was introduced in this House. I think we must be thankful to our Honourable Friend, Mr Peter Isola, that through that we have now the Government fully committed with a motion to give housing their first priority. Like my Honourable Friend I don't think that really means all that much, it is the old carrot being moved further away but it is the old carrot that the people never ate and this is in fact what has happened and this is what my Honourable Friend was trying to explain. It is always tomorrow and never today. This has been the historical background of the present administration in their previous Governments and therefore I think we are very justified in introducing the subject in this House. I do not see why the Minister should get so worked up about this motion. In my view he gets so worked up because it really reflects the performance of the previous administrations. It is quite true that over the years they have built houses, no one is suggesting that they haven't, but it is also quite true that they had the opportunity of building more and they didn't and this is what we are critical of. We are entitled to be critical and I do not see why we should have threats from the other side purely and simply by introducing that into this House today. I do hope in fact that we do not hear more threats like that; we have never threatened the Government in any way. I was very surprised to hear the Minister who was talking of good Parliamentary behaviour to start making statements which gave me the impression that he was behaving in the very opposite way that he wanted us to behave. Mr Speaker, if one looks at the list of 1,600 families in the waiting list, I believe that was the last figure, it might have increased, I think we have got to accept that this is an enormous problem. We still do not know whether we have the capacity to build. Have we thought about the building capacity in Gibraltar today? Have we allowed the momentum to die down so low that to start getting it into motion again is going to take a long time? We found when we started the Varyl Begg Estate it was not really the actual laying of the bricks that was the problem. The problem was, first of all, to get the acceptance of ODA to give us the money; secondly, to get that land which was extremely difficult to obtain; thirdly, to make sure that we had the building capacity. When we went to see the Minister of State responsible for Gibraltar the things that the official told us was that we did not have the capacity to build and because of that they were quite entrenched in not giving us the

money. We had already made our plans. With the help of the DOE we had already prepared ways and means of turning it over from one building to another so that the building force would be in Gibraltar at that time and remain in order to carry on the building programme with their help and therefore because we had the plans and we knew that we had the capacity we could tell at that time the Minister of State that we had the capacity. At one stage I nearly walked out because they insisted but eventually they gave way. This is the way that that development programme was started in Gibraltar but unfortunately we were not re-elected, that was a great misfortune I think, because if we had been elected, Mr Speaker, there would be no dispute then as to who was responsible for what with regard to those houses. But, unfortunately, it happened. That does not mean to say that because we were not elected those houses were not really built because we gave the money, we gave the capacity, as you say, to build, we gave it. If, unfortunately, there might have not been proper supervision, I do not know what happened, things went wrong later, that blame cannot be, I think, attached to us. We have always said that we wanted an enquiry on that question and the Government for some unknown reason is not prepared to carry it out. I am not disputing that. The other thing that I want to clear, Mr Speaker, and I am not claiming that we built those houses, is Glacis. At the time that we took over, the company that was building those houses went bust and we had to take over very quickly and I believe, and I think we must give praise to the then Minister for Public Works, Joe Caruana, who was very quick off the mark and managed to get that done in very quick time. There was no delay there and there was no delay either with Varyl Begg. Of that I will say, we were proud.

MR SPEAKER:

Let us come down to the question before the House. We are digressing.

HON MAJOR R JAPELIZA:

Mr Speaker, I think I had to clear that point. As I said perhaps those are the two things that made me stand up. If we look at the record of the Government, in their building and the amount of money that has gone back I think we are very justified at this stage to try and pass them on. This is the role that we have to play as the Opposition. If they all want us to come here and look at them and smile then I think we shall not be performing our function in this House, nor should we be, I think, carrying out what is expected from those who voted for us and therefore I am extremely surprised at the attitude of the Minister for Economic Development in this respect. I do hope, Mr Speaker, that in future meetings he doesn't get so worked up as he did today when we have a matter that we want to introduce in this House which we feel

we are entitled to whether we are critical or we are praising the Government and there have been occasions when we have been able to agree with the Government but certainly we are not going to be a rubber stamp of the Government if that is what they expect us to do. I certainly will not be a rubber stamp of the Government, I shall praise the Government when praise is due and criticise it when necessary. I think on this occasion criticism is necessary. It is more than justified if we look at our waiting list, it is more than justified if we look at the performance, it is more than justified if we seek the amount of money that is going back which could be spent in housing and other projects and above all the amount of money that that would leave in the economy as well. I know the Chief Minister said that that is not going to happen but this he has said many times before, Mr Speaker, and it has happened and many times before he has given out target dates which have not been met and so we go on. We have seen it with the generator earlier today, Mr Speaker, and there are thousands of excuses of why this is not done and this may be so but the proof of the pudding is in the eating, Mr Speaker. If he can deliver I think we accept that he has done a good job. If he cannot deliver, if that Government does not deliver I think we are justified in criticising. Therefore whilst voting for this motion and I am glad it has turned up this way because now I think it is total commitment by the Government to housing which is absolutely essential for the well being of the people of Gibraltar since practically the whole of life formation is in the home I think it is No 1 priority and should have been No 1 priority for a long time. It certainly was No 1 priority in my Government and the result is seen in the biggest housing project ever carried out in Gibraltar. The commitment that the Honourable Member has undertaken today will be carefully watched by this side of the House and I think in watching the performance we shall be doing a great good for the people of Gibraltar.

HON H J ZAMMITT:

Mr Speaker, Sir, I feel that the Honourable and Gallant Major Peliza should not be allowed to get away with or give the impression to the public, to the House and to the press or any other news media, that the Government is committed to its priority in housing as a result of the motion introduced today. It is quite clear that the Government is committed in its political manifesto way back before this motion and as reiterated by the Honourable the Chief Minister in the Ceremonial Opening of the House of Assembly on the 28th of February so it must be absolutely clear that whatever the result of this motion is today that it is not that that has made Government give housing its first priority. As Minister for Housing and having had 4½ years experience in housing, no one in this House knows the consequences of the housing situation better than I and I feel that we have gone a long way and I say this with some pride. It has been laborious for the Government has taken a number of very important factors into mind to do away with the present situation of the

housing problem. We have actually 1900 applications as at the end of February but that does not mean that there is a need for 1900 houses and earlier in answer to a question I explained that my department was very much involved at the present time on the new housing allocation scheme which was introduced and we hope to be able to put into effect as soon as we can, it is a laborious exercise, one will have to go through 1900 applications but the 1900 applications are in more than one case sometimes duplicated and sometimes are not applications for new housing but applications for exchanges and my department is now trying to segregate those who are transfers, in other words, giving up accommodation for another probably even similar accommodation but elsewhere to try and bring

MR SPEAKER:

We are not going to diversify this debate as to how the allocation list is prepared because we run the risk that if we go into that topic then the Members of the Opposition will be entitled to reply to this and we will be running in to great difficulties.

HON H J ZAMMITT:

I am saying this, Mr Speaker, purely to show that the figure aimed at that by the Government of 253 houses would cut off a tremendous burden of the housing list. The other aspect of course which has been done quite silently yet quite effectively is on the modernisation where we have been giving houses out according to family requirements which solves a problem and I am a firm believer that the possible cancer in the housing situation today is as a result of the overhousing.

MR SPEAKER:

That is what I am not prepared to allow you to go into.

HON H J ZAMMITT:

Therefore, Mr Speaker, when it comes to expenditure and the number of houses to be constructed I would like to remind Honourable Members opposite that the main requirement today in the housing situation is the building of bedsitters which solves an enormous amount of problems, particularly social problems, and creates musical chairs which in most circumstances triplicates the number of bedsitters to be constructed but I would like to say, Mr Speaker, that I reiterate that. I am not prepared to allow Members opposite to get away with the idea that this motion presented by the Honourable Leader of the Opposition has in any way convinced us of selecting our priorities. Our priorities were selected prior to the election. Mr Speaker, I have no further contribution to make

other than saying that as long as I am Minister for Housing and I don't know how long I will be, I think that I have now sufficient experience to convince my colleagues that housing is to be a priority and it is quite alarming to hear the Honourable Major Peliza because I remember vividly when we were talking of £2.8m expenditure in the Girls' Comprehensive School, I said at the time, Mr Speaker, and I was very much criticised even by the Teachers' Association, that I found it an intolerable situation if ODA was to have given us £Xm after we had selected our priorities whereby housing would be affected because the lump sum of the Development Aid was going to a particular school. So I have always defended that there is a need for more housing but I must reiterate for planned housing not just housing without taking into account what are our requirements and as the Chief Minister mentioned in the Ceremonial Opening of this House, education did take priority in the last development programme but we were committed in our manifesto, we were further committed at the opening of the House and we are committed for the next four years to give housing top priority in our development programme. Thank you, Sir.

HON A J HAYNES:

Mr Speaker, I am glad to note that the main priority has been given to housing but I would like to note a discrepancy with what the Chief Minister said in his speech at the Ceremonial Opening. He said: "We propose to make the construction of further new housing one of our main issues in our proposals for the next development programme". We also heard and it was confirmed in the Chief Minister's opening speech that education was the chief priority in the last development programme. I thank the Government for making this clear since it was not obvious from the results. I hope therefore that Government's priority on this occasion will have some genuine meaning. I note also the Chief Minister's statement

HON CHIEF MINISTER:

Mr Speaker, if the Honourable Member will give way.

HON A J HAYNES:

Is it a point of order, Sir?

HON CHIEF MINISTER:

I am asking you to give way. This morning my colleague was very severely criticised because he was looking at notices of a technical matter. Already two speeches have been read from the opposite side. We wouldn't mind normally but if we are being put to order we should also draw attention that speeches should not be read.

HON A J HAYNES:

I am referring to my notes.

MR SPEAKER:

You may most certainly refer to your notes.

HON A J HAYNES:

I note also the Chief Minister's statement at the Ceremonial Opening to the effect that Gibraltar's future depends on our youth. I concur wholeheartedly with that statement but it is also true however that the youth of Gibraltar depend on the Government for their inheritance and it is for Government to help them to help themselves and to show them the way. It is Government's duty to ensure that the youth of Gibraltar can remain in Gibraltar. They can only do this by providing houses for all Gibraltarians and Government is failing and has failed in its duty. Gibraltar's future depends on our youth but Gibraltar's youths depends on us for the moment and Government cannot believe or understand the statement 'Gibraltar depends on its youth' if it does nothing for them today. Gibraltar needs more houses, many more houses. The Government's commitment, according to the Chief Minister's statement in his speech at the Ceremonial Opening to the effect that 66 units will, hopefully, be finalised by the end of this financial year and that work will be commenced on a further 150 units for completion by 1982 are not good enough. I realise that Government shun responsibility for their shortcomings, we have heard it today in relation to the power cuts and the accusations levelled at Government and they denied them all throughout so I imagine they will deny any accusations that they have failed in their duty in the past in the matter of building houses and they will claim to be satisfied with the general progress of housing today. But I nevertheless maintain that the Government's housing record has been dismal to date. We heard Mr Bossano on an earlier motion advocating a conciliatory attitude in order to achieve positive results. I would like to see positive results but I believe that it is fundamental in order to have positive results that an honest approach be taken and in this case it is essential therefore that Government accepts responsibility for their shortcomings in the past and they accept that their proposed plans as per the Chief Minister's proposals are not good enough. There are, we have heard today, 1,900 families on the waiting list and the plans offered so far I must say are piddling. The problem is not just to house those 1,900 families, it is to house them before the next generation starts clamouring for houses. The Honourable Member may be sensitive on the question of housing but I do not see that his sensitivity has pushed him from his lethargy. Government needs better and more ambitious housing plans to meet the enormous demand and they can only improve their plans by increasing their efficiency and by spending the ODA money.

MR SPEAKER:

If there are no other contributors I will call on the Chief Minister to reply on the amendment to the motion.

HON CHIEF MINISTER:

I wish I could stand up in the usual way and congratulate the last speaker on his maiden speech but I am sorry to say I cannot do so. First, because he was reading most of it, secondly, because the first part of it was part of his electoral address which he had delivered on radio and television and we were having exactly the same thing and therefore he has not been original at all. I am sorry because as I said at the opening I wish him well in the House but I wish he would think a little more before he speaks because words like dismal and so on for a newcomer are a little too strong to throw at people who have been trying to do their best for a long time but, anyhow, I suppose that is the courage of youth which one has got to nurture until they come to more mellow and probably more reasonable attitudes. Anyhow, he has had his say with which of course we entirely disagree. There are one or two points that have arisen in the course of this debate that I would like to raise. In the first place, we heard the old story of the Honourable Major Peliza about what they did in 1969. We have had that many times before. He always says something that I must draw his attention to.

HON MAJOR R J PELIZA:

If the Honourable Member will give way.

HON CHIEF MINISTER:

I will not give way because otherwise we are going to be late for the match. I am not going to quarrel with what he said. I think, in general terms, I would accept that we have heard it so often but I always have to take exception to one thing about his administration having achieved the obtaining of the land where Varyl Begg Estate is built. Well, it is true to some extent but what he never says is that £750,000 in 1969 value was paid out of ODA funds to the MOD for that piece of land. £750,000 less at that time that there was for development in Gibraltar. He was made to pay for it, he never says that but he was made to pay for it out of the development programme. We are now in the process to be able to announce reasonably soon on the much more important matter on the principle of the holding of land in Gibraltar which will be of great interest and of great value to the future of Gibraltar as a whole, about the holding of land and the right to hold land, on which the Government is very interested and I would like to say that the Honourable the Attorney-General is doing excellent work and giving excellent advice on this matter.

The other point was this question of having to send money back. I remember one night on television when the Honourable Major Peliza was appearing in letter box and instead of replying to the question that was put to him he was having a tirade as he usually does on television with his eyes bulging saying that we were going to send £8m back to England which we had here standing by. I wonder whether when he goes tomorrow or the day after he can take it for us and avoid the transfer charges of the bank. But there he was, telling the people we had to send £8m back. Of course, I had to say at the next opportunity that that was absolute and utter nonsense and in fact it is regrettable to see the attitude of the Leader of the Opposition to which my Learned Friend referred in the way in which he behaves. It is regrettable that the only other person in the history of Gibraltar who has held the office for a little time should be so irresponsible and tell the people that we had £8m here which we had to send to England. The fact is that some people believed it because he was spending all his time around Gibraltar saying the same thing with the loudspeaker and even interfering with people's peace day and night that he made some people believe it and in fact that is why he got some votes despite the fact that he is not a resident of Gibraltar.

HON MAJOR R J PELIZA:

Is it right for the Chief Minister to introduce new matters the more so when he does not even allow me to defend myself after having said all sorts of things about me?

MR SPEAKER:

I was bearing that in mind but no doubt you will have an opportunity because you will still be able to speak on the main motion.

HON CHIEF MINISTER:

I was merely talking about the question of sending the money back and giving the background of the person who was saying it.

HON MAJOR R J PELIZA:

That is simply a way of saying, Mr. Speaker, that they didn't spend the money. He knows perfectly well what it means, it means that a certain amount that was allocated for Gibraltar was left unspent. It is exactly the same thing in plain simple language as sending the money back. The money had not been used.

HON CHIEF MINISTER:

It is, Mr Speaker, sheer demagogy and misleading, maliciously misleading, deliberately misleading to get votes and that is the only way he can get himself elected to this House unfortunately for him time after time not into Government. What the Honourable Mr Canepa said at the beginning of his address I have tried to point out in a different way this morning and of course we are not trying to muzzle the voice of anybody. Of course we know we couldn't if we wanted to but there are ways of conducting the Opposition speeches and the Opposition attitude. Mr Bossano gave two different aspects of it this morning and he was listened to with great interest and great concern. He may not be right, maybe the Honourable Leader of the Opposition may be right and by the next four years he may be able to make it, I don't know, but certainly it is not conducive to the good name of this House and to the despatch of business in a way that is in keeping with our traditions. Certainly, since he became Leader of the Opposition and particularly since the elections he has taken on a mantle which really is not befitting this House because he attacks everybody, he ridicules everybody, he doesn't give credit to anybody and therefore he is bound to come under criticism. I loath to have to criticise Members personally but if this is the pattern, as my Honourable Colleague has said, then we are in for long sessions and for not a very good impression of what this House can give outside. One of the main problems that there is today with democracy is that people do not get interested or are disgusted with it because of the performance of people fighting each other. I am not making his words my own but I have expressed it in another way yesterday because I don't think that we are going to make much progress in that way. By all means let the Opposition carry out their duty we do not want to interfere. It is not our fault if we are elected time and time again and they are in the Opposition. We still have to govern, we still have to live with Oppositions but I hope that this debate will make the Honourable and Learned Leader of the Opposition think a little about his tactics in future. Yesterday morning we had schoolchildren present and he was playing to the gallery all the time and this is very improper. I am just saying that if we are going to conduct business efficiently and properly we have to keep to reasonable standards. This is another indication of the irresponsibility of the Opposition, for Major Peliza and the Honourable Mr Haynes to say that at least they had obtained a commitment that housing would be a top priority as a result of the debate when in fact this is what I said here and this is what I said in the manifesto. The confirmation of our manifesto on this matter was clearly committed by the Government at the first meeting after the taking of the Oath of Ministers and that is what we propose to do and nothing that has happened in this debate changes the matter at all. Earlier today we were talking about the top priority for electricity. Of course it has top priority, because without electricity it is no use having houses. However, these are all inroads into our resources and the resources are limited in many respects and for many reasons which are beyond our control. Mr Speaker, I commend the amendment.

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

The Hon I Abecasis
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon J Bossano
The Hon Major F J Dellipiani

The amendment of the Hon the Chief Minister, as amended, was accordingly passed.

The Hon P J Isola's motion, as amended, was now before the House.

HON P J ISOLA:

Mr Speaker, I have been subjected to considerable fire from the Government benches, very considerable fire, and I think it is appropriate that I should say something. First of all, I am sure the House would like to congratulate two Honourable new Members who have made maiden speeches in this House. I am very glad that my Honourable Colleague, the Honourable Mr Loddo, was heard without any interruption and I am sorry, I won't say anything more, I am sorry that the Chief Minister thought fit to bring his guns to bear on my Honourable and Learned Friend Mr Haynes in his maiden speech in this House. I am sorry he did it, it is all over, but anyway I would also like to congratulate the Honourable and Learned Mr Haynes on his statement which I think is a sort of fresh approach, a young person comes along and sees these things and criticises. Mr Speaker, the world is made of all kinds and I think we have to understand. A new Member of the House, newly elected, young generation, possibly a bit of a chip of the old block,

very interested in housing and, of course, about the situation. Why shouldn't he say so, and he did. The Honourable Minister for Economic Development, Trade and Labour and Social Security. Let me say something about him. I think it is a pity he didn't speak earlier on in the debate because this amended motion making it its main priority housing was not absolutely clear and my Honourable and Learned Colleague Mr Haynes pointed to the considered Government statement made in this House on the 28th February where it referred to housing and making it one of the main issues. It didn't say the main issue, Mr Speaker. That wasn't drafted hurriedly. "One of the main issues in our proposals for the next development programme". The Minister for Economic Development and the Chief Minister complain and refer to me as a prima donna. Well, I am not a prima donna because I have been in this House and I never fail to remind my colleague, Mr Restano, of the number of years that I have been in this House, I think it is coming up to 24. Mr Speaker, and I have filled this office before but I will admit I have never filled it with as much support as I do today, electoral support, and support in numbers in the House and that gives me a responsibility in this House to those who elected me and I shall be fearless in defending those responsibilities. If I have injured the sensitivities of Members opposite I apologise and I am sorry if I have been, perhaps, a little too strong. I am sorry. But I had to be strong, Mr Speaker, and I will continue to be strong on matters such as this. I think for the Honourable Minister for Economic Development to look at my speech now as something new is to misread my history on this side of the House for the last eight years. I have been a prominent Opposition spokesman at every budget on the question of development, on the question of slippage, on every single budget before this House and I have warned the Government on every single budget of the said slippage and the continuing slippage. I think it was only last April when I pointed out to them that their expenditure on development was still lower than what had been spent by the last I.W.E.P. Government in 1972. The Honourable Mr Canepa complains about the political standards. Well, let me put a complaint to him. He is a fair man. Let me ask the Minister to read the budget statements of his predecessor in his office, a Member of his Party, and the budget statements of the Chief Minister during the last four budgets and I ask him to say, having read those statements, whether those statements comply with his political standards. Because we were told in 1978 that the development programme would be completed by 1981 by the Chief Minister, £22m, and after two years we have £6,600,000 spent with no hope of completing the development programme and he is angry because I get angry about that. And power, Mr Speaker, what we have said today is not anything new. We have complained, we are concerned and let the Minister put himself in my place if he saw the slippage on such a vital matter, such slippage as we have witnessed in the last two days on answers to questions. Wouldn't he be justifiably angry and this is what we are. We are angry.

HON A J CANEPA:

I agree with him that over the years at budget times he has been critical of the performance of the Government on the development programme, I know that he has been, but I will say this, it has always been worth listening to him in this House in the past. I don't want to be patronising but I don't know whether he has noticed that many of the Members in the Ante Room very often would come in to listen to him. It was worthwhile, we had something to learn from him and invariably he would insert a note of humour in his remarks which I think was perfectly acceptable but what we have noticed, Mr Speaker, in the last meeting of the last House of Assembly and moreso in these two last days, has been a great preponderance not of humour but of ridicule and that is very difficult to accept. I think constructive criticism is acceptable and I myself have found myself very much in agreement with many of the sentiments that he has expressed in the past. But I feel that the manner in which he is making his points these days is not the manner in which he was doing that over the years up to a year ago. That is where the difference lies, Mr Speaker.

HON P J ISOLA:

I take due note of what the Minister has said, of course, and certainly I do not wish to in any way upset the Government more than is necessary but I want to impress on the Government that the question of development which we have been building up in the Opposition over 8 years and which strangely enough has not really captured the public imagination at all until now, yes, you have the Transport and General Workers Union, it is the first time that they have made representations to the Chief Minister expressing concern of the economic effects of the Government not spending the money given to it. We found during our election campaign, we did find an awareness and surprise amongst the people of Gibraltar at the low performance of the Government. I think there must be various reasons for this sort of apathy on development and one of the things must be, surely, that people just do not get to know about it. It may be the times of the meetings of the House, it may be the fact that the proceedings are not broadcast, it may be the press is not sufficiently interested in the work of the House always, but now, Mr Speaker, and this is perhaps why the Government may well be a bit annoyed, we have got to the climax, we have got the biggest development programme in our history gone sour because that is the truth and the reason for that is that the governing party in power has not heeded the continuous warnings given from this side of the House of the deteriorating situation. We brought the motion on housing precisely to keep this in the forefront of the Government. They may think it was not necessary but we think it was because when we look at the budget and we look at the Government's programme will the Government be annoyed or angry if

we tell them what we told them last year: "Judged on past performance you won't spend what you say you will spend". And we will be told: "We will spend £7,700,000 on the development programme". We said: "You will not do it according to your record", and the Chief Minister said: "We will, we have got the expertise now". The Minister for Economic Development promised 450 houses in five years and 300 modernised houses in 1978. All that is in the record of Hansard. And instead of £7,700,000 we have £3,600,000, a mere £600,000 more than the previous year despite inflation and so forth.

HON CHIEF MINISTER:

If the Honourable Member will give way. He had his figures for the end of February.

HON P J ISOLA:

I agree but when I heard today, when we voted supplementary provision, the Financial and Development Secretary did say that only £29,000 of that had actually been paid out under special warrant and the rest was included in his statement of today, if I remember rightly. I stand to be corrected.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If I may rise, Mr Speaker, to clarify the point. The figure that I included was in the total expenditure up to the end of February. We are expecting to spend the additional amount which was voted today by the end of March so the figure will be rather high.

HON P J ISOLA:

Anyway, bringing it up to around £4m. A mere £1m more, Mr Speaker. That is why these motions are put forward. The Opposition have a job to do, Mr Speaker, and we will do it and we have seen this in development, we have seen this year in year out. I started answering the Minister for Economic Development and I said I was glad he spoke and the reason why I say I was glad he spoke was not because of the remarks he made about the Honourable and Learned the Leader of the Opposition and my colleagues in this House but because he at least came out and said and told the House that shortly after the election the Government got together and that he insisted that housing should have first priority and that he insisted it should have first priority at the expense of other things if necessary. That we had not heard and as the Minister responsible I am glad he got up and told us. At least, we have learned something positive in this debate. Mr Speaker, as I said, I would have hoped that the Government would have been able to put an amendment in that gave us some hope for the coming year not just in the future. And on this question of

development aid and money going back and this controversy as to whether it goes back or it doesn't go back, Mr Speaker, it is an unfortunate fact that if you go to the British Government for new development aid talks there are two unfortunate things that occur. The first is that they tell you: "Are you sure you can spend this money? You convinced us three years ago and we gave you £14m and you have only spent whatever it is". That's one unfortunate result, it makes the credibility of the Government arguing with the British Government, less. The other unfortunate fact is that there are financial constraints on the British Government and the present British Government has certain policies as regards overseas aid which may affect us, I hope it doesn't. Certainly we will support the Government fully in hoping that it doesn't but again they may tell them: "Alright, we will give you £20m development aid but of course part of that £7m or £8m or whatever it is, is what we have already given you", so the Government will not be getting £20m, it will be getting £12m net because £8m is only a revote from the previous three years. That is what my Honourable and Gallant Friend was saying and what he meant and I think he is right when he said that the money goes back to the British Government because it is not spent and the British Government then puts the board down and looks again for the next three years and says: "Yes, you haven't finished the Comprehensive School, you haven't finished this, you haven't finished that, we will put that £8m in the new development programme", and the amount will be less. And that is what we criticise the Government for. I know it is hard for the Government to be criticised in this way and to a certain extent I sympathise with them but we have been consistent in our policy for many years and it is my feeling, in my submission, a very fair criticism of the performance of the Gibraltar Labour Party/AACR over the last 8 years, it is a fair criticism and the facts speak for themselves. You only have to read the budget speeches of the Chief Minister and other Government Ministers over the last 8 years, their promises and their performance, in development I am talking of, their promises and their performance and you will see that our criticism is both fair and justified. But, Mr Speaker, the motion is amended which is "This House"; that is all I have got, but the rest is the amendment we will now vote for because we have noted the plans, we have criticised them and we endorse the Government's intentions to make the provision of additional housing its main priority and we look forward to an early announcement of the Government's detailed plans. Thank you, Sir.

MR SPEAKER:

I will then put the question before the House which is that: "This House notes the plans for new housing announced in the election manifesto of the GLP/AACR and at the meeting of this House on the 28th February, 1980, endorses the Government's intentions to make the provision of additional housing its main priority in the next Development Programme and looks forward to an early announcement of the Government's detailed plans".

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

The Hon I Abecasis
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon J Bossano
The Hon Major F J Dellipiani

The motion was accordingly carried.

ANSWERS TO QUESTIONS

The Hon I Abecasis sought and obtained the leave of the House to answer the four questions which he had down for answers as he had been unable to do so earlier in the Meeting due to his indisposition.

ADJOURNMENT

The Hon the Chief Minister moved the adjournment of the House to Monday the 21st April, 1980, at 10.30 am.

Mr Speaker put the question which was resolved in the affirmative and the adjournment of the House to Monday the 21st April, 1980, at 10.30 am was taken at 8.00 pm on Wednesday the 26th March, 1980.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

25 March 1980
Vol. 11 (BUDGET)

MONDAY THE 21ST APRIL, 1980

The House resumed at 10.30 am.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development, Trade and Labour and Social Security
The Hon M K Featherstone - Minister for Public Works
The Hon H J Zammit - Minister for Housing and Sport
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J B Perez - Minister for Medical and Health Services
The Hon D Hull QC - Attorney-General
The Hon R J Wallace CMG, CBE - Financial and Development Secretary

OPPOSITION:

The Hon P J Isola CBE - Leader of the Opposition
The Hon G T Restano
The Hon Major R J Peliza
The Hon W T Scott
The Hon A T Lodd
The Hon A J Haynes

The Hon J Bossano

ABSENT:

The Hon I Abecasis - Minister for Tourism and Postal Services } who were
The Hon Major F J Dellipiani, ED - Minister for Education } unable to attend due to illness.

IN ATTENDANCE:

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

PRAYER

Mr Speaker recited the prayer.

MR SPEAKER:

Gentlemen, before we proceed with the business of the House, as you all know our Minister for Tourism and Postal Services has suffered a tragic accident. He is being taken to the United Kingdom for treatment and I am sure I am expressing the wishes of all the House when I say that I hope he has a speedy recovery and that he will be back in the House with us in the not too distant future.

HON CHIEF MINISTER:

Mr Speaker, thank you for those words. As it is probably generally known he was flown to a Neurological Unit in Scotland yesterday. He underwent a scanning immediately on arrival at about 7.00 or 7.30 in the evening and a preliminary investigative operation has been made and depending on the results of the investigations they will decide whether or not they may carry out a major operation today. We will all be praying for his recovery.

HON P J ISOLA:

Mr Speaker, I would very much like to associate myself with all the remarks which have been made from this side of the House. We heard the news with great grief and we sincerely hope that Mr Abecasis will have a full recovery and be with us again for a long time.

MR SPEAKER:

Perhaps I would like to say that our Minister for Education is now practically recovered!

HON CHIEF MINISTER:

Mr Speaker he will need a little accommodation from Honourable Members so that he can come just to take his part in the general debate when he will deal with departmental estimates. That is I think as far as we can take it and I think it is only fair that he should do that if he can do it.

MR SPEAKER:

It seems to be an occupational hazard now, but I see that our Financial and Development Secretary has a sort of halter. May I say that he is the first member to come to this House without wearing a tie. For a very good

reason, but I hope members will not take this as the thin edge of the wedge.

DOCUMENTS LAID

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I beg leave of the House to move under Standing Order 7(3) to enable me to lay on the table the Estimates of the Government's Revenue and Expenditure for the financial year 1980-81.

MR SPEAKER:

This is for the purposes of laying on the table out of time the statements and the estimates.

Ordered to lie.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I beg leave of the House to move under Standing Order 7(3) to enable me to lay on the table of the House the Accounts of the Government of Gibraltar for the year ended 31st March 1979, together with the Report of the Principal Auditor thereon.

Despite the determined efforts of the Accountant General and the Principal Auditor I very much regret that it was not possible to have the accounts and the report printed and sufficient copies available to bring before the House at the opening of this meeting last month. This is, Sir, regrettably the second year in which the accounts and report have been prepared but because of the hiccups in the administrative machinery it has not proved possible to get them printed and circulated earlier. I trust that the House will accept my apologies for this delay and I assure it we will make every endeavour to improve on the timing next year.

Mr Speaker ordered the document to lie.

SUSPENSION OF STANDING ORDERS

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move the suspension of Standing Orders Nos 29 and 30 in respect of the 1980-81 Appropriation Bill 1980.

This was agreed to.

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BILLS

FIRST AND SECOND READING.

THE APPROPRIATION (1980-81) ORDINANCE, 1980.

The Hon the Financial and Development Secretary moved that a Bill for an Ordinance to appropriate an amount not exceeding £38,320,382 to the service of the year ending 31st March 1981 be read a first time.

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

The Bill was read a first time.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

Before I begin my formal speech, Mr Speaker, may I say that this is the first time that I have known a House stretching the neck of the Financial Secretary before and not after the estimates!

Sir, in moving this Bill I shall make a statement on the Government's estimates of revenue and expenditure which I have just laid before the House and which have been in the hands of members for some time.

At the outset I propose to review briefly the wider economic scene against which that of Gibraltar must be viewed.

In 1979 the world economy was dominated by concern about oil, initially its supply and later its price. The full impact of changes in the supply and price of this commodity has not yet been felt. Nevertheless, the increase in price, which more than doubled in a little over a year, has led to widening payment imbalances, a slowing down in world trade and the fuelling of inflation already well banked by increased earnings, steadily rising costs of raw materials and falling output. The impact of oil price rises on world trade was for a time cushioned by a higher than expected fixed investment in a number of

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the major overseas economies and a fall in the personal savings ratio in the United States. Neither of these redeeming features are likely to continue this year; both could be reversed.

What then are the main world prospects for 1980? Briefly, they are slow growth, falling domestic demand, rapid inflation, massive balance of payments deficits for the industrial world as a whole and projected increases in international oil prices of some 60 per cent. Even though OECD countries as a whole are giving high priority to the control of inflation mainly through tight monetary policies, the indications are of increases in consumer prices of over 11½ per cent.

In the UK despite increased production from the North Sea, the gross domestic product rose by only 0.6 per cent last year. At the same time earnings had risen by over 18 per cent and unit labour costs by about the same percentage; raw materials had risen by nearly 25 per cent. Industrial competitiveness was poor and domestic demand sluggish, despite the boost given to real personal disposable incomes by direct tax changes in the Budget and the Pre-Budget boom in expenditure in anticipation of VAT increases. The underlying rate of inflation, ie excluding seasonal foods, indirect tax increases and rates, was about 14 per cent. Retail price increases were of the order of 17½ per cent; fixed investment declined by 4.2 per cent; manufacturing employment continued to fall but until the last quarter of the year this was offset by increases in the service sector.

The forecasts for 1980 indicate continued stagnation; a fall in industrial output of between 2 and 3½ per cent and in manufacturing production of 3.7 per cent; an increase in unemployment from 5.17 per cent to 6.6 per cent of the labour force, i.e. unemployment rising to over 1½ million; fixed investments falling by a further 4 per cent; a balance of payments deficit on current account of £1.75 billion; increases in retail prices of between 18 and 19 per cent and in the underlying rate of inflation of 16 per cent. After a sharp rise in labour costs per unit to some 23 per cent in the first half of the year, the figure should fall back to about 17½ per cent - the same

rate as at the end of 1979. Projection of increases in earnings vary from 15 to 20 per cent at the end of 1980 which compares with 18½ per cent at the end of 1979. Increases in raw materials other than oil are likely to halve from 24.8 per cent to 12.4 per cent. The auguries for 1981 are less bleak but still give cold comfort. I suggest that we should not frighten ourselves by looking quite so far ahead into the world and UK economic scene and that we should now turn to the state of the economic health of Gibraltar.

First, how have we fared on the oil front? In the year ending 31 December 1979, the percentage price increases before duties and tax were 61 per cent for motor and slightly under 47 per cent for automotive gas oil. In the first three months of this year the increases for these two commodities have been 11.7 per cent and 8.4 per cent, respectively. The effect of such increases in oil prices on the budget can perhaps most quickly and best be seen by comparing actual expenditure on fuel and fuel sundries under Head 4 - Electricity Undertaking in the Estimates now before the House. Actual expenditure on this subhead in 1978-79 was £836,039; the 1979-80 approved estimate was £1.14m; the revised estimate is £1.42m and the estimate for this year £1.92m.

In the wider context and less overtly but regrettably just as effectively the increases in oil prices, increases in other raw materials, increased earnings, falls in productivity and increases in labour costs per unit will be reflected in the cost of the goods we import. Let us now take a look at our own index of retail prices as compared with that of the United Kingdom which provides some 65 per cent of our imports. In doing so we must bear in mind that it takes time for the type of increases mentioned earlier to work through the UK economy until they are reflected in the prices we pay. It is also important to remember that our main concern is with the underlying rate of inflation, ie the figures that exclude the recent increases in indirect taxes and rates introduced in the June Budget of the United Kingdom.

Retail prices in Gibraltar last year rose by some 15 per cent - the same order of increase that has been experienced over the past four years. This compares with UK rates of 13.9 per cent for the underlying rate and 17.4 per cent for the retail price. During the same period, food prices in Gibraltar increased by under 9 per cent, an all time low since 1970, compared with 13 per cent in the UK.

It is useful to measure inflation in 1979 against increases in earnings and to assess the impact on real disposable incomes. In the year October 1978 to October 1979 average weekly earnings for full-time adult men rose by about 15% to around £80. This figure takes account of the first stage of the public sector industrial pay settlement amounting to an increase of 9% plus £1 per week and reflects an average increase of some 10% in the private sector. In real terms, therefore, the level of disposable incomes for an average Gibraltarian family rose in this period by around 2%. When the remaining stages of the 1979 pay settlement are paid this month, real disposable incomes for the average weekly wage earner will have risen by a further 5% to 7%.

Although average earnings in the official sector continued to be ahead of those in the private sector the difference is less marked for the monthly paid. The differential for the weekly paid employee was maintained at around 10% in October 1979; the corresponding figure for the monthly-paid fell to 25% compared to 45% in October 1978.

The October 1979 Employment Survey shows that there has been no appreciable change in the level of employment in either the official or the private sector. The Government, through the Expenditure Committee, continues to keep a close watch over its own employment levels and the level of recruitment. Greater emphasis being placed on redeployment to meet new demands for services rather than expansion. With the award last financial year of contracts to the private sector totalling over £10m there should be a significant increase this year in the numbers employed in the private sector construction industry. Applications for development aid licences indicate an increased level of activity within the private sector as a whole.

Gibraltar's total imports in 1979 rose in volume and value. In value by £16.1m, an increase of 41% from £39.4m to a record total of £55.5m, slightly more than half of this increase was in imports of petroleum products at around £8.34m, an increase of 103%. Non-fuel imports rose by £7.72m to £39.1 million, an increase of 25% over the previous year. In terms of volume there were increases of 8% in foodstuffs, 33% in fuels and just under 23% in wines, spirits and malts.

Other notable features of the 1979 import figures were the continued decline of food imports as a

proportion of total consumption, the increased importation of motor vehicles, durable household goods, particularly furniture, and of basic building materials. Foodstuffs accounted for some £11 million, or nearly 20% of the total import bill. Some 1,300 motor vehicles were imported - an increase of 11% on the figure for 1978. Predictably perhaps, imports of colour television sets fell by 15%. There are indications that domestic demand for these sets is nearing saturation. Furniture imports at £0.62m increased in value by 55%, and durable household goods at £0.5m by some 30%. Imports of building materials at £2.4m rose by 40%, reflecting the increasing level of activity in the construction industry.

The total export figure for 1979 was £19.45m compared with £11.86m in 1978 - a rise of around 64%. The value of exports, excluding petroleum products, was £4.70m, an increase of 45% over the 1978 figure. The value of fuel oil and petroleum products exported as bunkers rose by 72%, from £8.6m to £14.8m, and by 11% in terms of volume from 150,000 tons to 167,000 tons.

The overall balance of visible trade in 1979 was therefore a deficit of £36.1m compared with £27.6m in 1978 and £25.7m in 1977, an adverse change of 24% over the year. If petroleum products are excluded, the deficit stood at £33.4m compared with £28.2m in 1978. It is estimated however that invisible earnings aid flows and tourist expenditure exceeded the visible trade gap and that Gibraltar last year once again enjoyed a modest surplus on the balance of payments.

The performance of the tourist industry in 1979 was particularly encouraging. The total number of arrivals rose by 24%, from 119,000 in 1978 to 148,000 in 1979, the highest total recorded since the closure of the frontier in 1969. Arrivals by air from all destinations rose by 15%, sea arrivals by 31%, arrivals of all visitors at hotels increased by 14% and tourist arrivals by 13.6%. Sleeper occupancy rates rose to 53%, an increase of over 10% on the previous year.

Tourist expenditure for 1979 is estimated at £9.0m compared with £6.9m in 1978, an increase of around 10% in real terms. This improvement is largely accounted for by increased charter air traffic, some 75% increase in seats offered and used; an increase of 12% in yacht arrivals an increase of

come 54% in excursionists and tourists from cruise ships and of 14% in the number of sea excursionists from Morocco.

1979 was also a good year for the port. The number of ships calling at Gibraltar totalled 2,752 compared with 2,651 in 1978, a rise of 4%. Total tonnage entering the port rose by 27.5% from 17.98 million tons to 22.93 million tons.

The number of containers landed increased from 1,154 in 1977 to 2,107 in 1978 and by 20 per cent to 2,536 in 1979. These increases placed a heavy burden on port space and facilities hampered as these were by the reclamation work between Jetty 2 and 3 which in itself necessitated a reorganisation of the limited space available. The situation was exacerbated by traffic and weight restrictions over the Viaduct Bridge introduced in November last year. The problems at the Port will to an extent improve when the reclamation project is completed at the end of this year and with the release at about the same time by the Admiralty of Jetty No 4 and its shed for commercial use. Nevertheless, the start of work on a new generating station on Jetty No 5 will restrict shipping operations in that area for some time.

The Government is fully aware of the important contribution the Port makes to the economy of Gibraltar and has put in hand the commissioning of a major feasibility study of the Port, its future organisation and role. The Minister for Economic Development, Trade, Labour and Social Services will announce further details of this study in the course of this debate.

Although the foregoing statistics portray a somewhat encouraging picture of developments in the economy of Gibraltar last year, they do so against a background of ominous clouds overshadowing the world economy and, in particular, that of the major manufacturing countries. In an open economy such as that of Gibraltar we are bound to experience the effects of worldwide inflation. Furthermore, the strict monetarist policy being pursued by HMG and the high level of interest rates comes at a difficult time when, as I shall be mentioning later, we need to borrow extensively to complete the 1973-81 Development Programme.

However Mr Speaker, it would be wrong to end this brief economic survey on a pessimistic note. UK Defence spending is expected to increase in real terms and this could well have beneficial effects

for Gibraltar occupying as it does an important strategic position on the southern flank of NATO and giving access to first class naval training areas. We are also fortunate in that we are not producers of primary products at the whim of shifts in demand and supply for our commodities.

It is difficult at this juncture to quantify the likely effects for the economy of the lifting of restrictions by Spain. All that can be said at this stage is that the effects on the economy will need to be closely monitored.

However gloomy the world economic scene, let us, Mr Speaker, be confident in the resilience and resourcefulness of the people of Gibraltar to face and overcome the difficulties inherent in the present world recession.

It might be thought, Mr Speaker, that this economic preamble was the curtain raiser revealing a desperate state in the finances of the Government. This is far from so. If you will bear with me a little longer I hope to strike a happier note.

I turn now to the Government's financial position beginning with a brief comment on the out-turn for 1978-79.

The Consolidated Fund Balance as at 31st March 1979 was at this time last year estimated at £308,000. The actual balance on closing the accounts on 31st March 1979 was £898,000, an improvement of £590,000.

Actual revenue in 1978-79 fell short of the revised estimate by £43,000 or only 0.16% of the revised estimated figure for the year. Recurrent expenditure fell short of the revised estimate by £612,000. To this must be added a reduction of £99,000 in the budgetary contribution originally proposed for the telephone service fund, making a total saving over the revised estimate of £711,000. The net improvement of £668,000 produced by these variations was reduced to £590,000 because of a net loss of £78,000 on the management of the Consolidated Fund investments portfolio.

The revised estimates for 1979-80 show a significant improvement over the figures projected in the financial statement accompanying the approved estimates for the year. The estimated surplus is expected to rise from £1.16m to £2.6m. Despite substantial budgetary contributions amounting to some £1.2m both the Housing Fund and Potable Water Fund are now expected to be in deficit on the 31st March 1980. The former by £91,305

and the latter by £338,700, in total £430,006. The overall improvement in the value of the reserve is nevertheless still substantial and I will comment briefly on the major factors which have led to this improvement. Recurrent revenue for the year is now estimated at £32.04m; this is £2.37m more than originally estimated. The largest single increase is £1.05m from Income Tax. This arises from two factors. First, the public sector pay settlement was higher than estimated with a consequential increased yield. Second, there were a number of pay settlements in the private sector averaging out at an increase in earnings of 10%. As pointed out by my predecessor in last year's budget statement, the original estimate took no account of any possible increase in revenue from that source. Revenue from import duties continues to show an upward trend and the yield in 1979-80 is expected to exceed the estimate by £0.18m. There is an estimated improvement in departmental earnings of £0.45m: £0.25m is accounted for by increased sales by the Post Office Philatelic Bureau and £0.17m by a higher yield from the Currency Note Income Account which reflects the increase in the value of notes in circulation (from £5.65m at 31st March 1979 to a current level of £6.72m). Finally, income from reimbursements is expected to rise by £0.47m. A more substantial payment from the Admiralty to cover its share of the higher cost of running the police force will increase the yield from this head of revenue by £0.22m; the balance arises almost entirely from the recovery of expenditure incurred by the funded services.

Revised estimated expenditure for 1979-80 is £29.43m or £0.94m more than estimated. The revised estimates of departmental expenditure now include the sum of £1.82m for the 1979 pay settlement. The more significant increases are £280,000 in the Electricity Department to meet the higher cost of fuel; £210,000 as a result of the doubling of the rate of Family Allowances with effect from the 2nd July 1979 which was part of the Government's 1979-80 "Budget Package", £130,000 being the gross additional cost of the 1979 pay settlement; £90,000 to meet the increase in employers' share of contributions to the Social Insurance Fund; £60,000 for Police overtime which had been underestimated; and £58,000 payable to overseas agencies of the Post Office Philatelic Bureau on a higher level of sales. All these items of additional expenditure have already been approved by this House. The figure of £0.94m includes £112,000 for increased expenditure on pensions and gratuities payable from Consolidated Fund Charges.

All these increases, totalling £940,000, were unavoidable some were partly or wholly offset by revenue. It must be emphasised that the improvement in the Government's finances stems not merely from a more buoyant revenue position but is a direct consequence of the Government's determination to exercise tighter control over departmental expenditure. The Expenditure Committee has played and will continue to play an important role in the control of public expenditure and in obtaining value for money spent. There is no room for complacency and every effort will be made to improve budgetary control and to contain growth in public expenditure.

The foregoing figures indicate that the expected out-turn for 1979-80 is more satisfactory than originally projected. Recurrent revenue should exceed recurrent expenditure by £3.82m. After provision for budgetary contributions to the Potable Water Service Fund and the Housing Fund amounting to £1.21m the net surplus for the year is estimated at £2.6m. The revised estimated Consolidated Fund Balance on 31 March 1980 is thus put at £3.5m or £2m more than originally estimated.

A Consolidated Fund balance of £3.5m represents approximately 10% of recurrent revenue. The size of the reserve is a matter of judgement and must depend not only on the current level and cost of the Government services but also on the size of the public debt, the cost of borrowing, the general health of the economy and potential lenders assessment of our credit worthiness.

I now turn to the Funded Services.

The revised estimates for 1979-80 and the estimates for 1980-81 for the Public Utility Undertakings and the Housing Fund are set out in Appendices A, B, C and D to the printed estimates. Let us now examine the financial operations of each fund taking the out-turn for 1978-79 as the starting point.

The Electricity Undertaking Fund brought forward a surplus of £176,452 from 1978-79 when it received a budgetary contribution of £634,694. As the result of the higher tariffs introduced at the last Budget and the operation of the fuel cost adjustment formula the fund is expected to pay its way in 1979-80 and to carry forward a surplus of £101,400 into 1980-81

compared to an originally estimated surplus of £35,600. The outlook for 1980-81 is less favourable. The surplus to be brought forward from 1979-80 will be absorbed by rising costs including salaries and wages and by an increase in capital charges arising from the urgent need to develop the power services. The estimated deficit for the year is £549,000.

The Potable Water Service Fund received a budgetary contribution of £238,000 in 1978-79 but an estimated surplus of £8,500 for the year did not materialise; on the 31 March 1979 the fund showed a deficit of £58,000. Notwithstanding the higher tariffs introduced with last year's budget and a budgetary contribution of £356,300 the revised estimated out-turn for 1979-80 shows an estimated deficit of £338,700. The main reason for this was an overestimate in the value of bills issued and, to a lesser extent, higher than projected operating costs. The projected deficit as at 31st March 1981 is £957,600.

The Telephone Service fund showed a modest surplus of £11,108 on closing the accounts for 1978-79. It was possible during that year to bring to account accumulated profits from the trunk call service and to credit the fund with the sum of £199,000 from that source compared to £90,000 originally estimated. As a result of this improvement a proposed budgetary contribution of £149,000 was reduced to £50,000. The revised estimated out-turn for 1979-80 shows a slight improvement over the original estimate and the fund is expected to show a surplus of £11,200 compared to an originally estimated deficit of £19,200. There was no budgetary contribution in 1979-80.

The out-turn for 1980-81 is less encouraging. A projected increase in income will be more than offset by estimated increases in expenditure. The effects of the 1979 pay settlement, the estimated cost of a further pay settlement in 1980, rising costs generally and the repayment of amortised expenditure on the development of the service are expected to raise expenditure in 1980-81 by some 34% to £1.02m. In the result the fund is estimated to show a deficit of £187,200 on 31 March 1981.

Finally there is the Housing Fund. The out-turn for 1978-79 was very close to the revised estimated operating result for that year. The fund showed a deficit of £107,000 after receipt of a budgetary contribution of £968,000. The revised position for 1979-80 shows a deficit of £91,300.

There is little change for 1980-81. Estimated expenditure for the year is £157,000 less than in the previous year.

This reflects the Government's decision to introduce revised tenancy agreements with a view to reducing expenditure on minor internal maintenance. This saving will however be more than matched by increased expenditure on backlog of heavy maintenance under the Improvement and Development Fund. This switch in priorities from internal to external maintenance should improve the value of the Government estate and provide a better opportunity for improved productivity by the Public Works Department labour force. Income from rents is expected to rise by £75,000. The uncovered deficit on the 31st March 1981, at £699,900 is therefore less than in 1978-79 and 1979-80.

The Draft Estimates 1980-81.

For reasons already explained there has been a considerable improvement in the Consolidated Fund balance which is currently estimated at £3.5m. It is with this level of reserves that we move into 1980-81.

The outlook for that year is encouraging. Recurrent revenue estimated at £36.11m exceeds recurrent expenditure, at £32.48m by £3.63m. This is the estimated operating surplus for the year. There are however uncovered deficits on the funded services amounting to £2.39m and the net surplus is therefore £1.24m. The projected consolidated Fund balance as at 31 March 1981 is thus £4.74m. This is the basic position reflected in the Draft Estimates before the House. The Chief Minister will announce to the House during the course of this debate the policy which the Government has decided to adopt to reduce the burden of these uncovered deficits on the general revenues.

I turn now to the more important items of revenue as well as those that call for special comment. By way of general comment I should say that the review of the level of fees and charges for various Government services is an ongoing process; a number of these fees have been revised during the year 1979-80, others are still being examined.

Taxes on income are estimated to yield £14m, that is almost 40% of the Government's total revenue. The estimate is based on the current rate of collections and takes no account of possible pay awards in the private sector. As provision for £1.8m for the projected cost of a pay settlement in 1980 has been included under expenditure provision has had to be included for the Income Tax effect of this settlement which is estimated at £1.3m for the whole of the public sector.

The estimate for indirect taxation is as usual based on

the yield in 1979-80 with an appropriate addition for the effects of inflation on ad valorem duties

The estimated substantial increase in the yield from Head 5. Revenue from Government property reflects the Government's intention to review charges for hostel accommodation. These charges were last increased in 1978. It is essential because of rising costs to introduce the higher charges early in the new financial year.

Total revenue from Head 6 Departmental earnings shows very little change from the revised estimate for 1979-80 or indeed from actual collections in 1978-79. An estimated drop in revenue of £150,000 from the Philatelic Bureau is largely offset by a number of increases under various items of revenue within this head. Worthy of mention is the currency note income account which in 1980-81 is expected to yield some £700,000. As I said earlier this increase in a very useful source of revenue reflects the growth in the value of notes in circulation and the prevailing high rates of interest.

Revenue from Head 7, interest, is expected to be slightly more than twice as much as in 1979-80. There are two reasons. First, the income from Consolidated Fund investments is expected to rise by £150,000 from £200,000 because of the improvement in the Consolidated Fund Balance and the current high rates of interest. The estimate assumes that these rates will not vary substantially throughout the coming year. Second, the interest recoverable from the funded services for amortised expenditure will rise by some £200,000 from £114,000.

Finally, a brief comment on Head 8 Reimbursements which projects an increase of £350,000 over the Revised Estimate for 1979-80. This results mainly from increased expenditure by the Public Utility Undertakings. The expenditure is recoverable by the Consolidated Fund in accordance with the regulations governing the financial operations of the undertakings.

Total estimated recurrent expenditure for 1980-81 is £32.48m: £3.65m more than the revised estimate for 1979-80. It provides £1.8m for the estimated cost of the 1980 pay settlement. As in previous years this figure can only be regarded as a tentative estimate: the actual cost of the settlement will clearly depend on the increases to be awarded to the numerous grades concerned and the possible staging of any such award. There is no provision for any budgetary contributions to the funded services in the recurrent expenditure.

Departmental estimates now reflect the full impact of the 1979 pay settlement and accordingly show significant

increases over the approved estimates for 1979-80. The largest increase is in expenditure from Consolidated Fund Charges which now includes at 04 miscellaneous subhead 3 £536,000 being the cost of the employer's share of contributions to the Social Insurance Fund. Provision for these contributions was previously provided for under the Treasury. This Head also reflects the higher cost of servicing the public debt. The latter reflects the cost of servicing an additional £2m borrowed in 1979-80 to meet the local costs element of the Improvement and Development financing and the proposed borrowing of £4m in 1980-81 for the same purpose. The cost of pensions and gratuities also payable from Consolidated Fund Charges continues to increase significantly as the result of the higher level of salaries and wages and the annual award of increases related to movements in the cost of living index.

The second substantial increase is to be found under Head Electricity Undertakings Subhead 5 Fuel and Fuel Sundries. This reflects the rising cost of fuel. However, the application of the fuel cost adjustment formula, enables the Electricity Undertaking Fund to recover increases in the cost of fuel from consumers.

As mentioned earlier in this speech there is a substantial reduction in recurrent expenditure by the Housing Department. This is explained by the Government's decision to accelerate the pace of work in the backlog of heavy maintenance programme, met from the Improvement and Development Fund, and at the same time to reduce the Government's commitment for internal repairs.

The Improvement and Development Fund.

Total estimated expenditure from the Improvement and Development fund in 1980-81 is put at £9.8m. £5.6m of this amount falls to be met from CDA grants and the balance from local funds. To complete the 1978-81 Development Programme a further £13m will be required of which some £9m will fall to be met from local funding. The total net public debt at 31st March 1980 was some £6.6m. This sum already includes £2m borrowed from Barclays Bank International Limited last financial year. It is intended to raise some £2m internally from the Note Security Social Insurance and Post Office Savings Bank Funds. The balance will probably need to be raised partly on the London Market by borrowing and partly through export credit guarantee department loans for power development and the international subscriber dialling service. An enabling Bill will be brought to the House later this year.

I mentioned earlier the heavy cost of borrowing on the London Market now that the minimum landing rate is at 17%. We are currently paying slightly over 19% for loans, negotiated on the open market. If these high interest rates

continue and the best indications are that there will be no substantial fall in interest rates over the next few years, we shall need to review the extent to which we should borrow commercially.

It is because of the quantum of this projected borrowing that we need to ensure that the Consolidated Fund Balance remains at a level which will enable the Government to meet servicing costs as well as demonstrate its credit worthiness to potential lenders.

I should make it clear to the House that the Estimates were prepared, scrutinised, approved by the Council of Ministers and then circulated to members before it was known that Spain was proposing to suspend restrictions against Gibraltar. Clearly the lifting of restrictions will necessitate some amendments to the Estimates. During the course of the Committee Stage of this Bill an amendment will be proposed for consideration by the House. I will mention the nature of these shortly. At the same time the Treasury and all departments will need to monitor the economic situation and the implications for both Government Revenue and Expenditure closely throughout the year and to keep the House fully apprised of the position.

I would like to remind members of the House that the field work of the input-output study of our economy will reach its final and most important stage during the course of the next two months. It may appear that this study has lost its value in the context of likely changes in the economy once Spanish restrictions are lifted. This is by no means so. The study is still critical to give us a detailed insight into the structure of the economy and the inter-relationship between the various sectors. This information will enable us to assess the impact of the lifting of restrictions on the economy as well as identifying those areas of economic activity which should be stimulated and developed.

Now for the Hansard record Sir, I will summarise the Government's financial position and changes to the Estimates as they will appear in the Revised Financial Statement which will be circulated as soon as the Honourable and Learned Chief Minister has spoken.

I am now able to be much more accurate about certain revised estimates than when the Estimates were printed a month ago. Actual collections to the 31st March on Income Tax are now expected to fall short of the figure shown on page 9 of the Draft Estimates by £100,000. The Revised Estimate is £11.4m. But there are a number of improvements totalling £222,300. The more important is £130,000 from import duties. Other minor improvements are Head 3 Subhead

1 General Rate £29,500; Subhead 2 Salt Water Charges £12,200; Subhead 7 Taxes, Companies (Taxation and Concessions) Ordinance £16,600; Head 4 Licences, Subhead 5 Wireless £6,000; Head 6 Departmental Earnings Subhead 26 Post Office Savings Bank - surplus £18,000. The accounts for the Savings Bank have not yet been closed. Nevertheless, it is now possible to assess the operating result for the year on the basis of actual figures for deposits and changes in the value of investments. The revised figure for the year is: £30,000. Finally, there is an improvement of £10,000 on interest from Consolidated Fund investments which is expected to produce £210,000. The net improvement on the revised Estimates of Revenue for 1979-80 is thus £122,300. The net operating surplus for 1979-80 is accordingly estimated at £2,725,900 and the Consolidated Fund Balance on the 31st March 1980 is put at £3,623,923.

Given the revised revenue figures it is desirable to reconsider the Draft Estimates for 1980-81 in respect of certain revenue items. In particular the estimate for import duties for the coming year can be increased by £150,000 to £5,450,000. Other minor changes will be made to the estimated yield from the taxes - Companies (Taxation and Concessions) Ordinance and to Wireless Licences. The former will improve by £15,000 and the latter by £5,000. The revenue improvement is therefore £170,000. But as a result of additional capital expenditure to be incurred on behalf of the Electricity Undertaking Fund which I will explain shortly, the Revenue Estimates under Head 7 - Interest from Public Utility Funds must be increased by £12,400 and under Head 8 reimbursements Subhead 9 Public Utility Funds - Electricity by £9,200. The total estimated increase in revenue for 1980-81 is therefore £191,600.

There are also two changes to be made to the Draft Estimates of Expenditure in respect of the Education and Medical Departments. The amount provided under Head 3 Education Subhead 6 as a contribution to the scholarships fund is being reduced by £40,000 as a result of the British Government's decision not to apply the higher tuition fees to students at universities from the EEC. In the Medical Department it is necessary to improve and rationalise the Dental Services and provision is being made under Subhead 82 Dental Equipment for £20,000 to meet the cost of providing new dental equipment at the Health Centre. The necessary amendments to the Appropriation Bill will be moved at a later stage in these proceedings.

The Improvement and Development Fund estimates of expenditure for 1980-81 also require to be amended.

The announcement that Spain proposes to suspend restrictions will give rise to essential expenditure on customs control at the Frontier as well as the provision of car parks. Other works may be necessary to cope with an increased flow of visitors. Accordingly provision is being made under Head 104 Miscellaneous Projects Subhead 11 Restoration of Communications with Spain for £250,000. This item will be reserved and funds released on proof of need to the Treasury. The House will be kept informed on the need for the utilisation of these funds.

Since the Estimates were prepared the Government has been able to consider fully in consultation with its advisers how best to proceed with urgent repairs required on No 11 Engine at the Generating Station. It is intended to purchase a new crankshaft at a cost of £92,000. This is the expenditure which I mentioned earlier in connection with the Electricity Undertaking Fund account and its effects on the estimated revenue for 1980-81. Finally, it is also necessary to provide £4,000 for site investigations at Bayside in preparation for the proposed building of a number of bedsitters in the area.

Total expenditure from the Improvement and Development Fund for 1980-81 is thus expected to rise by £346,000 to £10,129,182. The fund is now expected to be in deficit by £184,886 on the 31st March 1981. The Revised Financial Statement will show the new position. The Appropriation Bill will also have to be amended to provide for the new services I have described.

I take this occasion, Mr Speaker, to thank all the members of my staff, Ministers and Heads of Departments and all the 'backroom' boys who never come to public notice for the help they have given in the preparation of the Estimates now being considered by the House. The Estimates and my speech are the product of many weeks of hard work, long discussions and compromises. As a newcomer to the Gibraltar scene I have in many areas had to be led gently by the hand to avoid the snares and pitfalls that are found in every economy but are not immediately apparent to the uninitiated. I owe a great debt of gratitude to all who have helped me and in particular to the staff in my immediate office. To them and to you all I say thank you.

Mr Speaker I commend the Bill to the House.

MR SPEAKER:

I will now call on the Chief Minister to make his contribution.

HON CHIEF MINISTER:

Mr Speaker, the draft Estimates of Revenue and Expenditure now before the House were as the Hon the Financial and Development Secretary has stated, formulated before there was any indication that the restrictions might be removed in the near future. The announcement on the question of the restrictions came only eleven days ago and, while the new situation will no doubt bring about changes in the pattern of our economy, it would obviously be premature, and wrong, to attempt to re-cast the estimates until the changing pattern can be discerned more clearly and with greater certainty. If adjustments are seen to be necessary as the situation develops, we will come back to the House; in the meantime, it is the Government's intention to proceed with the estimates as drafted, subject of course to the amendments that the Financial and Development Secretary has already indicated.

Our economic policies must, therefore, be seen as being conceived in pursuance of aims conditioned by circumstances as they have existed and continue to exist up to now. Thought is, of course, already being given to the changes that are likely to take place in the future so that any adjustments of policy that may be required might be made promptly.

Before outlining the Government's policies and proposals for the coming financial year, I would remind the House of the main planks of the Government's budget policy at this time last year. The Government was advised by the then Financial and Development Secretary - and, as we all know, the figures amply justified his assessment - that we were in a difficult, even grave, situation. Perhaps the most significant and depressing feature was the Consolidated Fund balance on 31 March 1979. The original estimate had been £1.6 million: the revised estimate was £300,000. On closing the accounts the actual balance on 31 March 1979 was £898,000.

Faced with these figures, and of course only because of these figures, the Government had to take quick and determined action both to increase revenue and to curtail expenditure. Neither of these courses was popular but to have failed to take them, in the situation before us then, would have been rash and irresponsible. We increased the charges for electricity, water and telephones and raised the rents of Government housing. We introduced a package on Income Tax and Family Allowances which, while benefitting those in the lower income groups with families, would raise additional revenue from those who could afford it. We taxed the luxuries - tobacco, alcohol and gambling. We

levied extra charges on the motorist. We brought television licence fees up to a more realistic level. We introduced a 20% surcharge on general goods except clothing and footwear.

Our policies last year were based on realism and fairness: the realism of facing up to a very serious situation and the fairness of placing the main burden of additional taxation on non-essentials as well as of providing relief to those with lower incomes and families to support.

So much for revenue raising. In so far as curtailing expenditure was concerned, it will be recalled that I announced the appointment of a committee, under the chairmanship of the Minister for Labour and Social Security, charged with the task of examining Government expenditure right across the board and to select those areas in which expenditure could be reduced or eliminated. A parallel committee of officials was appointed to make detailed departmental investigations into the working of overtime with a view to eliminating all but the most essential.

The result of these measures, designed to keep Government expenditure to the minimum, was to hold supplementary provision throughout the year to about £1m, representing 4.2% of total expenditure compared with annual supplementaries over the last 3 years averaging 15% of expenditure.

I want to take this opportunity to pay particular tribute to my Hon Friend the Minister for Labour for his conscientious, determined and successful work in the very difficult area of reducing and containing public expenditure. I wish to thank also all those who assisted him in this task in the Expenditure and Overtime Committees.

Although, as Hon Members will have seen from the draft Estimates, our financial position today is better than had been expected, it is my intention to keep in being both the Expenditure and the Overtime Committees. They will continue to meet regularly and to apply the same strict criteria as last year.

Unpopular though our measures of taxation and curtailment of expenditure undoubtedly were, it is clear that, generally speaking, and as I predicted at the time, the increased charges were absorbed by the average household - mainly because of pay increases arising from parity - without too great difficulty. I think that today we can afford to express some satisfaction at the results of the policies we adopted last year. This would,

I think, have been fully justified even if we had succeeded only in achieving the aims we had set ourselves, ie a projected Consolidated Fund balance of £1.2m at 31 March this year. As it happens, the estimated balance is of the order of £3.5m.

As the Hon Financial and Development Secretary has explained, in his very lucid and interesting report, the main reason for this improvement was an increase in revenue of some £2.4m whereas expenditure increases, as I have said, were held to about £1.0m. A little under half of the increase in revenue is attributable to direct taxation. There were also marked increases in reimbursements, interest and departmental earnings. Provisions for supplementary expenditure were held to a lower level both in money and real terms than in the last few years.

Our policies for the coming year, as will be seen, will continue to be based on realism and fairness. We have added one further dimension this year: a degree of consolidation.

In so far as expenditure is concerned, the Expenditure and Overtime Committees will, as I have said, continue their sterling work. I believe and trust that they will find their work a little easier this year because I think that those who are at the receiving end of their activities are under firm and direct instructions from me to ensure that every possible effort is made, at every level in every department, to achieve the utmost economy in public expenditure. During the course of February and March I held meetings with Ministers and Heads of Department and senior officials who work to Ministers and impressed upon them the need to concentrate on three main issues:

- (1) greater efficiency in carrying out departmental responsibilities, which of course in itself leads to economies;
- (2) greater and constant awareness of the need to contain the growth of public expenditure; and
- (3) a greater awareness also of the need to keep the public informed of departmental activities.

In so far as the last of these is concerned, some sectors of the press, who, rightfully, are demanding in the service they expect from the Government, have already commented on the improvements which have been achieved. I hope that further improvements will be made. As to the efficiency of departments, I have no doubt that all

concerned are fully aware of what is expected of them and that even higher standards of performance than in the past will be achieved. What concerns us most closely today - the containment of public expenditure - will also, I am certain, be borne very much in mind by those who are responsible for the administration of public money as well as by those who monitor that administration.

To look now at the figures for 1980-81, the estimated operating surplus, after allowing for uncovered deficits on the Funded Services amounting to £2.4m, will be £1.24m. This is better than last year's projection but, as I have said, it is our carefully considered view that this year there is a need for consolidation and for setting our finances on a firmer and more stable foundation than has been possible in the recent past.

It must be apparent to all that, with a few exceptions - for whom we shall be making reasonable provision - the continuation of parity of pay on the one hand and the degree of business activity on the other together add up to a general prosperity. This cannot be denied. Nor can anyone deny either that the provision made last year for the Consolidated Fund balance was minimal, not to say even risky. It is therefore our intention, as I have said, to consolidate and build upon both the more satisfactory out-turn for last year and on the general prosperity which exists.

The view could be taken that, in general terms, the re-opening of communications with Spain and the development of normal economic activity in the private sector will be beneficial to Gibraltar's economy. I would not dissent from that general view but there are two good reasons why this should not deflect the Government from the course it had set itself when formulating these estimates. The first reason, as I have already explained, is that we must wait and see; the second is that prudence demands that, whatever happens, we build up a more reasonable reserve than in the past. If in fact, and as is to be hoped, Gibraltar's economic prospects improve that will be a bonus. In any case, with so many unknown factors that may arise out of the opening of the frontier it is vital that we should be in a strong financial position to meet any unexpected eventuality.

I do not wish to alarm the House. What I have said does not mean that this is going to be a tough budget; certainly not the kind of budget that people have been led to expect by the suggestions made before the general election to the effect that that election had been called in order to enable a power-hungry party to regain office and then impose harsh measures on the electorate. That is not the case at all.

First of all, it was already clear to me at the time that the position was going to be better than we could have expected, and indeed was predicted, last year; secondly, in recommending a dissolution of the House, I was motivated solely, as I made clear at the time, by the additional costs and by the practical aspects of having a bye-election and, within a relatively short space of time, the general election which would have been necessary in any case. Indeed, had I not considered that the reasons I have referred to were public interest considerations, purely political thinking would have pointed to a bye-election followed by a general election later this year after what was likely to be a not too unpleasant budget. We do not, however, indulge in this kind of political playing about and, in any event, we were confident that the Gibraltar electorate, with its well-known wisdom and common-sense, would have made the same choice in autumn this year as they did in February.

The actual measures that we are proposing to the House are consistent with our economic philosophy. In my statement on the estimates two years ago I said that the funded services should be made self-sufficient in gradual though substantial stages, depending on the way the economy developed, and that it was beyond question that a progressive reduction of subsidy to final self-sufficiency had to be our aim. We went some way in this direction last year when I stressed that electricity, water, telephones and housing are commodities, no different from others such as food and clothing, which must be paid for by the consumer.

We continue to pursue this policy again this year.

In so far as electricity is concerned, a budgetary contribution of £265,000 will be made mainly to offset that part of the deficit on the Electricity Undertaking Fund which relates to power development. The balance of the projected deficit of £570,500 will be met by a modest increase in tariffs which will add about £2 to the monthly bill of the average consumer.

We will continue to subsidise the potable water service for the domestic consumer at an estimated cost of some £600,000 in 1980-81. This is generous by any standards. The tariff for all non-domestic consumers will be increased to cover the costs of this service and that for domestic consumers increased by around 23% which will represent an increase of 75p a month for the average consumer.

Pending the outcome of discussions with Cable and

Wireless on the Government's share of trunk call fees, part of the additional cost of running the telephone service will be passed on to subscribers. Tariff changes of 15% on rentals in order to achieve this will be introduced later in this meeting of the House. The additional cost will be of the order of £135,000.

In so far as housing is concerned, the provisions in tenancy agreements requiring tenants to meet the cost of minor internal repairs and maintenance will be strengthened and more firmly enforced. This will enable the Government to redeploy its funds and labour to the more essential tasks of external and heavy maintenance on the government estates. Provided that progress can be made in the course of the year in implementing the Government's new proposals that will shortly be announced for the sale of flats to tenants it is not intended to increase rents this year. The situation will however be reviewed in October. If progress in the sale of dwellings is not satisfactory, some increase in rents will be essential to keep pace with building and maintenance costs. The estimated deficit on the Fund in 1980-81 is £699,900. A budget contribution of £700,000 is proposed.

The Government's aim is a Consolidated Fund balance of between five and six million. This is, in our view, modest, prudent and necessary. The Hon Financial and Development Secretary has referred to the need for substantial borrowing and for this reason alone, that is to say, that we establish our credit-worthiness as a Government and as a community, a reasonable reserve is desirable. There are, of course, other reasons as well.

The measures I have described in respect of the public utilities will reduce the budgetary liability for 1980-81 to £1.57m and the Consolidated Fund balance on 31 March 1981, allowing for this reduction and the changes announced by the Hon Financial and Development Secretary, will rise to £5.89m.

There has for some time been growing pressure both inside and outside the House for improved income tax allowances. The changes to the Income Tax Ordinance made in the Finance Bill 1979 provided for a more graduated system of income tax. Personal allowances were increased but these increases were to a great extent offset by higher rates of tax. The financial position last year precluded any substantial relief except for those with large families or on low incomes. In the light of the improved financial position reflected in the 1980-81 Estimates, I can now announce, against the measures I have described, that we propose to provide relief on Income Tax Allowances and Family Allowances in order, once again, to help those with

family commitments. As far as Income Tax is concerned, there will be an additional £100 for a single person, £200 for a married person and £50 for the first child. Family Allowances will be increased by £1 per week per entitled child. The tax relief and the increased Family Allowances will represent benefits to the taxpayers amounting in total to £820,000 this year and to £1.1m in a full year. There will therefore be a need for some increases in indirect taxation if we are to achieve a reserve of about £5.5m which, as I have said, we consider to be prudent and necessary.

The programme presented in the draft Estimates reflects the Government's determination to increase Gibraltar's stock of social capital in the form of housing and schools. At the same time a start will be made on the construction of the first phase of a new generating station at No. 5 jetty North Mole and the installation of a Subscriber International Dialling Telephone System.

The estimated expenditure on development projects in 1979-80 was £4.5m. That is an improvement of 70% over the previous year's figure of £2.6m. During the last financial year contracts totalling £10.8m were awarded for projects financed from the Improvement and Development Fund. Of this amount £9.6m was for new projects and £1.2m for modernisation or renovations. The Girls' Comprehensive School represents slightly less than half of the amount for new projects.

Total projected expenditure on the Improvement and Development Fund for 1980-81 is £10.12m. Whether or not this target will be achieved depends very much on the performance of contractors and the supply of materials from outside Gibraltar. In detailed and probing discussions with consultants and contractors the Government has been assured that the expenditure target can be met. I can assure the House of the Government's determination to ensure that the work represented by this expenditure figure is carried out during this financial year.

The Financial and Development Secretary has pointed out that it is currently extremely expensive to borrow. There are no indications that interest rates are likely to fall significantly in the immediate future. Too heavy servicing charges of the Public Debt could impose constraints on future fiscal policies. If the spending targets are met and interest rates continue at their present levels, the Government considers that it would be prudent to reduce borrowing on the open market to the absolute minimum for as long as possible. It is accordingly proposed to borrow at least £2m from internal

funds, namely, the Social Insurance Fund, the Note Security Fund and the Savings Bank. During the course of the year the situation will be kept under close review and, should the need arise, the Government may approach the House with a view to a transfer of funds from the Consolidated Fund to the Improvement and Development Fund. But that will only be done when it is clear that this is absolutely necessary.

Additional funds will be required for increases in staff for Immigration, Customs and Labour and Social Security. This will be necessary to ensure that the requirements of the new situation will be met with efficiency and for the convenience of tourists and the public generally. The strengthening of staff will also serve to ensure that adequate controls are exercised both in immigration and in the taking of all reasonable measures to further the smooth development of legitimate trade but at the same time to prevent Gibraltar being accused of illegitimate trade.

The new situation means that, to some extent, we are entering into the unknown. We do so with confidence and in the knowledge that, working hard and closely together, our unity as a people will enable us to preserve a secure and prosperous Gibraltar.

Thank you, Mr Speaker.

MR SPEAKER:

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

HON G T RESTANO:

Mr Speaker, first of all I would like to associate myself with what was said earlier wishing a speedy and full recovery to Mr Abecasis. I would secondly like to congratulate the Honourable the Financial and Development Secretary on his very full and detailed account of the state of our affairs and also for his comments on the worldwide implications such as they affect Gibraltar.

This, Mr Speaker, is an unusual budget. I realise that when the Estimates were processed it was not known that the frontier restrictions would be lifted. But the frontier restrictions are going to be lifted and the economic repercussions that they will have on Gibraltar as a whole will be quite acute, and in fact the consequences of lifting those restrictions on the

revenue and expenditure will mean that the exercise that we are going through today of the Estimates of 1980-81 may well perhaps be a rather unrewarding exercise. The expenditure which the Government will have, has been estimated at a notional £250,000 to cover the contingencies of an open frontier. I think that that is if I may say so, a very conservative estimation, and I think that little has been estimated about the possible revenue. I agree that it is a very difficult situation but I would have been happier to have had some more details from the Government side as to exactly what - rather than monitoring at the time which of course is necessary - calculations or what estimations has been done as to now for the consequences of the lifting of restrictions.

Now, as presented the Estimates this year represent a very much healthier position than they did last year. And this of course has been explained by both the Financial Secretary and the Chief Minister by the heavy taxation, the harsh budget that we were faced with last year, and the directives which were given to the two committees, the Expenditure and the Overtime Committees, which as the Chief Minister said consisted of three points: greater efficiency, and the great need to contain public expenditure. Well of course this is what we have been saying from this side of the House for the past 3 years. And I know that it has taken a long time for that advice to at last sink in, but I am glad and pleased that at last it has. But that money which has been taken from the taxpayers in the past should now be given back to the taxpayers. I don't think that there is any justification for having such a high balance in the Consolidated Fund. I think that the little that is going to be given back to the people - £100 in personal allowances, and £1 per week in Family Allowances - falls well short of the income tax personal allowances in the United Kingdom. And after all if we have parity in wages we should also have parity in taxation. I do not think that those personal allowances go far enough. I hope too that the Government, in accordance with their inferences before the elections, also take into account the position of those excluded pensions. Because at the time I remember there were certain inferences that those excluded pensioners would be helped. I remember the Chief Minister on television saying or implying that he would certainly look at their position very sympathetically, and I hope that he has looked at their position sympathetically and he will be able to say what exactly he is going to do for them. I hope it was not just an implication before election, I hope he really meant it.

Now, the Chief Minister also said in his speech that it

would be necessary to increase a certain amount of indirect taxation. I hope that when he does it he bears in mind that perhaps very shortly the frontier gates will be lifted and it is important that we do not price ourselves out of the market. It is important that we are not selling things in Gibraltar more expensive than on the other side of the border.

Mr Speaker, I would like to refer to some comments which were made in the Principal Auditor's report which I think are relevant to this budget. The Principal Auditor has for some time now been complaining that his staff is inadequate to carry out what in his opinion is a necessary and appropriate audit on all departments. I think this is very important, Mr Speaker. I think it is important to have all departments thoroughly audited, their accounts thoroughly audited. This is helpful to the Government, it is helpful to departments themselves, I think, and I think it is a false economy for a department such as the Audit Department, not to have a sufficiently large quota of staff to carry out their duties fully.

A criticism that has come up time and again has been the lack of General Orders in Gibraltar for the Civil Service. In the light of the fact of the lifting of restrictions, it is I think extremely important, and I am sure that those committees which are tasked to reduce expenditure and to look into overtime, would be very happy to see General Orders available to all the Civil Service. These General Orders relate to allowances, leave, sick leave, and so on, and I think it is important that those Orders should be available. And the same thing applies to Stores Regulations. How can we expect, the control of stores if officers concerned do not have proper regulations to guide them on how exactly to verify those stores.

One aspect which has been brought up, Mr Speaker, and I shall be grateful to the Minister for Public Works for an explanation when he makes his contribution, of how it is that the discrepancies are so great between a tender award and the increases before the actual work is completed. I know that in certain instances increases in wages or perhaps the higher cost of materials are sometimes included in the tender conditions but I would have thought that that was the purpose of having a tender in the first place, to know exactly what a particular work which is going to be put out to contract is going to cost the Government. I think it gives a distinctly wrong impression about the fairness of tender procedures. If a particular job is thought to cost the Government say £100,000 when it ends up costing £180,000 when the original tender has been put in. I think that needs to be looked into very carefully.

I have another question which arises out of the Auditor's report to make to the Government, and that is with relation to the Varyl Begg Estate: the dispute between the contractors, the Government and the consultants. I find that the Principal Auditor says that.....

MR SPEAKER:

No, you have got to be very careful. We are not going to discuss the Principal Auditor's Report now at the Second Reading of the Appropriation Bill. You can make a general comment, but not debate it.

HON G T RESTANO:

I am going to make a general comment on part of what he says. Mr Speaker, he says on page 24 of the report: "the cost of the work is not known and its apportionment will be subject to negotiations with the consultants and the contractors, however, it appears that there will almost certainly be a liability to Government in respect of at least part of the cost." Now, I would like to know whether this is in fact Government policy? And if it is Government policy that Government should pay part of that work then I would like to know how that policy has been reached?

Turning to the funded services, Mr Speaker, the situation is certainly not very bright, and certainly in the Electricity Undertaking I am surprised when I consider that the Chief Minister said last year that it was proposed that the Electricity Undertaking should be self-sufficient, to find that from a loss during last year of about £75,000, the deficit for this year is £549,000 plus the surplus that was brought forward from the previous year. So that in fact the deficit for the year appears to have been £650,000, and this coming after a statement from the Chief Minister last year that the department, after all the increases that had been charged to the public last year, would be self-sufficient, and also another statement, I believe by the Minister, who said that the fuel cost adjustment charges would certainly cater for any increases in fuel. So it would appear that that particular undertaking is either perhaps not as efficient as it should be, or possibly that there was certainly gross miscalculations on the part of the Government last year when they said that the fund would be self-sufficient.

The Potable Water Service Fund, that of course is losing: we are physically losing water in Gibraltar, we have been for a long time. I believe it is now round about anywhere between 22% and 25%. I consider that this is still rather high. I think that in the days when the City Council used to run this account 15% losses was considered to be

acceptable. But certainly going up 20% to 25% is certainly not acceptable and I would like to know in fact whether the committee which was formed to look into the losses of water is intended to be continued or whether it is intended to discontinue it.

In the Housing Fund I notice that the backlog of heavy maintenance is going to be reduced. I would perhaps leave this until the Committee Stage to find out a few more details.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of clarification, Mr Speaker, I think the Honourable Member said that the funds for the backlog or heavy maintenance were going to be reduced. I think I made it quite clear, as did the Honourable Chief Minister that they were to be increased substantially.

HON G T PESTANO:

I misunderstood, I believe it was internal heavy maintenance that was going to be reduced. Mr Speaker, I just want to say a few words about the Medical Department. There are two aspects of the Medical Department which I want to talk about. First of all, the largest expenditure figure for the Department is drugs, dressings and pharmaceutical sundries. I do not in any way wish to state that I want that figure reduced in that medicines to the general public should be reduced. However, as we know in the medical world there are certain drugs which have a brand name and some of those drugs can be purchased under their generic name which is the general name for that particular drug, in fact, there is panadol and paracetamol, they are exactly the same medicine but panadol was the first one on the market and therefore it is known but, in fact, the branded medicine is much more expensive than the generic. In the United Kingdom it is the practice for all the prescriptions of doctors to go to a centralised panel in the north of England where, this is a Government panel made up mainly of doctors themselves who look into the prescriptions of doctors throughout the country and if they find that certain doctors are prescribing branded rather than generic medicines or perhaps if they are over-prescribing, they then address correspondence to the doctors concerned in order to try to reduce the Government spending on those items. The other part of the Medical Department which I find could be leading to a certain amount of abuse is the private practice which is going on at the moment, so one gathers. I have had cases which I have referred to the Minister where I feel that consultants who come to Gibraltar, paid by the Government, I am not saying that we should not have any private

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practice at all but I think that with any private practice it should be strictly enforceable that it should be after any patient who goes through the Health Centre are attended to and there should be no abuse, it should be absolutely clear that all Health Centre patients should be attended first and of course there should be no inducement for any patient to go privately because he is going to be seen more quickly, that I think should be clear. I have heard people saying; "I have gone to the Health Centre but I've been told that if I go privately I will be seen quicker". Well, I think if the Government is paying for a consultant to come out to Gibraltar then it should be ensured that the patients of the Health Centre should be seen first. I must welcome the major feasibility study that is going to be made at the Port and I think it is a good idea, I think it is very necessary and I await with interest the comments of the Minister for Trade. Thank you, Sir.

MR SPEAKER:

Perhaps I would like to explain since this is only the second year which we are pursuing this particular practice, that it is the time now to talk about the general principles and merits of the Bill on both sides because when we go into Committee I most certainly will adhere to the rules and we will then confine ourselves exclusively to the particular items appearing in the Estimates of Expenditure.

HON CHIEF MINISTER:

Mr Speaker, apparently some of the Ministers who have had to work over the weekend haven't got their papers ready back from the Departments so it might be helpful to adjourn now so that they can better deal with the matter.

MR SPEAKER:

I have always heard the Opposition say that they always welcome the Ministers making a statement on their Department. If they are not in a position to do so now, I think it would perhaps be opportune to recess now.

HON P J ISOLA:

We are still waiting for the copies of the Chief Minister's statement, it hasn't been circulated. I understand that is coming.

HON CHIEF MINISTER:

I will make copies available straight away. They are being

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prepared.

The House recessed at 1.00 p.m.

The House resumed at 3.30 p.m.

MR SPEAKER:

I will remind the Honourable Members that we are on the debate of the Second Reading of the Appropriation Bill.

HON DR R G VALARINO:

I would like to deal with the three aspects of my department: the Generating Station the Fire Brigade and the Telephone Service. I am rather surprised by the poor contribution made this morning by the Honourable Gerald Restano when talking about the FCA and there were certain inaccuracies there which I would like to correct. The FCA is triggered when there is an increase of 5% above datum. Any decrease above this figure is automatic. Therefore, an increase of 5% above datum is passed on to the consumer, any decrease is automatically passed on to the consumer and therefore the consumer benefits in that respect. In May 1979, and in fact in July, 1979, we had two increases in the FCA and fortunately, or unfortunately depending on the point of view you are looking at it, these did not trigger off the FCA. Therefore, the additional cost of the oil is passed on eventually to these undertakings. For this reason alone the FCA does not cover all the extra cost of oil supplied at the Generating Station. Secondly, there is a time lag. Depending on when increases are notified to us there is obviously a time lag between the time of notification and the time of increase. Let me give you an example. With effect from the 3rd January we were notified that we were going to have a large increase. This was not passed on to the consumer until February. From this date until February, the undertaking had to suffer the extra cost. These are two reasons why part of it is not covered by the FCA.

HON G T RESTANO:

Mr Speaker, the Minister says that the FCA does not cover all the aspects but he certainly said in last year's budget, that the FCA - and I will quote from Hansard because I think we should be quite accurate on this - "as it is now with a new formula no such deficit" - I am quoting page 283 of the Hansard: "no such deficit" - this is on the oil - "will occur as the increase will cover those oils," or one oil, he was talking about the FCA, he was talking about all the

increases in the price of fuel, so perhaps if it was inaccurate then and accurate now, could he perhaps give the exact explanation.

HON DR R G VALARINO:

Mr Speaker, that was a general statement considering the amount that oil was costing us over the years. This is a detailed statement to show him the various differences, and though I stated at the time that that was a general indication, there are certain minor things which are not covered by the FCA. I would like to bring this to the Honourable Member's notice so that he understands it.

The third question is also that the ratio can vary as far as the FCA is concerned. The FCA formula is based on a ratio of 90% heavy oil and 10% light oil. This may alter depending on the availability of plant. Therefore the ratio instead of being 90% - 10%, could well be 85% - 15%, and this would obviously not be taken into account by the FCA. This is another reason why the FCA does not totally cover the requirements.

Now, let me say at this stage that Government is satisfied that the FCA is at present working well. But let me also add that the formula may need revising in the future. Secondly, in the Honourable Mr Restano's brief intervention this morning, he mentioned - and I believe he quoted - that the Chief Minister has said that Funded Services, including Electricity, were not going to receive any budgetary contribution. Let me quote - as he likes quoting - page 215, where the Chief Minister said "we said last year, and we would pursue a policy of progressive increases in public utility charges with a view to making them eventually as near self-supporting as possible". Therefore the Chief Minister indicated that it was the aim of Government to make them as fully self-supporting as possible. But certainly we did not say that budgetary contributions would not be needed at future dates. The Chief Minister then referred to the year in question, last year, and said that there wouldn't be any budgetary contributions last year but as to further years he was unable to give details in advance.

We have had throughout the year various motions, questions, debates, motions after the adjournment, on the Electricity Undertakings. There are a couple of things - and I think we have dealt with this Undertaking enough and I think Members know quite a great deal about this - but I would like to say two very important things, and in fact I am sorry that the then Hon Joe Bossano is not here to hear one of them. The first one is that industrial relations at the Generating Station are being looked at in a joint

exercis: of Union, Management and Staff. The Government have at present in the Station, representatives of the Industrial Relations Office, the Management Services Unit, and they will provide a report for Government on the working conditions at the Generating Station. Secondly, and most important of all, and finally on this subject, I am glad to say that specifications for the new Generating Station are progressing extremely well. These specifications should be ready soon and tenders will follow subsequently so that in future we shall be able to enjoy the benefits of the new Generating Station on No 5 Jetty, as I have previously said in answer to a question in the House.

Now, Mr Speaker, to deal with the City Fire Brigade. The City Fire Brigade has reduced its working week from 56 hours to 48 hours and has increased in establishment to maintain the required operational availability. The total establishment of the Brigade now stands at 82. As you all know, 1979 was an extremely busy year for the Brigade as they had to deal with a series of major fires in Gibraltar. They did so extremely competently and I am sure that all members of the House can only be grateful for the prompt attention and expert service that our City Fire Brigade is able to provide. In fact last year they turned out to a total of 209 fires. Not only that but the Fire Prevention Department has carried out 673 inspections relating to the various sections of legislation, and overall, the standard of fire prevention is now much improved.

Going back to questions in the House I would like to say that all Government-owned domestic units will be supplied with a fire extinguisher during 1980. These extinguishers are now held in store by the City Fire Brigade and distribution will commence before the end of April 1980 starting with the Alameda Housing Estate. The whole distribution will be completed by the end of the year, and an annual inspection of each extinguisher will commence by the City Fire Brigade in 1981. Finally on this subject, and I think on a very important note let me add, 4 officers from the Brigade received training in the UK under Technical Assistance and the results obtained by these officers were excellent. Not only were the results excellent but it also helped us to provide local training to a very high degree. In particular the training of the last 12 recruits proved a great success and proved that the department now is certainly qualified and experienced enough to organise and instruct a three month recruit course.

These are two aspects of my responsibilities as Minister for Municipal Services and I am proud to be able to say that with the City Fire Brigade and the development of a new Generating Station, we do not only have an excellent service in the City Fire Brigade but we are aiming for a very good and efficient method of producing electricity

in the future.

Now to the Telephone Department. As you will see from the Estimates, the Telephone Service Fund, Appendix C, did not receive a budgetary contribution last year and yet made a slight profit. The main questions in the House throughout the year have been on the problems we have had from the cable network mainly and other faults. And as I have said previously I have been the first Minister in this department to introduce a system of cable replacement and you will see from the Improvement and Development Fund that we have totalised the cable replacements year by year. We replaced five main cables last year and I am glad to say that the results achieved by the Telephone Department have been extremely good. Cable faults of about 850 in February 1979 have dropped to 100 in February 1980. From a total number of cable and line faults of well over 1,000 in January to February 1979 we have now just over 300 in February 1980. This has shown that the progress that the Telephone Department has made is not only in the cable network but also in the general repair of telephones and lines. It gives me great pleasure to say this because this is only with five new cables: this is 10% of the 60% that I mention here. We are going to continue this project and in fact next year another five main cables will be put in. These five main cables will cover the areas in town: Main Street, Irish Town, Cooperage Lane, in fact the lower town area, and this will be of great benefit not only to subscribers but to a great number of merchants in Gibraltar who are totally dependant on telephone and telex lines.

We have in the meantime also laid a new cable to Catalan Bay. This has been completed and the only thing we now need are distribution cables to be able to provide telephones to the rest of the people in Catalan Bay which at present number something in the region of 21.

During the year we have progressed from local systems: we have had a newly and highly sophisticated PBX ordered and installed and Telecommunications Officers from the Exchange and internal plant PTOs have attended courses locally. In fact 1979 has seen quite a substantial improvement in the Telephone Service as a whole.

There are a couple of other items I would like to mention: first of all the international service showed an increase of 12% this year. And this is accounting only for a six month working period of the satellite. The satellite was installed in June 1979 and so far since then we have had a 12% increase. Next year obviously the increase should be higher as not only the number of calls increase but also the number of lines. We started with 18 satellite circuits installed, we have at the moment 24 plus 3 to UK and from the UK to Gibraltar, making a total of 27. We have a new

telephone trunk section and we have at present 7 temporary Trunk Operators now fully trained and fully conversant with it, providing the ability to be able to ring outside Gibraltar thus much quicker and thus much more efficiently, and I am sure that members of the Opposition will now have realised this as has everybody else in Gibraltar. But this is not to say that our main objective, which is ISD, is going to be overlooked. Unfortunately the consultants report which was expected some time at the beginning of the month, has not yet arrived but as soon as it arrives the ISD project will be given top priority. I mentioned once that I wanted ISD by 1983 and once the report is here I will do everything in my power to be able to expedite this and have it as soon as we are able to do so.

Finally, on this subject, Mr Speaker, I did mention in my last budget statement that we were short of one Test Clerk. We have now employed an extra Test Clerk and this has improved the service given by 93 and 97 to a considerable degree. 95 as we all know can now be answered by all the operators and not just by the single one as in the old exchange. Therefore the Telephone Department as a whole shows, and you only have to look at this, shows a tremendous improvement in a short period of time. I assure the House that this improvement will continue and I have every hope, and I am sure that this graph as you see here emanating up here and coming down here, will further decline and within a few years we shall have in Gibraltar a first class internal and an external telephone network.

It is impossible to analyse at the moment what the implications of the opening of the frontier will be, especially on the telex communications side, but as the year progresses we shall be able to monitor the incidence of calls to Spain, calls to the UK, and then we shall deal with this subsequently as necessary. The main thing is that we have developed a service for the benefit of Gibraltar, we are developing it and we have in a year done a tremendous amount of work.

The City Fire Brigade, continues to do its admirable work. In fact we have a lot to thank them for and I am very proud to be associated with them. Now that we have taken a firm decision to have a new generating station at No 5 jetty, this will be for the best interest of Gibraltar. I am glad to say that in my three departments I am proud to be associated with the Municipal Services.

Thank you, Sir.

HON W SCOTT:

Rising to make my first contribution on a motion in this House I would in the first instance like to associate myself with the comments passed and the sentiments expressed about the Honourable Isaac Abecasis in hoping that he will make a speedy recovery and a quick return to this House.

Secondly, Mr Speaker, I hope, and I think I should mention that I am not reading my speech and will not be subjected to what my Honourable Colleague Andrew Haynes was a few weeks ago, to the dubious privilege of being interrupted in his maiden address.

If I may turn quickly, Mr Speaker, to the general reserves, as the Chief Minister said earlier on this morning, these looked quite healthy, we find this rather inconsistent in although the tax allowances have been raised we found this rather not to the level incidentally that we would have hoped, but we find this rather inconsistent with his stated policy later on when he mentioned that indirect taxation would also be raised. This we feel will erode substantially the benefits of the increased allowances, having the effect as they will on the cost of living and the Index of Retail Prices. The Improvement and Development Fund, as submitted, Mr Speaker, shows a revision I think from £9.7m to £10.12m. We are pleased at seeing this sudden and remarked change from 1979-80 to 1980-81, but again we have our reservations, given the history of this present Government in its lack of spending on this particular fund over the last few years. I take exception in fact at the Chief Minister when he passed a comment that whether or not this target will be achieved depends very much on the performance of contractors and the supply of materials from outside Gibraltar. In fact, the contractors cannot start on their programming or processing until such time as the contract is awarded.

HON CHIEF MINISTER:

If the Honourable Member will give way. I was referring to the fact that we have out on contract already more than £10m. I am referring to that not to something that has not started yet. I am referring to the progress that has been made with regard to the contracts already awarded.

HON W SCOTT:

Mr Speaker, then my comments are doubly valid because if the Government intends to spend almost £10m on this it is surely up to the machinery of Government to ensure that

contractors receive those contracts that have not been awarded in the year to come. Particularly, Mr Speaker, we are being consistent here, I think, with our manifesto during our election campaign, on the problems of housing, where we feel that this runs to the very roots of the security and identity of the Gibraltarians, and the shortfall over the last few years gives us great cause for concern here particularly facing an open frontier situation.

We are glad in fact that the Chief Minister has said, referring to the Minister for Development, Trade, Labour and Social Security, that he has been giving this a lot of thought and we hope that he will give it that impetus which is rightly required. And we hope also in that context that the Minister for Public Works will also play his part in the accelerating of the necessary processing, perhaps from ODA and the technical side of his own department.

With education in schools, Mr Speaker, we are glad that finally the contract for the Girls' Comprehensive School has been finally awarded, but perhaps the letter that appeared in the Chronicle this morning from the GTA to the Chief Minister on proposed cuts on the inservice training of teachers gives cause for concern and perhaps the Minister responsible, should he be here later on in the sitting, might be able to give us some kind of an answer.

Referring back to the modernisation, Mr Speaker, our policy on this has always been, ever since it was first announced, particularly given the very serious situation over a number of years in housing in Gibraltar, that what Gibraltar needs is new housing not refurbished homes. Surely it is still not too late to ask Government to seriously consider those projects that it has not yet started on the original modernisation programme, to reconsider that rather than modernising old buildings, build new houses, making more homes rather than refurbishing them and arriving at a number of homes which will not increase the housing stock.

Finally, Mr Speaker, again with reference to the Chief Minister's speech, I understand he said that they would shortly be putting in a feasibility study with respect to the Port, I hope that when this report is received we also on our side of the House will be given a copy as rapidly as possible and we won't have a repetition of the Preece, Cardew and Ryder report.

Thank you, Mr Speaker.

HON J B PEREZ:

Mr Speaker, I propose to deal with the Estimates for the Department for which I am responsible, the Medical and Health Department Estimates of Expenditure for the year 1980-81, by following the manner which set out in the Estimates which are already in the possession of Honourable Members opposite. And that is by first of all dealing with personal emoluments, followed by other charges and then I will deal with general matters including answering some of the points which the Honourable Gerald Restano raised in his contribution this morning.

Mr Speaker, under Personal Emoluments the estimated expenditure for the year 1980-81 is £2,044,000. Now, Honourable Members will realise that the increase in salaries for next year is in fact in line with the increases throughout the last year for non-industrials, and in view of the salary increases we have had during the year 1979-80 we find that we will obviously get a corresponding increase in both allowances and overtime.

Now with respect to overtime I must point out for the benefit of new members in this House that all the overtime which is worked in my department is completely essential. Although we are a five-day week department we nevertheless have to cover 7 days a week. In effect we provide 24-hour-day service for every day throughout the year. Furthermore, certain grades in my department have built-in overtime payments owing to rostered commitments. These include Porters, Nursing Grades, Pharmacists, Radiographers and others who need to respond to emergency situations.

I must take this opportunity of stating in this House that I am very pleased and indeed very happy with the tremendous good work which is being performed by all employees of my department, both non-industrial and industrial. And I would particularly emphasise the excellent work of the doctors and nurses. I say this, Mr Speaker, with full knowledge and confidence since I know that every person attending our hospitals, either as an in-patient, out-patient or as a visitor, will bear me out on this. I honestly believe that they earn and are worth every penny that is being paid to them. In fact I extend an open invitation to Honourable Members opposite to come and visit the hospital and see for themselves the excellent work that is being carried out there.

I am also, Mr Speaker, pleased to inform the House that the hospital is today at virtually full strength. In fact all wards are now fully operational. I think our thanks must go in this respect to the work of our Tutor, Mr Durell, to Matron and her Assistants. Honourable Members will

see from the Estimates that there is in fact an increase in the establishment of the hospital, the major increase is that the Senior Nursing Staff has risen from 79 to 81 and our Junior Nursing Staff have also increased from 183 to 187. Furthermore, I would like to explain to the House the two Supernumerary posts of Registrars, which are also contained in our Estimates.

Mr Speaker, these Supernumerary posts have been created due to this Government's policy of endeavouring to Gibraltarise the higher posts in our hospital. The position today is that two young local qualified doctors, namely Dr Borge and Dr Corréa, have decided to study for their MRCP and FAA respectively, whereupon on the completion of their study they shall become Senior Registrars until such time as they become fully pledged consultants. We sincerely hope that they will in the future be replacing our present consultants some of whom will be retiring during the next 4 or 5 years.

Honourable Members should also note that during their respective courses of training they shall be performing the duties and functions of House Officers in our hospitals and thus the need for the creation of a supernumerary post. The other supernumerary post is a Basic Grade Physiotherapist and I am sure this will please the Honourable Mr Lodo who brought the matter up in this same House. This post is created for a local student who is now reaching the end of her training and is shortly expected to qualify and take up her employment in the Physiotherapy Department within the next three months.

Mr Speaker, it is indeed sad to record that shortly after I became Minister we had the death of Jimmy Cochrane, a man who had devoted so much of his life to the general welfare of the people of Gibraltar, and I am sure that this House will wish to join me in paying him the tribute he so richly deserved.

Following Mr Cochrane's death, we are now having to recruit a replacement, and the entire School Dental Service is now to be completely centralised at the Health Centre. I feel that this step will indeed improve our present School Dental Services. Honourable Members will recall the Honourable the Financial and Development Secretary including in the Estimates of the Medical and Health Department a new subhead 82 into which this House has been asked to vote the sum of £20,000 under the heading of Dental Services. This money is in fact to purchase equipment for the new clinic and also to improve some of the equipment which is at present in use by our Dental Surgeon, Mr Clinton.

Mr Speaker, under Other Charges, the Estimated Expenditure for the year 1980-81 is £1,387,800. Since Honourable Members will be free to ask questions at the Committee Stage of this Bill I merely propose to say some words on the major subheads, such as subhead 9 and subhead 15.

Under subhead 9 Drugs, Dressings and Pharmaceutical Sundries, the bulk of this money is in fact taken up by the Group Practice Medical Scheme. As Members can see from the Approved and Revised Estimates figures for last year, the estimates have been held and in fact there was a small saving under this subhead. However, I must impress on members of this House that this subhead is one that may change throughout the forthcoming year, although I shall do my utmost to closely and very carefully scrutinise this vote throughout the year. But, Mr Speaker, inflation hits us all. The cost of drugs is no exception and neither is the Medical Department immune to price increases. Perhaps some day someone will devise an outright cure for this cancer.

Although I have been Minister for Medical and Health Services for a short time I think I have identified some of the problems and I would ask the cooperation of doctors, chemists, and those people who make use of the Group Practice Medical Scheme. As I see the situation, there are these problems. First of all the prescribing of certain trademarks which are more expensive than others. This is a point which the Honourable Gerald Restano raised this morning which I have taken into account and I agree entirely. Secondly, there appears to me to be an element of over-prescribing. Thirdly, the fact that all people seeing doctors in Gibraltar expect to get a prescription. Fourthly, the fact that the average consumption of drugs in Gibraltar per capita is much higher than that in the UK. Fifthly, the prescribing of items which can in fact be purchased over the counter without a prescription, like medicated shampoo, for example. And Sixthly, the fact that prescription charges in Gibraltar remain at 20p per item. As I have already stated I feel that the whole situation can in fact be kept under control, provided we have the cooperation from all concerned. And I say so because then it would not need the Government to take any drastic measures which in a way I feel could be detrimental to the existing services provided.

The other main subhead is subhead 15 which deals with Wages Staff. Honourable Members will see that this subhead now includes wages previously provided for under subhead 16 Desinfection and Other Services, and subhead 20 Maintenance and Running Expenses of Market. The total number of industrials employed is 197, 88 of which are employed in the Hospital, 5 in the Public Market, and 14 under Desinfection and Other Services. Here

again, Mr Speaker, I must give credit to the work being performed and in particular with the state of cleanliness of our Hospitals. However, I ask the general public to cooperate on their visits to our hospitals, in particular with smoking. We have "no smoking" signs on the corridors which unfortunately are not respected and although we provide receptacles for the putting out of cigarette ends there are still those who persist in throwing their butts on the linoleum-covered floors. Something I am sure they would not do in their own homes and without realising that it is in fact they who have in fact to pay for them in the end.

In connection with subhead 19 and 20 I will now take the opportunity of saying a few words about the Public Health Department, now called the Environmental Health Department which also comes under my responsibility. During the past year this section of my department changed its designation from Public Health to Environmental Health. This is the third time its name has changed in its long history. This being the oldest Public Health Department in the world outside Britain. It started life under the Sanitary Commissioners changing to Public Health in the late 50s and now to Environmental Health. This most recent change follows the UK pattern and is in keeping with the profession's move into such new and expanding fields as atmospheric pollution, food technology, health education, noise abatement, animal health and infectious disease prevention and control. In order to bring this change in designation to the public notice as well as to inform the public of the different services we provide and the help which the department offers, a very successful exhibition was organised at the John Mackintosh Hall which was attended by a large number of people.

Another qualified inspector returned after completing his studies in the United Kingdom. After many years of shortages of qualified staff I am now pleased to inform the House that the total inspectorate is in fact at full complement for this forthcoming year.

The Rodent Control Section of the Department has also moved from its former inadequate location at Market Place to new and improved premises on the ground floor of the Health Centre, thus concentrating most of the related public health activities in the one building.

In the field of the environmental monitoring, new equipment was purchased for the sampling of coastal and swimming pool waters in order to assess both the chemical and bacterial safety.

Following the passing of the Food Hygiene Regulations I can now report that the great majority of food premises in Gibraltar comply with the requirements of these

regulations, with only a few minor contraventions in the remaining ones. In fact all food premises in Gibraltar are today inspected on a regular basis.

Since May of last year the department has also been involved in a feasibility study on the cultivation of shellfish, namely mussels and oysters, in conjunction with the fisheries experiment station of the United Kingdom, Ministry of Agriculture, Fisheries and Food.

As regards the public market renovation and maintenance, work has continued. The works have included the complete renewal of all the stalls in the Fish Market and the improvement and modernisation of the Meat Hall in order to bring the whole of the market complex within the requirements of the Food Hygiene Regulations.

Under subhead 19 Desinfection and Other Services, Honourable Members can see that the expenditure under this Head follows very closely on the lines of the previous year and the slight increase is merely due to increased costs. Provision is made for the purchase of desinfectants, insecticides, lacquers, rodenticides, etc. which is essential in the continued control of infectious diseases and the treatment of pests and rodents. Approval is also being sought for money for the purchase of health education aids and it is hoped that during this forthcoming year to intensify the department's efforts in bringing to the public eye the dangers involved in cigarette smoking.

The environmental monitoring programme of the department will also continue during the year when we shall carry on measuring the degree of sulphadioxide and other suspended particulates in our atmosphere as well as the quality of our coastal waters. Equipment for measuring the degree of atmospheric pollution in certain work places will also be improved.

Finally, it is hoped to build 4 quarantine kennels for animals imported into Gibraltar who do not fulfil the requirements of the Animals and Birds Ordinance. I feel that this will help in our campaign to keep Gibraltar free from rabies as well as preventing suffering for the owners of animals who are at present forced to either re-export or put down their animals when on importation these do not comply with our legal requirements. Under subhead 20 Maintenance and Expenses of Market here again is another subhead with very little difference in estimated expenditure for the forthcoming year.

Following our efforts to improve the public market, £5,000 is being sought for the provision of a cooling chamber for fish. This will improve the keeping quality of fresh fish imported into Gibraltar, especially during the warmer weather and thus ensure that a better product is offered for sale. Money is also being provided under this vote for expenditure in connection with the animal health aspects of the department's work, that is for the control of stray dogs and cats, the humane putting down of these animals, the licencing and the registration of dogs etc.

Mr Speaker, the Environmental Health Department I feel is in fact working extremely well. Unlike other Government departments it is one that is working continuously behind the scenes and I feel that this in fact shows its success since it is only when the health of our community is threatened that the people of Gibraltar tend to remember this particular department.

Mr Speaker, on general matters I would first of all like to deal with one or two points which were raised by Mr Restano. He stated in his contribution when he was speaking about prescriptions, about brand names and generic names, he did mention that in the United Kingdom in fact all prescriptions are sent to a centralised panel which is located in the North of England and were in fact all the prescriptions are actually checked. Well, this is in fact correct, but I would like to inform the the Honourable Member that here in Gibraltar we also have a Head Pharmacist and his staff who actually check each and every prescription and this is precisely why I have been able to point out to the House some of the problems which I have already seen as quite clear under the Group Practice Medical Scheme. So we do have this in Gibraltar, and all prescriptions are in fact checked by the Head Pharmacist. Once a discrepancy is noted, or once he feels that there is a particular prescription in which there are too many items which have been prescribed, the procedure is that the Head Pharmacist immediately, if it is a medical matter, reports the matter directly to the Director of Medical and Health Services who will take appropriate action in cases where doctors are involved, or if it is to do with an administrative matter on a question of payment of money to the pharmacies, for example, he would refer the matter to the Administrator, who will then take the necessary action. Let me also inform the Honourable Member that in fact the service that is provided by this particular section of my department is in fact much better than the one provided in the United Kingdom. Because, Mr Speaker, in the United Kingdom they take over 3 or 4 months to actually pay the pharmacists, whilst here in Gibraltar pharmacists are paid a certain amount

on account straight away and it normally takes only one month to pay the pharmacist the balance for the medicine that they have disposed under the Group Practice Medical Scheme. So I do not think, Mr Speaker, we have to envy the United Kingdom on that aspect because I feel the service provided here in Gibraltar is just as good if not better.

HON G T RESTANO:

If the Honourable Member would give way.

I think he misunderstood what I said this morning. When I mentioned the panel in the North of England, in Newcastle I believe it is, there are two panels in fact, one is a pharmaceutical and one in the medical. The pharmaceutical which he is comparing with my suggestion was not really what I was referring to at all: that of paying the pharmacist and all that. What I was referring to was a particular Government panel made up mainly of doctors in Newcastle who are there not just to see whether the prescriptions are processed correctly and paid to the pharmacists correctly, but to ensure that there is a check on the type of prescriptions made by doctors. I don't think this is something which a pharmacist can do, this is having doctors, if you like, checking on doctors, which we do not have here in Gibraltar. They do have this in the UK. I think it might be a good idea to ask whether it is possible for our prescriptions once they have been processed locally to be sent to the UK. That is what I was suggesting, certainly not in any way about the payment to pharmacists or that sort of thing. This is a check which they have in the UK and it is quite a logical sort of panel to have.

HON J B IERLZ:

Mr Speaker, let me just also further point out that the Honourable Member must not forget that in fact our Director of Medical and Health Services for this particular reason is in fact a medical man himself. So that if any discrepancies are found, and I can assure the Honourable Member that the Head Pharmacist does in fact strictly visualise each and every prescription to see the amounts prescribed, anything that he cares to bring to the notice of the Director in fact he can do so. This is the way it works.

Another point the Honourable Member raised this morning was to do with the private practice being carried out by the visiting consultants. In fact, Mr Speaker, I was very happy and very glad to listen to the Honourable Member saying what he had to say in connection with the private practice because what he in fact did, maybe he didn't realise it, what he did was to reiterate what I

in fact told him in this House in the answer that I gave him to Question 34 of 1980, when I in fact said to him that here in Gibraltar the policy laid down and the procedure laid down is that no private patient can be seen by visiting consultants until the latter has seen each and every one of the general patients that are referred to him. That is the policy which I said I was following, which had been there for many years, and that is in fact the procedure which is to be carried out. So I was happy to hear the Honourable Member agree with me when he reiterated what I said to him only last month.

Continuing with general matters, Mr Speaker, I have had to

HON P J ISOLA:

Can I just ask one thing. Can he, therefore, give an assurance that when these visiting specialists come, if he sees any private patient it means that everybody in the health service who wanted to see him would have seen him, because that is not the impression that I have got.

HON J B PEREZ:

Let me inform the Honourable Leader of the Opposition that in fact the procedure is that when a visiting consultant arrives he normally comes for about 4 or 5 days. The only day he is allowed to have a private clinic is in fact on his last day. And that is only if he has seen all the patients that have been referred to him under the GPMS. That is in fact the position as it is today. It is something that I can assure the House I will closely monitor and ensure that this policy carries on being followed. I am happy with the present situation since I am sure, and there is no doubt in my mind, that this is in fact the position today: that until each and every general patient has been seen no private patients can be seen by the visiting consultants.

Mr Speaker, on other general matters I have to inform the House that due to the increase in the complement of extra trained staff at the KGV hospital, the hospital has now been completely partitioned off to cover for acute and chronic patients. These are in fact now segregated in different floors of that particular hospital. This is another section of my department which is extremely hard-working and I again extend an invitation to Honourable Members to visit the KGV, to see the staff and the way it works, to come and see for themselves how well the grounds are kept because I think it helps them tremendously when they subsequently come to the House and start asking

questions. Again I invite them to come up to KGV and see the actual excellent work that is being carried on.

Mr Speaker, this year we should also see the opening of the new Sisters Quarters. This building which in fact consists of five flats and nine bedsitters will be used to accommodate senior nursing staff, physiotherapists, locums and the House Officers, all these people who we have to bring on contract from the United Kingdom. And the good thing about this is that our House Officers, who are really our first line of defence at the hospital as soon as a casualty case comes along, they are seen by the House Officers, they will be kept within the precinct of the hospital. This will help the service as well.

I must also inform the House that our paediatric Service is working well and also that I am happy with the present appointment system at the Health Centre. I also see that that is working quite satisfactorily.

This year we shall also be taking steps to see the full recognition of our local Nurses Training School. Full recognition under the EEC and by the General Nursing Council of the United Kingdom and Wales. In fact, Mr Speaker, following meetings between management and the staff side we will shortly approach the General Nursing Council to seek further advice on the intricacies and in fact on exactly what steps we have to follow in order to get this particular acceptance. I feel, Mr Speaker, I should also add my appreciation for the work done in the background by all the other ancillary service in the hospital such as the Administration, Porters, Laboratory Staff, Kitchen Staff, X-Ray etc., without whose dedicated support the hospital services would just not function.

Finally, I would also like to finish my contribution by thanking all those voluntary organisations in Gibraltar, too numerous to mention by name, who have helped us during the year, both in financial and practical terms. I feel we are indeed very lucky in Gibraltar to have so many people who are prepared to give up so much of their time to help others.

Thank you, Sir.

HON A HAYNES:

Mr Speaker, at the risk of being interrupted I shall make a small contribution.

First I would like to comment on the Chief Minister's copious notes, which did read rather like a speech, but we shall leave that.

My first point would be as regards the cuts in expenditure which are being brought about as a result of the efforts of the Minister for Labour and Social Services. That in itself is obviously a good thing but that it should be the source of back-clapping on the Government's rows is appalling! It is incredible to me! As I say the cuts in expenditure, that they should be the source of back-clapping is almost inconceivable. Here we have examples of wastage which have been stopped after three or four years and they want to be praised for it. Didn't Government represent themselves to be efficient, capable of looking after the affairs of people when they stood for power? And if Government had been asked three years ago, can you reduce expenditure, would they have said, yes? And yet here we have them now saying, three years ago 15% on supplementary, and now it's 4.2%. And if I ask them now, can they reduce it yet more will they say yes? Because if they say, yes, it will be only an admission of what I am saying, that this is inefficiency which has finally been come round to. Perhaps they might be inefficient and I can say that if this Government can reduce expenditure from 15% to 4.2% in such a short time they must have been very gross indeed, and if further efforts are made they could be reduced yet further.

Again, then we have more back-clapping over the budget itself, these remarkably healthy figures. What do the Government expect if they bleed the people with taxation. And to exemplify this I will refer to the Financial Secretary's comments of bonus increase in taxation of £1.m as a result of pay increases. Pay increases immediately go to Government coffers. There would only seem to be a theoretical increase for the working people have struggled for a pay rise and this of course dissipates and then appears in the Government coffers. And as I said before Government falls apart and congratulates itself, if one may refer to the sequences of the ceremonial opening on page 7: "I have talked of public money rather than of Government money because it is not always sufficiently appreciated that the Government is only the authority or agency entrusted by the electors with the widest and fairest administration of the money which the public itself makes available through taxes. If more has to be spent then more has to be provided." "Which the public itself make available through taxes" that is the rubb of the matter. If you have a very healthy budget, as this one seems to be, then to me it appears that you have over-taxed the people. That is nothing to be proud of. You have miscalculated the effect of your measures last year and the result is that you have an embarrassing excess.

Then you talk of "if more has to be spent then more has to be provided." And I ask, what has been provided? If one looks at taxation then a lot has been provided there. Education, we know that that was the priority because we were told that there was a priority, and then housing. How many houses have been provided. Rosia Dale in three years are the only new houses being built. A modernisation plan that is stagnant; a Varyl Begg that still haven't got roofs, That is what has been provided, that is what we have needed more money for, is it? Tourism, and then we come to the fact that the Financial and Development Secretary mentioned this year, that there were more arrivals than since 1969. I am sure these arrivals will be reassuring to see the lichen still growing on Waterport roof, it still leaks and if they go along the North Mole there are still no facilities. The Pens are still there with no facilities and when one comes to the airport it is a joke. And we have more arrivals than ever before. And then when one refers to the questions and answers in this House only two months ago, questions like "Does Government have any plans for improving the facilities of the Arrival Hall at Waterport, and is Government satisfied with the general conditions of that shed? Mr. Speaker, Sir, Government is fully aware of the conditions of the Arrival Hall at Waterport. Funds are being made available for remedial work and the renovations will include work to the roofs that are at present leaking. The state of the Waterport shed is a constant fact that has been there since the frontier closed, and the toilets and everything else, and yet here we have a Government, who in the knowledge of the increases in arrivals have done nothing about it. And now they seem to be saying that they are going to do something. And then when we ask questions whether Government have any plans to provide proper facilities for tourists arriving on cruise liners at North Mole as must be available in all other parts of the world, the answer is "The Government has no immediate plans, etc, etc, etc." And the same with the airport, it is all promises, for the future. This may be alright or it would have been acceptable had things only gone wrong now, but when one is talking about arrivals who had recognised the place where they are but they haven't been to for 11 years, it is disgraceful, and this is what you want more money for, and this is why you have such an incredible surplus.

I notice in the Chief Minister's speech that youth haven't been mentioned. Yet here we have the importance of youth, the future of Gibraltar, and youth has not even been given a mention. How important are they? Do I have to make a point every time you mention the youth. Will nobody ever do anything positive to help them.

And then what will the people have to say for their tremendous taxation in power. Power cuts galore. The more you pay the less electricity you get. And it would

appear that since we are getting electricity from the MOD the last bills will be sent care of them!

And then in these circumstances I ask why does the Government want £5.56m in reserve. What is it for? To build more houses, when you have no plans. To do something for tourism when you have no plans? What do you want this money for? It would be acceptable and we would commend measures which resulted in a large reserve if these measures came about gently and without causing harm or suffering to the people, that is if they were a result of continuous saving and wise investments. But if we are going to raise a massive reserve as a result of severe direct taxation then of what use will it be to the people, especially when we have got a Government which in the experience of what I have just shown have got nothing to show for themselves, especially in housing. There is no concept for the future and that is why they do not mention the youth. And that is why we are here to inform you.

Then we come to the actual features on the budget and we are pleased to see concern at the increase in oil prices but I think we didn't need anybody to tell us this today. And yet is any alternative proposed? No, there is no alternative plan. Before going to those severe extremes why is there no plan for gas as an alternative to electricity? It is cheaper. And then solar energy! Any experiments, any plans, none at all.

I ask Government to explore the possibilities of alternative power. The source of fuel we all know is going to run out and Government is going to find itself in 1990 unable to buy oil and with no alternative form of power. And they will be - if they are, the same Government that is - they will be happily crowing! Again why does the Government not try to get reduced oil prices from England? From the ODA, why not? For the facts gentlemen, that speech only shows concern at the rising price in oil. It also shows that oil plays a very large and very important part in the life of this city, and there is nothing provided as an alternative. There is no failsafe, there is nothing that would appear in your speech or plans. But of course this is not surprising, this comes as a lack of ideas.

So there is no indication of plans, contingency measures, for an open frontier. And I concur with the Honourable Member Mr Restano's concern at this. I would suggest that we need to start on a competitive footing as regards certain vital items like cigarettes and whisky.

The part that concerns me most in the proposed plans of the budget were those of doing away with internal repairs and on this matter I would require more information. I think Government will agree that the savings they will accrue

from not having to undertake internal repairs is tantamount to a rent increase, at least in real terms for the tenant who will now be paying appreciably more for the same. And though in principle I would agree with this procedure which can be so costly and petty as a theory it is applaudable but not necessarily laudible if they were to be brought about without special considerations being taken into account. If these internal repairs are to be effected by all and sundry then one will find oneself in a situation that tenants in Varyl Begg with waterlogged and leaky flats having to undertake at considerable expense possibly rewiring and so forth, and that would not be acceptable to our Party. Then there is the other position. Would internal repairs be effected by tenants going for the first time into a Government flat which is not a new flat or a flat in mint conditions? Would he have to undertake all expenses and repairs? And if this policy were conducted it would lead possibly to the Government becoming more relaxed as to the internal state of a flat when it is to be handed over to tenants who would have to then fork out an enormous amount of money.

Then there is the other concern for the elderly and old age pensioners who may not necessarily be able to meet these increased financial burdens, and I would ask that consideration be taken of them. I wouldn't want this policy to end with houses becoming progressively more dilapidated as a result of tenants finding internal repairs too much, doing without them and living in worse conditions. Immediately it would mean that they would be living in perhaps places which are not fit for habitation but of course they will not report it to the authorities since they would be the ones who would have to repair them, and in the long run it could lead to greater expense for Government in that the house or flats themselves would become unfit to live in and perhaps be structurally affected.

And lastly, gentlemen, I would ask the Government to review the exact or final number of houses to be built in the coming year as agreed at the last sitting, in which as I remember since there was a discrepancy between the manifesto and the Ceremonial Opening speech as to the amount of houses or units to be completed within the year it was finally decided that at this sitting the final number would come. Of course I am sure that this final number would still be appalling and dismal, and, therefore, will not meet with our greetings. But if there is an increase that of course would be commended.

HON H J ZAMMITT:

I will speak briefly on my own ministries. I shall also, on account of the incapacity of my friend the Honourable Isaac Abecasis, I have been asked to explain the Tourism and

Postal Services expenditure. Here, Sir, I would ask for indulgence because it has only been sprung upon me in the last few days and, therefore, I am not really all that au fait in those particular items.

Mr Speaker, I will start with housing, it being the first of my departments that appear in the Estimates and I would like to commence by answering the Honourable Mr Andrew Haynes on a number of items he has raised. He is completely and I hope I can put his mind at rest, mistaken; and that is to say firstly that the question of the tenancy agreement is not a new tenancy agreement but merely the enforcement of the terms of a tenancy agreement that has for many many years been allowed to go by the board as a matter of course. And by internal repairs what is meant are those items which the Housing Department and the Public Works Department, have been rectifying but which are really part and parcel the responsibility of tenants. These are small items such as broken door knobs, broken panes of glass which really is the responsibility of the tenant and not of the landlord. For many, many years Government has undertaken this responsibility and it had been abused to a degree that it is intended to enforce the terms of tenancy agreement which is there to be read by all and sundry. Therefore, it is not going to be a drastic change on the tenant.

I can put his mind at rest that in the case of Varyl Begg any damage that has been caused by virtue of the leaking roofs, will not be the tenants responsibility but that of Government to rectify. Equally, any person moving into any new accommodation would not be expected to carry out the repairs. Government will hand over a house to a standard and thereafter the repairs contained within the tenancy agreement that are the responsibility of the tenant will of course be their responsibility and Government will retain its responsibility as a landlord to carry out the other functions which are not scheduled within the tenancy agreement. I hope that having said this that I may have put the Honourable Member's mind at ease there.

The question of the tenancy agreement, Mr Speaker, will we think, as is seen in the Estimates produce a saving of over £2m because we find that in wages we find that an enormous amount of money is being spent on these little items of a door knob or of a broken pane of glass or what have you, and we intend to cut that down. So there is £2m which Government feels we can save in that sphere. I would like to say Mr Speaker, that many of the repairs that were being carried out under this Head were such things as replacing fixtures that the previous tenants had placed, and we found great difficulty in trying to find the identical tile that had been placed there, not by Government but by a particular tenant, and when we patched up it looked so awful that invariably we had to do a complete tiling of bathroom or kitchen at enormous expense.

We will, Mr Speaker, during the year be having another fresh look at the question of the Home Ownership Scheme and try to sell our houses. We are also in the process of trying to sell not only our pre-war houses but an attempt is being made to try to sell houses of a post-war standard that have some merit and there has been a demand for them. This will be going out, I think, within the next couple of weeks.

Now I take up the Honourable Mr Andrew Haynes on modernisation. I think the Honourable Mr Scott also referred to modernisation as being an absolute failure. I feel one cannot deny that modernisation has brought about a paralysis as regards housing because of the decanting requirements but I must say this, now one is beginning to see the fruit of the injury that was caused as a result of the decanting. And it is completely wrong to say that we always lose. Quite the contrary. In some instances we are able to obtain more dwellings than those decanted. I think Tank Ramp is the ideal example where we decanted something like 25 tenants but the eventual result will be 42 dwellings. I would also say that Lime Kiln Steps is virtually ready, certainly Phase 1, and in the case of Road to the Lines and Castle Ramp we have but 5 families to decant and then the whole area will be ready for a very major modernisation programme. Government has decided that the bedsitter situation has a particular merit, and as members may have noticed we are constructing 18 bedsitters at Prince Edwards Road and we have another 8 bedsitters at Rosia Dale. Government intends to use 60% of those bedsitters for overhousing cases. And I, Mr Speaker, am a very great believer, having survived for over 4½ years as Housing Minister, I am a great believer that the Bedsitter situation can save the day. I am completely convinced of that. So in the next week or so, Mr Speaker, we will hopefully be able to move people who are overhoused into adequate smaller accommodation and by way of "musical chairs" be able to commence to put our housing stock to its maximum possible use. And I think that this is a very brave step indeed although not extremely popular, but I think that at the end of the day we will see the benefit of the overhousing situation, and as I say, be able to put our housing stock to its maximum use.

Having said that we intend to have a reappraisal of trying to sell our houses, I think the Financial and Development Secretary mentioned this morning that we are trying to do this if not we will have to reconsider the question of rents round about the month of October to keep up with the invariable costs that renting and repairs of housing will warrant.

Now, Mr Speaker, the Honourable Andrew Haynes mentioned the question of knocking down houses in the question of modernisation and building new houses. Prima facie this looks to be quite attractive but there are certain factors that we have been advised on that we should continue with the modernisation programme. I would like to remind the Honourable Member that it is not just a Government folly but that MOD have done this in Rosia Dale where the maximum possible use of retaining walls of has been made and, therefore, expense has been cut down quite substantially. So it is not just an idea of this Government. Irrespective of how backward the Honourable Member thinks we are, the MOD have been doing it and quite successfully and I think he doesn't live very far away from where I am talking about. So it isn't just a whim that Government has, we feel that there are a number of benefits not only from trying to prevent slums of over 100 years standing but there are many people who still wish to live or continue to live in the environment of a particular area of Gibraltar. In fact, it is no secret to say, Mr Speaker, that there are many who would prefer a modernised flat to some of the post-war houses that have been constructed recently. Mr Speaker, on the housing situation, of course, I cannot claim that there isn't a problem, I think everybody in Gibraltar is fully aware that there is a problem. We have 1900 applicants. Slowly, I hope, we will be able to overcome it but Government did mention not only in a political manifesto but in the Ceremonial Opening of this House, the Government said we were giving housing priority. There are, Mr Speaker, another 38 units going up at Rosia Dale which we hope will be ready this year. At Prince Edward's Road, 18 bedsitters which will result in some 40 applications being cancelled in the "musical chairs" I explained earlier on. There are Flat Bastion Road houses and as we know they certainly won't be ready this year but there is a move, a very concerted move, to get things going in the housing situation.

Mr Speaker, I will now turn to the Post Office in the absence of my colleague and say that on the Philatelic side of the Post Office I was quite pleasantly surprised to see that the sales have shot up by leaps and bounds when one looks at 1965 where a mere £800 per annum was sold and looking at 1977/78 which was a bumper year on account of the Jubilee and other sales we sold nearly £1m, I think that is highly commendable and I take this opportunity to say that this is no doubt due to the very hard work of my dear colleague, Mr Isaac Abecasis, who has done extremely well in this particular field. Mr Speaker, this year as has been mentioned I think on radio today, there will be an issue of famous people of Gibraltar which will yield substantial revenue and there will also be a special issue with regard to the Queen Mother's 80th birthday which is very special indeed and that is expected to yield another £80,000 which is very welcome. As Members will know, during

Mr Paulo Da Rosa's visit here a few days ago, a contract was signed whereby - I know my colleague Mr Isaac Abecasis looked very much forward to this - whereby we have now obtained his services. Mr Da Rosa is quite an influential philatelic dealer covering Switzerland and Italy, and it is estimated that this will be further expanded as there are contacts in other countries that this man caters for. The facts are that today we have four agents covering virtually the whole world, and what is not covered by direct agents is covered by the Crown Agents in UK. But as I say this is a remarkable work: this is the department that yields good money and no doubt the importance of the Philatelic Bureau is that it has put Gibraltar on the map, stamp-wise, and I am sure that this can only go from strength to strength in the years to come.

Mr Speaker, I will now turn to Recreation and Sport, which although youth was omitted I notice that Mr Andrew Haynes failed to say anything about sport. First and foremost, Mr Speaker, as mentioned in the last meeting of the House we have now obtained agreement from those people approached to form a Sports Council in Gibraltar. This Sports Council will be responsible particularly for the running and the adding of further facilities, advising Government on facilities and the contributions to be given to sporting associations. This one body will replace the two committees in existence now. These ladies and gentlemen have been consulted, they are quite prepared to serve on this body and I hope in the not too distant future we will be able to formally inform the House of the composition of the Council.

As mentioned at the last House of Assembly Government has agreed to the introduction of an allocating charge at the Stadium. There will not be abuses, it will be quite moderate and not as high as they are in England despite parity. I think that proposal will be well received, Mr Speaker, because a proportion of the funds collected will go to the further expansion of sporting facilities. That source of revenue will provide funds for the Sports Council to distribute to worthy bodies.

There is no specific provision in the Estimates, I would like to inform the House before I am asked, for a swimming pool. Plans are being prepared and it is understood that His Excellency the Governor will be able to help in getting the Royal Engineers to carry out the preliminary work of excavation or some form of building, so there is very little expenditure there. I thought I should mention this in case members thought that there had been an omission or that we had forgotten all about our electoral promise.

Mr Speaker, I would also like to say how very pleased and proud we should all be that for the first time ever one of our hockey teams has qualified for finals in Europe. And it is a matter of pride that in a community as small as ours we are able to find sportsmen of the standard to go and beat an Italian team in Italy and qualify for the finals which will be held, I am told, in Barcelona within a couple of months. I would like to congratulate Rock Gunners for having done so extremely well and kept the banner of Gibraltar flying high. Needless to say, Mr Speaker, since this Government is concerned with youth I am sure we will do our utmost to make sure that Rock Gunners, being worthy of recipients of funds, are helped even further to make sure that they can keep the Gibraltar flag flying in Barcelona in a few weeks time. Mr Speaker, the Estimates were drawn up before we heard the unexpected development on the frontier situation and there will have to be a reappraisal of sports, particularly weekend sport, competitive weekend sport, which maybe as happened before the frontier closed, were difficult to obtain. So one will have to have a particular adjustment and see what will occur.

On the overtime issue at the Stadium, Mr Speaker, needless to say it is when people have time off that they want recreation and leisure, and, therefore, we have to provide for overtime work on weekend and public holidays and other days.

Mr Speaker, there is little else I can add on sports other than to say that I think we have done extremely well particularly in a closed frontier situation, Gibraltar sportsmen have done extremely well in the closed-frontier situation, they have overcome all difficulties and obviously one is delighted to see the way we have succeeded.

Mr Speaker, on tourism and very briefly, I was pleased, and I am sure everybody else is pleased including Mr Andrew Haynes, to see that we have been able to increase arrivals by 24%. This again has been due to the hard work of Mr Abraham Serfaty and Mr Isaac Abecasis in ensuring that Gibraltar was served with something like thirteen flights - eight charter and five scheduled flights - during the summer period - and this in no small way has contributed to the increase in our tourist trade. Of course I am sure that members opposite can say that we are spending too little or we are spending too much, but in tourism you can play it both ways I am told. It is an industry and apparently the more you pour into it the more possibly you can bring out. Here again one will have to wait and see what the open frontier situation will bring about tourist-rise and as the Estimates were ready before the announcement of the removal of restrictions,

one should not be readily impulsive about where we should spend or not spend our money.

I would like to say that as can be deduced from the Estimates the direct approach is still in the United Kingdom and I feel that possibly we will continue with that until we see exactly what adjustment the open frontier will require.

You will have noticed that there is a particular provision regarding the exhibition at St Michael's Cave of pre-historic monsters and soldiers of a particular period and one thing and another, and this is brought about by a firm called Burnham and Nathans. We have already paid a certain amount, as can be seen in the Estimates, and we have to pay a further amount in June and a further amount in December and then after that we begin to recover some of the money we have spent.

Mr Speaker, there is little I can add at this stage. I take the point of course that the Air Terminal isn't as nice as we would like to see it but I would like to tell the Honourable Mr Andrew Haynes that I have passed through Air Terminals much smaller and in a much more disgusting state than ours and though I would like to see ours improved we shouldn't be as ashamed of our Arrival Hall as he makes out. Nevertheless, as he also knows, an extension to the Air Terminal has been agreed upon and that should improve matters. Mr Speaker, I cannot really add much more to those particular departments other than to say that Government, as announced by the Financial and Development Secretary and by the Honourable the Chief Minister, that there is a reserve of £2m particularly for use on the parking situation. That may not be enough, we shall have to see, but the parking situation will take up I dare say some £100,000 of that money. If things go as one expects then we shall probably be seeing an influx of vehicles into Gibraltar and in view of our own situation of parking we shall have to make particular plans to accommodate those vehicles that may enter from Spain. Mr Speaker, when we go into Committee I will be delighted to answer any questions from members on any particular item.

Thank you, Sir.

MR SPEAKER:

It is about 20 minutes to tea. I think the members of the Opposition have been courteous allowing you to have your say if you wish now or would you rather Mr Loddio did so. Perhaps before you stand up may I take this opportunity to welcome you back to the House.

HON MAJOR F J BELLIPIANI:

Thank you, Mr Speaker.

HON A T LOBBO:

Mr Speaker, before making my humble contribution to this debate I would like first of all to associate myself with all that has been said regarding the Honourable Mr Abecasis and associate myself with your remarks, regarding the Honourable and Gallant Minister for Education.

Now I believe it was Benjamin D'Israeli, later Lord Beaconsfield, who said that the youth of a nation are the trustees of posterity. What we must ask ourselves is what are we entrusting to our trustees. Are we happy with what we are entrusting? Because whether we like it or not inflation is here to stay, so like Oliver Twist everybody must ask for more. In fact if they didn't they would be stupid. Because it is only by asking for more than you just keep ahead. If you are content with what you have, if you are content to stay put, happy to remain stationary, then it is almost as going backwards. And this affects education as much as it affects anything else. Therefore, we must ensure that all our students in Gibraltar, irrespective of the school they attend and their age, they could have sufficient books and equipment to see them through their study. And the only way to get them is to ensure that you have sufficient funds.

Now, I am glad to see more and more scholarships are becoming available and that is as it should be, but we must not allow ourselves to become complaisant. There is always room for improvement. And in this respect perhaps it would be a good idea to review the points system whereby scholarships are awarded. Perhaps it would be better if scholarships were awarded if places are already available in universities. There is also the contract system whereby students on qualifying are required to come back to Gibraltar. Perhaps again it is time for this contract system to be revised. At the moment this contract system strikes me as being a one way affair. If there are jobs you get them, and if not you can stay in England. Again with the advent of parity I think the problems as regards the students coming back are not as great as they were before. The discontent is no longer there. They are coming back to salaries which are the equal of what they would be getting in the UK.

I was surprised however to see that for 1980-81 there are going to be 10 teachers less. But at the same time glad that our students in the UK will be treated as EEC nationals thereby saving the not inconsiderable sum of £40,000. It is therefore a matter of regret that although we are making a saving there are going to be less in-service training opportunities. Now, that is something which I think bears looking into. Admittedly, the news that our students will be treated as EEC

nationals has come rather late; these Estimates were prepared well in advance, but it is never too late. Therefore, although economies are to be applauded, and there certainly have been economies, please, not at the expense of education, if we really mean what we say: that the future belongs to our youth.

There is also another avenue to which possibly not only the £40,000 but we could stretch it a bit more, another avenue to which we could plough their money: and that is post-graduate study. We get over the years a number of study groups coming to Gibraltar, a number of projects being gone into, it might be a good idea to grant post-graduate studies to local students who have done well, exceptionally well, and they could help in research projects in Gibraltar. Helping Gibraltar by helping themselves.

Now to answer the Honourable Mr Zammit as to why I and my Honourable Friend Mr Andrew Haynes did not mention youth in reference to sport. This was because I was going to do that. He didn't forget it, we are just sharing our load. On this side of the House we all welcome the Sports Council. I am not saying that the idea was exclusively ours but certainly it was mooted by us. In our election manifesto we brought it out, we brought it out in our Party assembly, and I am glad to see that nobody will be allowed to play God.

On to sport. I notice that the sum of £12,500 is a contribution to sporting bodies. This is about 7% of the expenditure on sport. Well, when one compares that to the £21,000 it is expected to be recovered on Victoria Stadium receipts, that surely doesn't give room for complacency. In fact Government is not giving anything to make sure that the sportsman pay themselves and leave some money to boot.

Mr Speaker, budgets perforce can never be popular, they can be unpopular, very unpopular, extremely unpopular, and they can carry on from there. The only thing one can hope for is that a budget be less unpopular, and I sincerely hope that this budget is less unpopular than the ones we have been getting of late.

Thank you, Sir.

The House recessed at 5.10 pm.

The House resumed at 5.40 pm.

HON MAJOR F J BELLIPIANI:

Mr Speaker, it is great to be back! I have had a nice feeling from the tone of the Honourable Member Mr Loddo on the debates and it augurs well for this budget. I would like to clear a few points mentioned. The first one is that I have to get my priorities right. What I think is right for my department other people might suggest other priorities are the correct ones. With regards to inservice training in actual fact the figures for inservice training is four for this year and it was four last year. So we haven't reduced it; we have not improved it but we have not reduced it. We have also had overseas aid for local in service. We are getting a grant from the United Kingdom for local in-service in Gibraltar, which saves us in replacement of teachers etc etc. With regard to post graduate studies we have no firm policy on post graduate studies, what we are looking at is is it going to be of direct benefit to Gibraltar, are we going to make full use of this student when he comes back and then we give it some thought and we try and help out. But I think it is more important that we get through the basic scholarships to UK, we don't run short of money for basic scholarships, and post graduate studies are looked into on their own merits.

With regard to youth, I cannot think of any town the size of Gibraltar which caters for so many youth clubs as Gibraltar. And let me say that the youth clubs of Gibraltar are a credit to our community by the amount of community work they get themselves involved in. Always with the help of our youth organisations.

We have talked about our lack of books etc or deterioration. This is not so. I have been assured by people who know more than I do in my department that the Government has for many years been very generous in the money that it has spent in equipment and replacement of books, and certainly in my visits with people from UK they have been very impressed by the standard of equipment that we have got in all our schools. If you notice there hasn't been figurewise an improvement from last year but in actual fact, in money terms, there has been improvement in that the department before used to hold £2,000 or £3,000 in reserve, and this year we have distributed the money completely to all the schools with a certain amount of flexibility so that the Head Teacher can play about with the money allocated for his equipment and books in a far better manner than before.

I must admit that one of the things that is very dear to my heart, rather than post-graduate service and in-service

training, is the question of our scholarship students in UK, where the cost of living is increasing tremendously and there hasn't been an adjustment for the past two years because of budget constraints. I would rather spend the money that we have, if we have any money, on increasing the allowances for students than spending them in-service in post graduate studies, or on anything else. Because at the rate of inflation that the UK is suffering they are going through quite considerable hardship. My department has already prepared a scheme so that we will be able to increase the maintenance allowance to the students. That is if the EEC means that we still pay the same tuition fee, we haven't had it officially yet.

And that is my priority this year. My priority is that if we have the money that we were supposed to spend on extra tuition fees, I would like that money to go on a scheme already prepared by my department for the scholarship holders in the UK. That is my contribution. Thank you.

HON MAJOR R J PELIZA:

Mr Speaker, I think that the message of this budget which is very loud and clear is that parity pays. I think that if we owe the healthy position of the state of the finances of the Government to anything at all, it is to the fact that parity was at long last accepted by the Government. And since the Chief Minister mentioned the IWBR earlier, perhaps I should mention that of course it was one of the fundamental principles of our Party then to introduce parity. And no doubt if we had been in Government at that time it would have been introduced much more harmoniously and, therefore, much more beneficially to Gibraltar. The state of buoyancy that we see now could perhaps have started a few years ago. Thanks, of course, there is no doubt whatsoever, to my Honourable Friend Joe Bossano, who isn't here now, to have the tremendous courage to be able to bring it about against tremendous odds. I think it is proper that this should be said.

Now, the other point perhaps that one should make right at the beginning, Mr Speaker, is that this is in a way a budget which is being introduced at a crossroads. And it is very surprising, Mr Speaker, that the Government hasn't given indications at least of how they think the economy will develop once the frontier is open. After all we have had eleven years of siege economy and now suddenly we are going to have a change. We just hear very general statements which surprises us very much, Mr Speaker. Because although this came about very suddenly I think any Government which is prepared always takes into account the element of surprise in the same way as a good military leader. It looks to me as if the Government has not given thought to this at all.

Suddenly it has happened and they find themselves in a position of not knowing at this stage, within only weeks if not days of the frontier opening, of not knowing what the repercussions are likely to be and saying that they have got to look into the matter. I wouldn't expect of course a very definite statement but I think we should have seen some indication one way or another so that people, who are entitled to know, should have some idea of what are likely to be the repercussions for better or for worse. This, Mr Speaker, has been left out of this very important budget. Luckily, Mr Speaker, and I accept this because I may have to refer as I go along to one or two points, luckily, Mr Speaker, we are starting with a very healthy situation, much healthier than the Government ever thought it would be. Well, the Opposition can only go by what the Government says and when we ask the Opposition are you right, they get offended because we ask that question, as we have heard it here today already. So if we keep quiet and we say, alright, well, if you say it must be so, we are criticised. If we say, Mr Speaker, that perhaps there is another way of doing things, then we are really behaving like naughty boys. Mr Speaker, therefore, I think one has to say that in this respect, as in many others, the Government was mistaken. And it is very important. It is just as important to know whether you are going to have a deficit or you are going to have a surplus because it is the people who pay, Mr Speaker. In fact, it is easy for the Government to put up the taxes, even if the Opposition object. All we can do is object. But it is most unfair for people to be deprived of money which they could make use of at the time, and, therefore acquire things much cheaper perhaps than later, even if that money is returned later on. Because there is no need to increase more taxation once the money is available.

And equally for the Government, Mr Speaker; I would have thought, particularly in days of inflation, whether it is really very wise to have great reserves. I don't know. I don't know. I would certainly look at this very carefully Mr Speaker, because that money which is being sorted away is diminishing in the process and in the end, Mr Speaker, it is the taxpayer who loses it. Therefore, whilst I agree that the surplus is important we must not just run away with the idea that all we have to do, and the right thing to do, is to have a large surplus and therefore increase the balance of our Consolidated Fund. I think one has to measure this with good judgement as in everything else. As I say it is very pleasing to see that the reserves are going up but how many things were left undone because it was thought that the money was not going to come in. The point was that the Government never really believed in parity. It has taken quite a few months if not a couple of years to get to learn the hard way, that this was right. So, Mr Speaker, today we find an estimated £308,000

surplus increased to £998,000 almost twice as much, 200%. And the trend is good. It keeps increasing. And it looks, and I would bet a little bit of money, that by the end of 1981 we are going to have a good deal more than £5.8m in the reserve. Simply, Mr Speaker, because the Government has decided not to take into account whatever extra income is going to come into Gibraltar obviously through another form of trade, which is the frontier trade. Everyone knows that we shall get many thousands of people entering Gibraltar. And we all know that tourists when they go abroad purchase things even if they have them better at home. They are in a holiday mood and they are perhaps a little more generous with their wives than they normally are!

I think the indirect taxation is going up. I think our visitors will obviously be contributing quite a good deal towards our economy. I haven't got figures but I would have thought, Mr Speaker, that at this stage the Government could have made certain calculations, even if they were a bit rough, and said, we expect X number of people coming into Gibraltar, we expect X number of pounds to be spent by everyone coming in, and, therefore, we expect to have so much more in our economy. Better for trade, more income tax, more indirect taxation. This is ignored, Mr Speaker, in this budget. And more will have to be said about this when we come to taxation. We shall have to look into that before we are convinced that the people should be taxed more, or before we are convinced that the personal allowances and the family allowances and other benefits that can be given away, have been increased sufficiently. Those are the things, Mr Speaker, one must take into account. Are we going to be so afraid of the future that we are not going to live today? Is that the thinking of the Government? If that is the thinking of the Government, Mr Speaker, then Gibraltar hasn't got a progressive Government. We have to be cautious, but not over-cautious.

I think this is the history of the past administration led by the same man who is leading the Government today. I only hope the effects of the last elections will make him change. In fact I have the feeling that there has been a slight change because of the elections. Perhaps we shall see more advancement in the Development Programme Mr Speaker. All the ingredients will be there to make it possible to move faster now. I suppose it will be easier to find labour, it will be easier to find materials, and, therefore, the problem of course will be smaller. That is something else that the Government should have mentioned here. How do they see the source of building materials. Haven't they ever really had a contingency plan for this? Because we have been asking for one from this side of the House for many years back, Mr Speaker. And if they haven't got it then of course they have been caught

napping - not to use another phrase.

Now, Mr Speaker, it is true that it isn't only because there has been more income, more revenue coming into the Government, that the surplus situation has improved. It is also because there have been cuts. One has to be careful, Mr Speaker. It is easy to cut, but it is not so easy to cut and keep the same standards or furthermore to improve the standards. I think we, in this progressive community, who aspire to have western standards, expect our standards to be as good as any other in Europe. And from what we see I am afraid that that is not so. The state of our town is certainly below many places in Europe. The state of our streets, the general appearance of the place certainly needs an uplift, Mr Speaker. If that is an indication of the standard it is nothing to be very proud of. I think we are all conscious of that in Gibraltar. And of course we shall even be more conscious of that once I think we start moving about a bit more than we have done so far. I hope that this is so the people of Gibraltar will demand a higher standard. Equally Mr Speaker, if we are going to have visitors, and we want of course as many as possible to come because they are going to produce revenue in Gibraltar, we have got to really improve ourselves. We shall certainly have to improve our standards. I shall say a bit more about that, Mr Speaker, when I touch on tourism. But there are two things, Mr Speaker: we have to be very very cautious of cutting expenses, or of not adding to meet the inflation aspect; and that is our medical services and our education. These in my view are two social services that we must be prepared to spend good money on to get a first class service and not just for the sake of showing a surplus must we put the blue pencil across estimate perhaps presented by the departments but then reduced or eliminated when the question of the presentation of the budget, and the popularity of the budget, Mr Speaker, comes into discussion.

All politicians must weigh things up: they want to be re-elected, and, therefore, sometimes, Mr Speaker, they do things that if they were not subject to that ambition of being re-elected, might not act in that way. Therefore, this is why I point to these two services. Perhaps at the Committee Stage we should scrutinise that a bit more to make sure that Gibraltar has a first class educational system and a first class medical service.

I would have thought for instance, and I was very pleased to hear that from the Minister for Medical Services, of the change, not just of look I think but of policy, on the environmental health side. One thing that I think the Minister should give very careful attention to,

which pays in many respects, is to preventive medicine, and, I think he mentioned it, health education. Those two things not only save money but also I think makes for a happier society. A healthy man, Mr Speaker, is a much happier man than the fellow who is knocking at the doctor's door asking for pills every day. The dentists, yes, I must mention that, Mr Speaker. Perhaps that is why this matter has been brought to my mind, I have been suffering from a toothache for a week now, agonising, and happily today, Mr Speaker, here in Gibraltar I had the chance to have the whole thing put right. So that I think is a feather in the cap for our medical profession, especially on the dental side. This is perhaps why we want this sort of thing, so that we feel that here in Gibraltar we can get better medical attention than anywhere else. And this especially in a small place like ours that people are inclined to interpret things where something which has gone just slightly wrong is escalated into believing that the whole service is not good. And once the public loses confidence in the medical service then no matter how those facts may be, if they haven't got the faith in the doctors, if they haven't got the faith in the service, it is very difficult for them to believe that they are going to get the best available. In that respect too it will save a lot of money since many people who ask to go abroad to be treated would feel quite safe and happy to be treated in Gibraltar. This is why I say that the medical service is one of the points, Mr Speaker, that we should not pave away at all. I am not saying that there should be wastage, and I think the Minister made a few comments today with which I fully agree, I don't think there should be wastage, but we should not cut standards down, we should try and improve our standards. In that respect I think the appearances of our hospital, things like that, should in my view receive special attention because the impression that patients get by the appearance of the place has a lot to do, psychologically perhaps, with the cure. And because again it is a question - and I don't believe in faith healing - but I think faith has a lot to do with the psychology of an individual as regards to medicine and we should do everything possible, I think, in that respect. I hope the Minister will take that into account: to improve the appearance and the upkeep of our hospital and other medical centres.

But I do return to the question of preventive medicine and health education. The Minister for instance mentioned smoking in the hospital. We all know now that smoking is a killer, there is no doubt about that. What is the Government doing to try a bit more to dissuade people in Gibraltar from smoking, particularly the young? Perhaps it is very difficult to change the inveterate smoker but

certainly it would be a pity if our youth, by seeing advertisements that glamourise smoking, by being commercialised into it, should at a later stage suffer themselves, their family, and at the cost to the taxpayer, which I suppose is the last consideration. But we should take that into account too, in the sense that I mean it from a point of view of an investment. Forget now about the moral aspect: as an investment, Mr Speaker, I know perhaps that we do not get so much out of that tax, but I would rather pay tax and not buy myself a poison that is going to kill me in paying it than pay it without killing myself at the same time. So I think that as an investment, Mr Speaker, the Minister should look into this very carefully. How we can spend some money in the long run to save some money of this medical vote by trying to dissuade people from smoking. In fact it is a very serious matter which I think the whole Government should give attention to, the question of smoking generally. On the positive side I think any money invested in people's physical fitness is beneficial, beneficial to the individual and beneficial to the economy because they will produce more and we shall have a happier community in any case. So in that respect I am glad that the Minister is beginning to show an interest. I don't know whether he can do more than he is doing on this occasion but perhaps as we go along and there is no money coming in we hope he might be able to twist the arm of the Chief Minister and get a bit more for those (w) things. I am sure we are going to get a lot more money than we see in the Estimates, I have no doubt about that. Perhaps the Minister for Labour will think it is intuition, the same as the gold-mine, which he thought was intuition, but the fact is that we have increased our vote from a mere £6m which we used to spend to £32-33m this year. Intuition I am afraid, and I have a feeling that I am right again. Yes, Mr Speaker, when cutting down I think that one has to take into account the standards and not just cut down figures. That is not the point. The point is that in cutting down figures we should ensure that there is higher productivity and so maintain our standard or improve on the standards. I know that productivity again, if I may say so, was an IWP idea, and it seems that the Government has not caught on to that yet, Mr Speaker. It has taken a few years to convince the Government but I think it was Robert Bruce who tried and tried again, Mr Speaker; Robert Peliza is trying and trying again too.

Now Mr Speaker, the next one was education. Education, Mr Speaker, is not just I think a question of getting certificates and producing academical results. Education, Mr Speaker, is much more than that, and perhaps it is in that context that I would like to refer to education. It was the Minister for Education, and I was delighted to

see him here today, Mr Speaker, and I am glad, Mr Speaker, that his daring military exploits did not cause him more harm. I am very pleased to see him here and I hope that he will not give up, Mr Speaker, his military activities because I am sure he enjoys them very much.

I think the Minister should also take into account not just the academical side of education but concentrate a bit more on the broadening of outlook of our people here in Gibraltar, our children. One of the ways in which this is brought about is in travelling obviously. One must not be afraid of being contaminated by the outside world. To put our children in cotton wool is not going to do us any good. Sooner or later, I think, Mr Speaker, there will be faith in the world, and now perhaps even sooner than we expected. Within a few weeks this is likely to happen. The importance of broadening the outlook, and I must say in fairness that we in Gibraltar have got a very broad outlook notwithstanding that we are a small community, I think we are not insular and this has a lot to say. But because we are not really narrow minded it does not mean to say that we should not try to produce that extra bit that I am sure is one of the responsibilities of the Minister for Education. Again I say he will have money for this, Mr Speaker, I have no doubt that he will. And I hope that when the coins start coming in he will be able to put the hat underneath and get some for this particular thing.

Now, talking about service. I really was amazed, Mr Speaker, to hear the Minister for Municipal Services speaking as if everything was fine in his department. I agree that the Fire Brigade is alright, but when we look at the others, well, I mean, we all know from experience, he hasn't got a say. Who hasn't experienced blackouts! Even I, Mr Speaker, have experienced blackouts in Gibraltar and they say I am never here. And the Telephones, Mr Speaker. Well, try and get a number from UK and you will be surprised what responses you get from the other end.

I must say, Mr Speaker, however, and this is a fact, that matters are improving considerably now, and that perhaps again through the pressure coming from this side of the House, Mr Speaker, it is now possible to get through fairly quickly. I don't believe that it is so easy in Gibraltar itself yet, but no doubt it will be I think. For instance I would like to see, I mentioned something, what is he going to do about this business of installing new telephones. There are a lot of people on the waiting list and not a word about that. We had questions the other day, he saw how concerned we were about it and no doubt how concerned they are. Did we hear a word from the Minister on this particular aspect? Not one. Not one. Talking about the great things of the electricity undertaking of the future, that is what he was saying, and the new cables that we are laying, but down to practical things, to every day things, the individual who wants a telephone, this is

what we want to know, when is he going to get it, this is what counts. The rest is very academical, very wonderful, but what the subscriber or the prospective subscriber wants is a telephone, Mr Speaker.

Here on this very important occasion, when one would have expected a full explanation of all these things, Mr Speaker, the Minister comes along with pie in the sky again. We have had enough of that.

As to Housing, Mr Speaker, this is a very great investment that we have in Gibraltar, a very valuable investment, and somehow Government wants first of all to get rid of the houses, not because they think it is a good scheme, but because they want to reduce the cost of maintenance. Really, the aims and objectives are wrong. If you want it for that say it. But if you think that the scheme is a good thing, then do it. But not do something for the sake of saving on maintenance which might be utterly wrong for Gibraltar. Yes, they really have crossed wires, the same as with the telephones, Mr Speaker. The housing stock, Mr Speaker, is worth many millions of pounds. If we allow their condition to deteriorate then the people of Gibraltar will pay heavily. Equally, Mr Speaker, if there is no building of houses in Gibraltar, and quickly - again I must refer to the frontier - we shall find a lot of Gibraltarians going over to Spain to live there in La Línea. This is what is going to happen. So the Government has got to move fast, Mr Speaker, and the Government should have been taking into account all these things because it is going to happen. You cannot expect a family who lives overcrowded to remain here once the frontier is open if they are offered a house on the other side. They will not wait until they get one from the Government, which will be in the year 2000. That is the state of affairs, Mr Speaker. This is what I wanted to hear from the Chief Minister. Things that they really have to face, present and the future. Not a word of that. Lots of little figures which mean in the end nothing. Surpluses: lovely. There is a surplus, everybody is happy because we have a surplus. That is not the point at all, Mr Speaker.

Surplus, yes. But as I said before there are other things besides a surplus that I have got to be taken into account, which this Government, Mr Speaker, in this budget, hasn't taken the slightest interest. Either because they haven't got the reason or because they are just incompetent, Mr Speaker.

And I pass to Tourism. First of all, I wish the Minister a happy and speedy recovery and I hope to see him with us here soon. Now, obviously in this respect again I would have liked to hear some policy statement on tourism. The whole aspect of tourism is going to change. I hope that what I am saying will sink in and perhaps the Chief Minister in his reply can say a few things about this, if he has a clue.

If he hasn't got a clue of course he will not be able to say anything. But if he has I would like to hear it, because it is vital. Through the eleven years of siege we have developed an industry painstakingly and now we are beginning to see the fruits. Suddenly, the whole situation is going to change. We do not know how the people who operate this industry are going to find where their interests lie. As commercial people it is very natural that they will go the way that will give them the highest return. But the highest return may not be in the interests of Gibraltar in the long run, because after all the restrictions are only being "suspended". And I think it would be cautious for us to make sure that what was laying the golden egg in bad time is not forgotten and allowed to die, because, Mr Speaker, we may have to use it again. We do not know. And, therefore, Mr Speaker, I think that again we should be given indications from the Chief Minister as to how he sees this developing.

I believe that now more than ever we shall be in a very strong position to demand higher standards from that industry, because in my view they will be getting good return as never before. Therefore, one can demand higher standards. I think one has to be fair and self-critical about this. The standards here are not as good as we would like them to be. I am not at all criticising the people who had the faith to start industry and who have had the courage to continue investing in it. I think they have done a grand job under the most difficult conditions and, therefore, one has to be to some extent tolerant, because it would not have been fair for us to hit them as well. The time has come now when I think the situation is going to change and they will be able to reap the benefits of their good judgement when they decided to invest, but we must also remember that we must think of how these people who had the courage to do it then can be protected to some extent. At least give them the opportunity to develop more now that the situation is likely to improve because after all they helped Gibraltar in bad times. I would like to hear what the Chief Minister is thinking about that. As indeed about trade generally in Gibraltar. What is going to happen. What has he got in mind.

Equally I think, if one realises, the people who have brought the money in to us during the bad days, the workers in the Dockyard, the Moroccans, people who have been leaving money here, who have been making the economy possible, really making a prosperous place for Gibraltar. What is going to be in hand for them. Mr Speaker, this is, as I said, a crucial budget for Gibraltar. After all the budget is a reflection of our economy, that is the budget. And, therefore, if there are going to be changes in the economy we are bound to see changes in our budget. I would have thought that this was of fundamental importance to bring to this House, and it has been completely forgotten,

Mr Speaker. I just don't understand where the responsibility of the Government lies in this respect. They dare to come at budget time in Gibraltar, on very changeable situations, without really giving indicators of what the way ahead is going to be like.

Mr Speaker, I think, obviously, from a taxpayers' point of view, I don't know, a good budget. But all is not just the pocket of the taxpayer. The responsibility is are they getting value for money? This is the important thing. It doesn't matter whether they pay £1 or they pay £20. If that is valued at £20, well, they are justified in being asked to pay £20. But what is not justified is to have to pay £20 for the value of £10. Are we getting this in this budget? Well, we'll see. I don't believe that in the past we have had it. We cannot tell. We shall of course go through the Estimates item by item, and we shall find out. Yet however much we question Mr Speaker, we shall never know. At the end of the day it will be whether in five or six months' time, a year's time, the money that we have put in is producing the rewards that I think the taxpayer deserves.

MR SPEAKER:

This is a good time to recess until tomorrow morning unless we have a short contribution.

HON M K FEATHERSTONE:

I shall try and get my contribution in within a reasonable period of time, Sir. This budget has been a change from recent years, Sir. In recent years we have started with the statement of the Honourable the Financial and Development Secretary, then the Chief Minister, and straight away we have had the big guns of the Leader of the Opposition. This year Mr Isola seems to wish to hold his salvos in reserve and instead we got rather a damp squib from Mr Restano.

Last year we had^a very interesting intervention from the Honourable Mr Isola, who was crying, who was lamenting, he worked it out on his little calculator, that we had 3.94 days of working capital. This was a terrible thing. Now this year we show a healthy £5m and straightaway Mr Restano wants to give this money away. When you have no reserve: tragedy, when we have plenty of reserve, well, we shouldn't have them, we should give them away! In fact these reserves are, according to Mr Haynes, an embarrassment to Government. I can assure the Honourable Mr Haynes and the Honourable Mr Restano that they are no

embarrassment to us, they are perhaps an embarrassment to the Opposition that we have done so well, but they are essential in our forward planning. As the Honourable the Financial and Development Secretary has said we need to show ourselves to be creditworthy if we wish to go to the market and borrow a considerable sum of money which we will need to do for our Improvement and Development Fund capital expenses which are very substantial indeed.

Mr Restano advocated parity in taxation with the United Kingdom. This parity business seems to me always to be integration under another name, the back door or something, and I wonder why they still do not call themselves the Integration with Britain Party because at every opportunity they push forward^{the} integration plan. But does the Honourable Mr Restano mean parity to all taxation: direct and indirect? Well, of course if we had the indirect taxation of the United Kingdom our competitiveness would vanish and yet Mr Restano wishes us to be competitive because we must attract the Spaniards to buy our consumer goods.

HON MAJOR R J PELIZA:

I am sure he is referring to VAT. Are you referring to VAT?

HON M K FEATHERSTONE:

No, I am talking about all indirect taxation, VAT inclusive.

HON MAJOR R J PELIZA :

Well, Mr Speaker, VAT is one of the things that I have suggested in this House, more than once. If it were adopted I think in fact it would come down since the money is paid by the trader after the sale and not before the sale as the import duty does.

HON M K FEATHERSTONE:

And the expenses in the extra Civil Servants to obtain it would be another matter too.

HON G T RESTANO:

Mr Speaker, if the Hon Member will give way. May I just refer him to his own statement of the 25th of March, not so

very long ago. He said: "if we are going to have parity with the United Kingdom we must have parity all along the line."

HON M K FEATHERSTONE:

Yes, that is what I am saying, if we are going to have parity we must have it all along the line, but I am sure that the Honourable Mr Restano does not wish it all along the line. He doesn't wish parity of indirect taxation, although he is advocating parity of direct taxation. If he is advocating it all along the line then we would be far worse off. No, we must have our own system of taxation rather than slavishly follow all that the UK does.

Mr Restano spoke about water losses somewhere around 21% to 25%, which he says are still high. Well, I have something to say about water losses later on.

The Water Committee, the intention I would say is that it should continue, and now that the Honourable Mr Isola has had time to assess all his members I am not sure whether he and Mr Restano will continue as members of the committee or he might like to delegate two other gentlemen to take it over. I am sure they will be very interested in this task. It is a very entertaining committee.

Now, we had the question of Varyl Begg Estate raised by the Honourable Mr Restano, and on this Government has only really gone as far as stating that the plan is to put on pitched roofs. Negotiations on the costs for this still have to take place between Government, the Consultants and the contractors. Unfortunately, our Auditor has seen fit to comment on this subject and in my view it was rather at the wrong time, but it does not help the situation very much at all. And I think the Honourable Mr Restano in highlighting this has also if anything done a disservice to the whole matter. He asked, was it Government policy to meet half the cost. Government policy, Sir, is to get the roofs on as soon as possible, and this should not be delayed by any negotiations, the outcome of which will have to be seen in due course. What Government doesn't wish to do is to pay any of the remedial costs, and if there is any betterment, that will have to be something that will have to come out of the negotiations and we will see where we are when that is actually done.

On tenders, Sir, the Honourable Mr Restano, who had a penchant for using the most uncomplimentary terms that he can possibly think of, refers to what he said was "discrepancies in tenders." This gives the most sinister and

suspicious attitude to the whole thing and I think the wording of the Auditor was "variations to tenders." Well, of course, Sir, the tender comes at a certain price and by the time the job is finished it is a different figure. Usually a higher figure. Although it is possible with this open frontier situation, if everything goes well, that some of the figures may actually go down since we do hope that we will be able to obtain certain materials more cheaply. But tenders do allow for fluctuation. They allow for fluctuations covering increased costs of materials and increased cost of labour, and it has been the usual case in the past - and I think this goes back right to the time of the IWBP administration - tenders used to come in at a certain figure and the final price was something higher. But there is no discrepancy, Sir. All the increases are thoroughly vetted by the people in my department, and assessed and agreed or not agreed as the case may be and then when all this has been done it is passed for payment and all the evidence and supporting vouchers are sent to the Auditor who can then make his judgement whether everything has been done properly and above board.

Mr Scott mentioned that the Opposition liked to follow the UK. Well, in one thing perhaps the UK has got a reasonable aim which is not adverse to Government thinking, and that is the shift, the emphasis of taxation to some extent from direct to indirect taxation, and we are doing this in a smaller way, and there is much to credit this aim of emphasis. Because if taxes are to be levied more indirectly and less directly we get a double benefit. For a start our own people who wish to indulge in certain things can pay for it; and those who do not wish to indulge need not pay. But then if we are going to have an open frontier we hope that some of our visitors will also pay, and this should rebound to the benefit of the public exchequer and eventually to the general benefit of the people of Gibraltar.

Now another point that the Honourable Mr Scott - I am not sure whether he is going to be the Shadow Minister for Public Works, but he did bring up this point - was the question of modernisation, and he suggested that it would be far better, instead of doing modernisation schemes to knock the whole building down and build something new there, etc. Well, this has some merit to it, but of course one is always held back to some extent by the constraints of money. You may clear a whole site and if you haven't got the money to rebuild it, and perhaps build at a higher level, then it is going to lie fallow and you are going to get nowhere for it. On the other hand there is the thinking, and not incorrect to my mind, that you have a substantial asset in the main walls and the foundations of a building. And so if this building can be modernised,

and in many instances the modernisation would mean turning five flats into perhaps 4 flats using the flat that is reduced as an area in which you can put bathrooms etc for the other flats, you are basically gaining quite an advantage at far less cost than knocking down and rebuilding. From what we have seen up to the moment modernisation costs us between £12,000 to £20,000 per flat whereas the cost of building a new flat is £40,000. So there is a saving of some 50% in it.

HON W SCOTT:

If the Hon Member would give way. My point on that issue, Mr Speaker, was that it was not creating new homes. That money was being spent and no new homes were being created. In fact there were less homes at the end.

HON M K FEATHERSTONE:

Well, we are going ahead with modernisation and of course the creation of new buildings and new homes at the same time. But as I said once again you cannot just throw away an asset that you have and at the same time it would be a little envidious in certain areas to put up brand new blocks and have slums around them.

Now, the Honourable Mr Haynes referred to "bleeding the people with taxation." "All the pay rises that have been given go in the Government coffers." Well I wonder how he reconciles this with the huge number of new cars that we see in town. I wonder if he heard the Honourable the Financial and Development Secretary talk about the increase of consumer's durables which he spoke about on page 7 of his statement - I think they went up from 30% to 40%. I sometimes wonder whether some of the statements made by Mr Haynes are not an embarrassment to his leader. I mean, to talk about having gas! Well, I think we are going back 30 years. I would put forward a good scheme for him; we could have bicycles in the Generating Station and people with incipient paunches like the Leader of the Opposition and myself could go down there and do an hour's training and produce electricity for the Government free of charge.

Now, Sir, turning to water. I am very worried about the ptable water losses during 1979, and I know this House is concerned, very concerned, about it, especially the Honourable Mr Isola and Mr Restano. I do not have the full figures, only for the 11 months up to November, and although it is not the full year it is enough to show us the trend, and this trend is most disquieting. In other years we have been mooted about losses of 35% and much has

been made of these figures. Well I have always said that there should be some losses, around perhaps 25%, and this indeed was not unreasonable and was supported by a recent visitor from the United Kingdom, a Mr Duffy of the South West England Water Board. Well, Sir, this year's figures, well, at least 11 months of it, I tremble to say it, gives figures of water losses not of 25%, not 35%, not even 40%. The figure, Sir, I say with all trepidation is minus 3%! This, Sir, is a most serious situation. Instead of leaking out at joints and small fractures the system is attracting water into it! And if we go on with this pernicious occurrence we may have to pray it never rains at all. We may have to shut down our distillers and stop all importation. We have checked and rechecked our figures but the basic statistics remain the same. We have issued 601,000 cubic metres from January to November, and we have billed 618,000. This shows a net water loss of minus 3%, unless of course you accept what we have claimed in the past all along when these gigantic losses were thrown at us that the billing was severely behind schedule. Now it appears that the billing is catching up.

HON P J ISOLA:

If the Honourable Minister will give way. Could it also mean that people are being charged for water that they haven't consumed!

HON M K FEATHERSTONE:

Oh no, no, no! The billing comes from what the Meter Readers had read on the meters.

HON P J ISOLA:

The readings, Mr Speaker.

HON M K FEATHERSTONE:

Well, if anything, as the Honourable Mr Isola knows, if anything goes wrong with the meters it is usually that it goes slow rather than fast. So this year's figure shows that the billing is catching up and perhaps we will get a more reasonable estimate in the future. Perhaps when the computer is fully in operation we will be able to get really accurate figures. But our water department which is practical, obviously realises that the minus 3 is a distorted figure just as distorted as the figures of 35% were which were thrown at us some time ago. Continuing on

water, Sir, I would like to report that the North Face distiller, the old faithful, has kept up its 65-70% production rate. The VTE which only used to give us around 35% has had quite a change in its operation rate. My engineers have been experimenting quite considerably and they have managed to increase the yield to around 70%, and that is most heartening. Distilled water of course is expensive even at a high yield rate, so this year in part of our efforts to economise we plan only to distil for some 22-25 weeks. This of course we will have to perhaps consider because it is possible we may have a greater need for distilled water because the deep drilling seems to be giving us moderate success. The water we are obtaining is not potable but is suitable for blending with distilled water to make a mixture which will be potable. The basic plans for 1980 was to increase importation, but of course this is always from a rather delicate source of supply so we have to keep our distillers there partly working and partly on stand by. Of course with the new frontier situation we never know whether we may have new source of imported water.

Talking about the frontier situation, Sir, we have the Honourable Major Peliza, who made a very interesting and amusing speech as he usually does, he left out one phrase; he should have told us that with the frontier we discovered a new gold mine. We have had so many gold mines in the past as this would be a new one! He is the major prospector for gold mines and he has missed his opportunity.

I am told by my friends right here that you are a sixty-niner, only in the 80's your gold mines do not work.

Anyhow, we have had it alleged that we have not thought about the effects of the frontier situation on our economy. We have thought about them. We are not quite as stupid as the Honourable Major Peliza would think we are, but we do ascribe to the policy of not counting our chickens before they are hatched, and after all Major Peliza in one breath told us of all the wonderful trade we are going to do once the frontier is open and in a second breath he says, "but of course these restrictions are only suspended." "We must go carefully". Though whichever way we do it, perhaps we are wrong. As for the state of our town, when he says that it is less clean or what have you, compared to other places in Europe, I read an article in the papers only yesterday which said that London was considered to be extremely dirty, and I think Gibraltar does pretty well when you consider that you get a daily service of refuse collection and a daily service of collection of rubbish dumped on the streets by traders completely in contravention of the law and for which I think Gibraltar should be considerably grateful to the Public Works Department.

We did have last year in a speech by the Honourable Mr Isola a

comment about all these Quantity Surveyors and Draughtsmen in the Public Works Department, and what do they do - it is on page 307 if you are looking for it, Mr Isola. What do they do because they only produce £2.9m of work in the year. Well, on this erroneous system of thinking the same QS's this year have boosted their output at 55% since on the Improvement and Development Fund we have spent £4.5m.

But of course all this is a lot of old rot since the production is done by the staff who produce plans perhaps amounting from £15-20 million over a 3 to 4 year period and the work is actually carried out by the private contracting companies who put it into effect. And if the contractors only do £2.9m of work then the blame shouldn't be thrown on the PWD staff. Nor will the PWD staff take all the credit this year for the £4.5m, although they must take some credit since they are the ones that try and keep the contractors up to the mark.

Now if we look at the actual PWD estimates, on the first part which is Personal Emoluments, there is not a very great change. As I have said we are keeping all these QS's and all these Architects and all these Draughtsmen. They are all working very hard and I have in the past suggested and offered that Members of the Opposition might like to come and see some of their work and nobody has ever taken me up on it. I offer that suggestion again if they would like to come and see it. They can see much of the work that is being done and how far advanced we are towards a future development programme.

There is only one point I would like to bring out in the list of establishment and salaries, and it seems to be a rather peculiar instance. In every department we have got rid of our Work Supervisors, and under supernumerary staff suddenly we have 23 Work Supervisors. Now this does not mean that we consider Work Supervisors to be supernumerary and we consider that they should not be in specific departments. What it means is that to equate them to the UK Civil Service set up they will eventually have to be regraded once again as industrial and they will disappear from the non-industrial staff. This hasn't taken effect yet, but to show the way this is moving we have put these people in the supernumerary staff and they will eventually disappear and reappear in the industrial staff.

On the Public Works Annually Recurrent most of the items follow the same pattern as last year but there are one or two areas where there is a considerable change in what one might call PWD thinking. Not shown in the Public Works Estimates but shown in the Housing Estimates is the amount of money which is going to be spent on house repairs and that was reduced over last year by a very large sum of money, I think it is something like £521,000. Now the

intention this year is that as far as housing repairs are concerned, PWD will still continue to do minor repairs inside houses which are considered as repairs which Government should undertake and not the tenants under the new Tenancy Agreement. The PWD staff which is released from the previous larger expenditure will be doing heavy backlog of repairs on roofs etc. This is going to be charged under the Improvement and Development Fund since as it is a long term policy it is reasonable to assume it should be classified as a capital development, because if you own a piece of property and you had to re-roof it you wouldn't charge the whole of the cost of re-roofing against one year's account, you would spread it over perhaps a ten-year period. At the same time the PWD labour force will take up other work in the Improvement and Development Fund. As I stated last year, although we did not get round to it this year, we are actually going to start. We will be doing some building work at Catalan Bay where we hope to build twelve new flats and we will be doing some modernisation work at Road to the Lines. So the Public Works Department staff will be changing from the minor repair jobs to bigger work and to new construction work. This is a challenge to PWD. A challenge both to management and to the workforce, we intend to meet it and we are sure we are going to meet it quite comfortably.

One point that I mentioned last year and it is not immediately visible this year, in the workshop and garage we have purchased a number of lorries this year which we are running ourselves and we are thus saving considerably on the hire of lorries. The lorries that were purchased altogether were six new ones for the new service, and four replacements. All ten lorries were of the same type and the manufacturers very kindly suggested that at their expense we should send three men over to familiarise themselves with the maintenance and repair of this type of lorry. We sent 3 fitters and I am very pleased to say that in the examination which took place at the end of the course, of all the fitters who attended that course, the three fitters from Gibraltar got the first three places.

The increase in the PWD Estimates is a modest one. In most instances it has been brought about by a culmination of three things: the increase in wages due to wage awards; the increase in electricity; and the increase in the cost of oil. As has been mentioned we now have an Expenditure Committee and I am a member of it. I am rather like a poacher turned gamekeeper and I have looked at the Public Works Department Estimates with the critical eye of a member of the Expenditure Committee rather than with those of the Minister who tries to get the maximum for his Department come what may. I can assure the House

that we have made cuts which are reasonable. I am not saying that we have cut out wasteful practices, what we have done is to rationalise as much as we possibly can and this is not something that could have been done always in the past, especially 2 or 3 years' ago as the Hon Mr Haynes claims should have been done, because then we were in a very different situation wages-wise, when as everybody knows a fair measure of overtime was being given as "social" overtime and this has not disappeared. On the Improvement and Development Fund I would like to comment that last year we had a total figure of some £7.7m as possible expenditure but of this there was £1,150,000 which was put down as an expenditure on Varyl Begg Estate. This amount of money, in the main, refers to outstanding ex gratia claims by the contractors. They do not have to be met by the Government. They are not legally-binding on us and we have thought it more reasonable to remove them from the Estimates and not let them continue for the moment. So that in reality last year's figures should have been £6,639,000.

We have actually done £4,528,000 which is very close to 70%. Obviously this is a great improvement over the previous year but we can be challenged we did not hit the target that we had promised we were going to hit. Of course, I am sure that the Hon Mr Isola will say, look last year you said £6 to £7m, and you only did £4.5m: this year you are talking of £10m, what are you really doing? Are you really trying to kid us? The reason we did not hit the target was that work was not done at the speed estimated unless the job had actually started. If the job had started we kept up pretty much on schedule. In some instances we were ahead of schedule but there were three major jobs which did not start on schedule: these three major jobs all produced tenders at a higher price than we had estimated, and a certain time had to elapse to allow us to procure the extra finance. These were the school, in which we underspent by £1,075,000 - a very considerable sum; St Jago's £.175m, and St Joseph's £.15m. That is the total of £1.4m. Those were jobs that were not started. Now the project has started, and from what we have seen over the past year, once they have started they are really geared up, the work will be done. So we have a very strong measure of confidence that this year the Improvement and Development Fund figure, which is at an all-time high, will be spent if not 100% then to a very high figure, probably 85% to 90%, although I would comment that when we quizzed some of the contractors and told them that we were estimating a figure, they said they would not only do that figure but would surpass it quite considerably. If they do, I will be coming to the House and asking for supplementaries and I am sure that the Opposition, who want to see us spending the money on

the Improvement and Development Fund, will be only too happy to vote for those supplementaries.

Most of the Improvement and Development Fund now is on-going works but there are one or two new items which will come up during the year. At Catalan Bay, as I have said, we hope to start in September to build the first phase of two blocks of flats. The first phase will be twelve flats and we hope to start this in September.

As the Hon Financial and Development Secretary has said we will be moving an amendment to the heading under Schools in which we would ask for £4,000 for a site investigation for the school extension. This will not only improve the school by extending it but will release a lot of small and not very satisfactory classrooms which can be made into bedsitters and will help considerably the housing problem.

The big new project that will take place this year, again, starting around September, is the extension of the Airport Terminal, something which is possibly very urgent. Even more urgent now with the possible opening of the frontier when we hope the number of aeroplanes coming into Gibraltar will increase considerably.

There is, of course, the new power development programme which will also get off the ground some time around September or October and this, of course, has been dealt with by my friend the Minister for Municipal Services. All in all, we have a comprehensive Development Programme and we have every confidence that we are going to be able to meet the expenditure.

I think I have gone through the main details for the House and, of course, when the time comes for the Committee Stage I shall be quite ready to answer any questions of detail.

As I have said, in the past the Public Works Department has been classified as a service department. We are confident that in past years we have given good services to Gibraltar and we aim to continue that in the year to come.

Thank you, Sir.

MR. SPEAKER:

We will now recess until tomorrow morning at 10.30 am.

The House recessed at 7.10 pm.

TUESDAY THE 22ND APRIL 1980.

The House resumed at 10.35 am.

MR. SPEAKER:

I will remind the House that we are at the Second Reading of the Appropriation Bill. The last contributor was the Hon Mr Featherstone, the Minister for Public Works.

HON A J CANEPA:

Mr Speaker, I don't mind giving the Hon the Leader of the Opposition the chance to have a crack at me. Even though we have been taking turns and it has been one Government Minister followed by a member of the Opposition and Mr Featherstone finished yesterday evening. I don't mind really, as a matter of courtesy, to the Hon the Leader of the Opposition giving him an opportunity to speak after me.

I should like in the first place, Mr Speaker, to highlight with regard to my responsibility for the Department of Labour and Social Security, the main items of expenditure which are indicative of Departmental and Government policy.

Item 7, Supplementary Benefits: the House will notice that the provision in the Estimates for 1981 is slightly down and this does not mean that the Government does not propose to increase Supplementary Benefits. We do intend to do so but the number of recipients of Supplementary Benefits continues to decrease as more and more people who reach pensionable age become entitled either to a contributory Old Age Pension or to the Non-Contributory EPP. Over the years we have been able to increase Supplementary Benefits appreciably, I think we have increased it by about 500% since I took office in 1972, and yet the annual provision that has been made in the Estimates has only slightly more than doubled, as I say because the number of people who need to fall back on Supplementary Benefits has been decreasing at a fairly steady rate. The weekly expenditure in 1980 is running at about £5,500 and this is only about 5% higher than in 1979. We are making provision in the Estimates for a further increase of about 15% in the level of benefits in January, 1980; and if nearer the time we consider that a higher increase is warranted of perhaps 16½% or 17% then we will introduce that, and if we cannot find the necessary funds from savings then I will come to the House for a supplementary. But in the meantime, as from the beginning of June, we are introducing an interim

increase, which is an advance really of the more general review which takes place in January every year, an interim increase to cushion the effect of increases in electricity, and in water, in particular for people on Supplementary Benefits who are living on their own. This is by way of an advance on the 17% or so that they will get in January and this will be \$1.50 a week more for a couple and 90p for a single person in cases where they live on their own to carry them over the next few months until the general review in January. We may need, as a result of this, to come back to the House for supplementaries, but last year we were able to vire considerably from other items in the Estimates and we will wait and see.

As we did in 1979-80 there is a small contingency element in this vote of about £1,500 for the special needs of the elderly on a one-off basis. For instance, last year we provided \$1,000 and nine elderly needy ladies who live on their own were helped by having running water installed in the old properties which they occupy.

With regard to item 9, Expenses for Sponsored Patients who are sent to the UK for treatment, we have introduced, as from the beginning of this month, a 20% increase in the maximum maintenance allowance, going up from £52.50 to £63 a week, and again whether additional funds will be required is going to depend very much on the number of patients who are sent to the UK, on the length of their stay there and on their household income. This is really very largely a token vote and it may be possible to meet all or part of the increase from the existing provision. If additional funds are eventually required it should not be more than about \$7,000 for the next financial year.

Retirement Pensions, Mr Speaker, brings to mind immediately the general revision in the level of Old Age Pensions for January 1981. Old Age Pensions are not reflected in the Estimates of the Department but proposals are in hand for the annual revision. And having regard to the increase in average earnings which stood in October 1979 at about \$73 a week we think that the level of pension for a couple will be increased by about \$6 a week from the present \$35 a week to \$41 a week, which is an increase of about 17%. This is the figure that we are working on at the moment.

Item 11, Family Allowances: this is now running at well over \$.5m, because it has become inextricable, bound up in a package of fiscal measures involving tax relief, and as the House has already been informed, it is intended to increase Family Allowances in January by a further \$1 a week. Last year the original Approval Estimate was \$275,000 and we came for a supplementary of \$210,000

because Family Allowances were doubled from \$2 to \$4 in July last year. The number of families now receiving Family Allowances is 1,912, involving 2,711 children, as against 1,825 families involving 2,639 children a year ago. So the increase in Family Allowances last year has had the desired effect of an increase in the birth rate and the estimate has been made on the basis of 2711 children. We are making no provision in these \$570,000 for the \$1 increase because the decision on that was taken recently and rather than amend the Estimates we would rather leave them as they are in the knowledge that we will have to come back to the House later on in the year for additional funds when the actual requirements will be more accurately known. But I can inform the House that the increase of \$1 a week involves additional expenditure of about \$140,000 on the present basis in a full year; however, since the increases will take effect in July it will be for three quarters of the year only and, therefore, that will amount to about \$100,000 to \$110,000.

Accommodation of Labour, Item 13, is another sizeable vote and there is provision for wages here increased by \$27,000, about 18%. It includes essential overtime and Efficiency Bonus. Also the much higher electricity bills have increased charges. We have managed to very largely offset those by stricter economy and we have also been able to make lower provision than in previous years for repairs and maintenance because of the fact that there are large scale improvements being carried out at Casemates and we do not consider that repairs and maintenance would be necessary as in previous years.

I think the Hon the Financial and Development Secretary made reference to the fact that we intend to increase accommodation charges, which at Casemates happens to stand at \$4 a week, and we propose to have a substantial increase to \$7 a week having regard to the vastly-improved amenities as a result of the substantial rehabilitation work being carried out there. That should produce, together with commensurate increases at Devil's Tower, where the level of occupancy is fairly high, there are about 220 to 230 people there now, that is expected to produce total revenue for next year of about \$335,000 which shows a small surplus over the estimated expenditure but I should remind the House that wages are due to be increased again in the course of the year.

We are making provision for an increase in EFP in line with what is being done with the other social benefits and again if additional funds are required I will come to the House in due course. This is based on the current number of 935 people getting EFP.

So much, Sir, for the main items of expenditure under Labour and Social Security. I would like to turn now to the more recent responsibilities which were assigned to me after the last General Election. I shall deal first of all with the Port.

The Financial and Development Secretary made reference yesterday to the Port Feasibility Study which is being commissioned and I propose to give the House rather more details on this. The intention is to commission a firm of suitably qualified consultants who will be asked to make detailed recommendations for the phased development of the Port taking us up to the year 2000. The study is intended to cover all important aspects of the Port and its role in the development of the economy of the community. It is thought that it will take between 6 to 9 months to complete at a cost of between £50,000 to £75,000. The study will look at the various alternative situations which the Port will find itself in, vis-a-vis Spain the EEC and the position of Gibraltar in relation to both. Generally speaking, it will cover areas such as industrialisation plans and potential projects; the possible establishment of a free trade zone; the planned development of utilities, particularly power and water; the future development of tourism; the potential for sea, road and air freight transshipment; and any other factors affecting the economic development of Gibraltar. This will entail the studying and the forecasting of external trade patterns for the period 1981 to the year 2000 and this should also reflect the element of competition from neighbouring ports and countries in the vicinity such as Algeria, Morocco, Spain and Portugal. These forecasts should outline the origins and destinations of freight, traffic movements, volume and characteristics of freight passage, the likely growth in passengers, tourist traffic, cruise ships, ferry and yachts and also how the institutional changes particularly in the EEC will affect Gibraltar. The study will also look at shipping movements, the type and size of vessels calling, the demand for port services and the effect of competition from other ports. The consultants will also look at the existing port buildings, the equipment there, the infrastructure and the size and the structure of the existing labour force, also at the administrative arrangements at the port with a view to recommending improvements.

Finally, it is intended that the study of the port should be extended as appropriate to cover airport, as the work of the two are inter-related.

As I say, we expect a preliminary survey and report before September 1980 in time for the preparations which have to be made on the aid submission to ODM, and then we expect a final report early next year.

As I think Honourable Members will see it is a study which is being undertaken in depth and which will be of considerable value in planning development of the port for the foreseeable future and further in time.

Notwithstanding that I think that Honourable Members heard yesterday the Financial and Development Secretary mention some very positive results which the port of Gibraltar has been able to achieve. In fact, the port has been achieving these results over the last five years and these results are contrary to the experience of neighbouring ports and indeed to the world trend. To a very considerable extent this has been due to the competitive spirit which exists amongst all members of the shipping community of Gibraltar whose keenness has been sharpened by the difficulty and the challenge which Gibraltar has had to face in the last decade. The taking up of this challenge has brought improved results which have exceeded expectations in some quarters. Thus, which for 1975 for instance, the port generally suffered a recession of 8% or more, and much more so in the case of oil imports, Gibraltar comfortably maintained its number of callers and by 1977 we had again a numerical increase of 6½%, and a tonnage increase of 37½%, compared with 1975. The figures for 1979, compared with 1975, show an increase of 13% in callers and 66% in tonnage. Gibraltar has been able to achieve these results essentially because the watchword of the port is, in the words of the Captain of the Port, "quick despatch", and all concerned, the pilots, port health, customs and immigration, port officials, agents, bunkers, ship chandlers and the suppliers of various services, all cooperate to give ships rapid despatch. Where else in the world do ships who are making a quick call have all the Government and port formalities dealt with by one Boarding Officer and in double quick time. And in cases where ultra quick services are required, where else other than in Gibraltar can ships complete the formalities and fulfill the purpose of their call without having to anchor or even stop.

More and more ships are becoming aware of this unique advantage of using Gibraltar for their ancillary needs and are availing themselves of it. In fact, we claim that Gibraltar is the world's foremost port for crew changes, and this is no idle boast. Examination of the statistics show that the number of ships calling for this service alone is being maintained, and thanks are due to the air charter operations in this connection. Again we have been able to corner the market for this sort of traffic by being receptive to the needs of our customers and minimising and streamlining formalities. Turnarounds of 45 minutes are common place and have sometimes been achieved within 20 minutes.

Ships with bunkering needs can replenish here on BP, Mobil, Chevron, Shell International and Texaco accounts, and with fuels of any desired viscosity, either at berth or alongside, where ships receive an 87½% reduction in berthing charges, or in the anchorage, where an efficient service is provided by a new lighter incorporating the latest design techniques with a combined bunker, lubricating oil capacity of 1,000 tons. This is superior in capacity and performance to those available in most ports. This unit enables the larger ships which have too deep a draught to berth alongside to be serviced in the anchorage with the utmost despatch.

All but the latest emergency repairs can be completed at Gibraltar and, despatch can be expedited if advance orders are placed for necessary spares. The underwater cleaning of ships' hulls using the latest techniques is another port service and testimonials have been received regarding the efficacy of this service at Gibraltar whereby 100% recoveries of speed have been achieved.

Mediterranean yachtsmen invariably include Gibraltar in their itinerary and as many yachts as merchant ships call here. The new marina, which is expected to become operational later this year, will engender greater capacity.

The House will be pleased to know that following on the decision to provide a new Generating Station on No 5 Jetty, I wrote to His Excellency the Governor asking for his assistance in connection with the request to the MOD for early access to No 4 Jetty. The Flag Officer Gibraltar has already confirmed that No 4 Jetty will be made available to the Gibraltar Government by the end of 1980, and it is the question of rental and other details which are under discussion.

In conclusion on the port, I should like to stress that first and foremost Gibraltar is the port of convenience where a variety of supplies can be obtained, as well as numerous incidentals, plus vital services. Services which our customers can see secure in the knowledge of being able to obtain a quickness of despatch second to none. In fact, ships can depend upon it because the port of Gibraltar depends upon it and has been even more so dependent in the last decade.

I should also mention that a request has been made to the Ministry of Overseas Development for the services of an adviser on the operational aspect of container handling in order to ensure that the operation of the new container berth between Nos 2 and 3 Jetties should be as smooth and efficient as possible.

Mr Speaker, before I turn to my responsibilities for Economic Development, I want to deal with the number of general matters which arose yesterday in the course of the Budget debate.

The House will recall that mention was made of the fact that revised expenditure for 1979-80 was £1m, of which over £.5m had gone on fuel increases for the Electricity Undertaking, and on Family Allowances which I made reference to a few minutes ago.

Apart from those two items, supplementary expenditure has been of the order of \$400,000 which is under 2%, and this has not been achieved by vicious cuts. In fact, there has not really been any cut in expenditure. What the Committee of Expenditure has achieved has been a slowing down in the rate at which expenditure has been increasing over the years, without any curtailment in the essential social and public services provided by the Government. So I think the Honourable Mr Haynes was somewhat out of order yesterday and I think he did not understand the import of the point that had been made. It was not a case of cutting expenditure which was annually increasing by 15% to 4%, that is not what has happened. It has been a slowing down in the rate at which expenditure had been accelerating at the same time that there has been a tightening up in a number of areas. And he said that this could have been done years ago. No, it could not be done years ago. It could not be done years ago for a number of reasons. For one thing we were not in a position to know the movement of wages and salaries as we do now, when we are able to forecast with a fair degree of accuracy what the wages and salaries bill should go up by in any given year and make provision for that. It is only this year and the year before that specific provision has been made in a head of revenue for the pay settlement. Prior to that we did not know where it stood as there were delays sometimes in settling a pay review on two occasions involving back payments of arrears of two years and, therefore, you had no control over supplementary expenditure. Now, because provision is made for increases in wages and salaries in a separate head, and as we saw last year this was fairly accurate, and if there were to be again this year, we do have reasonable control over the need to come to the House for supplementary funds.

Also, when the Committee such as the Committee of Expenditure is going to do its work the climate has got to be right and the climate has not been right in Gibraltar for many years. In any case, we just did not have the time, because of the incidence of industrial unrest, to turn our attention to a number

of areas where perhaps wastage needed to be eliminated, where there was a need to tighten up on certain practices such as absenteeism, productivity etc and this we have been able to begin to do in the last twelve months.

Parity ushered in an era when there has been cooperation from the Unions. The Government and the Unions are now speaking the same language in the field of wages and salaries. So that is no longer an obstacle and thus agreement on, for instance, unsatisfactory attendance has been signed since the introduction of parity where we have been able to tighten up considerably on absenteeism. We have been able to tighten up on uncertificated sick leave and withdraw the concession in a number of instances where the concession was being abused. We have been able to take positive steps to eliminate "social" overtime completely as from the beginning of April. No more "social" overtime is now being worked. The overtime being worked throughout Government Departments is essential overtime and all this has been possible because of the much more cordial relations and the greater degree of understanding that there is between the Government and the Unions, and the latter cooperate in this. They are no longer as militant as they were and they do not threaten the Government with industrial action when management take any steps on the question of discipline or tightening up on abuses such as absenteeism that I have referred to.

The question of the General Election came up yesterday and I recall Mr. Isola at the party assembly held after the General Election saying that at the Budget we would know the real reason for the general election in February. I am sure he realises that he was completely and utterly mistaken. We did not call a general election in February because there was going to be a harsh Budget. And had we acted purely from political motives we could have deferred the Election to the autumn, had a bye-election, which was not of a great deal of consequence to us, and we could have had a popular Budget now with no increases whatsoever in order to win the election in the autumn. We have not done that. We have not got a harsh budget, nor is it a popular budget, I would describe it as a moderate budget. So having got the Election out of the way the Government is now able to look to the next four years objectively. And rather than be tempted, as we might have been, by a revenue balance of £3.5m and do an about-turn on the policy that we have had with regard to the funded services, whereby we have been eliminating slowly the deficit except for the Water Account, rather than do that, we could have had a budget at this time here with no increases whatsoever, give away £1m. on income tax, and prepare the way for a successful general election in November. What the Government did in fact was to

act responsibly and I very much hope not to hear accusations from members across the floor, as we have had, and I have looked up Hansard, particularly from Major Feliza, that the AACR is not interested in the welfare of Gibraltar and that all that we are interested in is remaining in power at all cost. I hope that we have nailed that point once and for all.

The Honourable Mr Restano, kicking off for the Opposition yesterday, spoke about parity in taxation with the UK. Last year when there was a package on income tax, and I would refer him to page 609 of the Hansard onwards, reasons were given; a very detailed explanation was given by the then Financial and Development Secretary as to why it is impossible in Gibraltar to adopt the income tax structure of the United Kingdom. The reason is that we have completely different tax base. And because the tax base is different that precludes the introduction of the same personal allowances as in the United Kingdom. As I say, I would refer the leading financial spokesman for the Opposition to last year's Budget because I thought that it was somewhat weak of him, after the detailed explanations that were given, to come again with that old adage about parity of taxation.

I could not understand really whether the Honourable Mr Restano was pressing for the funded services to be self-financing as soon as possible. He pointed out that the Chief Minister had indicated that the deficits were going to be eliminated quickly and that this has not happened with the Electricity Undertaking. Is he pressing the Government to increase charges rather more so and eliminate the deficit rather more rapidly than we have been doing? We have been doing this in stages over the last 2 or 3 years. I really would like to know, Mr Speaker, and perhaps the Honourable the Leader of the Opposition when he follows me has an opportunity to do so, what is the Opposition policy with regard to the funded services? We have spelt out clearly what the Government policy is, what is their policy? I challenge them to mention that.

I just want to mention, in passing, the intervention of the Honourable William Scott yesterday and congratulate him on his maiden speech. It is a cause of some satisfaction to me. He was a contemporary of mine in the Grammar School - to see yet one other old boy of the Gibraltar Grammar School sitting here in these benches. I would congratulate him on his maiden speech. It was a short one, but there was evidence in it of the fact that he reflects deeply on these matters and I am sure that Mr Scott will have a very valuable contribution to make to the proceedings of this House over the next few years.

But I cannot say the same thing for the Honourable Mr Haynes. The Honourable Mr Haynes is very aggressive....

MR SPEAKER:

Yes, but let us talk about the Appropriation Bill and not the performance of members.

HON A J CANEPA:

I will be going into the matter. Mr Speaker, as I have got notes about what he said, but I feel that I am entitled to remark on his remarks.

He made reference to the balance of £5m as being an embarrassing excess, an incredible surfeit. He does not know what he is talking about! If he had been a member of this House longer, particularly over the last four years, he would realise that the Government is not embarrassed. We are delighted to have £5m. And we are delighted because we have had our backs to the wall for too long. We have not had any elbow room in this respect. We have had a very small balance which was ridiculed last year by the Honourable Mr Isola and I intend to quote from the relevant Hansard. This is what Mr Isola had to say last year about the reserve of the Government: Page 302 of the Hansard. "And even with those revenue-raising measures again it shows the estimated Consolidated Fund balance as at 31 March 1980 with a puny £89,011, Mr Speaker, and that is one day's working capital of the Government because the Government of Gibraltar to run needs £78,061 a day. So with this, the Consolidated Fund balance of £89,011 would mean that if all revenue to the Government ceased the Government would only be able to pay one day's working. That is a foresight to what it used to be, Mr Speaker, when we used to talk about having a reserve of three months. It is interesting that the actual revised balance, the revised reserves of Gibraltar, as at 31 March 1979 are estimated at only £307,911 which, Mr Speaker, with the aid of my calculator, is exactly 3.24 days' working capital."

I wonder if Mr Isola would now like to use his calculator and find out how long £5m are going to last us.

Of course, and I continue to quote: "the Government is in trouble and of course the accusation made by my Honourable and Gallant Friend that there has been bad management is fully justified, because, Mr Speaker, if I may just remind Honourable Members of the Opposition on 31 March 1977 the revised figure was £3.5m. On 31 March 1979, they have come right down to £307,000, and

with quite substantial taxes or substantial revenue-raising measures announced now because without the ones that are coming afterwards, because I suppose they must come, they have an estimated reserve at 31 March 1980 of one day's working capital for the Government. Why has it come to this? Who is responsible? It can only be the Government. It cannot be the Opposition. It has to be the Government." But it is also the Government that is responsible for our having £5.5m.

Major Peliza said yesterday that it is parity which pays. Parity is beginning to pay and I shall have something more to say about that. But as regards the level of well I will leave that until I come to Major Peliza himself.

I would like to see the Honourable Mr Haynes show a little bit more humility in the House and not parade as the champion of youth as if he knows everything. One would expect a new member of the House to do his homework, to do his research, to be well informed and then come to the House and level whatever criticism may be justified. But his ignorance is appalling. He made a remark about remaining competitive with Spain in cigarettes and whisky. I have got the prices of whisky in Spain compared to Gibraltar and they range from £4.46 for Bell's whisky to £6.06p for White Label, compared to £3.25 for Gibraltar. This is the kind of performance that one does not expect from a new member of the House who levels criticism at the Chief Minister and at previous administrations. Some of the criticism really is levelled at his own leader when he was a member of previous administrations in Gibraltar and, I do not think that that is right and he should be somewhat more careful.

On youth; he does not seem to be aware of what has been done in Gibraltar over the years for youth. I would say that there are perhaps three main areas where improvements and facilities have to be provided for young people; youth clubs and youth activities generally, sporting facilities and education. As far as youth activities are concerned generally I do not know whether Mr Haynes is aware of the fact that Mr Corben was here last week. Mr Corben first came to Gibraltar in November 1972. We commissioned him to come over to advise on the setting up of youth services, and he produced a report which I heard him say on television last week the Government had by and large fully implemented. Mr Corben said that he was fully satisfied with what we started in 1972 and what we have done over the years in the field of youth activities and in the provision of amenities by way of youth clubs etc.

As far as sporting facilities are concerned, and the promotion of sport, I do not think any administration

at any time in Gibraltar has achieved what we have achieved. The IWBP administration started the sports field, we built the Sports Centre, but that is not the crucial thing. To my mind the crucial thing has been the manner in which sport has been promoted and fostered and young people have been able to benefit then.

As far as education is concerned, I would like to tell a short story which I will tell him in much greater length in the ante Chamber. I think the Honourable Dr Valarino, who was at school with me and perhaps to a lesser extent the Honourable Mr Scott, may recall the veracity of what I am saying because when I was in the Upper Sixth form the Honourable Mr Scott was in the Lower Sixth, twenty years ago the Government of Gibraltar awarded one Government scholarship to go to University, and Dr Valarino, myself and another student obtained in 1958, for the first time ever, three Science subjects, Physics, Chemistry and Mathematics at Advanced Level, and none of the three of us, and I had the best grade of all applicants for scholarship that year, none of the three of us got a scholarship. The circumstances in which we had to study were not what they are today. Mathematics, we had to study at the Technical College, Physics we used to do in the Grammar School and the Physics teacher, by the time I was in the Upper Sixth, was only able to devote two periods a week to us. So all he could do was to tell us what to study, to help us in setting up experiments in the laboratory and leave us to our own devices. In the Lower Sixth we had no Chemistry teacher, and it was during that summer, in between the Lower and the Upper Sixth, my Honourable Friend Mr Featherstone, who had an intermediate degree, heard about our predicament, came up to the school and he did practical chemistry with us throughout that summer and taught us for the rest of that year. And it was only during the second year at school, that we had a Lieutenant provided by the Navy and we went down to cram a two-year Chemistry course into one year in order to be able to sit for our examination.

My experience did not make me a rebel. I did not throw everything up and say "to hell with Gibraltar". I did not get a scholarship. My studies at University were financed by the Warwickshire Education Council and when I completed my studies I came back to Gibraltar. I came back to Gibraltar to teach and to ensure that the youth over the next few years would not have to go through what I and my other colleagues had to go through. And today the teachers that are teaching in the Comprehensive School these Science subjects are all teachers that I taught during the ten years when I was at school.

So if I criticise him about his supposed championship of youth it is because I have done something for youth already. Because I have kept close contact with youth during the ten years that I was teaching and have done something for them that I can be proud of. Also because during the years that I have been in Government I have ensured to the utmost of our ability that we have provided, particularly in the field of education, the standards that they are entitled to, particularly as far as scholarships are concerned, and we are today giving 35 scholarships a year.

I give way now to the Honourable Member so that he can substantiate that rude noise.

HON A HAYNES:

I fully appreciate the unfortunate experience of the Honourable Member at school, and we have heard similar things about Housing, that he did not have a marvellous house to live in but he did not, in the matter of Housing, satisfy me that he was doing enough for housing. And the fact is that very few houses have been built and that Rosia Dale was the only new set of houses to be built in the last three years and that is appalling, especially in the light of the waiting list being so enormous and by the time the Government build more houses there will be more people on the waiting list than there are now. Similarly, with education he may have had a bad time and may be things were not right but any measure would have become an improvement and though certain measures were taken, I suggest that more improvements, more ideas and a better deal for students. And if I stand up for the youth it is because I believe that however much you protest and profess to be their champion it is not enough.

HON A CANEPA:

I think it ill becomes a member who was elected No 15 in the polls to speak in those terms, Mr Speaker. Not enough has been done about housing in Gibraltar? He is condemning the knighthood which his own grandfather earned as Minister for Housing in an AACR administration.

MR SPEAKER:

Order, let us not come into personal matters.

HON A J CANEPA:

This is what I dislike about the Honourable Mr Haynes. This is where he ought to show a little more humility. The youth of today, who will become tomorrow's pensioners, are in years from now going to be sitting there, and if he ever finds himself sitting on this side of the House I hope that he will be able to defend his record in the way that we are able to. If he does better, jolly good, Mr Speaker, Gibraltar will benefit. We are not satisfied or complacent. We feel we are a progressive Government and that there is always room for improvement and we want to do better. I think enough said about the Honourable Mr Haynes.

There are two points that the Honourable Mr Loddo brought up which I want to deal with, and these are the question of providing scholarships generally on the basis of a place at University; and the question of in-service training. My remarks are not necessarily to be taken as being Government policy on the matter, this is a point of view that I adopt as an educationist, the arguments that I put across when the matter is being considered.

I think we have a good system of scholarships in the sense that no young person who studies reasonably hard is asked to achieve a standard beyond their capabilities in order to get a University scholarship. It is a reasonable standard which is being set and I think that if we were to give scholarships purely on the basis of a student obtaining a place at University there could be two pitfalls. One would be that because of the expansion in University places in the United Kingdom it is not that difficult in some Universities to obtain a place and, therefore, knowing that, youngsters might not study as hard as they should during the two years in the Sixth Form in order to attain the standard which is set down here to get a scholarship. They might tend to take it easy. It is also not unknown for places to be obtained at Universities in the United Kingdom by string-pulling, by patronage. It is not unknown for people to be able to use the "old boy" net in order to get, for their sons or daughters, a place at a University. And that, I think, is not fair. What would then happen would be that scholarships would not be awarded strictly on merit but regardless of how you may have gone about getting a place at the University. I am sure, when my sons, if ever they reach the stage of studying in the Sixth Form, if I were to write to the Chancellor of the University that I attended, I think that I could pull a few strings to get a place provided he had the necessary 'A' levels to get a place at University. I think I could get a place for one of my sons. And if I visited the University and took the Chancellor out to dinner, and he might be very proud of

a former student of how well he had done in public life etc, I dare say that I might be able to achieve that purpose. If I did, I think it would be an injustice on the other students.

If we were setting them standards which are very difficult to attain, perhaps we might be on the wrong tack, but I do not think we are and let us face it, in practical terms, who doesn't get a scholarship? Is there any student with 2 or 3 'A' levels who has done reasonably well, who doesn't get a scholarship? Very few in fact do not, and if they don't there is all the greater incentive for them to stay a third year in the Sixth Form, work a bit harder than they had done during the first two years and try and get the necessary grades. As I say, that is not Government policy, it is the point of view that I take.

Likewise with in-service training my attitude is also coloured by my experience. I think it is necessary for teachers who have been teaching a decade, 10, 12, 13 or 14 years, or if they are qualified in a discipline or technology where there have been very rapid changes over a short period of time, it is necessary for them to go on refresher courses. But it is another matter for a teacher who has been teaching 3 or 4 years' only after qualifying, after getting a degree to want to go to the UK for a one-year course. I am a graduate in Science, I was able to teach for ten years without needing to go back to do another one-year course in order to refresh myself. The danger is that some teachers want to get further qualifications to have a better chance of promotion in the future rather than because in getting these extra qualifications they are better able to teach and they can be of more benefit to the community. This is the possible danger as I see it. Of course, it is quite lucrative to go to the UK now on a one-year course because you get full salary while you are there and a very generous maintenance allowance; and it is a break. A one year's sabbatical and particularly in the close frontier situation it is most attractive to get away from Gibraltar for a year. This is why we have to be prudent in this respect and we have got to channel our funds into the provision of scholarships for first degrees. The important thing is to have the necessary number of people qualified with the first degree. I do not believe you need a second degree - one degree is quite ample. You do not need a Master of Science or a Master of Art or a Doctor of Philosophy, a BA or a BSc is quite adequate to teach all the way up to Advanced level. This is another personal point of view that I take on the question of in-service training and it might be a matter for reflection and for some thought.

Turning to Major Peliza, finally, I said that he had mentioned that parity was paying. Yes, I think it is beginning to pay. And it is beginning to pay because. Mr Bossano and I were right last year when we were saying that the private sector would be able to afford the necessary pay increases. The former Leader of the Opposition challenged us on that and did not believe the information we gave when we said that over the years the private sector was keeping abreast of the situation. In fact in October 1979 average earnings in the private sector I think were only £1 or £2 below the public sector, and what happened in the course of 1979 has been that there have been substantial wage increases in the private sector and the revenue, by way of income tax, has come into the Government coffers and this has been a big factor in improving the situation as far as the balance in the Consolidated Fund is concerned.

Major Peliza posed the question: Is it wise to have great reserves? Perhaps it is not wise to have great reserves if you are just going to leave them there, but if you need to fall back on them, and we are going to have capital projects over the next few years which are going to involve very substantial expenditure on electricity, on distillation, perhaps even within 4 or 5 years another refuse destructor, so we need to have the necessary reserve that we can fall back on particularly in a situation where borrowing is as costly as it is becoming. There was a time when he used to boast about the level of his reserves during his administration. Now he seems to have changed his mind. But as far as his predictions last year were concerned, he was wrong. And I refer him, page 276 of Hansard, Vol 2 of last year, when he said: "But how do we know that in the next year's budget the situation will not be the same, and I predict that unless there is a change of Government it is going to be the same. It was going to be the same because it has been happening for the last ten years, it is also going to happen to the Government in the next years."

Well, there has not been a change of Government, Mr Speaker, because the electorate decided otherwise and the situation is not the same. We are in a far more healthy situation than we were last year.

Before I conclude with a few words about economic development, I want to draw the attention of the members of the House to the provision which has been made in the Improvement and Development Fund to increase the number of cubicles at the Bonded Stores. This is a scheme which deserves Government support. It will bring in additional revenue which will accrue by way of rent and also by way of an increase in duty. Representations have been received from a number of traders who would like more cubicles and the Government is able to support this.

To end on a more positive note rather than an acrimonious one, since I assumed my additional ministerial responsibilities I can tell the House that one of my main preoccupations has been the fostering of development in the private sector. Mr Abraham Serfaty said last year that the sun, the beaches and the sea offered the largest potential for growth in Gibraltar. He also expressed his belief that the assets that mother nature had given us should be exploited to the fullest extent. I share these sentiments, Mr Speaker, and I can assure the House that I will do my best to encourage and facilitate, where possible, development in those areas which private capital is well fitted to carry out.

The main emphasis of our planning in this respect has been, and will continue to be, on schemes which will expand the commercial and tourist industries and improve our port facilities so as to encourage more ships to make use of our harbours' singular advantages. As illustrations of what are now reaching an advanced stage in the planning process.

First, I will mention the proposed enlargement of Sheppard Marina. This will consist of a certain amount of reclamation to provide a base for the shore servicing and maintenance of yachts and the provision of additional pontoons to increase the capacity of this marina. Together with the adjoining marina which will come into operation shortly this expansion will enhance the attractions of Gibraltar as a port of call for the many boats which sail in the Mediterranean and enable Gibraltar to face the stiffening competition offered by existing marinas and others planned for this part of the world.

A second scheme worthy of note is the projected hotel development at Parson's Lodge. The Government has considered proposals for the erection of an hotel there with ancillary flats on the site and subject to clarification of certain aspects of the project, the Government is prepared to make this site available for this purpose. The scheme as originally envisaged entailed an hotel of 165 beds and 40 flats, but it could well be that this may now be the subject of re-appraisal by the would-be developer in the light of the frontier situation.

I would also like to mention approaches which have been made to the Ministry of Defence for the release of certain properties which are now in their occupation, and I have been encouraged by their sympathetic response to our enquiries and the need for land for development which will increasingly become more evident as our economy expands. One of these sites is that of the Casemates Married Quarters, which was the subject of questions

in the earlier session of this meeting, and as the House knows this has been earmarked for a multi-storey car park, and for commercial development. As far as the multi-storey car park is concerned I think it will be of great advantage in an open-frontier situation in what I would call the medium term, not in the short term, unfortunately. As in the case of the other sites involved, relinquishment by the Ministry of Defence has, however, been made dependent on the reprovisioning of existing services which in this case are seven married quarters.

The last examples which I shall quote are the allocations, which have been approved in principle, of parts of the Bonded Stores to two firms which are closely connected with the activities of the Port. These are Gibraltar Underwater Contractors Limited, who have pioneered a valuable service to shipping in Gibraltar, and Mobil Oil (Gibraltar) Ltd who require additional storage for stocks of the extended range of lubricants now held in Gibraltar. The port has been upgraded by the Port Company in consequence with resulting potentials for an increase in the number of ships calling at Gibraltar for bunkering.

I have only concentrated on some of the steps which are being taken in the private sector of the economy. I think these efforts are an essential complement and supplement to the Government's own development schemes, and together they should contribute invaluable towards the general prosperity and well-being of the community.

To sum up my contribution to the debate, Mr Speaker, I think that what we see developing in this budget is a far more healthy situation than we could have hoped for last year. There is, in my view, a need to be prudent about the future, as the Chief Minister said yesterday it was a step into the unknown. I think that the financial situation of the Government will be even healthier next year, I very much hope that it will be, I do not think I am either an optimist or a pessimist, I try to be a realist and my parting remark is that one swallow does not make a summer!

Thank you, Mr Speaker.

HON P J ISOLA:

Mr Speaker, it is always a pleasure to listen to the Minister for Labour and Social Security and Economic Development. I think he proves the point we have been trying to put forward on this side of the House. The Government should be more liberal towards teachers who wish to participate in politics. I think the Honourable Member proves our position on this every time he rises in

this House, and I do hope that his party will be able to change their view on this all-important point for the future of Gibraltar.

I would also like to thank the Minister for giving me the courtesy of allowing me to sum up for my Honourable Colleague on this side of the House. I do not think that there is any particular advantage in having preceded me. I think there is some advantage for me because I have received from the Minister's statement possibly more about Government policy for the future than from any other Minister who has spoken. And this is useful to us if we are to fulfil our function as an Opposition. It is useful to me if I am to fulfil my function as Leader of the Opposition to be able to reply to the Government statements of policy that have been made in the course of the Budget.

The Leader of the Opposition does not have the right to speak twice and, therefore, it is a matter of judgement as to whether I lead my troops immediately after the Chief Minister into the battle, or whether I lead them from behind, as has been said. It is a matter of fine judgement, Mr Speaker, and we on this side of the House took the view that perhaps I should sum up for the Opposition. In summing up for the Opposition, of course, I would have liked to have been able to comment on any contribution that my Honourable Friend Mr Bossano might have made. He has not been in the House since the Chief Minister's speech, but I understand he is in the ante-chamber waiting for me to speak so as to follow me. I always value his contribution highly, Mr Speaker, but apparently I am not to hear it and, therefore, am unable to comment on it. I did invite the Honourable Mr Bossano, I should say, just before I came in, I did invite him to speak before me so that I could as Leader of the Opposition sum up on the debate, at least as far as the majority of the Opposition was concerned but the offer was declined. In fact the Honourable Mr Bossano told me that he was surprised that I was speaking at this stage, that he would have expected me as Leader of the Opposition, to speak immediately after the Chief Minister and to give the Opposition alternative to Gibraltar. But, Mr Speaker, may I say that in following this course I am only following the precedent set by the Honourable Mr Bossano when he was Leader of the Opposition in the only year he led the Opposition in the House.

In fact, I believe it was in March 1977 when the Financial and Development Secretary made his famous remark that it was said of most of the generals in the First World War, with what element of truth I do not know, I was a little too young for that year, but the Generals led their troops from the rear. It seemed to me that we have a general of the Opposition cast in that mould who led his troops into battle on the estimates from the safety of the supply

lines, and I remember, Mr Bossano, saying, and I am quoting from Hansard: "Mr Speaker, perhaps the Honourable Member might consider the possibility of altering Standing Orders so that I also have two bites of the cherry like he and the Chief Minister have done and then I could make two speeches." Well, I can only repeat what the Honourable Mr Bossano said, and I can only say that if I were to have two bites at the cherry then, if the Standing Rules so provided, Mr Speaker, of course, I would have made a contribution at the beginning of the debate and another one at the end of the debate.

I am quite happy to be convinced by the Honourable Mr Bossano that perhaps I should alter this and depart from the precedence set by him in 1977.

Mr Speaker, let me make an opening preliminary remark on the Estimates of Revenue and Expenditure. Let me say that it is a matter of some considerable satisfaction to Honourable Members on this side of the House, and I am sure to Honourable Members on the Government side, and I think to the people of Gibraltar as a whole, that the Estimates of Revenue and Expenditure have confounded the gloom that surrounded the proceedings of this House in March 1979, and that we have a healthy surplus at the end of this year. And that without any further taxation we would appear to be heading for a still healthier surplus at the end of the current year. This is a matter of great satisfaction especially on the eve of the opening of the frontier. Because it shows that with some considerable sacrifices the people of Gibraltar have survived the campaign of intimidation and siege that was launched against us.

If the frontier had reopened last year perhaps it could have been argued "they were almost on their knees and we opened to help them out." But now the opening is not so important for the economy. The Estimates of Revenue and Expenditure show that we have been able to resist. This is good. That is the good side. But the bad side and, this is why I think I would support what my Honourable and Learned Friend Mr Haynes said, that the excess that has appeared this year is a matter of some embarrassment to the Government. and I will say why. As at March 1979 we were told, wrongly, that the balance was to be £309,000. In fact it turned out to be £898,000 and I think the Honourable Mr Canepa will concede that that is quite a difference and puts a different picture to the atmosphere of gloom prevalent at that time of three days' running expenses for the Government. That is one thing. The other factor is that the Budget measures imposed by the Government last year, which were extremely tough and hard, were based on the premise that unless these tough measures

of taxation and increases in the Funded Service Charges were made, Gibraltar was heading for bankruptcy. And they were justified, not on the grounds, as we on this side of the House said, because you have an election next year and you are going to be tough now so that you can give an easy budget next year, no, they were justified because the situation was extremely serious and heavy measures of taxation had to be imposed to avoid bankruptcy. That was the sort of language that was used during the last budget to justify these measures. With the exception of income tax, Mr Speaker, nearly everything went up by at least 40%. Some things went up by 100%, some like colour television licences went up by 300%. It was only 50% on black and white. All these measures were justified because of the financial situation of Gibraltar. The interesting thing, Mr Speaker, is, that at that time there was considerable argument between the Government side of the House and this side of the House as to what these measures were going to produce. There was argument that it was going to be £2.6m, £2.4m, £2m. No, the Government said £1.1m and the rest is Funded Services, you do not count that, and the income tax was going to be very little because the money was being given back in Family Allowances and the improvement in the income tax was negligible. And we were told that this money was required to end up the year with a surplus of £1.5m. The extraordinary thing about it, Mr Speaker, is that just by and large, I am not going to exact figures, on Government's estimates of what these tough measures were going to produce it would seem that if none of those taxation measures had been put into effect we would have ended up with £1.5m surplus this year, which is the figure the Government then aimed to produce with the taxation measures. The Government has ended up with a surplus which is 143% higher than the one they told the House the taxation measures were necessary to produce. I think the actual figure is £2,134,912 more, the year has turned out and not the £1.5m they expected.

I think it is a little illogical of the Government to argue now that this is the surplus we have to have when in 1979/80 they were satisfied with a surplus of £1.5m at the end of that financial year. So that, Mr Speaker, of course that must bring embarrassment to the Government to discover that all the heavy measures that they put in last year were not necessary. This is why there is some merit in what my Honourable and Learned Friend Mr Haynes has said, that the Government should give some of that money back.

In general terms they propose to give a little back in income tax allowances in the raising of personal allowances. I do not consider that what they are giving

back in personal allowances is enough. It is very, very little, \$898,000 worth. And it is very little because things are happening in other parts of the world. Our income tax system compares extremely unfavourably to the UK tax system. In fact, as a result of the recent budget the married allowances goes up to £2145, but apart from that - we can never hope to get as high as that but we should - apart from that, taxable income, you are at 30% in England up to £11,250 - you are at 40% between £11,000 and £15,000 and you are at 45% between £14,000 and £16,000 a year. To pay 50% you have got to be earning £16,000 to £22,000 a year. In Gibraltar, Mr Speaker, taxable income, you are in 35% after £2,500, you are at 40% at £6,000, and you are at 45% at £7,500 and after that you are at 50%. So we are paying 50% in Gibraltar long before anybody in England is paying above 30%, and that is a big difference. I am not saying we can change immediately because I know the effect this would have on the revenue, but what I am saying is that this is not a matter for self-congratulation because of the great disparity there is between personal taxes in Gibraltar and the United Kingdom.

Another point I would like to make while I am on income tax is that in the budget last year, when the Government put up the rate to 50% I remember my contribution on this and that was that it would not have such an effect in the current year because peoples' salaries, the average earnings that we were given were at a particular level then. But then, Mr Speaker, I said that this will produce more income tax as the years go by and there are salary reviews. For example, during 1979 I think it averaged out at about 13% or 14%. During 1980-81 there will be a further salary increase and, therefore, Mr Speaker, more and more people will be getting into the higher bracket. The average earnings go up and the Government will get more revenue of course. So giving these personal allowances of £200 and £100 in my view is not enough to counteract our heavy personal tax system, and to counteract the increased revenues that the Government will be receiving as people move into the higher bracket all the way up. And, therefore, on this side of the House we would ask the Government before they put their Finance Bill forward, to review the personal allowances they are going to give.

On the budget as it comes before us, and on the figures as are put before us, and Mr Speaker, we can only go, and I would like to stress, we can only go by the figures that are presented by the Government, we cannot go on any other figures. Last year, we could not do anything else but what we were told, and what we were told was wrong and we protest about that. But we can only go by those figures, and going on those figures we think that the Government can afford to give in back in personal allowances instead of \$898,000, double that amount. We say the figures permit it, and that is what my Honourable and Learned Colleague meant when he suggested giving the taxpayers some of their money back. They were overtaxed last year and we made the accusation last year, and let me go to the political point straight-away and dispose of it. We made the accusation last year that we suspected it was a tough budget in order to be able to give a lenient budget this year for the election. I am not accusing the Government side of anything, but in the event, as things have turned out, we were right, Mr Speaker. Because the Government can afford to put no taxes at all this year and still achieve a surplus at the end of the year of £5,89m. Without any more taxes of any kind they can achieve a surplus of £5,89m. That is the figure that has been put before us.

HON A J CANEPA:

If the Honourable Member would give way. That is with the increases that have been mentioned in Electricity, Telephone and in Water. They are not taxes, they are increased charges.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of clarification, Mr Speaker, if I may. The £5,89m which the Honourable and Learned Member quoted does not include the tax give-away.

HON P J ISOLA:

Yes, I was coming to that. I have forgotten about the contributions, I think and the Chief Minister has talked about them being very moderate. The contribution on electricity is about £300,000 and I think the...

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Electricity, £307,600; Potable Water £347,000; Telephones £135,500.

HON P J ISCLA:

I am very much obliged. So, therefore, Mr Speaker, taking away that amount, call it £890,000, there will be £5m in the Consolidated Balance. If no charges were increased for electricity, no charges for water and no charges for telephones, no increases on charges, they could still expect a balance at the end of the year of £5m. At the end of March 1981. £5m. Compare that with the £1.5m expected. Without any increases of any kind. And we say that the Government could give away £2m and still have a £3m surplus at 31 March 1981 which is double the surplus that they thought was reasonable after last year's taxation measures, and, therefore, they can afford to increase the personal allowances much more than they have done on their own figures, and we think that they should do this. You cannot have the Government saying in 1979, in its budget, we are going to put up all these taxes because we must have £1.5m at the end of the year, and then a year later, coming to the House and saying we must have a £8m surplus. So what happens? Will they have £8m next year? Or are we going to say that we must now work for a £10m surplus and go on taxing people? Go on widening the differential in our personal tax system between Gibraltar and UK? Is that the policy of the Government? Because that is what is happening, Mr Speaker. As a result of the last two English budgets there is a great difference between the personal tax system in Gibraltar and that in England. And we say that the figures that have been given to us would justify the Government lightening the tax burden of the people of Gibraltar.

Mr Speaker, the question of the elections. I know the Government knew about December that the out-turn was going to be better than they had expected, but I do not think they knew in December that it was going to be as good as it has turned out to be! That I have on good authority, Mr Speaker. Another point. There were different reasons for the elections. We said at our Party Assembly, I agree with Mr Canepa; was it because there was going to be a tough budget? We said it. But we only said it, and we will never do this again, on the information that the Government were giving us on the budget: about the seriousness of the situation, the need to impose heavy taxes. Our reaction in the budget was: no, you are taxing so heavily so as to have an easy run for the election next year, and that assertion was the right one as it turned out to be, and not the figures that they gave us wrongly at the last budget, and all the premises were wrong, because the facts and the figures have shown it. So we say, why did they call the election? It was not to save £10,500, Mr Speaker, I do not think even the Honourable Mr Bossano believed that. It was because it was the

opportune political moment to go to the polls. The Government reckoned the Opposition were in disarray, that is all. There was, may I say, a good sound political judgement made, and it almost did not come off. It is rather like when Mr Callaghan went to the polls and it did not come off. In their case it came off, fair enough.

But I am sure one thing and that is that if the Government had known that the out-turn was going to be as good as it has been then perhaps that would have been put into the scales at the time the decision was made by the Chief Minister to dissolve the House. We cannot go into his mind of why he did it or why he did not do it. Perhaps what he says is the reason, perhaps what the Government party said is the reason, perhaps it is not. Our own feeling is that it was thought an opportune time to go to the people.

Mr Speaker, that was the general points that we would make on the general picture that is presented by the financial statement of the Government. We believe, and I will deal with the Funded Services if I may on their own, we believe that the picture shown by the budget is a healthy one and we are glad about that but it has been made healthy by harsh taxation measures put on the people at the last budget. It has also been made possible, Mr Speaker, by the acceptance by the Government of the need to stop wasteful expenditure, about which we on this side of the House have been speaking for a long time. Again, I will make some comments on that, but generally we feel that what the Government should be aiming at is to continue good control, efficient control and management of the Departments and cutting wasteful expenditure. We do not advocate, Mr Speaker a cut in the standard of the social services. And I shall have something to say about that when I come to deal with Education. Therefore, we agree with that and we hope it continues because we believe, and this may be a very optimistic view to take of the situation, that we should work towards lightening the taxation load on the people of Gibraltar over the years. Therefore, we believe that the Government must continue to achieve and obtain high standards of management and expenditure control.

If I may, I will deal with the point of the funded services now. What is our policy on the funded services? Mr Speaker, in theory they should be self-supporting because people should pay for what it costs to give them electricity or water etc. However, in the circumstances of Gibraltar it seems to me that it is impossible to expect the electricity undertaking or the potable water fund or the other funded services to be self-sufficient. I cannot understand, and the reason why

I say this is, that it is iniquitous to my mind to make the charges that are levied and appear to be levied and appear to be necessary for the supply of water and electricity to the Gibraltarian homes. I do not know where the catch is, Mr Speaker. I do not think it is fuel alone because we have this fuel cost adjustment formula which produces increases in the price of electricity right through the year. I do not know what it is. The electricity undertaking seems to require payment for electricity at a much higher rate than is exacted in any other country, including the UK. People are amazed when I tell them about my electricity and water bills. I do not know what it is, but I do know one thing, and that is that it is impossible to expect the lower-paid in our community to pay the high charges that would have to be paid if the funded services were to be entirely self-sufficient. Therefore, we agree that there should be an element of contribution from the General Consolidated Fund. I think it is an impossible aim for them to be self-sufficient, and on that, Mr Speaker, let me say what has happened this year already. Last year, and I think my Honourable Friend Mr Restano said this - the Hon Minister for Municipal Services denied it - that the Chief Minister said that it was their policy that the Electricity Undertaking should be self-supporting. Last year he said in the budget, page 216, "Insofar as electricity is concerned it is our intention that this service should pay for itself fully as from this year". That was 79/80. So the Government was saying in 1979/80 that electricity would be self-supporting. And in 1980/81 it is admitting that it just cannot be and they are going to make a contribution of £370,000. I hope that includes payment for the crankshaft of £92,000. I hope that is considered capital and not current. Mr Speaker, we cannot agree that funded services should be completely self-supporting if this is going to bring about charges that are iniquitous and too heavy. So we do support an element of subsidy to the funded services.

As far as the Housing Fund is concerned, Mr Speaker, now that I am talking about the funded services, there is a considerable amount that has been deducted from the question of the maintenance of Crown Properties, the minor repairs that we were told about. Over £500,000 less is being provided for in the Estimates for minor repairs. That is a very considerable amount of money. I do not know how many tenants the Government have but if you divide the money by the number of tenants then the cost per unit would become more obvious. We would like to refrain really from commenting on that at the moment because we would like to be reassured that where Crown Properties or tenements, or whatever you call it, have got into a state of disrepair because of lack of maintenance by the Government, and because of non-abatement of public health

notices, the tenant is not going to be expected to pay for that. We would like to have assurances on that.

Dealing on that point, the Minister for Public Works said that the workforce - because I notice that there is this reduction of expenditure of £500,000 in the budget, and although there is an increase in the amount that is to be spent in backlog maintenance in the Improvement and Development Fund, the increase is only of the order of £300,000. The whole lot has not been switched to backlog maintenance and the Minister for Public Works said that the labour force would be used not just for backlog maintenance but also in connection with the project at Catalan Bay.

Mr Speaker, I would like the Government to consider whether that of itself is a good idea because what I would like the Government to consider doing is accelerating backlog maintenance, do not use your labour force at Catalan Bay, get rid of all these Public Health notices that exist in relation to the Government properties which, if it was a private landlord, would have been dealt with in Court. But because it is the Government and it cannot be taken to court it is just left to one side. I would urge the Government to use any money that is available, and the workforce that is available, to accelerating the question of the backlog of heavy maintenance and dealing with the numerous notices that exist in respect of Government properties.

Mr Speaker, I think that the concern that was shown about youth is justified. I do not think it is fair of the Minister for Economic Development to abrade our youngest member in the House in the way he has done for being demanding on the Government for improved services. We know that 20 years' ago things were much worse. This is why democracy exists, to improve standards. But we cannot say that because we only had one scholarship twenty years' ago we are damned lucky to have 35 now; Mr Speaker. I think it is natural for youth to want change, to want quick change and to push forward. It is very good in our society that we older people should not be allowed to be complacent about achievement. I think that in the field of youth, and my Honourable Friend Mr Loddo addressed the House on that, the Government on the question of education should not drop standards, because as my Friend Mr Loddo said: the youth of a nation are trustees of posterity, and this is true. We must not let up on education, Mr Speaker. There is too much of a tendency in Gibraltar to talk just about money all the time: wages, salaries, that side of the picture, too much, and we are tending to be, as time goes by, less and less critical of the standards of the services that we are giving. And this is true when you see the standard of cleanliness in the streets, the standards in the Air Terminal, the

standards in the Waterport Wharf. Standards all round are being allowed to drop for other reasons. I think that an effort must be made to maintain standards, and in education that is vital. If I may refer to the Education Estimates to show why I feel there may be a little drop in standards, for example in Books and Equipment the Approved Estimates for 1979/80 was £124,000 and the Department was compelled to keep within that estimate because I notice the Revised Estimate is £124,000 and I notice that the estimate for 1980/81 is again £124,000. If one considers just the inflation there was in 1979/80 and the inflation there will be 1980/81 it is quite clear to me that standards with relation to books and equipments are going to be allowed to drop. In fact, it has been said to me on a number of occasions, I don't know how far this is true but it has been said to me of boys having to share books and so forth. This, Mr. Speaker, is bad. Standards of education must not just be maintained they must be improved because the world is improving, the world is going forward and we too must go forward in Gibraltar. And I hope I get assurances from the Government that they will not allow standards to drop and that they will not just maintain them but go forward to improving them. And this brings me to the question raised by the Honourable Mr. Canepa when he said "Well, there is no need for them to go back for a second year" Mr. Speaker, I think he is wrong there.

HON A J CANEPA:

If the Hon. Member will give way. I said there is no need to go back 3 or 4 years after you have returned from getting a degree. There is a need to go back after 8, 10 or 12 years. That is what I said.

HON P J ISOLA:

I'm glad at least that that is so, because I think that in Gibraltar whether it's with an open frontier or whether it's with a closed frontier opportunities within Gibraltar of getting varied experiences are very limited and I think there is no question about it, if you are living in a small community you need to go off and get new ideas. You need to go and get higher qualifications. And although the Minister has said he agrees that there is a need after 8 years and there is no need after 3 or 4, I think, that is a matter of choice. It is a fine distinction that he is making. I think they should continue with the policy of allowing people to go and get further qualifications. The amounts involved, Mr. Speaker, are not that high in the context of the total Government expenditure, and I did hear the Financial and Development Secretary inform us that because of the announcement of the Gibraltar students being treated as EEC

students there is going to be a certain amount of cash to spare in the Education vote and I would urge the Government to use that cash, not as a saving and not as part of the surplus of the Government at 31st March, 1981, but to use that cash, which anyway they are prepared to vote for education, for improving the standards of that department: to use it for giving a more generous vote for books and equipment: to use it for sending more teachers to England for training and greater experience and additional qualifications. I am sure that all Members will agree that those are desirable objectives. When you are thinking in terms of cutting, try cutting elsewhere, but try and maintain desirable objectives. Our standards, I think, of education in Gibraltar have been going up and I think today they are very good, but that is one area of activity where we cannot stagnate, and I would urge the Government on education not to cut expenditure of maintaining it, but to be enlightened in its approach and to improve it and go for greater and greater improvements in standards.

Mr. Speaker, on Labour and Social Security I'm grateful to the Minister for Economic Development for what he has said about increasing allowances. I was also happy to hear about his proposal to increase Supplementary Benefits to meet the increasing cost of water and electricity for Old Age Pensioners. But I would urge the Government to consider - nothing has been said about this - making the Elderly Persons Pension tax free. It seems to me wrong, Mr. Speaker, that those persons in receipt of Social Insurance Pensions should receive it tax free whether they are poor or they are rich, should be in a better position than that class of people who receive Elderly Persons Pensions, as a matter of principle. It is our view that that pension should be tax free and the Government has the means in this budget to make them tax free. It would cost the Government I believe around £120,000 maximum, probably less because a lot of people on Elderly Persons Pensions may not be paying tax, I don't know. As a matter of principle, and with inflation growing the way it is growing in Gibraltar, where you don't have to be on Supplementary Benefits to be badly off, there are a lot of people who are not on Supplementary Benefits and are still not very well off, Mr. Speaker, because this inflation is a continuing disease. It goes on and on and on. For some it works out alright but for the old it doesn't and I would ask the Government to consider doing something in that direction in the budget and show the elderly people that we do care for their position and their situation. And as far as electricity and water is concerned, Mr. Speaker, I am saying, I know, party politics, but I think the Government should consider this. I don't think the allowances on water and electricity should be exclusively given to people on Supplementary Benefits, they are not the only ones that should be

helped, I think, there is something to be said, Mr Speaker, and I go back to the question of the funded services, there is something to be said for making a reduction in electricity and water bills for old age pensioners living on their own. I know it is a subsidy, in a way a hidden subsidy, but I think that would go some way to making for a more comfortable life for the old age pensioners, which is what I'm sure all Members of the House would like.

Mr Speaker, Medical and Health Services. I was very interested to hear from the new Minister for Medical Services, and to hear his assurances about doctors who come from overseas. How they see all the people in the Government list first before seeing private patients. But I would like the Minister to look at that further because we do get feed-back of people who feel they are forced to see a particular doctor who comes over, a particular specialist, as a private patient in order to see him during his next visit and not have to wait for another visit. I don't know whether that arises from the fact that he sees Government patients on four days and on one day he sees private patients. I personally feel that all Government patients that require to be seen by a specialist should be seen during his visit and not have to wait for a subsequent visit, and I would like the Minister to look into that.

HON J B PEREZ:

Mr Speaker, if the Hon Member would give way. May I inform the Members that, in fact, on certain occasions when visiting consultants come to Gibraltar they don't see any private patients at all because within the five-day period that they come there are so many general patients who have been referred to him, that on various occasions they actually go back without seeing any private patients. That is the position.

HON P J ISOLA:

I'm glad to hear that assurance. It is not that I don't want them to see private patients. I think they should be able to see private patients who wish to see him, but as they are brought at public expenses they should deal with Government matters first.

Now the other point, Mr Speaker, I'd like to make on the Medical Services, is the question of specialisation, the question of specialists in the service. I'm glad to see that our younger doctors are going to get higher

qualifications and I think that the Government policy should be directed at encouraging Gibraltarian doctors to stay in Gibraltar. Unfortunately over the years this has not been the case and as a result we have had a number of doctors from outside, some of them very good I'm sure, but a number of them with no ties with Gibraltar coming and practising in Gibraltar in the Government's Health Service or in the Government Hospitals. Government policy should be directed at encouraging Gibraltarian doctors to stay in Gibraltar, but, Mr Speaker, on specialisation, Government must be careful to mellow specialisation with experience. If I may take the analogy of the law, you can have a brilliant lawyer in practice but he doesn't get to his fulfilment until he has had a considerable experience, and I would imagine that in the Medical Services, with doctors and specialists the same thing applies. You require experienced and competent people at the head of our Medical Services and I hope that the Government will bring in sufficient experience and competence to be responsible in Gibraltar for the whole of that speciality. I'm not in any way trying to be critical of any young person but I think there is a need to have specialisation and experience in the Medical Services.

Mr Speaker, on Recreation and Sport, of which we have talked about and shown a lot of interest, I notice that the amount that is being given to the Cultural and Sporting Associations is still £12,500, I think, and that sportsmen are being asked to contribute £21,000 to the Victoria Stadium. It seems to me to bring an unfair imbalance. I don't know whether there is a need to put these fees in the Victoria Stadium having regard to the total cost and we would favour a more lenient approach to the matter.

The last thing, Mr Speaker, I'd like to say on the recurrent expenditure vote is that I notice that the contribution to the Gibraltar Broadcasting Corporation is being reduced for 1980/81. Again allowing for inflation, I'm not quite sure how that is achieved.

HON CHIEF MINISTER:

Mr Speaker, by higher licences and by bigger contributions from advertising.

HON P J ISOLA:

I see. Well, I hope the advertising continues to increase in amount but not in quantity, Mr Speaker.

Now, generally, therefore, on the recurrent budget, estimates of revenue and expenditure, I think I've expressed our general views on it and our general remarks on them, and I come, Mr Speaker, to the Improvement and Development Fund on which the performance of the Government, I'm afraid, continues to disappoint.

The Chief Minister in his intervention said that the estimated expenditure on Development Projects in 1979/80 was £4.5m. That is an improvement of 70% over the previous year's figures of £2.6m. Yes, Mr Speaker, but these figures fall far short of what was estimated for those years. The estimate for 1979/80 was nearly £8m and I would also like clarification from the Honourable Financial and Development Secretary that this figure of 1979/80 of £4.5m is in fact correct, because we voted, if I remember rightly, I was given a figure of £3.6m at the last meeting for the end of February. £3.6m. And then we voted; I think, about £2m, not quite £3m, in the Appropriation Bill, and I was told, if I remember rightly, I may be wrong. I was told that that was the full amount up to 31st March, 1980. That gives me a figure of £4m and not £4½m. It's a small point but I would like it clarified how it is that the expenditure has gone up by £1m in March from the figures given to us at the last meeting, of figures up to 28th February, which amounted to £3.6m.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

On a point of clarification, Mr Speaker. The Honourable and Learned Member, the Leader of the Opposition, did not in fact ask me what my estimate was for the total expenditure up to 31st March, 1980. I had this figure with me and had he asked it, I would have given him, £4.5m.

HON P J ISOLA:

It is very encouraging, Mr Speaker, that £1m can be spent in one month. This augurs well for the future, that is all I can say.

HON M K FEATHERSTONE:

I cannot speak for the electricity and telephones, but the amount spent by the Public Works Department section of the Improvement and Development Fund in March was £745,000.

HON P J ISOLA:

The sad story, of course, Mr Speaker, is that at the end of this year, and even supposing the Government spends the £10m that they say they will spend, there will still be left £13m of the Development Programme of 1978/81. £13m, assuming the Government spends the £10m this year. I am taking that figure from the address of the Financial and Development Secretary. I hope I haven't misquoted him. Perhaps if I am wrong that could be clarified. At page 22, he said, "To complete the 1978/81 Development Programme a further £13m will be required, of which some £9m will fall to be met from local funding".

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If the Honourable Member will look at page 92 of the Estimates, he will see the breakdown by Head of that amount.

HON P J ISOLA:

I am obliged. So there will be, Mr Speaker, some £13m more to spend assuming the Government spends £10m. I notice in the contribution of the Chief Minister, and indeed in the contribution of the Minister for Public Works, some sort of blame being put on the contractors for this slow progress. The Chief Minister said, I think, "Whether or not this target will be achieved," at page 17, that is the target of £10.12m, "Whether or not this target will be achieved depends very much on the performance of contractors and the supply of materials from outside Gibraltar. In detailed and probing discussions with consultants and contractors, the Government has been assured that the expenditure target can be met. I can assure the House of the Government's determination to ensure that the work represented by this expenditure figure is carried out during this financial year." Now that sentence has appeared in substantial form in 1978 when the Development Programme was announced to this House, when we were told that the Public Works Department was getting all the expertise necessary to be able to cope....

HON CHIEF MINISTER:

If the Hon Leader of the Opposition will give way. I think there is a particular significance in the way this is put this time, because the bulk of the programmed works are already not only out to tender

and approved but in progress. That is why we say that the progress is so much dependent of the speed at which the contractors can carry out their work, the bulk of it, and that is the difference. It isn't a question of putting the blame on them, it is rather putting our expectations that their targets, having approved the estimates and having commissioned them to do it and their having started on the work, is kept. And that is where we will ensure to the best of our ability that the work is done.

MR SPEAKER:

Basically what the Chief Minister has explained is the fact that it is now beyond them, they have done what they had to do and it is now in the hands of the contractors.

HON CHIEF MINISTER:

Other than keeping a close watch on the progress of work by consultants and so on and making the contractors responsible for any delays.

HON P J ISOLA:

in
Yes, Mr Speaker, but I just want to say that/1978/79 we were told words relating to their confidence of getting the Development Programme done. In 1979/80, when the Government estimated £8m worth of expenditure, we were told the same thing; and in 1980/81 we are being told the same thing again, but, I accept, with the qualifications that at long last contracts have been awarded for some of these projects. The Minister for Public Works seemed to be shying away from responsibility for his department for this delay, but I can only remind you that in 1979, in this budget session, he as Minister told us that the first brick for the Girls' Comprehensive School would be laid in June, 1979, and it is now nine months later and we still haven't had the first brick laid. The contracts have been awarded, it is true. Now, Mr Speaker, I can only reflect, because what happened has happened, there is nothing we can do about, we have given warnings repeatedly of the totally unsatisfactory situation with regards to development. I can only reflect on it, but I notice that in the speech, I think, of the Financial and Development Secretary or the Chief Minister, in speeches made by Government Ministers, we have been told of the benefits that will arise from the expenditure of £10m in terms of income tax receipts and other economic activities; higher employment, more employment of labour and so forth. But, Mr Speaker, they are only telling us what we have been

telling them for the last three years and four and five, that the lack of economic development, the lack of development expenditure, has had a slowing up effect on the economy, and they will themselves see if this money is spent, they will themselves see the results in the revenue that accrues to Gibraltar over the years. But, Mr Speaker, the unforgiveable, if I may say, the unforgiveable sin, let me put it that way, that the Government has committed is that in a Development Programme of £22m there will be £13m unspent.

HON M K FEATHERSTONE:

I think the figures are not quite correct. If you add £2.9m to £4.5m, and £10m this year, it gives approximately £17m. So it leaves £5m unspent.

HON P J ISOLA:

Well, Mr Speaker, I am going by the speech that was made by the Financial and Development Secretary. There are items I believe in this that are not in the Development Programme, I assume that. And that is why I assume that it is £13m left unspent on the Development Programme. I agree with the figures that the Minister for Public Works has given me, I agree that if you add up £4.5m, £2.6m and £10m it is £17m; but at least £1m is not in the Development Programme because that has just been announced as a result of the frontier situation for car parks. So whether one says £13m or one takes the best possible view for the Government of £17m, it is still £5m or £6m left unspent. I believe it is going to be more, Mr Speaker, I believe it is going to be more, because although some of these things are in the hands of contractors, like for example the school, there are a lot of other ones that are still in the hands of the Government to achieve during the year. It would be interesting to know of that £10m, how much in terms of value is already out to contract and how much of that amount under contract will be spent during the year.

HON CHIEF MINISTER:

Mr Speaker, if the Honourable Member will give way. It is more than £10m on contract, but it is that part that is to be spent, the bulk of it which is to be spent in this financial year, the contracts out, are worth much more than the £10m.

HON P J ISOLA:

Yes, I appreciate that, but how much of what is going to be spent this year is contract money? That is what we would be interested to know.

Mr Speaker, going to the Minister for Economic Development, we were very interested to hear about the Port appraisal or viability study or whatever is to be made. I personally was rather surprised to hear about this being done now. I would have thought that would already have been available. The whole look at the Port. I am glad it is being looked at again but I would have thought that with Government making any decisions as to where the power station was going to go, with Government making any decisions about the viaduct refilling and so forth, I would have thought that that sort of study would have been done some time ago. Anyway, by all means let it be done. There is one thing, however, that has not been said by either the Minister for Economic Development or the Minister for Public Works, and that is what I would have thought is the crucial factor of the viaduct bridge. Certainly we would like to know whether the viaduct bridge is going to be available for heavy traffic, the sort of heavy traffic that we are going to get.

HON A J CANEPA:

I apologise. I actually had a separate sheet of paper on the question of the viaduct and I must have misplaced it in the course of my speech. The position about the viaduct bridge is that we can continue to use it as at present for the next four years. After that, beyond that it would have to be replaced and what is being proposed is that there should be extensive reclamation, in the long term, reclamation between the end of No 5 jetty and the Varyl Begg Estate, in the shorter term a causeway to replace the viaduct bridge. But it makes sense, in addition to the causeway, I think, to seriously think about reclamation. The only thing is that the order of cost may be very high. As far as the viaduct bridge is concerned the order of cost I think tentatively is possibly under £1m and this is what will have to be done in the short term, it will have to be replaced by a causeway.

HON P J ISOLA:

Well, Mr Speaker, I'm very glad to hear that. We did say, actually, we had considered that as a party and in our manifesto we did suggest that consideration should be given to reclamation being done between the Varyl Begg

Estate and No 5 Jetty, as an aim of policy because not only is the Viaduct Bridge in a bad condition apparently, and the Minister has confirmed this, but as I understand it the west wall of the Varyl Begg Estate is also giving in a bit, and that, of course, could be very serious in time.

HON A J CANEPA:

Yes, I can confirm that. There is a great deal of work to be done there. One thing about Viaduct that has not been said, but I think is pertinent to mention is that I have been now a member of the Development and Planning Commission since 1973 and over the years we were being told by the representatives of the Navy there, who for over a year also happened to be the Queen's Harbour Master but who usually has been the Chief Staff Officer now he is the Captain of HMS Rooke, we have been told that a Viaduct was absolutely essential because it was necessary to maintain a flow of water through there otherwise there would be a great deal of pollution. Apparently, they have changed their thinking on that, it doesn't seem to be that necessary now, and that is why a causeway with ducts, 6 to 8 feet wide apparently will be quite sufficient.

HON M K FEATHERSTONE:

It is only really for surface water so that it keeps down the pollution on the surface.

MR SPEAKER:

Yes, but let's not get bogged down on the solution to the Viaduct.

HON P J ISOLA:

But it is, Mr Speaker, that is why I mention it, I think it is very, very relevant to all the development that is going on in the Port area, especially I would have thought to the power development that will take place there. Certainly I'm glad to hear that this is being given thought because I think it is a crucial matter in respect of development for the future of Gibraltar.

There is one point I would like to make. As far as development is concerned, of course, I am only repeating what we have said year in and year out and certainly nobody will be happier, Mr Speaker, than this side of the House if the Government achieves the development target of £10m which they have set themselves for this year. I can only express

concern and disappointment. We knew it was going to happen and that is why I don't get so emotional about it. Concern and disappointment that the Government Development Programme for 1978/81 will not be completed by 1981, that in the new circumstances in which Gibraltar finds itself the amount that is available for a new Development Programme may not be as much as this one and that the opportunity will have been missed and possibly lost forever of getting real development going and completed within a particular period of time. That is a matter of concern and, of course, we have to reserve our rights to criticise the Government for this throughout the period of their term of office.

One last small point, nothing to do with the Improvement and Development Fund, Mr Speaker, but to do with the Funded Services. May I say that I cannot congratulate the Minister for Public Works in achieving a minus 3% water loss. This is very disturbing to us, Mr Speaker, because it seems to us that if you not only do not lose water but you actually find extra water it seems to me that in that situation what has happened is that people have been charged for water that they have not consumed. Mr Speaker, the average rate, and all these experts that the Minister has brought to Gibraltar on this matter have said that to achieve 20% or 25% loss of water is very fortunate, is very good, and now we are told that we have no loss of water at all. On the contrary we have a minus 3% and that is apparently as a result of what is metered and what is being billed.

HON M K FEATHERSTONE:

If the Honourable Member would give way. As I said the other day, it is the billing that is at last catching up with backlog. I think I can give one specific instance, My friend in the Victoria Stadium wasn't billed for 3 years and he got his 3 year bill all at one wallop and this may have happened in many other instances. The billing which has been lagging behind since the industrial action in 1977 is at last catching up. They are not charging for water that has not been metered at such.

HON P J ISOLA:

Well, Mr Speaker, I'm very glad to hear that because that could have been a serious matter. It would have meant that people were being charged without the meters being properly read and that is a very serious matter. So we don't know really what the water losses are because the Minister has treated it in a light vein and as a result we have had no figure of water losses and as far as the Water Committee

is concerned, assuming there are water losses, we ourselves are surprised that at the last meeting of the Water Committee we were told that an exercise was going to be done by the Management Section or something of the Secretariat, Management Services, and that we would have a reply within two weeks. Then a meeting of the Water Committee would be called. I must remind the Honourable Member, I don't know whether he got a reply, but I must remind the Honourable Member that this was about eight or nine months ago, and that if the Water Committee is going to operate in that very haphazard and laggard fashion, I don't think we would be terribly happy of continuing to form part of it. We would certainly like to have assurances from him that the Water Committee's work will be constructive and will achieve its main object, which is to see that the price of water is kept down to a minimum by not having unacceptable losses of water. Water is a very expensive commodity. There is something like \$3m down for buying water between the distillation plant and the importation of water and I think that the Water Committee, or whoever it is, should make every effort to reduce the losses of water. And another remark that I didn't like, and I think I must say it for the record, was that the Honourable Mr Featherstone also referred to the possibility of an alternative water supply and may I say that on this side of the House if the alternative water supply he was thinking of is the one that we thought when he spoke then we are not in agreement with such an alternative because we feel that Gibraltar should continue to be self-sufficient in all its essential services and we should not make ourselves prone to pressures of that kind at any time in the future.

HON M K FEATHERSTONE:

No, I simply said that there might be alternative importation sources, not an alternative supply.

HON P J ISOLA:

I am glad for this clarification. Well, Mr Speaker, I think I have said enough, I'm glad for once the Government side agree with what we say! I would just end by not repeating what I said before by asking the Government to ponder during the luncheon recess, to ponder very carefully on what we have said. I think we have tried to be constructive in our approach to the budget and we hope that the Finance Bill will reflect some of the suggestions that have been made from this side of the House. It is not too late to change it yet.

Thank you, Mr Speaker.

MR SPEAKER:

Well, I will say before we recess for lunch that the only Member, other than the Honourable Mr Bossano who hasn't spoken and is entitled to speak before I invite the Chief Minister to reply is the Honourable the Attorney-General. I don't know whether he wishes to contribute to the debate. All I am saying is that we are going to recess until 3.15 pm and those wishing to take an opportunity to contribute to the debate should be here on time so that we do not delay matters. So we will now recess until 3.15 this afternoon.

The House recessed at 12.55 pm.

The House resumed at 3.25 pm.

MR SPEAKER:

Well, gentlemen, I will remind the House that we are still on the second reading of the Appropriation Bill. I understand that the next contributor will be the Honourable Mr Bossano, so I will call on him to make his contribution.

HON J BOSSANO:

Mr Speaker, last year I made my main contribution to the Budget debate in the Bill dealing with the revenue-raising measures. I think one cannot look at the two sides of Government Revenue and Government Expenditure as if they were unconnected elements; the Budget as a whole is a complete thing and my argument over the years has been that, if anything, we concentrate on the Budget in terms of its financial implications, in terms of its attempt to meet expenditure by raising revenue in one way as opposed to another, without giving due weight and consideration to the economic impact of revenue-raising measures as opposed to their fiscal input. And this obviously is going to be a theme that is going to reappear in my contribution this year.

It is quite obvious, Mr Speaker, that I will find myself repeating a great many of the arguments I have put forward in previous years because so few of them have been implemented so far, although I believe that there is a trend, if one looks over the years, in gradual acceptance of some of the suggestions that I have been making from this side of the House.

Let me just first answer perhaps the Honourable and Learned the Leader of the Opposition who opened his own contribution by a reference to the fact that I was following him rather than preceding him. Of course, the Leader of the Opposition reminded the House that when I had been occupying that position in 1976-77, when he was equally eager to follow me as he seems to be on this occasion, he said that I was leading my troops from the rear and he said it as a criticism of the fact that that was the way I chose to handle my answer to the Government on that particular occasion. Clearly although it was intended as a criticism in 1976 since then he has thought about it and decided to adopt it as his own policy rather than following the practice of his immediate predecessor who usually spoke before I did at every Budget session. And, in fact, this practice that we had on the Opposition benches, Mr Speaker, since 1972, was because I was throughout that time when there was a single party in Opposition the spokesman on finance, and if I was shadowing anybody at all really I was shadowing the Financial and Development Secretary, and it was rational that the economic policies of the Opposition should be put by me and that those who followed me should then develop a particular theme shadowing a particular Minister within that economic framework. But, of course, since one understands from one of my ex-troops, who now is a Lieutenant General in the Honourable and Learned Member's Army, one understands from him that they have got their own economic experts and require no assistance from me, I would have thought they did not need to wait to find out what my own economic analysis of the present situation of Gibraltar was. But of course, we have not had an economic analysis from anyone else so far and, therefore, the House will bear with me if I do my humble best in these circumstances to try and enlighten the members of the House who may feel that they can react perhaps more rationally and perhaps also less politically to the implications of this Budget for Gibraltar.

I feel, Mr Speaker, that if all that we do in successive Budgets is to quarrel with each other about who is better at doing the things that need to be done by Government we are likely to give the impression to people in Gibraltar, and I think that is the impression we do tend to give, that in Gibraltar we are really dealing with a small Urban Council that spends all its time arguing about street lighting, parking spaces, flower pots and stuff like that. And I think this is not the case. In Gibraltar we have got a responsibility for economic management which other communities of our size would not have. A city our size inside a nation has got no choice about the direction in which its economy develops. It has to develop within a national economic framework which reflects national political decisions. We have got choice

in Gibraltar and we should be concentrating our minds in exercising that choice. And to the extent that there are political divisions in Gibraltar, Mr Speaker, those political divisions should reflect alternatives about choice. Clearly, my view as to what effective political participation in the House of Assembly means is different from that of the Honourable and Learned Leader of the Opposition and therefore, what I say in my attempt to persuade the Government is something that does not and cannot reflect the way the other members of the Opposition feel on the issue because, in my first motion since the election the Honourable and Learned Member went on to point out that if that I was doing in trying to influence the fashioning of Government policy was what I considered to be effective and strong opposition then it was a waste of time. I hope that my philosophy is right and this is wrong because I certainly intend to stick to that philosophy for the next three years and for how many other years I spend in the House of Assembly.

I would put it then to the House that in looking at the implications for the economy of Gibraltar of the Estimates that we have before us, and effectively what we are supposed to be doing, and have been supposed to be doing since the opening statements by the Financial and Development Secretary and the Honourable and Learned the Chief Minister has been to talk on the merits and general principles of the Bill. I would say that a detailed and conscientious examination of the record in Hansard will show a very wide departure from the strict interpretation of what the merits of the Bill are. We have to look at it in terms of what is the role of politics and political power in the light of a society in terms of material well-being. Perhaps there may be an element in political philosophy where one tries to persuade a community to have a different set of priorities which do not carry economic implications. But I think the main role of Government has got to do with the material well-being of the people. And in the recent election campaign we put forward the concept as we saw it that really this should come about in three stages, if you like: that effectively the Government should have a target for economic growth to create wealth; secondly, it should have a set of fiscal policies to generate revenue; and thirdly, it should have a social programme to determine how the wealth created should be consumed. And effectively which seems how the Government tells us that water and electricity and housing and telephones are goods which people have to pay for, but clearly you could say the same of every Government service. The protection that a citizen gets from a Police Force or from a Fire Service is also a service which the Government is providing the community with and charging for. But instead of charging on a per-capita basis for every fire we have, or charging every time one gets mugged, we get

an overall charge taken out of our incomes. And, therefore, the Government role effectively is to deprive us of part of the wealth that we earn in order to provide us with services which can possibly be more efficiently charged by having a charge on the whole community than by charging the individual user. That is really all that we are talking about when we are talking about an economic programme and an economic policy in a political context.

I believe that there can be fundamental differences in each of these three areas. There can be fundamental differences in a political philosophy about economic growth. My Party is committed to economic growth as is almost every other socialist party in western Europe. Certainly, the Conservatives, as the Honourable the Financial and Development Secretary has mentioned, believe that the cure for inflation is to restrict economic growth and are doing it at the moment through the rigid implementation of a monetary policy that people like myself consider to be a disaster. But there is a clear-cut political difference there. And if one had a budget here with the normal political considerations that politicians discuss in this sort of situation we might find that either we are all in Gibraltar very left-wing, or we are all very right-wing, depending on how we react to something that is dividing Western Europe today about economic growth. But of course, so far the reaction to the statements of the Chief Minister, and I cannot be simply critical of the Opposition in this respect, I must say that if the Chief Minister starts off his statement by saying that the Government's economic policies must, therefore, be seen as being conceived in pursuance of aims conditioned by circumstances, I would say that there should have been a full stop after seen, and I would say that the economic policy must be seen before we can even react to it. Because I do not see economic policies. What I see so far still is fiscal policies designed to meet needs in an expenditure programme which is basically an expenditure programme of maintaining existing standards with some small level of improvement in some areas.

For example, the increases announced in Family Allowances and the increases announced in the children's allowance under the Income Tax Ordinance, which are both of 25%, are improvements because if we have got a 15% inflation rate and we are going to have a 25% increase there are improvements in those benefits and not simply maintenance of existing standards. Whereas in the case of the Income Tax Allowance, effectively what we have got is what I would agree should be the minimum requirement which is practically indexation of those allowances, otherwise we would have had an increase in Income Tax. If the Government had not increased the Personal Allowances

by 15%, which was the rate of inflation in 1979, then effectively, through fiscal drag there would have been a real increase in real tax paid on real income even if in money terms it did not show up to be the case. So what the Government has done, as I see it, is that on income tax they have maintained the existing level of taxation except for the case of Children's Allowance and Family Allowance where there has been a reduction for this particular group. I cannot quarrel with that, Mr Speaker, but, I would find it easier to point out whether I was able to support it or not if it formed part of a wider philosophy. And therefore, I think that in the first point of what I think the Budget should be doing, which is that of a philosophy about economic growth, we have in fact no such thing happening. In terms of fiscal policies to create revenue I cannot support the view that because we have parity we should be introducing UK rates of tax. I think that the commitment to UK taxation, and in reminding the House of the stand I have taken over the years, I would perhaps point out that I am not necessarily doing what is supposed to be politically most popular, because I was quite willing to defend UK rates of taxation, Mr Speaker, when they were higher than in Gibraltar as part of a programme of integration with UK. I stood by that programme when we started the Integration Party, five of us in 1965, and we said that if the price we had to pay for a defined political objective was to pay UK rates when UK rates were much higher than in Gibraltar, then we were willing to pay that price and defend our philosophy, and that was one of the arguments that those who opposed us were using against us. That we were going to ruin Gibraltar with UK rates of tax! Today we have got higher rates in Gibraltar than in UK. But if we are talking about direct taxation in UK and talking about direct taxation in Gibraltar, then I would not support any move to reduce taxation for those between \$12,000 and \$16,000 without somebody else telling me where that shortfall in revenue was going to come from or where the cut in public expenditure resulting from that shortfall in revenue was going to fall. It may be politically a popular thing just to tell people that taxes should be cut. Certainly Mrs Thatcher seems to have been able to make it work in order to get into power although I do not think she is going to be able to make it work in practice to stop her being eventually out of power, because people in UK are now realising that the income tax cuts that were introduced by the Conservative Government, and we must understand that when we are talking about the UK tax system today we are not talking about a progressive system helping the lower paid, we are talking about a system that has been resisted by the Labour Party in the House of Commons, a system that has been taking money away from the lower paid and giving it to the people at the top.

That is what we are talking about today, if we are comparing the tax system in Gibraltar and the tax system in the UK. And that people who thought that they were in for a bonanza in tax cuts have found themselves paying higher prescription charges, paying for school meals and having drastic cuts in essential services. If we are talking about paying for a given level of services; if we are talking about ideological differences and political differences; let us talk about them openly and honestly. If we are all in agreement with labour policies then that is fine, I think it could not be a better situation from my point of view, Mr Speaker, than to find myself surrounded by fourteen other Socialists; I am not including the two officials because I imagine they are not allowed to divulge their political colouring!

MR SPEAKER:

I am delighted you have excluded me too!

HON J BOSSANO:

Well, Mr Speaker, since you have to be impartial, I thought that would be the right thing to do!

If the alternative Government does, as my Honourable and Learned Friend Mr Isola proposes, is simply one where he considers it has got a better management team, and this is how I understand the alternative to the statement of the Honourable and Learned the Chief Minister which should really have been a political statement of broad economic, fiscal and social policies, the alternative to that is as I understand it that there is a better team on this side to do the same thing as the Government would want to do, and, that therefore it would cost less money because they would produce more efficiency in Government. I think that there is a greater depth to the Budget, and to the direction, in which we must guide Gibraltar than simply saying that different individuals as Ministers in Government would produce different levels of efficiency in the Civil Service, because presumably if we are getting poor value for money, either we are talking about people not doing what they are being paid to do or else we are talking about a system that cannot function whoever is in power. If we need to examine the efficacy of the Government machine, of the system, then certainly it is right and proper that this should be a subject matter for debate in the House and I think that we might well find that we are paying excessively for the services that Government is providing for the community. But then I would go back to my initial point, Mr Speaker, of saying: what is it all about? If we think that we can have a better Fire Service by having it in private hands, because private industry is more

efficient than Government industry, then I am prepared to consider any radical ideas that members of the House may have on such subjects. I think it is proper. I think that it is of essence for people like myself who subscribe to the ideology of the labour movement not to be conservative ourselves, and I think it is quite correct that we should ourselves be prepared to examine all our own sacred cows, all the principles that we consider to be incapable of re-examination. I do not think there is anything sacred about the philosophy of how to run an economy that is prevalent and unsocialist, and if somebody can show me that a system based on private enterprise and a system based on capitalism can give the ordinary citizen a happier and a better standard of living than I would be a fool to try and persuade people to change something better for something worse. So I do not think that one should be horrified at the thought of examining honestly, objectively, impartially, what is the best way of providing the things that people want or the things that they need. I think sometimes Government has got to take a decision which essentially is a deprivation of individual freedom. Sometimes we have to legislate, we have done it in this House, we have legislated in this House, it took me a number of years to convince the Honourable Minister for Labour about this, but we legislated making insurance compulsory. Because if you do not make insurance compulsory then there will be people who will not insure for their old age and then when they get to their old age we will have to tax the people who did insure in order to pay pensions to those who did not insure. You have to force them to do it, otherwise effectively, if you leave it to the individual you may find that you tend to penalise the conscientious individual who provided for his own old age and has got to be taxed to keep alive the person who did not provide, because we cannot allow people who made no provision for their old age simply to fend for themselves come what may. Therefore, one has got a political responsibility, which if people do not like, if we find the situation where nobody wants to provide for their old age, then clearly there would be a political party contesting a future election on that ticket, and winning, and they could change the law. But I think Government has got a responsibility some times effectively to tax people in order to provide them with services which, left to their own devices, people would not provide for themselves. It seems to be an imposition. It is in fact a restriction on personal freedom, but it is one that the electorate can alter by electing different people as members of the House when the time comes if they do not like the thinking of the people who are here today. But the important contribution that we can make to the welfare of Gibraltar and the good Government of Gibraltar is not to spend all the time arguing about whether the roofs in Varyl Begg

would have taken three years if somebody else had been in Government instead of four years, but to get the roofs done. And we should be analysing fundamentals in this Budget, fundamentals in the economy of Gibraltar, and we should be analysing above all else, Mr Speaker, the direction the economy should be taking after 1st June. Above all else we should be examining that.

I can assure the Government that if I had been responsible for producing an economic plan in a situation of a closed frontier I would think that that economic plan would have to be thrown away in a situation of an open frontier since it would be meaningless. The Government would have been justified in saying that in the light of the anticipated changes in the Spanish Government's approach to Gibraltar, in the light of the removal of restrictions which were designed to cripple our economy, the most that one can have a month before the change starts taking place is a neutral budget and await events. I believe that even so this Budget effectively underestimates the strength of the economic situation and underestimates the eventual results. In fact, if the House recalls last year when there was so much gloom in the House I got sufficiently exasperated, Mr Speaker, by starting off my contribution by telling Honourable Members that I had never heard so much rubbish spoken in all my life, because all the gloom that there was last year was not justified. I pointed out, and the Financial and Development Secretary of the time recognised, that no account appeared to have been taken of the effect of the private sector wage increase on Government revenues. I also mentioned, as I have mentioned in previous budgets, the effect on the Currency Note Income Account which is inevitable in an inflationary period because there are more notes in circulation. And it is inevitable in a situation of annual wage increases.

We have been given figures by the Honourable the Financial and Development Secretary this year which clearly indicate that in 1978/79, when there was so much trepidation about the implementation of parity, the fears being expressed in the House were not justified. I remember that in 1978 there was a long and heated discussion between the Honourable and Learned Chief Minister and Mr Xiberras, the then Leader of the Opposition, because the reaction then of my colleagues on the Opposition was that the implementation of parity in the way it was being done was taking place too fast; that it should have been started earlier and at a slower pace, and this was again repeated last year when the economic situation appeared to be quite serious. It was again being repeated. It was the speed of the implementation of parity that was responsible, and I pointed out last year that this was absolute nonsense.

that it had nothing to do with speed, it had to do with ratios. What would not have worked, Mr Speaker, would have been for the Gibraltar Government to have implemented parity in 1974 and the MOD to have implemented parity in 1980. That would not have worked. But certainly if it had been done the other way round the surplus would have been £10m today instead of £5m! It has nothing to do with the speed of the implementation of parity because parity in itself is just a concept, the fruit of which we are seeing today. A concept which gives us an objective way of determining wages and establishing relativities.

The problem that is today crippling whole industries in Western Europe, the most serious problem affecting wage bargaining today is the problem of how we establish relativities in a way that people will accept. In the UK the Labour Government tried to set up the Wages Commission under Professor Clegg to do just what we are doing here in Gibraltar with parity, to establish parity between the public and the private sector, like we have established parity between Gibraltar and the UK Dockyards. And they have had great difficulty in getting some of those results implemented and accepted. We have been fortunate. People recognised from the beginning when they thought to establish parity, trade unionists recognised that it was a question of swings and roundabouts and that in some pay reviews one group would gain more than another group and relativities would be disturbed. But we have got something in Gibraltar, in terms of wages bargaining, that would be the envy of any country in Western Europe if they could have it, because we have got a way of sitting down and settling our differences using an agreed yardstick. We have agreed in Gibraltar since July 1978 that a Fireman here should be paid what a Fireman is paid in UK, and a Dockyard fitter what a Dockyard fitter is getting in UK, whereas everywhere else what tends to happen is that the Dockyard fitter goes on strike in order to close the gap between himself and the Fireman, and then the Fireman goes on strike to open it. That would still be the situation in Gibraltar if we had purely locally-determined wage bargaining processes where basically the person at the end of the queue would ensure that because he was at the end of the queue he did better than all the people who have preceded him in the queue. That in itself gives the economy of Gibraltar a stability that few other economies have got, and I think the Honourable Minister for Labour mentioned that that enables us now to do more effective forward planning, both as regards the Government's own expenditure and as regards the economy as a whole, because we can now project forward increased wage and salary costs in a way that very few people can anywhere else in the world. And we can do it because there is a time lag between our own settlement in Gibraltar and the settlements in UK. And

there is a clear trend established before we come to review dates. So it is possible now for the Financial and Development Secretary to come up with the figures that reflect what I was arguing several years' ago. It is possible now for a reasonably accurate estimate to be made of what the cost to the Government is going to be this year, and the cost to the public sector is going to be this year, and what the yield is going to be.

It is very instructive to look at the figures we have been given because we have been told that the cost to Government is £1.8m, and the yield from the public sector is £1.3m, and this is just on income tax. But of course, in the cost to Government, we have included £320,000 as the cost to the Funded Services; and, therefore, there is an element of double counting there, which should be subtracted if we are talking about a policy of making the Funded Services self-financing. Because if for example, in the Electricity Account we have a situation where we put down, if one looks at page 109 of the Estimates, £110,000 for wages and salaries and that forms part of the deficit for this year, and we are saying that that service should be self-financing, then that £110,000, which is part of the cost of £1.8m to the Government, is no longer part of the cost to the Government because it is part of the cost of this fund. But the £35,000 that that produces in PAYE is part of the Government revenue and, therefore, in the context of a policy of making the four Funded Services self-financing and charging the full cost of wages increases to those services - and that is still the policy whether it has been achieved fully this year or not - then we are talking now of a situation where out of the £1.8m gross cost we have £180,000 net cost simply after taking into account the financing of wage increases through rents, water, electricity and telephones, and the payment of PAYE by people in the public sector. And that does not take into account the yield on import duty as a result of the increase in net disposable income which at one stage was put at 5% initially and subsequently it was reduced - and I am not quite sure because we have not been given any information about whether any statistical work has been done on the eventual result - but I remember that in the first estimates that were being made about the impact a figure of 5% was being used and then the Financial and Development Secretary at the time thought it was on the high side and reduced it to 3½%. I do not know whether we now have information which enables us to come to the figure that is closer to reality, although of course I accept entirely that when one is talking about disposable incomes and indirect taxation yield one is talking about a less certain area in terms of forecasting than when one is talking about direct taxation.

Clearly, if we have got different levels of duty levied on different types of goods, and if we are told that so many thousands of television sets were bought in the last two years and that now the market is reaching saturation point, we could get a shift in consumer expenditure on to a product that pays a lower level of duty and that can upset your calculations. So I think in indirect taxation we have to accept that there is an element there which will probably provide some sort of cushion in terms of revenue yield over the next twelve months, but it is not an element that even in a relatively stable situation one could put an exact figure to without finding subsequently that one's estimates were completely out. But I think that on the Currency Note Income Account there is a very clear spin-off in a situation of 15% inflation, and wage increases averaging 15% to 20% which I think is the experience we are going to be facing in 1980/81 because we've got inflation in UK already running at 20% on a 12 month level, Mr Speaker, and, therefore, I think we are bound to see an increase in the money supply in Gibraltar, and I'm glad that none of the prehistoric ideas about monetarist policies have crept into our own fiscal policy.

Yes, we are in the happy situation, Mr Speaker, that we want the money supply to increase, it doesn't worry us at all, it produces money for the Government. Perhaps we should send somebody over to put the British economy right. I think in that situation we can expect that element in Government finance to produce more money and certainly the absence of a figure for the private sector makes no sense at all in any case because even in a stable situation like we've had, and the employment service indicates that we have not had a contraction of the private sector, and I would have accepted as a valid argument initially, perhaps, on the implementation of parity that if the private sector was going to be subjected to sudden and unexpected wage increases which, in fact, was not the case - it was not the case because the private sector had anticipated the wage increases because, in fact, if we look back to the 1978 estimates, Mr Speaker, we have a figure of \$7.4m in the budget then which was, of course, the wage increase of 1976. Now there you have a situation where the Government was paying out \$7.4m for wages backdated to 1976, whereas the private sector had gone up in 1976, 1977 and 1978. But in the situation that we have got now, where we have seen that parity has been carried out effectively through the major areas of the private sector like the construction industry, the hotel industry, organised white-collar workers in big employers, are all on either direct analogues with UK or direct analogues with the Gibraltar Government. Since we have now got a stable situation and employment in the private sector is not shrinking, then we can estimate with a fair degree of accuracy that the average level of increase in the private sector would be of the same

order as that of the public sector. Of course, if we do not do it and then we get an outcome of a \$1m more in income tax than was expected we should not all run around jumping for joy at what a pleasant surprise Father Christmas has brought! It has nothing to do with Father Christmas, it has to do with the Unions in Gibraltar negotiating wage increases. That is what is producing the money in PALE.

If we look at those unquantified elements on the revenue side of this budget, which I think are there and which I think make the position even better than it looks, and consider a new determination on the part of the Government to spend all the development aid in time, and one assumes that there are greater prospects of that new determination which surfaces every 12 months in April not dying in the course of the next three or four months, but if we see that actually bearing fruit, and I would remind Honourable Members that it was an important point in my analysis of the figures twelve months ago and twenty four months ago, that the degree to which the development programme was translated into work and translated into the payment of wages, was also a vital element in the degree to which we could expect actual figures to exceed the estimates. If we actually see the \$10m programme carried out; if we actually see the private sector wages going up; and we see an expansion of employment in Gibraltar and an influx of tourists, then we are talking, Mr Speaker, really of figures that look very healthy today, but which could be made to look ridiculous under estimates in twelve months' time. But I would agree that the Government should not take any risks at this stage with the economy of Gibraltar although I think that the figures in fact we will be pleasantly surprised by exceeding over the next twelve months. I would agree that the Government should not take any risks with the economy of Gibraltar because the most important consideration above all others that must guide us in this House is the preservation of Gibraltar and its people in the light of Spain's pretensions to take us over.

I think that in that consideration it is very important for us to have a strong, viable economy. I do not think we need to quarrel with Her Majesty's Government but it is certainly easier to disagree if you control your own purse strings. And I think it is important that the opportunities that may be opened up by a less antagonistic attitude on the part of the Spanish Government, those opportunities should be used to strengthen the economy of Gibraltar and to ensure that we do not find ourselves in a position of unnecessary vulnerability at some unspecified date in the future. It is important, and that should form a main political plank underlying economic policy for the Government of Gibraltar because it is better in a situation such as we have to err on the side of caution and find that we have got the money

in reserve which will give us a measure of independence in making our own decisions, and not to need to do it - it is better to have it, to be able to do it and not to need to do it, than to find ourselves in need of doing it and not being able to.

I think in any case an objective assessment of the situation will show that the level of reserves today is not exceptional by reference to what we have had over a number of years. It is exceptional by reference to what we have had in the last two years only. But I think the last two years were exceptional because we had a dislocation of the economy as a result of a two year delay before any public sector wage settlements took place. So we had a situation where the Government of Gibraltar, forming something like 30% of the total economy, was receiving revenue from the rest of the economy and having fixed costs itself; and then two years later having to go back and readjust all its cost figures retrospectively. Well, clearly any business finding itself in that situation will be in serious trouble because all its capital reserves, all its projection for the future, all its revenue figures would have to be redone, backdated two years, when the money that was being received two years ago has already been spent and gone. We have not got that situation any more in Gibraltar, and I hope we never have to have it again. Therefore, to look at today's revenue figures, to look at today's debt servicing, to look at today's reserves, we should go back to a previously normal economic situation in Gibraltar.

We find that in terms of reserves, Mr Speaker, in 1976/77 we had £3.5m in a budget expenditure of £18.4m. We find that in 1973/74 we had £1.2m in reserve in a budget expenditure of £6.7m. The reserves were 33% of expenditure, four months' expenditure. If we look at debt servicing we find that if we go back to 1971/72, which was one of the highest percentage figures that we had, we were then servicing our public debt by using up 8% of our expenditure. Then we came down to a low of 2.9% in 1976/77, when the debt servicing costs were £540,000, and we have been gradually increasing since then. In 1978/79 the figure is 3.4%, and in 1979/80 the figure is 3.7%. So we see that at present the servicing cost of public debt is not disproportionately high out of total public expenditure in relation to past situation, past experience of the Government of Gibraltar.

Clearly, we must look at this as one of the factors in deciding whether we can afford to increase public debt or not. There may be a case for changing the timing of increase in public debt, not necessarily because we cannot afford it but because by delaying it or by accelerating it we can get the money that we need cheaper. I would

remind the House that in 1978 when the Government indicated that they accepted the need to shift from financing the Improvement and Development Fund primarily by injections from the Consolidated Fund to doing it mainly through the raising of loans, I welcomed this changed emphasis, but thought it was unfortunate that they had chosen to do so at the time when there seemed to be a clear upward trend in interest rates. Certainly at the time I would have thought myself that those rates were high. In retrospect of course they appear now ridiculously low, but at that time they were themselves historically high. In a situation where we are now in this extraordinary area of 20% interest rates, it would be a serious mistake I think to raise long term capital at this level of interest rates, and I would advise the Government against this. It would be better in a situation like this to use our own reserves perhaps with a view to replenishing the reserves by raising long term capital when long term interest rates come down, which they are bound to do because the whole object of the monetarist policy is precisely to dampen down inflationary pressures through curtailing the raising of long term money and curtailing capital investment in the belief that this will produce a situation of initial unemployment, initial drop in consumer demand, followed by a drop in inflation or a de-acceleration of the rate of inflation which will then be translated into a drop in interest rates which will then produce a stimulation of demand. That is the essence of the philosophy behind the policies being followed, not just in the UK, but in the United States and in most Western European capitals today.

A philosophy which I personally think is doomed to failure, but whether it fails or it succeeds, the time will come when politically it will be untenable. The time will come when if one gets deflation of the economies of Western Europe with massive unemployment, as the prospects seem to be, as the Financial and Development Secretary mentioned in his opening statement, with factories closing down through lack of consumer demand, with pressures on public expenditure through the need to maintain welfare payment any way, and all this massive exercise being maintained at colossal high interest rates and the easing of public debts, Governments will have to change course. If the policies being implemented today in Western Europe fail to produce results they will change course, and if they do produce results, well then, they are supposed to be changing course anyway because that is one of the results expected of them. If they work, interest rates are supposed to fall naturally, but even if they fail to work, political circumstances will force a U-turn on the British Government and on a number of other Governments. We in Gibraltar are only caught at the tail end of this inflationary spiral, both in terms of imported inflation through our consumer goods and in terms of our ability to raise finance for our own local investment.

And because we have both an open economy in Gibraltar and in thinking about economic planning, in thinking about the need to attract resources to Gibraltar for investment in Gibraltar, there are only two ways open to the Government really. Either we have got a rigid type of exchange control where we would have the unconvertible rouble as the equivalent currency in Gibraltar; where people would not be allowed to take money out of Gibraltar whether they like it or not, and I would think that it would be a very difficult system to police effectively, or else we have whether we like it or not, to pay the going rate in Gibraltar to make investment in Gibraltar for those who have money as attractive as investment outside Gibraltar.

I think the reality of it is that the economy of Gibraltar cannot take the first course because it would need to be virtually a self-sufficient economy, to be able to do it effectively. So we have no choice. Whether we like it or not we are caught up in any financial storm that goes through the London money market, for as long as we are unable to finance all our own projects ourselves out of our own money. Therefore, I would say that if it is possible for the Government to use part of its reserves at this stage to delay borrowing money, in the hope that they will be able to raise that money in the not too distant future at more favourable rates, and I think for example, if we are talking about a delay that may extend as much as twelve months, I think that within twelve months, I cannot see anything other than a down trend appearing within twelve months on the international money markets. If we are talking about that sort of time scale I would say that there might be benefit in the Government doing it with a view to replenishing their reserves. I would not want to see a shift from capital funding by long-term borrowing to funding out of reserves because I do not think that is a wise thing to do. I have always felt that one should look at the cash flow of Government business as a means of meeting debt servicing rather than as a means of financing capital works. One should look at it from the point of view almost really like the domestic consumer looks at it, of saying, well, instead of saving the money to buy a car, I buy the car now and I am paying for it while I am using it. I think that the Government's approach should be realistic; that they should say, if we can afford to have devoted 10% of our revenue to servicing debt and we are able to borrow money, say at, for the sake of using an artificial figure, at 10% that means we can afford to spend ten times that cash flow on capital works. And therefore, the revenue flow and the Consolidated Fund should be seen as the backdrop to debt servicing and not as the backdrop to capital investment. But there may be occasional situations, and I would put it to the Government that this is one of them, where the timing is an important factor. And although the case for raising long-term capital is still just as strong economically, in terms of money management, in terms

of financial management as opposed to economic management, there may be a point for dipping into your reserves to use that money until you can get money cheaper and put it back in your own reserves.

The reserves themselves, Mr Speaker, as I have said at this stage are not excessive by past standards. I think the projected reserve of \$5.5m must, of necessity, be seen in the context of a number of factors. It has to be seen in the context of a figure that is there in money terms and not in real terms and therefore it must be seen in the context of the purchasing power of that money today as opposed to the purchasing power of the reserves of \$2.9m in 1975/76 or \$1.2m in 1971/72. And in that context they are not as big as they would appear to be at first sight. A point that was made by the Honourable and Learned the Chief Minister in 1978 where, I think, he was trying to show that there was a strong case for building up reserves which were then projected at \$1.3m and the Government put in measures to raise an additional \$300,000 to increase the reserves, was that out of that \$1.3m \$700,000 were uncollected, unpaid bills. It is not a point that is mentioned this year and it is a point that the House should bear in mind.

According to the Auditor's Report it was \$1.5m in March, 1979, and although the figure went down slightly in September, 1979, it is bound, unless we shorten the period of collection, to be an increasing figure in line with increasing costs. And, therefore, if people are a couple of months behind with their electricity bills, and clearly the electricity bills cost more every month, that couple of months will mean more and more in money terms, and, therefore, when one is looking at the reserves one must recognise that that is a real asset. I mean, there is no question about it because every business includes in its balance sheet debtors as an asset. But the fact that it is an asset doesn't mean it is a liquid asset, it isn't an asset that can be readily realised because if the Government has got a couple of thousand consumers owing it money for bills of water and electricity, well, it wouldn't pay to try and take everybody to court in a month to get the money back quickly. So, you know, it is an asset that is there as a long term source of revenue for the Government finance, but as a short term situation, where the Government may be facing a liquidity problem, the cash is not there to be used. So, I think, the fact that there is a figure there of \$1m is important that the House should know before we start running away with the idea that we are all being excessively taxed in order to build up unnecessary reserve, which I myself would not support. But in any case I would not accept that the choices are between whether with reduced tax or with reduced reserves - because, of course, there is also an alternative about whether we increase services. Unless we have all got to the stage of thinking

in Gibraltar that we have created such a perfect society that there are no further improvements necessary or desirable and, therefore, if we were facing a choice today, Mr Speaker, of having too much money, which I submit to the House is not the case, if we were facing that choice today then before we start telling the Government to give all that money back to the consumer, I would say that there must still be areas of improvement of social deprivation in Gibraltar where it might be better for all of us to stick to the system we have got today and see an improvement in weaker members of the community, rather than be able to spend a little more time on bingo or smoke more or get more television sets or something like that. So I would put it that even if we were facing a situation, which we may face in the future, of having such healthy revenue flows in Government, that the budgets will be not about how much more we are going to pay but how much more we are going to be given back, which may be the prospect that awaits us, in which case I think probably the AACR can look forward then to another 200 years in office, if they come back every budget telling us how much money they are going to give us. But I don't think that is the immediate prospect.

In the situation, therefore, of today's budget, Mr Speaker, we have to consider that it is very likely that the new economic climate within which we will be operating over the next twelve months will make, certainly the estimates on the revenue side, I think, will make those estimates look completely ridiculous in twelve months time. I think one has got to accept that if that were the case, it is not something that could be put at the door of the Government as bad estimating. It would be something that the environment within which these estimates have changed to the extent that the change has not yet been reflected because the full impact of the change cannot be predicted at this stage. But the fact that it cannot be predicted doesn't mean that we go through this estimate now bickering with each other as if nothing was happening, because there is something very important happening to the economy of Gibraltar. And I think we should be concentrating our minds in this House as how best to work together in order to ensure that the economic strength of Gibraltar is increased and not weakened by the changes that are going to come about in our relations with Spain.

I have for many years now been preaching the necessity for long term economic planning. In an unchanging situation, Mr Speaker, long term economic planning is something that can be delayed and the only price one pays for delaying it is the loss of not having its benefits earlier than one might otherwise have. But in a situation like we face today, if we do not make an immediate and sustained effort to introduce a more rigid set of criteria in the running of the economy of Gibraltar, we could miss the

boat completely. We could fail to take advantage of the opportunities that may be opening for the economy of Gibraltar. I think part of this is clearly already reflected in Government thinking. I would say the input/output study which was mentioned last year which is proceeding now to an imminent conclusion, I believe, that, Mr Speaker, must provide the backcloth against which we carry out economic studies of different sectors of the economy, because that will show us what the situation was when the frontier closed, and it is important to monitor then the changes from that situation in order to see how we should react to those changes. And if it was important in the past that fiscal policies should not be arrived at in isolation of economic criteria it is of vital importance now. Because now a purely fiscal decision, which is simply a way of raising money because we want so much money to pay for certain things that you have to buy, that, without a true analysis of the repercussions on the economy of Gibraltar, in the context which I was very happy to hear the Minister for Labour explaining, of the feasibility study, which is the sort of context in which we must look at the economy of Gibraltar; on the traffic flows through the Mediterranean; on the way cargo is moving; on the impact of legislation in the EEC; we take fiscal measures without working out the economic repercussions in a situation where we have got normal communication with Spain, we could destroy the economy of Gibraltar ourselves without even knowing what we were doing and would find out too late. So what I've been trying to impress over the years, Mr Speaker, now becomes a vital necessity. The Honourable and Learned Chief Minister last year in fact invited me to unveil my economic programme for Gibraltar, an invitation that I find repeated from all sorts of quarters Mr Speaker. In the course of the recent election campaign, my party went to an election campaign knowing we were not in a position to form Government but making it clear that our philosophy would be, if any or all of us were returned to the House, that whoever was on the Government side we would attempt to persuade to implement policies for the good of Gibraltar rather than use our time here in order to engage in purely verbal political battles and score up debating points as if this was a public school or a grammar school - even if a lot of us do come from the Grammar School, I think we should stop being Grammar School boys now and again. And, therefore, in that context I would say to the Government that I feel that there is a need for an immediate reaction on our part to the new situation that has been created, and that that need should be translated by the setting up of some sort of body outside Government control which would give the Government specific advice and recommendations.

I am thinking, Mr Speaker, of something which would have a role similar to NEDC in the United Kingdom but not as

institutionalised as it is. In the UK there are what are known as Quango's - that is what the critics call it - and they are gradually being done out of existence by the Conservatives. But these are bodies which effectively are advisory bodies with usually representations from Government, Trade Unions and Industrialists. Now, I think, in a case like Gibraltar, we cannot in fact have that sort of pattern like we have for example in the different Statutory Boards because effectively the Statutory Boards are intended to be advisory bodies which act as a means of communications between Government and affected areas, and, therefore, if we have Trade Unions representation or representation from the House, it is because the Government wants to get the advice from the shop floor and does it that way, by having somebody who comes with a policy decision and makes known what is the Union policy there. What we need effectively is a group of individuals who may be from the Unions, or may be from business, or may be from Government, but who can make a positive contribution in ideas or in expertise in different areas. I think it is important to start this and to start it straightaway, and I would offer my services in this respect to the Government to set up a series of small committees that would investigate different areas of the economy, do it as speedily as possible, and submit to the Government a report analysing the possible impact of the new economic situation on that particular area of the economy, and we might be talking about hotels, we might be talking about bars, we might be talking about transport, restaurants. Clearly in the expertise in that committee there would have to be the people involved in that particular area and I would suggest that the way that this should be handled, would be that these reports - and they may well need to be confidential, for more than one reason, one is that we don't particularly want our newly discovered loving neighbours to find out all that we were doing to counteract any possible repercussions of our economy. The other thing is that the people in that particular sector themselves may not want their competitiveness exposed. That these reports which would be essentially reports giving an analysis of the situation with, I would say fairly rigid statistical criteria, I don't think it has to be a loose thing, I don't think it can be a loose thing, I think, we are just talking about subjective assessments of the situations, we've already got a lot of thoughts floating about, I think the Government needs something more solid on which to take its policy decisions. And I think that, this with any recommendations, should then go to the Government, to the Council of Ministers probably, where the Government would either reject the advice or accept some of it or accept all of it. I think, the political responsibility rests with the Government. Notwithstanding the fact that the political responsibilities rest with the Government, I think, the Government at the moment is not really in a position in many areas to be able

to take effect political decisions knowing exactly what the alternatives in front of it are. If we had been involved in this area of economic planning for a number of years already, we would have been able to move into this just like that, overnight. It would have come natural, but we haven't been doing it. And if the Government is going to be effective in its decision, making it needs to have the thing put in front of it in cold objective language, that the alternatives are clearly seen. The repercussions of doing A, the repercussions of doing B. It still needs to be a political decision and, therefore, in making this proposal, although I do it as a Member of the House and as a representative of a political party as the way I think one should move immediately to try and overcome possible repercussions or our economy, the offer of my service, Mr Speaker, is not as a politician but as a conscientious citizen who happens to have some skill in this area and who wants to use the skill, for the good of Gibraltar, even if it happens to be for the credit of a Government and are able to win even more elections as the result of the advice they get. But whether that is the case or not I think Gibraltar faces a crucial time in its history, and we cannot afford for the sake of not giving somebody else political advantage, to deprive Gibraltar of any guidance that it might need, where somebody might help and it would be an attitude of cutting off one's nose to spite one's face, Mr Speaker, if one simply spent one's time criticising other people, thinking that one has got a positive and helpful suggestion to make in the situation and keeping it back in the sense that the opportunity to use it may never come. I think the situation is so serious, Mr Speaker, that if Gibraltar's economy is not geared up to what may be a totally unknown economic environment compared to anything which we have faced before, if we are not geared up to do it initially we may never be able to do it. We may find ourselves at the receiving end of all the economic development. We may find that all the economic development for the Campo Area takes place in the Campo Area but outside Gibraltar itself, and I think if there is going to be major economic growth in this area then Gibraltar needs to be at the forefront of that economic growth.

We have got a great many advantages. We have got advantages in the stability of our wage bargaining system. We have got the advantages that we have got more sophisticated statistical services than any neighbouring town of our size. We've got the advantage that we've got per capita, a more highly educated people than most other communities of our size, and I think those advantages can only be capitalised if we give the economy of Gibraltar a sense of direction. And in order to do it we've got to start working straightaway. I am not saying, Mr Speaker, that the whole world is going to collapse on the 1st of June, I don't think that

this is so, but I think that unless we start working to give the economy of Gibraltar a particular direction and start working now, we may get so bogged down with traffic problems and one thing and the other that we have no time to look at anything else.

I think that the feasibility study of the Port, for example, is clearly one of the main elements in any long term economic plans for Gibraltar, and I welcome very much indeed the way that it is going to be done and the way that it has been explained by the Honourable Minister for Labour. I think it is essential. But I would put this to him then that in the context of a feasibility study for the Port the situation of the Generating Station in No 5 Jetty has got to be looked at, because what do we do if after we start building the station the first recommendation we get from the feasibility study is that the station is not going to be there. We are caught in a situation where there are serious decisions to be made which should be made, I think, using as pragmatic and objective a set of criteria as we can devise, and I think it is important in the situation to press Government perhaps in one direction or another, because one thinks that is the best thing to do, but also to accept that it is very easy to make a wrong decision, and that it is very easy to criticise a wrong decision with the benefit of hind sight. Because in fact, Mr Speaker, if we take this particular example, I myself was pressing a month ago for a commitment that the new Generating Station would be built within the next 12 months. Now, that is what I was doing a month ago. I am saying today that if we were talking about an open frontier and we are talking of feasibility study and a major development of the Port, we cannot now ignore that eventuality and proceed with our plan for the Generating Station as if none of that was taking place. Because we would be made to look fools. The first reaction of a team carrying out that would be of saying: the potential is going to be seriously inhibited because of the fact that you have got a Generating Station there which you didn't have three months ago. Now clearly, Mr Speaker, and I want to emphasise this because I think it is important to ensure that debate in this House is honest, and that it does not involve simply a political game, clearly if the Government accepted the need to delay the starting of work on No 5 Jetty, because in its order of priorities the development of the port and the feasibility study came first, and that, therefore, there was an apparent conflict between the two, then if that is something that the Government accepts, then clearly it would be wrong then to accuse the Government of not having done the Generating Station in time. Therefore, political responsibility requires that if one supports a particular course of action then one supports it the whole way.

I think that the vitally-important thing for Gibraltar, more important than anything we have had to tackle up to now, is its long-term economic viability. We must be able to get the economy of Gibraltar working well, and we must be able to do it so that we can plan for the future a continual, increasing and improving standard of living. That is the dream of every Government in Western Europe. I think we have got better chances of doing it here than anywhere else. And I believe that all of us love Gibraltar dearly, that we are totally committed to it, and we should not allow that to be interfered by mere petty political considerations because it does not really matter who is on that side or on this side. It does not really matter. What matters is that the people who are here should be putting Gibraltar first all the time and that if they have to quarrel they have to do it because in their judgement what the other side wants to do is a bad thing for Gibraltar. Not because in their judgement they can come top of the poll by saying something about the other side which they may well know they would do themselves.

I was only in the House from 1972 onwards. I remember on many occasions in 1972 and subsequently that members who were then on this side who had been in Government were accusing the then Government of being as obstructive and uncooperative when they were in Opposition. It is important that in Gibraltar we move away from this system of doing things. The Government knows that I do not believe in committee system, I believe in open debate, but I believe that open debate should still be objective debate. The value of open debate is that the debate should be a means of enhancing the political education of the people of Gibraltar. And if the debates here are, as I have said, common room debates, they are not going to enhance the political contents of our citizenship. What they are going to do is make us the laughing stock of Gibraltar. People will think that this is a circus instead of a Parliament!

It is important, Mr Speaker, that we should tackle this budget seriously but that we should be doing it on the basis that the Government should be asked to take into account the views of the Opposition because the only thing the Opposition is trying to do is to help the Government to govern better. That may not be an effective way of replacing the Government. On the other hand it should, because I would have thought that if the people of Gibraltar see that the Government of Gibraltar is constantly having its policies improved by the Opposition, then they might think that if the Opposition was on the other side they would have a chance of doing it better themselves. But I think that we are not getting anywhere near that and I want to impress this on the House because

this is the first Budget after the Election. This is my eighth budget, Mr Speaker. I have already been through seven of them and I do not really like the prospect of going through three more that are a repetition of the last seven where one hears absolutely nothing new except that the Government is very inefficient. Well, then if the Government is very inefficient, let us say, whether we are talking about the people in the public service being lazy and not wanting to work: are we saying that? Or are we saying that the system of Government is so chaotic that nobody could make it work. Let us identify what we are talking about. If we are talking about public expenditure, are we saying that we want to spend less money because we want to raise less money, or are we saying that we are getting too little in exchange for the money we are paying? Let us have rational debate in the House and let us take political positions on the basis of that rational debate. Then we give the electorate a choice, Mr Speaker, But we cannot just go round and round in circles talking about inefficiency but then of course, retracting because there are 500 votes in the Civil Service; and talking about something else and then retracting because That is not conducive to any good results coming out of debates in this House. We might as well then simply have the Government coming here and putting the matter to the vote and exercising the majority and passing it, the end result is going to be the same.

Therefore, in making the specific proposal that I am making to the Government and, in making the point that I am making about my analysis of the economic situation and the potential strength of our economy, I am doing it, and I hope that it is being taken in the spirit in which I am doing it, not on the basis of proving to Gibraltar that the GSEP is the ideal Government which will be the panacea for all evils, but in the spirit of trying to produce constructive suggestion which will help the Government that is here today to govern Gibraltar better, so that when we eventually replace it we will have something even better to improve upon, Mr Speaker.

MR SPEAKER:

Well, I believe there are no other contributors, so I will call on the Chief Minister to exercise his right of reply.

HON CHIEF MINISTER:

Thank you, Mr Speaker, I am very happy to follow the Honourable Member who has just spoken because I propose

to deal briefly with some of the main considerations that he has raised, after which I will survey to the extent that other proposals and criticisms have been made in their details.

In the first place, we have had seven speeches on the Budget by the Honourable Mr Bossano, I think this one, if my memory does serve me well, is one of the best that he has given us. At least he has attempted to make an honest analysis of the situation. The one theme which has gone through his address and which I made in my opening statement is that we were at a crucial time in our history. We are going into the unknown and though I shall deal with it later, we have had a forward planning committee in respect of the possible opening of the frontier, not because of any recent events but because that is one of the objects of good government, to keep elements of fact available and ready for any possible eventualities arising out of a particular set of circumstances. It is still impossible, with the available material at our disposal, to know what the results of the opening of the frontier are going to be.

There is one very important reason why it is a journey into the unknown, and that is we do not know yet what the relationship is going to be in the future. The communique speaks about equality of rights. We have to see what those rights are in which equality is sought; and reciprocity of rights etc. We do not know what conditions are going to be placed. Certainly, and I am sure I am speaking for all of us here and in Gibraltar, they would not be conditions that would clearly show that in the future we would be subservient to our neighbours. This is why it is very difficult to assess in terms of the budget what effect the open frontier is going to have. Because we have to have all the options at our disposal to safeguard the interest of the people both in its identity and in its economic viability. I entirely agree with the last remarks of the Honourable Mr Bossano, that it is very difficult at this stage to be able to know what is coming as a result of this open frontier.

I am heartened by his reference to the question of the Consolidated Fund Balance and if I follow his thinking a little further one would say that in order to have in terms of the present budget a four months reserve, we would have to have £10m in the Consolidated Fund Balance, and we have had in the past for many years in better circumstances, of course, reserves of that nature. In fact, I remember that even in the very early days when as Members we were not very directly concerned with financial policy, we would have a reserve equivalent to even a year or six months deposit in the Consolidated Fund Balance in the early 1950's when we started to

operate in this House. That is one of the matters that is particularly important and that is why we have not made, in preparing the Budget, any provision for any possible benefits that could arise from the open frontier. We have had to assume that we have to plan on the basis of what we know and we will have to adjust one way or the other as circumstances develop.

The possible disclosure of Mr Bossano's economic plan almost looked as if it was going to take place at some stage in his speech, but in the end he played a bit of a conjuring trick because he said, well have a NEDC and I will tell you. Perhaps it may not be bad to have some kind of a NEDC, that is a National Economic Development Council, and the suggestion that he has made, which I take it he has made for the contribution that he thinks he and others can make, will be looked at carefully because we think it deserves very serious consideration. It fits in very well with the mention I made at the Ceremonial Opening of the House of Assembly where we said we looked to the Opposition, to public bodies, to the Civil Service, to the Trade Unions and, indeed, to the people as a whole to play their parts each in their own role in the important task of working constructively for the common good of our society. I have made other overtures of cooperation to other people and it does not come as any embarrassment at all for me to say that we would be very happy to look further into the setting up of a body that would be able independently to advise the Government in matters of the growth, and the various aspects of the economy.

There are obvious difficulties that one can think of: the right people, Mr Bossano is eminently suitable for that, but then people in other spheres of life who have to feed in the information that would be required to give substantial value to whatever advice is given. There is always the same difficulty in many respects, but I think it is worth a try and I would certainly probe the Honourable Member a little more into more specific ideas particularly when he spoke about small committees. I am afraid of too many committees but perhaps one committee with a sub-committee and so on might be the answer. Anyhow, all I say in that respect is that we will look at this and probe him a little more to get a little more information and see whether something good can come out of that idea. If not, I shall have to ask him to disclose it in public if only for the benefit of Gibraltar to which he has referred so many times. I am sure that it is really a long-term contribution, a long-term plan that is required and that that is where his sights have been placed.

He said we have to get it right. I hope we do because I remember Dennis Healy saying that just before they lost the election. We have to get it right this time, we did not

get it right the last time, and he has really tried several times to get it right and he failed. But I think it is worth a try.

He has dealt greatly with the question of the Consolidated Fund Balance and the fact that he says that this is a good thing, of course is a matter for him and I am glad to hear it. I still have to deal with the criticism that has been made about it from other members of the House, and I am not going to rely solely on his support to show satisfaction, because I felt, even before he spoke, that we were taking the right decision. I feel confirmed now, particularly in the aspect in which we have to be strong. To meet whatever challenges come from an open frontier was very much in our minds, when we thought that we would not take into account any changes that would come about as a result of the change that is going to take place soon to deter us from maintaining that this was the right decision. In fact, it is confirmed in our minds that this is the right decision.

But those who have criticised this balance should be cautious of inconsistency. I must remind the Honourable and Gallant Major Feliza who spoke for so long about the importance of having a balance, and this is what he said in the Budget debate of 27 March 1972, in that glorious period during which he was responsible for one of the two or three budgets. He spoke about the fact that he had inherited a dreadful position of a deficit of the old City Council, and he said "That was the position that we inherited from the previous administration, so you can imagine how jubilant I find myself today to realise that from a deficit of such magnitude and finding our Balance down to £700,000, I now come to this House to say that, as it looks today, the Revenue balance of reserves will be £1.4m. This is after putting £300,000 to the Improvement and Development Fund. So in fact if we have not done that and we had wanted to show this as reserve we would have £1.7m in reserve today. An astronomical figure for Gibraltar never having been reached before. What surprises me is that this, which in my view is the highlight of these Estimates has not really been made public yet, and the best I have seen so far is in the Gibraltar Chronicle, nothing else has come out. I have not even heard the figure on television or on the radio news. I just cannot understand this because it was printed in the speech that was given by the Financial and Development Secretary. There are no excuses whatsoever for not bringing to the notice of the people of Gibraltar this great achievement which is bound to heighten the morale of the people who have been suffering for so many years. That is what the Honourable and Gallant Member was speaking about, about the revenue balance of £1,400,000 in 1972 which I am sure - and I haven't bothered

to look at the figures - that by cost of the budget at that time was well over the proportion that \$5m or £6m would bear to a budget of \$32m.

HON MAJOR R J PELIZA:

The budget was about £3m.

HON CHIEF MINISTER:

So really I do not think that it makes for the best to use one language when one is on this side of the House and another when one is on that side of the House. But that is part of the philosophy of the Honourable and Gallant Member as he has made clear on one or two occasions in the past. It is one thing which you say when you are in office and another when you are in Opposition.

Looking now at the points made by the Honourable and Gallant Member, since I dealt with that part of it earlier, I did say that we have had a forward planning committee on this question of the possibility of an open frontier for years and that it has reviewed its blueprint from time to time. It has been looked at very recently but really until we know what terms are involved on this question of reciprocity of rights which are mentioned and so on, and the background against which the frontier is being opened - and I do not refer to this in respect of the negotiation but the background - that is the economic situation in the immediate vicinity and the growth of our economy as an island economy, I feel we can gauge what is expected from us. I have already seen signs in some sectors of the Spanish press not expressing the view that they should not expect all the problems in the Campo Area to be solved by the opening of the frontier. So some people are expecting that, and it is quite obvious that with the best will in the world we couldn't cope with that. And any attempt at solving the problem in that way might be disastrous for Gibraltar if all that we were going to get out of an open frontier was to solve the problem of unemployment across the way. I agree with what he said but not for the reasons that he said it, and that is that this was a budget at the crossroads. The answer is that we have to look right and left and forward before we cross and we remain where we are until we see what the traffic is like, generally. He said, we are going to have some change. That is precisely what we have to look out for, not knowing what the repercussions are, rightly so. In fact he did say we had to be cautious and I entirely agree.

Did we have any clue as to tourism? Well, we have clues, but what would that mean in terms of economic growth until we know what the extent of the facilities that are going to be available are going to be. For that and many other reasons which I need not dwell on again, I think we are doing right in preparing our budget on the basis of the availability of knowledge. I think, the point made by Mr Bossano is a particularly good one. It has been said that what was going to be the good of the input/output study now that circumstances were going to change, and I think if it had come a little later we might have been too late on it because we would then not have had a good reflection of the situation before the frontier opens. It would then not be possible to compare one result of the analysis of that one to any future input/output study in order to be able to gauge the difference between one approach and the other.

One or two other matters that were raised I think are common grounds: about the fact that we should not sell things more expensively. Well, I think this is really elementary and the figures given by my colleague this morning about the relative prices in one place and the other show that this is a very important matter which we have been taking into account and so on.

I would like to associate myself with my colleague, Mr Canepa, in congratulating Mr Scott on his maiden speech and to correct an omission, for which I apologise, of not having done the same to the Honourable Mr Lofdo when he spoke on the Police motion. That was an omission for which I apologise. I know it was up to me to have done that as the Leader of the House and I did not do it and I apologise. But I do it on this occasion and I think I would like to add in the second speech and deal with them together and commend him for the care and attention that he has given to the preparation of his contribution to this debate.

I'm afraid I cannot express the same sentiments in respect of the Honourable Mr Faynes. Of course, he is valiant and so on but he should also make an attempt not to be impertinent. I don't think he made much effort in that direction and perhaps he would do his homework better and would follow the example of the youngest Member of the House, and that is the Honourable Mr Perez, who was on the other side of the House under the leadership of the Honourable Mr Bossano for about a year, and another period of similar duration under Mr Xiberras, and then as a reasonably quiet backbencher on this side. He didn't make any impact as the youth that was going to solve all the problems but I think he was learning his job well and I think it is a tribute to his care and attention that he has been able to present, after such a short time with Ministerial duties, the budget of his department with such knowledge,

deep knowledge, of all the matters that concern his department. But, nevertheless, perhaps on this occasion in order to show the Honourable Member with his enthusiasm of youth that many of the points that he raised either he improvised them or didn't think enough about them, that he was talking entirely through his hat. When he spoke about what are we going to do when the oil runs out, I'm sure the King's Palace must be thinking about exactly the same thing: what is Saudi Arabia going to do when the oil runs dry what is Kuwait and all the others going to do. I don't know that it might not be a good thing if we could do something else and cope with that aspect, that unpleasant part of life in the world today, the pressure which is brought about by those who produce oil. He then spoke about the many other ways in which we could produce energy as if nobody had thought about this until the Honourable Member, whose association with politics arose on the morning of his nomination without even attending the general meeting of the party which he represents, comes along here to try and present ideas that have been thought of for many, many years.

He spoke about other means of energy. Well let me tell the Honourable Member that gas disappeared from Gibraltar around 1968 due to the high operating costs mainly arising from the inefficient use of fuel oil that was needed to produce gas, and the state of the gas distribution pipes was such that substantial capital investment was required to restore the pipes to good working conditions, apart from the fact that it perpetuated in the heart of a very thickly populated area, a Gas Works which had been built there when no buildings were about and the presence there was not objectionable. It was then - in 1968 - as much an objection to have a Gas Works in the middle of that area as indeed today it is to have the Electricity Undertaking in the middle of this town which, of course, is a relic of history, the first Power Station having been built in that Bastion in the heart of Gibraltar.

Now uses other fuels. The production of gas locally would be expensive and inefficient to attempt to use it for powering the engines at King's Bastion. Moreover, space restrictions at King's Bastion are such that it would not be feasible to erect large storage tanks. Importation of gas requires roughly about 6 weeks to 8 weeks supply to be stored locally. The nearest supply areas are Algeria and Libya. The engines at King's Bastion are not primarily designed to be run on heavier oil than currently in use. However, future engines at the new Generating Station will be specifically designed to run on the heavier viscosity of fuel which is expected to be of the order of 15% or 20% cheaper than

the existing price of heavy oil. As you see, the old engines¹¹⁵⁸ the thin oil which is much more expensive; then we had the marine oil in the engines we have now; the next one, of course, because of the cost of oil, the next one will use heavier oil which, of course, is cheaper. He also spoke about solar energy. Well solar heating is a non-starter because of the high density of population and this type of heating cannot replace electric heating as the amount produced in winter would be in the region of kilowatts and not megawatts, and capital investment required for any project of this nature would also mean less use of electricity which would inevitably push up the cost per unit of electricity to consumers. The Government, not only now but as far back as when the new King's Bastion North Station was built just next to Queensway, considered the question of having gas turbines and even with oil being not so expensive at the time it was even raced by the City Council also to be uneconomic. Steam turbine is another way and the feasibility of steam turbines for power generation has also been considered and found unacceptable since they required a constant load and they are not suitable for peaks of different nature at different times.

He did mention one point for which I will give him credit, I am not going to be cruel all the time, and that is the question about the housing and the facts that amendment of the conditions might mean a rent increase and that the houses might deteriorate. Well, that is not the case because the conditions already in force follow the standards of the Landlord and Tenant (Miscellaneous Provisions) Ordinance which put on the tenants considerably more responsibility for internal maintenance than in fact there was before then and the Government followed suit in their own agreement. The fact that they have these conditions have not been fully enforced is no reason why we should not look at this again. And when the figure mentioned required some explanation I think one aspect of this matter that should be taken into account, and this is why we have identified this aspect of the matter as being important, is that the cost - the figure of £2m was mentioned - of doing small items of repairs in Government housing is completely out of proportion to the value received. I am not saying that this is only because of the lack of productivity but of the mechanics of it. The question is that when there is a requisition somebody must go and see what is wrong, somebody must go and see what kind of work is required, the next day they bring the wrong tool, and the next day they may bring 3 or 4 items which were not required, but required by somebody else. Therefore, the element of waste in that aspect of repairs is so big that I think it is reasonable to try to gradually - this must be done gradually because I do not believe in Governments doing things suddenly after having allowed the situation to

remain unchanged for a long time. I believe in people being educated into their responsibilities but gradually, we feel that this is something that will take a considerable load from us. I would like to say that if most flats were looked after by some tenants as some of them are, who look after every detail there would be no need to have any recourse to the department. In fact if you go into people's flats, workers flats, you find them with every possible amenity and so on, all done by the tenant who looks after his house as well it should be, his little empire, his little castle. But there are many careless people, many panes from glass are broken deliberately or through lack of discipline in the house, many parts of the house are spoiled by lack of discipline and so on and these are the things for which people should be responsible. I think it would lend to instill a little more home pride for those who need some introduction into this aspect of life, to make them realise their responsibility in respect of this matter. That is why we feel that that is a perfectly reasonable thing and, of course, we will monitor it. We are not going to allow the houses to deteriorate and the nature of the items for which tenants are asked to assume are not such that houses should deteriorate. The money saved would be better spent in the more substantial heavy maintenance that is unfortunately still suffering from the initial problems of the sudden withdrawal of the Spanish labour force and the difficulty in obtaining labour to deal with that matter.

Now, I come to the points made by the Leader of the Opposition this morning, and I would like to say that I thought his opening remarks were particularly apposite to our recent efforts in respect of maintaining our community and maintaining our unity as a people, and I hope that that will remain paramount whatever views we take in matters of a parochial or domestic nature, which, of course, is no reason why the thing should not be fully thrashed out as indeed we have been doing today.

When he spoke this morning about the question of the size of the Consolidated Fund Balance and the fact that we had so little last year, it will be recalled that it was then in those circumstances, regrettably, but I thought it my duty, I asked for some element of aid to the budget. But of course, I should remind Honourable Members that that was done on the 2nd of April and by the time the answer came on the 2nd or 3rd of June there had been a change of Government in the United Kingdom. It was not for that reason that we didn't get aid for Gibraltar, but it was in the exercise of their new policy of economy that we were told that it was impossible to make this contribution. They drew attention, rightly, to what we have done in the budget and also pointing out areas in which perhaps we could improve. That brings me to

the point raised by the Honourable Mr Rossano, and that is the strength that it gives the people of Gibraltar and the Government in a difficult situation if we have sufficient reserves to maintain a difficult attitude, resolution, decision, situation, this series of difficulties. That is what we really feel must be the backbone of our economy now until we know that we are going to succeed with an open frontier and that we are going to be able to make our economy more viable and that we can be stronger. Well, if that is so, so much the better, but if for any reason that were not so, and not so readily seen, we might go through some difficult periods in the approach as to what our relationship would be on a local level where a reasonable reserve would not put us in jeopardy of having to cut our services and to find ourselves in a weak position politically which I think is of paramount importance in this matter.

I am not going to go now into the reasons for the elections. I think my friend has explained that very well, but it looks from the arguments of the Honourable the Leader of the Opposition, he would have been right, anyhow. He would have been right if we had not held an election, and he would have been right if we had called an election. The point is that we did it and we won and that is the most important thing that elections are about.

Mention has been made of old people and the fact that we have not mentioned them very much.

There are one or two more matters in respect of old people which will be disclosed much later on in the budget that will be of some benefit in the general measure. I only mentioned in general the trend of the income tax benefits.

About the giveaway in the income tax provisions, the focal argument that was being used by the Honourable Mr Rossano earlier this afternoon was precisely the sort of thing we had in mind, which I have mentioned in general terms, and that is that we cannot, and we could not have done so anyhow for reasons of the election and had there been a new Government, we cannot possibly think about a wide restructuring of the income tax a month or two months before the budget. The materials that must be collected, the specimens that must be found, all the statistics that are required, need a lot of timing. We do intend, this is no indication of any basic reductions, but we do intend, and it is in train now, a major study a major revision of the Income Tax Ordinance. Even before the Lisbon communiqué we had already got quite a number of ideas together. I

think it is also fair to say that we have had a change of Financial Secretary and that was one of the main problems that he has devoted his time to, and that is that, but in the time available it is really not possible to do much more. But despite that I would mention that the changes in the income tax that have been announced will also carry some other changes in the income tax legislation, tightening up certain areas where tax evasion is occurring and we think that it makes it much fairer if these loopholes can be blocked for the time being until another one is opened somewhere else, in fairness to those who make a major contribution be it a worker or be it a company director but those whose tax is deducted according to law at source and not on the strength of a return the year after. We are looking into that in one or two areas and we will disclose that when the Income Tax Bill, which will be produced at the next stage of these proceedings is made public for discussion in the House.

One of the things that we propose to do in the Income Tax Ordinance is to correct an anomaly which now exists in respect of the Old People's Allowance. Now there is an allowance of £320 if one of the couple, or himself is over 65, but the same consideration applies whether he is by himself or he has a wife to look after. We propose to increase that amount from £320 by £130 to £450. That will make an element of relief together with all the other benefits to older people.

Thank you, Mr Speaker.

MR SPEAKER:

Has the Honourable the Financial and Development Secretary a lot to say, because if so we could recess for tea and come back later. Right, we will have a short recess for tea now.

The House recessed at 5.35 pm.

The House resumed at 6.00 pm.

MR SPEAKER:

Well, I will now call on the Honourable Financial and Development Secretary to wind up the debate.

HON FINANCIAL & DEVELOPMENT SECRETARY:

After such a wide ranging debate on the Appropriation Bill there is very little left for me to say. But there are one or two points of clarification which I would like to make.

The first is that the Honourable Mr Restano expressed some surprise that only £.25m was being provided in the Improvement and Development Fund for the opening of communications with Spain and he thought that it would probably cost very much more than this. It may do, Sir, but the point is that the reason why we are putting provision in the Improvement and Development Fund is that I can only sign development warrants up to £20,000 on any Head of the Improvement and Development Fund and I would be locked in to that amount until the House next met, whereas in the recurrent budget I can sign warrants on the Contingency Fund and then bring supplementaries to the House the next time it meets. So I have rather wider powers there. I thought that £.25m should be adequate within the Improvement and Development Fund and that is the reason for that. I thought I ought to give Mr Restano that explanation.

The Honourable and Learned Leader of the Opposition asked this morning whether in the £10.129m in the Improvement and Development Fund for 1980/81 we could identify how much was being given out on contract. We have done a quick exercise on this and of the £10.129m, £6.2m has already gone out to contract, £.6m, which is the amount for power and the telephones, International Subscriber Dialling, tender documents are being prepared by the consultants and we hope that they will issue shortly; the balance, about £.5m, only remains to go out on contract mainly on housing; and the rest will be Government direct works or the purchase of plant and equipment which will not, of course, require work by contractors. I trust that is adequate for the Honourable Member.

The Honourable Leader of the Opposition also mentioned this carry-over of £13m into the next financial year, being the amount to complete the 1978/81 Development Programme. I think there is danger of some misunderstanding on the figures. The original cost of the 1978/81 Development Programme was £21.3m which was £13m. ODA money - I leave aside the £1m Technical Cooperation - and £8.3m which are to be provided from local funds. From that Programme certain projects have been dropped, other projects have been brought in and the total cost of the 1978/81 Development Programme, as now constituted, is estimated at £29m. Of that amount £3m is for the power development and £1m for telephone development and in the £13m which is carried forward to next year £3.35m is for power and the IDS.

The balance is partly made up by heavy cost increases: for example the St Jago's, St Joseph's, and Flat Bastion Road projects were originally costed at about £1.89m and the cost increase since they were first projected in 1978 is £1.2m. So if to the £3.35m for the power and telephones you add £1.3m for these three housing projects, you get £5.15m. On top of that for other projects there are also cost increases bringing the figure to somewhat over £6m. So roughly speaking, about half of the £13m which falls after 1980/81 are either new projects or because of increases in cost, and it may well be that the Honourable the Leader of the Opposition may well wish to go into this rather more deeply when we come to the actual Improvement and Development Fund.

Two other small points: I confirm the Honourable Mr Bossano's statement that we have left the private sector wage bill from our Income Tax assessment projection. The reason for this is that estimates are drawn up on the basis of the present cost. We do not build inflation into the estimates. However, because of parity and the knowledge that at some stage during the year we shall be required to pay wage and salary increases in line with those appertaining in the UK, we have adopted in the past two years putting into a new head of the estimates a block vote for pay increases.

And obviously from that pay increase we have to make an allowance for the income tax to be deducted. These are not self-balancing but to an extent they do set off each other and we could not put in the one without the other. Obviously there will be increases in the private sector. The order of them I would not like to guess and if we did put in a provision for the Income Tax and pay increases it would be a complete guesstimate and I much prefer not to do this. In my view it would be bad estimating, but I do confirm what I said in my opening speech that there will be an amount from the private sector pay increases; what it is we do not know.

The Honourable Mr Bossano also mentioned that out of the pay increases, be it from the private or the public sector, we obviously pick up a certain amount in indirect tax, and mentioned the figure of 5% which he thought would come down to possibly 3%. In fact, our latest estimate is that it is 1.5% of disposable income. There is a greater propensity to save in Gibraltar, as Honourable Members will see when they get their statistics and see the total in banking sector, and unfortunately this money, as far as we understand, does not remain in Gibraltar a lot, of it goes overseas to the United Kingdom where it picked up tax free interest not being declared. It is something that happens in many countries of the world and Gibraltar is alone. We have thought a way of trying to direct the

money into the economy here and we are still trying to do it. But there is that leakage of funds to the UK of which the Honourable Member may well be aware of because it does show up not only in the banking figures but also in the notional account. Those are the only points I would make, and I beg to move.

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

The Bill was read a second time.

COMMITTEE STAGE

HON FINANCIAL & DEVELOPMENT SECRETARY:

Sir, I beg to move that the House should resolve itself into Committee to consider the Appropriation (1980/81) Ordinance, 1980 clause by clause.

THE APPROPRIATION (1980/81) ORDINANCE, 1980.

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

The Schedule

MR SPEAKER:

In accordance with the practice now established under Standing Orders we will now deal with the Schedule, which is basically the estimates of expenditure, head by head. I have instructed the Clerk to call the Head that we are going to consider, then call the subheads - Personal Emoluments, Other Charges, Special Expenditure - and I will pause under each subhead to allow members to ask any questions they wish on any of the items. I will also bring to the attention of the members of the Opposition that at the very beginning of the Head they will find the full establishment of the department. If they have any questions to ask they should do so before we deal with personal emoluments.

Head I, Audit - Personal Emoluments

HON G T RESTANO:

In view of the Principal Auditor's comments that his Department is not large enough to adequately carry out the audit of all Government Departments, would the Government say whether there is any intention to increase the establishment of the Audit Department, and secondly whether, following the visit recently of Mr Jefferson, who came out also to make comments on the Audit Department, would the Government say what their position is with regard to this.

HON A J CANEPA:

The Audit Department is being staff inspected and Mr Jefferson's Report has been submitted to the Staff Inspector as being the representations of the GGCA on this Department. So until a new Staff Inspection Report is received by the Government we are not able to say what it is proposed to do in future with regard to any staff increases.

HON G T RESTANO:

Does the Government have any idea of what sort of time-scale is involved; when do they expect to get the report. Have they been given any idea and should the report be long in coming, do they intend to do anything about it in the meantime.

HON A J CANEPA:

We would not be doing anything in the meantime, Mr Speaker. I would not like to give an idea of any time-scale because staff inspection is a continuing process and Audit is not the only Department which is being staff inspected. Sometimes we get a number of reports together. For instance, about a month ago Council of Ministers considered three or four reports together. So I would not like to give any indication of time scale but we would not do anything in the interim period until the Staff Inspection report was received and decisions taken on it by Council of Ministers.

HON G T RESTANO:

The other part of my question, Mr Chairman, was, has the Government any idea of when this report might be received.

HON A J CANEPA:

No, I do not know. The Jefferson Report has been received. I have a copy of it myself. It is being submitted by the GGCA to the Government and copies of that Report have been passed on to the Staff Inspector.

HON G T RESTANO:

And the Staff Inspector, I take it, is here in Gibraltar at the moment?

HON A J CANEPA:

There is a team of Staff Inspectors permanently here.

HON G T RESTANO:

I take it that one could expect a fairly rapid reaction from the Staff Inspectors if there is a team permanently in Gibraltar?

HON A J CANEPA:

I think you could say that there should be no unreasonable delay.

Personal Emoluments were agreed to.

Other Charges were agreed to.

Head 2, Customs - Personal Emoluments

HON G T RESTANO:

One point that I do not really understand. The Collector of Revenue I notice is on Scale 12, which is a scale below Qualified Deputy Head Teachers etc, and yet this is a man who appears to be responsible for about 14% of Government Revenue. How is this particular scale arrived at?

HON FINANCIAL & DEVELOPMENT SECRETARY:

It is arrived at, Mr Chairman, by staff inspection which has looked at analogues and put in a similar scale as in 290.

the UK for a Collector of Revenue for a similar sized area.

HON A J CANEPA:

I would like to point out to the Honourable Member that it is not below the maximum of any qualified Deputy Head Teacher. If he would care to look at page 124 of the Estimates, the maximum of a Group 10 qualified Deputy Head Teacher is £8,500 whereas the Senior Executive Officer, which is what the Collector of Revenue is, is on a maximum of £8,900.

HON G T RESTANO:

But, of course, there are variations in between. At the same time you have qualified Head Teachers who are getting more than somebody who is responsible for 15% of the revenue collected. It does not seem to me to be a logical thing and I was wondering how this was arrived at. I know the Honourable Financial and Development Secretary has said that it is the Staff Inspectors who have decided this but to be quite frank in our experience of Staff Inspectors they seem to give strange sorts of advices!

HON J BOSSANO:

On the Executive Officer grade there is a reduction of three and there is no explanation for the deduction.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, those were the three Executive Officers who were engaged at the Casino monitoring the work there and those posts were dropped when it was decided that we would no longer fully monitor full-time operations at the Casino. They were paid for by the Casino.

HON J BOSSANO:

When the Honourable Member says that they were dropped, is the Honourable Member saying that there has been a staff inspection and the staff inspection has recommended that they should be dropped?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is a staff inspection on-going to see what additional work should be done in the department:

whether the establishment should be decreased or not.

HON J BOSSANO:

Exactly, Mr Chairman, if the position is that there is an on-going staff inspection to establish whether it should be decreased or not, then isn't the Government pre-empting the result of that on-going exercise by decreasing it at this stage?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am sorry, I do not know the answer to that. I know that these are the number of posts which are filled in the Department but I will find out the exact answer and let the Honourable Member know.

HON J BOSSANO:

Would the Honourable Member accept that since there is a staff association that holds the negotiating rights for this grade and the number of posts is part of that staff association's negotiating rights, and that staff association has not agreed to a reduction in the establishment, it would be an imprudent thing, shall we say, to appear to give the impression to those concerned that the Government has taken a decision without consulting them and ignoring their views, and that it is an area that we do not want to have friction between the staff and the Government if it can be avoided. And in that case will they reconsider the figure in the establishment?

HON FINANCIAL & DEVELOPMENT SECRETARY:

I agree with the Honourable Member's remarks, Mr Chairman, but I think that this could well be an academic exercise at the moment because I rather suspect that there may well have to be an increase in the Customs staff in any case which will be discussed with the staff association.

HON J BOSSANO:

I am aware that that is the case. But there is in fact an important point of principle involved here and it is one that the Government should be conscious of because

I happen to have some intimate knowledge to the background to this particular problem.

Members of the service not only in this area but in others, tend to feel that when it comes to making a case for a change in establishment in an upward direction there is a rigid barrier which says that the staff inspector must have the last word and it must be an impartial thing etc. When the movement is in the opposite direction then the same rigid criteria do not seem to apply. I think this is the case in point, that is how the arguments were originally put. When the three bodies were moved from the Casino the three posts did not disappear because there was no question of sacking the people. If there are Executive Officers in employment who were previously employed in the Casino they are now employed on other duties but they are still in post, their wages have still got to be provided for, and if it is agreed that there is insufficient work in the Department to absorb those officers, then that has got to be the result of an agreement with the staff concerned.

As I see it, if the House passes the Estimates providing for 24 officers in post, as opposed to 27, then I would imagine, that strictly speaking, at the level of staff negotiations a decision has already been taken to employ only 24. Those are the implications of passing this vote surely, Mr Chairman, and if that is the case then I cannot support that we should only employ 24 because there are 27 people there and nobody has agreed in that area that the fact that they have been moved from the Casino and into another job means that now there are three surplus to requirements and the number of posts have got to be reduced.

HON FINANCIAL & DEVELOPMENT SECRETARY:

I can only reiterate that I will let the Honourable Member know what the exact position is. So far as I am aware the staff associations were informed about the changes, but whether "informed" means "consulted" I am not certain.

HON J BOSSANO:

I happen to know the position. I know what is involved!

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddio
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani

Personal Emoluments was passed.

Other Charges - were agreed to.

Special Expenditure - was agreed to.

Head 3, Education - Personal Emoluments

HON CHIEF MINISTER:

I would like, if possible, to jump this one until first thing tomorrow morning in order to enable the Minister for Education to be here to answer this. It is much more convenient for him to be here in the morning.

MR CHAIRMAN:

Most certainly, we shall defer Head 3 and go on to Head 4.

Head 4, Electricity Undertaking - Personal Emoluments

HON P J ISOLA:

Can we know why there is an increase in the establishment?

HON DR R G VALARINO:

Yes, Mr Chairman, In fact if you look at the present establishment we ought to consider the little (a) beside the Works Supervisor on 7, and the little (a) on 17 as well. Really there has been a decrease by two which are shown as supernumerary staff. This is arising out of staff inspection and the process and General Supervisor E, which you will notice at No. 8, these posts have been non-industrialised as a result of staff inspection, therefore increasing the staff and there will be a subsequent saving in item No. 11. The other increase in establishment is Typist (d) and those are the three that you have mentioned.

HON J BOSSANO:

Can the Honourable Member confirm that the staff inspection recommendations to abolish the grade of Works Supervisor has not been accepted by the staff association concerned and, therefore, if he can confirm that this is the case, how is it that the Government is initiating action to accept unilaterally something that has not been accepted?

HON DR R G VALARINO:

Mr Chairman, I think the subject is still under review.

HON J BOSSANO:

Mr Chairman, I think this is a point I may have to make on more than one Head, because it appears to me that this is again another example of the Government having a staff inspection affecting a particular grade on the Estimates and the matter being under negotiation with the staff concerned. Before there has been a settlement of that difference of opinion between the Government and its employees the House is being asked to vote on the basis that the result of those negotiations are going to be favourable to the Government. The implications of that would be that the result of the negotiation is being pre-empted, and it will be seen as being pre-empted by the people concerned. Is the House being told that if as a result of the negotiation the matter is looked at again by the Staff Inspector, or evidence is put forward that there is a suitable analogue for Works Supervisor then all the Works Supervisor grades are now being abolished are going to be reinstated? What is the point of asking the House to take a decision on a matter that has not yet been decided?

HON A J CANEPA:

I think the position, Mr Chairman, is that with regard to the first round of staff inspections the Government, when it embarked on the parity adventure, stated that it would commit itself to abide by the result of staff inspection. There has been a second round where a number of Departments are being staff inspected again arising from representations made by staff associations. I do not think that the fact that the Government has committed itself to abide by the first round of staff inspection and that those recommendations have both this year and last year been reflected in the presentation of the Estimates, I do not think that that has pre-empted proper consideration being given to representations by a number of staff associations on matters where they are in dispute with management, matters that they are not happy about. My understanding is that they can be the subject of another staff inspection.

This is my understanding as to the procedure that is being adopted and the manner in which the Estimates are presented. The Honourable Member is in a far more advantageous position of being directly involved in negotiations. On this side of the House none of us are involved and what happens is that minutes of numerous meetings are circulated, I get them. Sometimes I ask questions, sometimes things stick in my memory, but as the Honourable Member will realise I may get during the course of a week minutes of seven or eight meetings and I cannot keep track of what is going on and that is why I cannot answer the matter fully.

HON J BOSSANO:

I appreciate that entirely, Mr Chairman, but I feel that if the House is being asked to vote in a particular way, in a way that I would put it to the House reflects a particular policy on decision, then the House should be in full possession of the facts. I happen to be in full possession of the facts, certainly, since I have been intimately involved in the negotiations resulting from the staff inspection. It is the first staff inspection of Works Supervisors, not the second. The works supervisor grade - I do not know whether I am allowed to give an explanation. Am I Mr Chairman?

HON DR R G VALARINO:

If he will look under supernumerary staff we have two Works Supervisors, the only thing is they have been changed over pending

What the Honourable Member wants to know is the final decision.

HON J BOSSANO:

I do not want to know what the final decision is. That is a decision that has already been taken which has not been accepted. What happened was that when the staff inspector inspected this grade the result of the staff inspection throughout Government was that the staff inspector said that these first line supervisors should be industrial grades getting an allowance which was the case before the implementation of parity. During 1974/75 there was a claim to regrade all industrial foremen as PTO IVs. In the case of the Gibraltar Government, the Gibraltar Government agreed with the Union that they would re-grade them as Works Supervisors analogued to Local Authorities staying in UK. In the case of the PSA the agreement was that they would remain analogued to industrial foreman in PSA pending the settlement of an outstanding claim in UK to regrade all foremen as PTO IV. So there is an agreement in the UK department that says that when the claim is settled in UK this grade will become PTO IV. In the case of the Gibraltar Government there was a settlement in fact which preceded the settlement with the UK departments and there was industrial action in the UK departments which did not involve the Gibraltar Government, which created the grade of Works Supervisor and then that grade was analogued to a specific point on what is known as the spinal column of Local Authority grades which covers a whole multiplicity of different categories of workers in the non-industrial scale.

Once the Works Supervisors was subjected to staff inspection the staff inspector wanted to re-grade them back to their old position going back four years. The Government offer on the result of that staff inspection was that that should be implemented by phasing out the grade and not by actually demoting people, and consequently the move from the establishment to the supernumerary is in fact the move to phase them out, because if you have got somebody to supernumerary and he retires tomorrow you do not replace him because he is supernumerary, and that offer to phase them out, which is effectively to make them supernumerary, was suggested by the staff association. Therefore, it seems to me that the offer was made several months ago, there has been one meeting since the staff inspection took place, and that offer was made and it was rejected. There has been no feedback at all from the Government side and yet the Government is coming to the House and saying, look the House has been asked to vote as if the thing that we have proposed had been accepted. I think it is wrong to do business like that and I think it will go down badly with the people who are Government's employees. And I certainly think the House should know the background of what it is voting for before it votes.

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HON CHIEF MINISTER:

Mr Chairman, I understand that this is going to happen all along the way. All I can say now is that certainly in respect of the electricity I am assured by the City Electrical Engineer that as far as they are concerned the matter is with the Industrial Relations Officer because this thing is an on-going process. All I can say now as responsible for the Government is that whether they are here or are not here, we will abide by the final outcome of the negotiations of the IRO.

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Honourable Member voted against:

The Hon J Bossano

The following Honourable Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani

Personal Emoluments was passed.

Other Charges

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HON A J HAYNES:

Thank you, Mr Chairman, Under Subhead 5, Fuel and Fuel Sundries, one sees that there is an increase of £779,000, that is in excess of £2m. Does Government propose to meet the inevitable future rises in oil prices with acquiescence or are other measures being explored?

HON DR R G VALARINO:

On that one, Head 5 covers not only fuel but associated expenditure, lighterage, lighter, berthing etc. This is based on £1,922,000 tons of oil, on 11,600 tons of heavy fuel and 2,700 tons of light fuel. The FCA is also included at present at 1.74.

HON A J HAYNES:

Mr Chairman, I am asking if Government has thought of a way to avoid these incredibly high prices in order to save the taxpayer some money and to plan for the future, and I ask Government if they have any proposals?

HON DR R G VALARINO:

Mr Chairman, Sir, there is no possible way that Government can save fuel except that as the House may remember we did buy a fuel redistillation plant this year which has already been committed and has in fact been working for about four weeks now. It will save a small amount something only in the region of about £20,000 a year on fuel alone. What we used to do before was to send this type of fuel after using it in the engines to the MOD and that was lost. Now we have bought this little plant, in fact it should be paid for in about 80 months time and this year we should be saving a small amount in the region of about £20,000. Otherwise there is no way of saving fuel in any other way except by running the heavy engines instead of the light engines.

HON A J HAYNES:

Sir, I commend an approval of any efforts to save fuel. But my point is I am sure that the Honourable Member will agree that oil prices will be going up in the future as they have in the past, and that oil is a commodity which will eventually disappear. In the light of that, Mr Chairman, I ask Government if they have any plans to meet these eventualities.

MR CHAIRMAN:

No, no, we are not going to extend on future projections. We are now debating whether you should spend £1,922,000 on fuel and fuel sundries for the year 1980/81.

HON A J HAYNES:

Mr Chairman, the point I am making, Sir, is that if Government would like the Opposition to vote for this £2m the Opposition would like to be assured that this money is not asked of the people with equanimity and without any efforts to avoid high rises in prices, and whether Government is making any effort to reduce the burden on the people. If there is no effort to reduce the burden on the people we will find it difficult to accept such increases.

HON DR R G VALARINO:

Mr Chairman, there are two things I would like to say: first of all that the new engines that are proposed at No 5 Jetty will be on heavy fuel and they will save about 20% to 25%, and by the time we shut King's Bastion South, with the proviso on new engines on No 5 Jetty, a saving of about £2m will be made on fuel.

HON CHIEF MINISTER:

Mr Chairman, I dealt with this matter in the general debate, I answered the Honourable Member in detail, I only omitted one other of his suggestions, and that of course, though it refers to oil, but I should say that he referred to the possibility of buying North Sea oil from the United Kingdom. Well North Sea oil is sold by the United Kingdom at OPEC prices even to its own undertakings. I think we have to face the fact that there is no answer to this problem at this point in time. We are in the same position as many undertakings around the world. It is part of the big problem of the world today. We cannot be isolated or pioneer on it because all these other processes I dealt with in my reply to the debate are really even worse.

HON A J HAYNES:

Mr Chairman, the Chief Minister has the advantage over me in that I was unable to reply to those so called answers to my proposals, which I believe were not answered fairly,

or directly, but to an extent were quoted out of context, and I am not therefore reassured by his answers in any way.

HON CHIEF MINISTER:

I do not care if he is not reassured. I have given you the answers.

HON A J HAYNES:

Well that is no answer. I asked the Government whether those United Kingdom hasn't bought the

MR CHAIRMAN:

No, no. You are quite at liberty to ask whether there is anything that Government can do to reduce the actual expenditure, not if there is anything Government can do to reduce future expenditure. Now we are voting £1,922,000 and you are free to ask whether there is any way where Government can reduce that particular expenditure and nothing else. Otherwise we will be bogged down for hours on general principles which we have already discussed in the second reading.

HON G T RESTANO:

Sir, coming back to fuel. Is Government satisfied that it is getting the best possible price for the oil that we are getting?

HON DR R G VALARINO:

Mr Chairman, I am satisfied that we are getting in fact the very best price as far as fuel is concerned.

HON G T RESTANO:

I am glad to hear that, Mr Chairman. Perhaps the Minister would like to say what investigations have been made to make him satisfied that this is the best price possible.

HON DR R G VALARINO:

Mr Chairman, Sir, we are beating about the bush sometimes. We have considered local prices with other prices and prices bought on the open market and certainly the prices

that we get in Gibraltar are extremely good and extremely reliable. I am very satisfied with the prices that we do get for our engines here at the Generating Station.

HON A J CANEPA:

Last Year in his memorandum on the estimates of expenditure the Financial and Development Secretary drew attention of Ministers to the whole question of the price of fuel as a result of which an investigation was carried out on petrol and diesel, by the Consumer Protection Unit, and we found that the prices really were, given all the circumstances, the best that we could obtain.

HON G T RESTANO:

As compared to what other sources of supply?

HON A J CANEPA:

Compared to world sources, naturally.

HON G T RESTANO:

But specifically I mean, was it from refineries in Holland in France or

HON A J CANEPA:

It comes from Holland, the fuel that is supplied to Gibraltar by Shell comes from Holland.

HON G T RESTANO:

Yes, but there are different suppliers in Holland, there are different prices.

HON A J CANEPA:

We didn't send the Consumer Protection Officer over to Holland.

HON G T RESTANO:

That is in fact what I am asking, what in fact was done?

HON A J CANEPA:

He made the necessary enquiries.

HON G T RESTANO:

What I am asking, Mr Chairman, is can I have some details of those enquiries.

HON A J CANEPA:

I cannot give any more details. What do you think I am a computer carrying around all this information.

HON G T RESTANO:

In that case the Minister for Municipal Services is hardly in a position to say that he is satisfied if he doesn't know the details.

HON A J CANEPA:

He is satisfied on the basis of the report that the Consumer Protection Officer made which I took to Council of Ministers, which went to Council of Ministers in my name, and the Minister got a copy of the report.

HON G T RESTANO:

Is that report secret or can it be made available to the opposite side.

HON A J CANEPA:

It is confidential to the Ministers like all Council of Ministers papers.

HON DR R G VALARINO:

Mr Chairman, Stand-by Service. This stand by service is not within the station, this is external to the station, and this is a standby service that we provide for anybody who suffers a powercut at home, a major powercut to a through cable fault.

HON A T LODDO:

Mr Chairman, Subhead 21. I notice there is a drop in the sum allowed for the training of apprentices. Could the Minister please explain?

HON DR R G VALARINO:

Yes, Mr Chairman. Subhead 21: these are fees payable to HM Dockyard and wages payable whilst attending Dockyard Training Centre. These are for two apprentices. There is probably a decrease because we have had no apprentices who have been recruited this year.

HON A T LODDO:

Is this for two apprentices?

HON A J CANEPA:

I know quite a bit about this, Mr Chairman, because Members who have been in the House over the years will recall that there has been quite a lot of discussion of the very high charges which the Ministry of Defence was making in respect of the apprentices attending their centre. We made repeated representations through the Financial and Development Secretary going back now to the time when Mr Mackay was the Financial and Development Secretary, and earlier, and eventually in 1979 we were successful in our representations we have had a considerable decrease in the charge which the Ministry of Defence has been making for training our apprentices. Among the overheads we were being charged for all sorts of things, for furniture, equipment and various people working in their London Headquarters, and the Financial and Development Secretary managed to make a break-through late in 1979 on this matter and, that is the reason why it now costs less.

HON MAJOR R J FELIZA:

Yes, but, am I right in understanding that \$13,200 is going to be for two apprentices? Is that the cost of two apprentices?

HON DR R G VALARINO:

Mr Chairman, as I said before this is the fee payable to HM Dockyard, that is one, and the fees payable whilst attending the Dockyard Training School. Those are the two things involved, for two apprentices a year.

HON MAJOR R J FELIZA:

I don't quite follow. This is paid to the Dockyard for the apprentices, and what else did you say. I didn't quite understand what you said.

HON DR R G VALARINO:

Mr Speaker, these are the wages payable whilst attending the Dockyard Training Centre.

HON W T SCOTT:

If I may just revert to Subhead 18 Purchase of Meters. Is this for new housing?

HON DR R G VALARINO:

Mr Chairman, this is an annual item. It was previously shown under Special Expenditure. These are for new meters and this will consist of 150 domestic and industrial meters.

HON W T SCOTT:

Are some of those meters intended for new housing?

HON DR R G VALARINO:

Chairman, some of those meters will be for new housing, others will be to replace existing meters which may be faulty.

HON W T SCOTT:

Under those conditions, for new housing, should it not come under the Improvement and Development Fund?

HON DR R G VALARINO:

Mr Chairman, as far as I know this has always been a recurrent vote because we need new meters continuously even though some may be used for new housing. They are really for replacement and it is invidious to change this small item into two Subheads. The other thing is that it is impossible to say towards the end of the year how many will be going into housing and how many are going to be replacements. This is extremely difficult to be able to say so, therefore, it comes under Recurrent Expenditure.

HON MAJOR R J PELIZA:

Item 23 New Services Reinforcing of Existing Ones. Could the Minister explain what that is?

HON DR R G VALARINO:

Mr Chairman, yes. These are connection of the new consumers to main cables and minor distribution improvements to either underground networks or rising mains.

HON A T LOEDO:

Mr Chairman, on subhead 22 I notice that there is a decrease in staff training as well. Could the Minister please explain?

HON DR R G VALARINO:

Well, Mr Chairman, there is a slight decrease of £500. These are the fees and the subsistence allowances payable to staff sent to UK on short courses. This is only a reduction of £500 and it follows the general trend of reduction of Government expenditure.

HON MAJOR R J PELIZA:

Mr Chairman, could the Minister explain the Orange Bastion deficit? What does the expenditure consist of? Item 24.

HON DR R G VALARINO:

This is the operation of Orange Bastion Depot. These are the Cleaners, the Depot Writers and the maintenance, and also includes all the electricity and water consumption at Orange Bastion.

HON P J ISOLA:

Could I ask about the floodlights outside the Cathedral of St Mary the Crowned?

HON DR R G VALARINO:

Mr Chairman, Sir, first of all let me say that this does not only concern the Cathedral and the Moorish Castle, which are permanently floodlit, it also consists of the Christmas lighting, Catalan Bay festivities, Our Lady of Lourdes, and other events. The fact that the Cathedral lights may be on during the day is that these floodlights, if I am not mistaken, are run on a time switch. Sometimes due to power cuts the time switch may be badly set and, therefore, you may have the lights on during the day until the switch is readjusted.

HON P J ISOLA:

Surely if the lights are left on all day this increases consumption needlessly.

HON DR R G VALARINO:

Mr Chairman, let me say on that, that the amount of flood-lighting for this particular area is exceedingly small. Although I take the point and I agree with the point of the Honourable the Leader of the Opposition, the amount of electricity used by these floodlights is extremely small.

HON G T RESTANO:

Mr Chairman, we are not satisfied with the answer that has been given on the supply of fuel. We do not consider that the reply that has been given to us as to a possible cheaper source of supply has been adequate.

HON MAJOR R J PELIZA:

I wonder if the Minister could explain this. There is a lot of oil I believe round about the Varyl Begg Estate. Is this money used for that purpose so that the tenants of that area can enjoy a swim?

HON DR R G VALARINO:

If the Member will just give me time to get my notes on the Fire Brigade vote I shall give him the necessary answer.

MR CHAIRMAN:

Any other items on Other Charges in the meantime?

HON DR R G VALARINO:

This is Head 5 subhead 10, Oil Pollution, Sir. This is to maintain a stock of 5,000 gallons of dispersants ready for use should the need arise. In fact, we were very lucky last year. We had a major incident, as the Honourable and Gallant Major Peliza will remember, and the City Fire Brigade carried out an excellent job on that. They cleaned our beaches thoroughly. The Revised Estimates for 1979/80 was £40,600 but it refers back to page 13, he will find that this was repaid to Treasury.

HON MAJOR R J PELIZA:

I congratulate the Fire Brigade on carrying out that task but what I am saying is whether could he use part of this vote to clear the area around the Varyl Begg Estate?

HON DR R G VALARINO:

Mr Chairman, I think this question came up at the last House of Assembly. It was answered by my Honourable Colleague on this side who said that Admiralty waters were not our responsibility and he further enlarged on that.

HON A J CANEPA:

In answer to a question from, I think it was, the Honourable Mr Haynes, I explained in detail - or was it Mr Scott - I explained in detail, and perhaps he could refer to the Hansard, the procedure which is adopted in respect of oil slicks, the action which is taken in endeavouring to give early warning of them and then in reporting them to the Fire Service for them to take action on the matter.

HON MAJOR R J PELIZA:

What I am trying to get at, Mr Chairman, is, will the Government then, whatever the circumstances, knowing that the area is highly polluted, be prepared to use part of this vote to clear that area for the tenants of the Varyl Begg Estate? I don't know whether it is their responsibility or not but that, I suppose, is for Government to decide but what I am saying is that the tenants there naturally would like to use the area, whoever's the responsibility it is, if I cannot get an answer from Admiralty or whoever is responsible for that area, will the Government use its own resources to clear that?

HON A J CANEPA:

Yes, if the matter has been observed by the Port Department they will take the necessary steps to communicate it to the proper authorities so that action is taken.

Other Charges was agreed to.

Special Expenditure was agreed to.

Head 6, Governor's Office - Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure was agreed to.

Head 7, House of Assembly - Personal Emoluments was agreed to.

Other Charges was agreed to.

The Committee recessed at 7.10 pm.

WEDNESDAY THE 23RD APRIL, 1980

The Committee resumed at 10.40 am.

MR CHAIRMAN:

I will remind Honourable Members that we are at the Committee Stage of the Appropriation Bill. I see that the Minister for Education is back with us and perhaps we could now go back to his Head which I think is Head 3.

Head 3, Education - Personal Emoluments.

HON A T LODDO:

I have noticed that under item 13 the number of teachers has been reduced by 10. Could the Minister give an explanation on this?

HON MAJOR F J DELLIPIANI:

Yes, Sir. In actual fact the cut is 9 because there is an extra Head teacher. So there has been a cut of 9 and these 9 are the replacement teachers for the unqualified teachers who were in the UK training and we won't need the replacements this year. So there has been no cut in actual establishment.

HON P J ISOLA:

There have been no cuts in pupil/teacher ratios?

HON MAJOR F J DELLIPIANI:

No, no cuts.

HON W T SCOTT:

Mr Chairman, can I ask the Minister for Education which is the new school that the Headteacher has been appointed to?

HON MAJOR F J DELLIPIANI:

No, this was an acting appointment at St Martin's and now it has been confirmed.

Personal Emoluments was agreed to.

Other Charges

HON MAJOR F J DELLIPIANI:

Mr Chairman, I beg to move an amendment to subhead 6, Scholarships under the column headed "Estimates 1980/81" to delete the figure "2228,600" and substitute therefore "2183,600" with the consequential amendments to the Draft Estimates including Appendix H.

Honourable Members will recall that the Financial and Development Secretary mentioned in the course of his statement on the Estimates that it was proposed to reduce the amount to be provided as a contribution to the Scholarship Fund by £40,000 following the British Government's decision not to apply the higher tuition fees to EEC students at Universities in the United Kingdom.

MR CHAIRMAN:

Is there any need to propose the amendment? You will be able to discuss the subhead as part of the other charges, once this has been amended.

HON P J ISOLA:

Mr Chairman, the cut in education expenditure proposed is a matter of principle, as far as we are concerned and this is why I should explain. We do not favour the motion for a cut because as you have heard in the general debate we would like to see this money, that is a windfall, being kept in education and being used for other items such as books and equipment; the question of further training in the United Kingdom; for inservice training; and so forth. We are opposing the proposed cut because we feel that that money could be spread out and used in improving education standards and in making the books and equipment vote a more realistic one.

MR CHAIRMAN:

So it is quite acceptable then after what the Leader of the Opposition has said if I put the question and now propose it.

Mr Chairman then put the question in the terms of the Hon the Minister for Education's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon H J Zammit
The Hon D Hill
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano
The Hon Dr R G Valarino

The amendment was accordingly passed.

MR CHAIRMAN:

All that we have done is amend Subhead 6 and we are still on Other Charges.

HON G T RESTANO:

Mr Chairman, Subhead 3. Can I have an explanation of what these services are?

HON MAJOR F J DELLIPIANI:

Services mean electricity, water, telephones, etc.

HON A T LODDO:

Mr Chairman, under Subhead 5, Books and Equipment. Can the Minister please explain how a year later, and taking into consideration the rate of inflation, we can still manage to maintain our standards by using the same amount of money as was voted last year?

HON MAJOR F J DELLIPIANI:

I think I explained on Monday, Sir, that over the years the Government has been very generous on books and equipment. We have a fairly high standard in books and equipment in all schools but it has been the practice for the department to withhold certain amounts of money for contingencies and special expenditure. We haven't done so this year so in actual fact for First Schools and Middle Schools there has been, in money terms, an increase of 4%.

HON A T LODDO:

Mr Chairman, perhaps the Minister can explain how in the Boys' Comprehensive in the Senior Classes books have to be shared by students taking 'A' level subjects.

HON MAJOR F J DELLIPIANI:

I cannot explain it. I don't go down to details of books in one particular class, but if you require the information I shall check it.

HON W T SCOTT:

Mr Chairman, I can also confirm that a similar situation exists in the Girls' Comprehensive School at first year level.

HON MAJOR F J DELLIPIANI:

That information has not been passed on to me.

HON MAJOR R J PELIZA:

Would the Minister not agree that this is very undesirable and that he will obviously do his best to put that right even if it means increasing the Estimates?

HON MAJOR F J DELLIPIANI:

I think it is important first of all to check on the facts.

HON MAJOR R J PELIZA:

Yes, but if in fact, as my Honourable Friends have said, the situation is such that the children are sharing the books, will the Minister given an undertaking now that he will put that right if necessary be asking for supplementary funds?

HON MAJOR F J DELLIPIANI:

It is not a question for the Minister to put it right, it is a question of whether a headteacher might not be using the money properly. She has the right to allocate the money to whatever she or he wants.

HON MAJOR R J PELIZA:

Then the Minister is satisfied that children should share books in school?

HON MAJOR F J DELLIPIANI:

I am not saying that I am satisfied, I am saying that we shall have to look at the facts.

HON CHIEF MINISTER:

If Honourable Members have details of matters which have not been brought to the notice of the Minister they should provide him with the particulars and he will look into them and will satisfy the Members personally if necessary. At this stage it is very invidious for the Minister to be able to confirm whether at a particular place or time people are sharing books. Of course we don't want books to be shared.

HON MAJOR R J PELIZA:

Exactly, this is it, Mr Chairman. All I want to do is to get an undertaking from the Minister that he doesn't think it is a good idea, that he doesn't agree with children having to share books in school in principle.

Well, could the Minister say whether he agrees with that principle or not?

HON MAJOR F J DELLIPIANI:

First of all I have to check the facts. I have been given the wrong facts.

HON MAJOR R J PELIZA:

Well, even the Chief Minister has said, Mr Chairman, that obviously it is not desirable that children should share books. That is all I want to know.

HON MAJOR F J DELLIPIANI:

And I agree with you.

HON P J ISOLA:

May I say on this question of books and equipment that I know it is very much a matter for headteachers to decide how they use the money that is allocated to them for the purchase of goods and equipment. But the whole tenor on our argument on education is that headteachers should not be put in a position where they need a tape recorder, for example, and they have to say, right, well, I will take the tape recorder and I will have boys and girls in my class sharing books. Now this arises, this need of choice arises if the supply of money is not there to maintain proper educational standards. Quite independently of my Honourable Friend Mr Loddó and my Honourable Friend Mr Scott it has been brought to my notice in recent weeks that books are being shared and that there seems to be generally a shortage in the Comprehensive Schools of these matters due to the restraint that has been put on expenditure. What we, on this side of the House, are saying is that although we would like wasteful expenditure to be cut by the Government, we cannot agree that educational standards should be allowed to suffer because of this expenditure cutting. It is quite clear to us from the Estimates that if the Minister thought that in 1979/80, £124,000 was sufficient, with the school population continuing as it does, and books having to be replaced and so forth, it is quite clear to us that asking for £124,000 again for 1980/81 will not meet adequately the needs of the schools, having regard to the inflationary trend and having regard that presumably their decision to put £124,000 in 1979/80 was because it was needed.

Therefore, if you provide the same amount for the following year and don't even allow for inflation you are reducing the amount available and putting headteachers in the position of having to choose between one necessary item of expenditure and another necessary item of expenditure. The result of that is that something that is necessary has to suffer. That is what we are asking, and that is why we voted against the cut of expenditure of scholarships. Not that we do not welcome the fact that our students will be paying less but because we think that that money which was put in the Estimates should be left in Education to meet other necessary demands for maintaining standards of education in Gibraltar if not for improving them.

HON MAJOR F J DELLIPIANI:

Mr Chairman, the Honourable Leader of the Opposition has made a speech, not put a question.

MR CHAIRMAN:

He is entitled to do this.

HON MAJOR F J DELLIPIANI:

I will bring up one point. He gave an instance of a headmaster buying an expensive piece of equipment like a tape recorder and sacrificing books. If he bought the tape recorder last year he will not have to buy it this year so he will have more money for books this year.

HON A J HAYNES:

Mr Chairman, could the Minister explain what he meant when he said that the headmaster had not dealt with the money allocated to him properly? Does that mean that in these circumstances the Minister would not intervene to help and ensure that there were books in the classrooms? Given that complaints have been lodged that there are certain classes without a complete set of books, your first and initial reply was to check on the facts. Your second was that if they were correct, that since the money had been allocated to the schools so that the headteacher has failed to allocate the money given to them properly, that that was their affair. Does that mean that if that were the case, that his fears that the headmaster might not have allocated the money properly were truthful, would that mean that he would not intervene to ensure that there were books?

HON MAJOR F J DELLIPIANI:

Certainly not. If the information is right and there is need for more books I can always come to the House and ask for supplementary funds.

HON A J HAYNES:

So you would go back on what you said earlier, that this was their affair?

HON MAJOR F J DELLIPIANI:

Well, it is the Headmaster who controls the vote and he is the one who decides his priority. But if he does make a mistake and we cannot go a whole year with a situation which is wrong, we will correct it.

HON A J HAYNES:

That is what I wanted to know.

HON P J ISOLA:

May I ask the Minister what is the per capita allowance being made for books and equipment in our schools and how does this compare with the per capita allowance in the United Kingdom in the Education authorities?

HON MAJOR F J DELLIPIANI:

I am having in fact a statement prepared on that question but I can tell you that the last time I checked it was higher in Gibraltar than in the United Kingdom even allowing for the cost of freight.

HON G T RESTANO:

On Subhead 9, Mr Chairman, how is it that that vote has been reduced: Sharing of running expenses of the Gibraltar and Dockyard Technical College?

HON MAJOR F J DELLIPIANI:

Mr Chairman, if we look at establishment we see that Lecturers, subhead 14, increased by 3. The reduction in fact is due to Gibraltarians replacing UK contract teachers, contract lecturers in the Dockyard. They do not get foreign service allowances.

HON G T RESTANO:

And the difference, if I read the Minister correctly, is that there are no foreign service allowances, etc.

HON MAJOR F J DELLIPIANI:

Yes, Sir.

HON P J ISOLA:

Mr Chairman, I wanted to ask a question because it is related to Item 7 and to Item 9. Together these two items represent a reduction of some £21,000 not taking into account inflation, and could I ask the Minister what are the reasons for the saving.

HON MAJOR F J DELLIPIANI:

This is a question which has been the subject of correspondence with the Chief Minister and I think the Chief Minister will have a comprehensive reply to this, the question of in-service training. But there is one aspect and that is that this year we are not training the Unqualified Teachers, they were trained last year and they will be finishing this year, so that could count as part of the reduction in costs. In action fact provision was made for four to undergo in-service training and there are four this year.

HON P J ISOLA:

Can I refer to the letter to the Chief Minister written by the Gibraltar Teachers' Association in which they talk of vicious cut-backs and state that the cuts have been made due to the cuts in public spending. Now, as we have said, it is the policy of this side of the House that cuts in public spending should not affect standards and the service of education which is so vital. Apparently the Gibraltar Teachers' Association has been given as a reason for the cuts in this vote of in-service training and so forth, the cuts of public spending. Now this is an item that has occurred which shows a clear cut in furthering the training of teachers and the service of education which is so vital.

I would like to know whether it is Government's policy to have cuts in expenditure in education affecting standards of education as they must inevitably do? And although the Gibraltar Teachers' Association may be in correspondence with the Chief Minister on the matter I think we are entitled in this House to know what is Government's policy on cuts in education.

HON CHIEF MINISTER:

I am not going to anticipate nor am I going to deal with the question of the Teachers' complaints by letter which I saw in the paper before I read it in my office, but the simple answer is that there are no cuts on inservice training this year. As the Minister has said there were four last year and there are four this year.

HON A T LODDO:

Mr Chairman, I have it on good authority that in 1978/79 it was agreed that eight teachers should be sent for inservice training, and that in 1979/80 only six were sent. One had

to withdraw because of promotion, and one had to be deferred because there was no place for him in the University, so that brings it down to four. That to my mind is a cut. Now in 1980/81 it was agreed to maintain the 1979/80 level, which would have been four, plus the deferred one which would have been five. That is what I have been given to understand but only one teacher has been selected. Now, is this correct or is this not correct? Can the Minister please answer?

MR CHAIRMAN:

The important thing is that I don't think we are so much interested just now whether one or more is selected, but rather whether we are now voting monies for four. I think that is what the Minister has said and what the Chief Minister has said. In other words, whether they have been taken up or not is another matter which can be discussed at a later stage, whether you are supplying money to cater for four. I think that is the assurance that has been given.

HON P J ISOLA:

Cannot the position as outlined by my Honourable Friend Mr Loddo be correct, must it not be correct having regard to what the Honourable Mr Canepa told us yesterday in the general debate? The Minister did say that he did not believe in teachers going back after three or four years, he said it should be after 10 years.

HON A J CANEPA:

I said I was expressing my own personal point of view, it was not the Government's policy. I was expressing the point of view that I would take in discussions in Council of Ministers on the matter, Mr Chairman.

HON P J ISOLA:

I am grateful for that clarification, but, Mr Chairman, what we really want to know is whether the facts contained in that letter are correct about cutbacks and that they were told they were going to have the same level as 1979/80 and apparently this is not the case. This is what the letter said, this is the information that my Honourable Friend Mr Loddo has given the House. It seems to coincide and that is why I ask if we can have a categorical statement.

HON CHIEF MINISTER:

The information I have from the Director is that there is provision for four teachers to do this, which requires that we also provide money for the replacement of the teachers whilst they are away and, therefore, there is no gap in the actual number of people going away from last year.

HON P J ISOLA:

But if that is so, Mr Chairman, why is there a reduction in the vote of £23,000?

HON CHIEF MINISTER:

I understand that the cost of the tuition of one of them is provided by a Commonwealth scholarship.

HON P J ISOLA:

That would not be £23,000. That would not count for inflation with £23,000. Mr Chairman, why would the GTA be expressing concern if everything is the same as last year?

MR CHAIRMAN:

Well, we have been given assurances.

HON J BOSSANO:

It is not difficult to establish whether the House is being asked to vote the same provision as in the previous financial year or not. And if it is not then, in fact, the answer is a cutback, unless we are getting the same thing cheaper. It is a question of fact isn't it?

MR CHAIRMAN:

It is a question of fact that you are being asked to vote a lesser amount than last year, but you are being told that you are getting the same number of teachers going for inservice training.

HON J BOSSANO:

It isn't the question of the same number of teachers because, you see, I think the point made by the Honourable Mr Loddo was in fact that last year the provision that should have been taken up was not fully taken up, and in fact we had less people going last year than should have gone last year. The fact that again this year we have got no cutback in the actual numbers who went doesn't necessarily mean that there is not a cutback in the potential number who could go. If last year there was provision for six and only four went, we have four going this year because we only made provision for four, then in actual number we still have the same number of people going but in what we are providing we are reducing from providing for six to providing for four, and I think it is important to have the facts before one knows how to vote really.

HON CHIEF MINISTER:

Mr Chairman, obviously the Minister has been away, unfortunately and perhaps he would want time to consider this. The information that I have been given now is that last year provision was made for 5 teachers but 4 went because one could not find a place. Now, provision is made for 4.

HON P J ISOLA:

But on the other hand the amount voted last year apparently has been spent. So, therefore, if it is £215,000 with four going, actually going, instead of five and now we reduce by £22,000, there is something wrong somewhere, Mr Chairman.

HON MAJOR F J DELLIPIANI:

As this vote was a combination of both inservice and the initial teacher training, we cannot say how it has been spent. We know that all the money has been spent either on initial teacher training or inservice training.

HON P J ISOLA:

I appreciate that, Mr Chairman, but the net result is a reduction in the total vote taking them both together, item 19 and 7, of about £23,000. But something is suffering. The Government cannot say with inflation that they have not made cut-backs and that is what we are protesting about, cut-backs in education, cut-backs in matters that affect the young generation of Gibraltar.

HON J BOSSANO:

Mr Chairman, I think there is a distinction between a reduction in the provision for initial teacher training, which is determined by the need to train teachers, and in my judgement that is not a cut-back. If we do not need any teachers then we do not need any teachers and we do not train them as teachers, we train them as doctors or scientists or something else. However, if it is a question of maintaining the existing teaching staff up to date with the latest developments in education, then a cut-back in that provision, if that is required, would be a reduction in the service. I think the fact that the initial vote has been cut-back does not necessarily indicate a cut-back in education if there has been a cut-back in initial teacher training because we are now up to full complement and we are not sending people to train because there are no jobs for them.

MR CHAIRMAN:

In other words you would need a breakdown of the figures?

HON J BOSSANO:

Precisely, I don't want to vote on an issue without knowing what I am voting for, Mr Chairman.

HON CHIEF MINISTER:

It was mentioned earlier by the Honourable Minister that part of it was that all the Experienced Teachers are now finishing their training and coming back.

HON J BOSSANO:

Mr Chairman, if in fact the only reduction that is taking place here is the reduction in provision for teacher training because we are now up to the necessary complement and we do not need to send people to train who cannot have jobs to come back to, then I support that policy because I think people should be told when they come out of school what the employment prospects are. There is a lot of dissatisfaction amongst people being trained and then finding that the job they expected at the end of their training is not there. If that is the situation that is alright. I am satisfied with that explanation. But if there is conflict between that and a situation where we were saying last year that we were going to send 5 existing teachers on refresher courses or updating courses to bring them up to date with the latest development in education in UK, and this year we are only going to provide for four, whether four went or one went last year, and if what the House intended was that there should be provision for five, if it was possible for five to go, I think the House should be told.

I mean if last year we decided within that vote - there must have been an internal breakdown there - whether we actually questioned it or not, the House decided that they should provide for five teachers to go, and it may be that during the course of the year the five were not taken up because it wasn't either possible or necessary, I think there is still a cut-back if this year we provide for less than five, and I would not support providing for less than we did last year.

MR CHAIRMAN:

Do I take it that the Government does not intend that in-service training will suffer if it is necessary and that this vote doesn't mean that? Is that correct? Do we have such an undertaking?

HON CHIEF MINISTER:

It is a fact.

MR CHAIRMAN:

Right.

HON P J ISOLA:

I am not wholly satisfied with this because I understand the position is that there is saturation point in certain areas and people like to go for particular subjects and if they are not available they get upset. I am not talking of that situation, but I am talking of the situation where Government apparently every year has to bring in a certain number of teachers on contract in certain areas and I do not see how you can reduce the numbers of teachers being trained, or you can have a policy of reduction until you have reached saturation point. Are we being told that saturation point has been reached?

MR CHAIRMAN:

I think we are now beginning to talk at cross purposes. I think the Government has now given an undertaking that there is no gap in in-service training or even in teacher training but that this is the vote that is required for this year, and if there is any need for further funds then they will come to the House.

HON CHIEF MINISTER:

I have just had my attention drawn to this matter of detail, but item 7 Initial Teacher Training, which has a reduced vote on last year, there is a note (c) below which tells us "Not included ten courses which will be financed from Technical Assistance Funds". None were financed from Technical Assistance Funds this year. Ten are going to be financed next year.

HON P J ISOLA:

Mr Chairman, that is patently not correct because if the Chief Minister looks at the Estimates of Expenditure for 1979/80 we had a note there saying; "Partly financed from Technical Assistance Funds". So either the note in last year's Estimates is incorrect - we were given the wrong information last year or we were given the wrong information this year.

HON CHIEF MINISTER:

Not new ones. These are new ones.

HON P J ISOLA:

Well, I don't know which they are but the question of financing was there last year.

HON CHIEF MINISTER:

Not new ones. They were continuing ones. Now there is provision for ten this year.

HON P J ISOLA:

Yes, maybe, Mr Chairman, but there was an element of finance from technical assistance. If we want to find out the exact position we also need to be told why there is a reduction of £23,000. If it is not concerned with in-service training then it is concerned with teacher training. Can we then please be told what are the reductions in numbers proposed because last year we were told 28 courses ended in 1979; 26 ended in 1980; 13 ended in 1981; one ends in 1982; 15 commence in 1980. What is the breakdown for this year so that we can compare to see what the actual situation is?

MR CHAIRMAN:

Is Government prepared to give such information at a later stage?

HON MAJOR F J DELLIPIANI:

I am prepared to give that information at a later stage, but the thing is that when we are talking about teacher training we have to project what our future needs are. I am not going to send 30 teachers to UK if we only require 10 in 3 years' time, and that is what we are doing. We are cutting down on the training because we are reaching saturation point.

MR CHAIRMAN:

I think we have discussed this matter fully. You are going to be given a breakdown. Any other items on Other Charges?

HON P J ISOLA:

Mr Chairman, I would like to raise the question of financial assistance to youth and cultural activities.

I notice that there is not an increase, there seems to be a cut. Admittedly it is only £200 but it is the philosophy behind the education vote that we are challenging. It seems to me there that the Government, although it has spent £19,000 which is a mere pittance in the Budget, is being niggardly, if I may use the expression, to the youth and cultural activities by reducing £200. Taking account of inflation that is a cut-back, and that is what we are complaining about in this vote, the philosophy behind the vote of cutting on education, and we were going to have to put our usual protest of proposing a reduction of £1 to mark our dissatisfaction.

Here again, before I get to that, why is there a cut-back in financial assistance to youth and cultural activities? I would have thought that this is an area of Government activity and help which ought to be expanded rather than reduced. The amount involved is so small and so much good can be done with this sort of assistance.

HON MAJOR F J DELLIPIANI:

There has been no cut-back as such on our part. This is the money that was asked by the different clubs and that is the money they are getting.

MR CHAIRMAN:

Any other item on Other Charges?

HON G T RESTANO:

Item 16 - Educational Visits and Holidays. I notice that the approved estimates were £13,100 but only £3,800 was spent in the revised estimates. What is the explanation?

HON MAJOR F J DELLIPIANI:

Mr Chairman, on the question of Educational Visits and Holidays, I do remember this because I think I have mentioned it in the House. This was because we were discovering that the same people were going for the same holiday year after year. What we have done is that we have restricted the visits to purely educational visits connected to field work such as geography and biology.

HON P J ISOLA:

Therefore there has been a change in Government policy during the year. The House approved expenditure for particular purposes and Government in its quest to cut expenditure decided to cut in this area. Well, we protest, Mr Chairman.

MR CHAIRMAN:

Fair enough, it is a protest. Any other items now?

HON MAJOR R J FELIZA:

Mr Chairman, if you remember when we were discussing the general principles, one of the points I made was that Government obviously had more money, there is no doubt about that, and more money is likely to come in. I stressed the importance of broadening education, not just seeing education as a question of academical qualifications, and in fact precisely on these two votes I think that the Government can do a lot. The statement by the Minister saying that the youth clubs have not asked for more money, if I may say so, shows lack of interest on the part of the Government in that respect. I am sure that the youth clubs, if they knew that, would be able to get more money if more money was available and were encouraged to do this. I am sure that they would have asked for more money.

I have no doubt whatsoever that if they hear what the Minister has said he will have a queue later on this morning in his office asking for more money. So what I say, Mr Chairman, since we have more money, and I think it is vital from the point of view of education that the children of Gibraltar should have a wider view of life generally and one of them, of course, is visits abroad and cultural activities within youth clubs. I think this is an excellent situation to be in where the money is available and this can be supplied. And, therefore, I do fully support my colleagues here in encouraging the Minister to increase the vote not reduce it as, in fact, he has done in this Estimate.

HON J BOSSANO:

There are a couple of points I would like to make on the education vote as a whole, generally speaking, in terms of the policy direction the Government should be looking to as far as grants and the framework within which grants should be given. I think first of all that in making grants available one should be guided partly by the principle that the educational opportunities we give our own people in Gibraltar should not be inferior to those they would have in the United Kingdom if they resided there, and that, therefore, as a matter of principle, if people were to meet the criteria laid down in the UK for further education, then they should expect to get assistance in Gibraltar for further education. Within that policy I think the Government should encourage people to select things that are going to benefit Gibraltar economically, and consequently within the ambit of an economic plan and of expansion of one area as opposed to another, people should be told when they are considering what sort of field they are going to study that they may be inclined towards one area by a particular interest in that area, but that that area will provide very little or no employment prospects in Gibraltar, but they should still not be frustrated from doing that because I believe it is better really to export a good scientist, for example, than to force somebody to come back here and be a bad doctor or a bad teacher, although we should try and encourage them to stay. They should be told before they choose their career that they really have no chance of coming back, because in the past people seem to have gone away on specific courses with very high hopes of coming back and fitting in at a job at a fairly high level within Government service and being very disappointed with the sort of prospects that they have found when they have got back. So I think it is important that Government should protect its own position in making at the onset clear what the position is.

The other thing is that I think that the Government should give serious consideration either within the education vote or within the technical assistance provision under the aid programme to providing a chance for older people to go on computer courses, computer programming courses, computer orientation courses, which are ran in the United Kingdom by

the Department of Employment and are under the training opportunity scheme in the UK where basically that scheme works for people who are either unemployed or because it is considered in the UK, and I think in most of Western Europe today, that in any dynamic society people have got to be re-trained several times during their lifetime. One cannot expect any more, I think, with the pace of technological change, to learn one set of skills and one job and spend ones' working life in the same thing. And this training opportunity scheme effectively is to encourage people to leave declining industries and enter expanding industries, and computers is one of the things that is not limited to us. I think that if there is money within the existing £1m that we have of technical assistance which was unallocated, if there is money there which is not being set aside for something for a higher priority, the Government should consider sending perhaps one or two people at least on this thing because I believe that this would form an important sort of scheme for development in future economic development in Gibraltar and the Government should be looking at having a pool of skilled people from which local employers and they themselves could recruit in what is bound to be an area of expansion. Those are considerations which I put to the Government.

HON CHIEF MINISTER:

With the first part of the point I would entirely agree but I don't think this is the best time in which to say we ought to follow UK standards because the cuts in education in England are absolutely savage. I was talking to a teacher five or six evenings ago from a very reasonably prosperous area, the South East, and they say that the cut in books, the cuts that they have to suffer every day is unbelievable, and, therefore, I do not think that this is the best time to compare standards. I am sure the Honourable Member was referring to normal standards before these serious cuts came on which we have always based our comparisons.

HON J BOSSANO:

I was specifically referring to the provision of places in higher education and not in fact to how good the schools or the colleges may be. We are not providing higher education ourselves in Gibraltar. But if somebody can get a grant for doing a course in UK then he should not be deprived of the opportunity of learning that skill because he happens to have been born in Gibraltar. If we could do better than in UK then I would certainly support that wholeheartedly, but as a minimum we should expect to give our people the same opportunity for developing their skills and developing their careers as they would have if they had lived in the UK.

MR CHAIRMAN:

I think the point has been made now. Are there any other matters under Other Charges?

HON W T SCOTT:

Mr Chairman, can we have an explanation on Subhead 17 and the reason for the reduction?

HON MAJOR F J DELLIPIANI:

Yes, this is a Government decision not to continue to send new children to attend the Services school.

HON W T SCOTT:

There is still a vote there for £33,500.

HON MAJOR F J DELLIPIANI:

For the children who are still there.

HON W T SCOTT:

I see. And I would also if I may be allowed to, Mr Chairman, relating back to page 13 of the items of revenue, subhead 3, the Reimbursement by the Ministry of Defence shows a very substantial reduction. I am suggesting in fact whether it is a wise decision where we spend £35,000 and yet we are reimbursed even this year, £116,000.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, that is the reimbursement for services children attending secondary schools.

HON W T SCOTT:

Yes, but it is a drop of over 50%.

MR CHAIRMAN:

I think one vote is not related to the other in any manner or form. The other is the Gibraltar school children attending MOD schools, and this is the other way round, MOD children attending Government schools.

HON W T SCOTT:

Yes, Sir, but they are inter-related in some way.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reasons for the drop this year is that the figures in the 1979/80 included arrears of revenue over two years which was brought into that year.

HON W T SCOTT:

Thank you, Sir.

HON A T LODDO:

Mr Chairman, I notice that there is a reduction in the running costs of the Teachers Centre. Subhead 14. Perhaps the Minister could explain how this has come about.

HON MAJOR F J DELLIPIANI:

The running costs of the Teachers' Centre, in fact, used to come under the whole question of initial teacher training and in-service training because it is connected, in fact, with in-service training. This year we have separated it to see how much it is actually costing us so that we have an idea to be able to monitor it.

HON A T LODDO:

Mr Chairman, but there has still be a cut there. You were reclaiming £5,000 and now you are estimating £3,500 or was this £5,000 an arbitrary figure?

HON MAJOR F J DELLIPIANI:

No, this still forms part of the whole vote.

HON W T SCOTT:

Mr Chairman, I would like to return to subhead 17 where there seems to have been a distinct change of policy over very many years with Government on that, and I would like to hear more substantive reasons than those that have been explained already.

HON MAJOR F J DELLIPIANI:

It is a Government policy decision not to sponsor children going to the Ministry of Defence schools unless they want to pay for themselves. We can provide for their education ourselves.

HON P J ISOLA:

Has this matter been discussed with the religious community concerned and have they agreed?

HON MAJOR F J DELLIPIANI:

The community as such has not made any objections, we have had objections from several parents. We have asked them for certain information which they say they have, certain guarantees and this guarantee hasn't been forthcoming.

HON P J ISOLA:

Mr Chairman, going back a few years, when St Christopher's and St George's Schools which were schools to which children of Church of England persuasion, or non-Catholics and non-Jewish, were sent, and at that time it was Government's policy that children up to 11 plus level, primary level should go into schools of their different religious persuasion, as it were, and then at secondary level everybody went to the same school. When those two schools were closed and agreement was reached on that, and it was on the basis that the children who normally went to those two schools which included service children, would go to the Ministry of Defence schools, because the Gibraltar Government was not able to provide education at that time because of shortage of teachers and so forth. It seems to me that now to make somebody in Gibraltar go to what is the substitute for St Christopher's and St George's Schools, to make them pay if they want to go to that, is to bring an influence to bear on them which I would have thought was not Government policy or in fact not Gibraltar policy if I may put it that way.

HON MAJOR F J DELLIPIANI:

Mr Chairman, the whole situation of religious education in schools has changed very drastically from the old sort of system that we used to have in our schools. In actual fact, I can think of one school now where half the teacher complement are Protestants and they give religious instructions to Catholic children. No matter what agreement there has been in the past, and we haven't seen this agreement, it is now Government policy that all children in Gibraltar of non-Catholic denomination, Protestant denomination, can be taught in our schools adequately and their religious interests safeguarded.

HON P J ISOLA:

Mr Chairman, I would have thought that such a radical change of policy affecting admittedly only a small section, a minority of Gibraltar, the Government would have solicited the advice of the religious groups concerned. In fact, this takes no regard of the agreement that the Honourable Minister for Education has just mentioned which apparently he hasn't had sight of.

MR CHAIRMAN:

May we perhaps for the sake of good order have an answer to that.

HON MAJOR F J DELLIPIANI:

There has been consultation with the parents. We have asked the parents to provide particulars of this agreement which they say exists. We have no knowledge of it and that is the situation, Sir.

HON P J ISOLA:

Mr Chairman, I am extremely surprised to hear the Minister saying that. That is patently incorrect. The reasons why Church of England children went to the Ministry of Defence schools were clearly explained at the time it was done. All he had to do was read back 15 years. That may be a lot of trouble for the Minister. He is misleading the House, if I may say so, or he is tending to mislead the House in making a statement that there was never such an agreement. Of course there was an agreement.

MR CHAIRMAN:

The Minister has never said there wasn't an agreement, the Minister has said that he hasn't seen it.

HON P J ISOLA:

Well, perhaps he should look at it.

MR CHAIRMAN:

He has not said there isn't an agreement and he has not misled the House.

HON P J ISOLA:

Mr Chairman, if I may finish, before he starts telling the House things like this I think you ought to check. Of course, the Government schools could have taken in the small minority of Church of England children that were being taught in St George's and St Christopher's school; of course, the Government could have been able to absorb them in their schools disregarding the question of religion; of course they could have done this. It was precisely in an effort to be fair to all the religious communities in Gibraltar that the Government has this policy at primary level of allowing children to go to their various religious community areas. I think it is very important to Gibraltar and ought to be maintained. I think we must look after the minorities and respect their rights, and I think that before the Government makes a final decision on this they ought to look back at the whole history of the question and the first person they ought to consult is the religious Head of the Church of England community. If after consulting him they come to the conclusion that, "well, I am sorry, we are going to break with tradition; we find this too expensive; it costs us so much" I know there are a lot of financial arguments, there must be obviously, otherwise I am sure the Government wouldn't have intervened in this, but before they do that I think they ought to consult - I don't know whether there is still a Board of Education, there is something in the Education Ordinance on this, and I think it ought to go there for advice.

HON CHIEF MINISTER:

Mr Speaker, I think it is fair to say that some of these consultations unfortunately took place at the time when my Honourable Friend was in hospital and he has not been able to deal with it as indeed with some other factors that he could well have avoided by not coming here. He is not, therefore, as well versed in the details of the examination of the Estimates which were done in his absence. To that extent I think we ought to bear a little with him.

Now I would like first of all to make quite clear that I am particularly conscious, and I have always been particularly conscious about minorities in our community, so that I would like to make it quite clear that there is no attempt at any discrimination. But if I remember rightly the problem started because quite a number of children of UK families who arrived in Gibraltar on their own for any particular reason, not Service children, not Government children, were getting automatic sponsorship into these schools for which the Government had to pay. This is really what brought the matter to a head, that the numbers were going up not simply out of our own resident Anglican community who were concerned, because many are not concerned, this is what I have been able to find by the discussions I have had with three parents who were concerned. This is what brought the whole matter up because the sponsorship is costing us a considerable amount of money. It was felt educationally, and to some extent religiously, and here I do not know, but it was felt that there was nowadays not the difference that there was when St Christopher's was closed in the sense of the religious education as between Anglicans and Catholics.

I am saying what I have been told. I know nothing about this. It is not my religion and therefore I want to tread very cautiously because I do not want to give offence to anybody to say anything that is not correct. Now, there are, as two of the parents told me, caring parents about the children wanting to go to Anglican school and there are parents who do not mind. But there is also an element of status symbol in going to an Anglican school because those two schools are very well equipped and people think that because children are being brought up with English speaking children they have an advantage. Well that in itself is really no reason for us to sponsor children to that school. So the matter is a bit delicate. It has not been finally decided. We have made a provision on the basis that there is a commitment to all the children and in fact even brothers and sisters of children who are already there so that there should be no difference in the education in the family until they come out.

It is intended to phase it out gradually subject to this question of the agreement. Now, despite the fact that it is alleged that there is an understanding and not an agreement, it was not an understanding of a commitment on the part of

the Government, as I have been led to believe, but a commitment on the part of the Services' school that they would accept these children. It was not a commitment on the part of the Government to undertake to send them but a commitment on the part of the Ministry of Defence that they would accept up to 100 children between the two schools.

Now, in addition we have found out that a number of Catholic children are going to these schools but on payment by their parents. They are perfectly free to do that. People can do what they like, but that of course has brought more to the fore the question of the need, in religious terms, of maintaining that difference. Now, I have seen the parents, the Minister was in hospital, I have seen the parents, they have been reasonably satisfied with the original undertaking that there would be no change in the people who are undergoing this education until they go into Secondary School, and also the adjustment that has been made in respect of some of the minors who were about to join who have a brother or a sister there so that there would be no separation, no difference.

The matter is still under consideration, but even if there was an understanding it does not necessarily mean that that is binding forever. If there are good reasons and they are acceptable to the Head of the community, then of course it is a different matter. But in fairness the people who came are very close to the Dean and we have not had any reaction at all by the Head of the Anglican community. If we do receive representations we will give them our most careful consideration. But it is getting more and more expensive when in fact children can be absorbed into our classes. The teacher/pupil ratio is very satisfactory and it can absorb this. There are only a few who would really regard the question of the atmosphere in which they are brought up as objectionable. We have the example of the Anglican Home where for reasons of expense it was absorbed by Mount Alvernia and there have been no difficulties in that respect.

As I say the Government is prepared to be guided in principle on matters if it affects the conscience of people. If it doesn't, then it is a waste really to be sending some children at great expense when indeed there is provision in the school of adequate education of both Catholics and Anglicans instructions.

MR CHAIRMAN:

I think we have ventilated the matter completely. I will allow the Leader of the Opposition to say a few words in reply to the Chief Minister but I think we have now exhausted the matter.

HON P J ISOLA:

Yes, Mr Chairman, I appreciate that. I understand a lot of the arguments that have been put forward by the Chief Minister and obviously the parents of children presently in the school will, of course, go away satisfied if they are told that their children may stay for the rest of their time. The point I am making is that it is wrong to say that there was no agreement because I was involved in it personally, and I certainly have a clear recollection of it. The Board of Education minutes will show, I think, at the time and it was clearly agreed with the Head of the Religious community. I think that if the Government feels educationally there is a lot to be said for doing away with this subvention then so be it. It may well be so, it may be better in terms of educational efficiency, I understand all those arguments but above all that is the commitment given at the time. And I think it is not a question of the Government waiting for the Head of the Religious community to approach them, it is a question of the Government calling in the Head of the Religious community and saying; "This is our policy for the future, these are the reasons why we are doing it", discuss it in the appropriate Education Board and then come to the House and tell us. I think just to phase it out quietly and satisfy the parents of existing children is not a fair way or indeed a proper way of dealing with the matter.

And may I say, Mr Chairman, that I can quite appreciate that the Minister for Education is at the moment labouring under a great disability. He has been away and I can understand it all and to that extent we are sorry we have to question his department, but it so happens that his department, from what we can see - I am sure it will please Mr Bossano - shows application of Thatcherite principles in education with which we on this side of the House do not agree.

HON CHIEF MINISTER:

Mr Chairman, I think it is less unfair to the parents who came to see me to say that they were only interested in respect of their own children. I think it is less than fair to say that. They were speaking on the whole and in fact one of them is very closely associated with the Church. They did not go away satisfied nor did we agree with them on anything. In fact, they are coming back to the charge. It is less than fair to say that they were concerned about that. They were concerned as to those who feel much stronger the question of being in an Anglican atmosphere on religious grounds.

MR CHAIRMAN:

Fair enough. That is the matter now. I understand you want to reduce the vote but not on this particular vote.

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HON A T LODDO:

Mr Chairman, I would like to propose that the total on Other Charges of £1,126,400 be reduced by £1 to £1,126,399.

Mr Chairman put the question in the terms of the Hon A T Loddo's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano

The amendment was accordingly defeated.

Other Charges was agreed to.

Head 3 was agreed to.

Head 8, Housing - Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Can I have a full explanation for the cut-back in the maintenance of Government housing?

MR CHAIRMAN:

Yes, you can be optimistic and ask for an explanation, whether it will be full or not we will have to wait and see.

HON H J ZAMMITT:

Yes, the explanation was given both in my address in the general debate and by Mr Featherstone, the Minister for Public Works, in the general debate, by the Honourable the Financial and Development Secretary and I think by the Chief Minister.

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The facts are, Sir, we mentioned that we were introducing the fulfilment of the tenancy agreement which would mean a reduction in expenditure mainly on wages from the Public Works Department gang on housing repairs. That is to say the smaller household defects so that the Public Works Department can concentrate more on major housing repairs. Therefore the small, and I think I mentioned such things as door knobs and tiles and whatever is broken, a pane of glass, will not in future be done by the Housing Department, it will be the responsibility of the tenant. I think I gave quite an elaborate answer on that earlier on, Mr Chairman.

HON A J HAYNES:

As I recall the elaborate answer was by way of reply to some points which I had made, and one of the points which I made was ignored by the Honourable Member. I will repeat it so that he may have the benefit to answer; that was that in the case of the elderly or poor there may be a financial burden involved which could be prejudicial. Will the Minister give an assurance that this will be avoided? Or is there no intention to avoid hardship? I would like to emphasise that so often it is the elderly and poor who find themselves in old Government houses and therefore are more likely to be inconvenienced with internal disrepair.

HON H J ZAMMITT:

Mr Chairman, I think that the Hon Member can sleep very happy tonight, we will certainly not leave the elderly, particularly those who are on rent relief or on supplementary benefits and the like, I don't think Government would refuse installing a pane of glass or a door knob or any other minor repair, I am sure.

HON A J HAYNES:

Then why did not the Government make this assurance earlier so that I wouldn't have needed to ask this question?

HON H J ZAMMITT:

Mr Chairman, I cannot answer in a debate or in a statement where one is making comments on the general principles of the Bill or cover every single little item, but I can assure the Hon Member he need not worry, Mr Chairman, we will certainly not be causing suffering to the aged and the poor. In no way.

HON A J HAYNES:

Sir, he ridicules my efforts as if this was just one of the many introductions, yet it is not true, Mr Chairman. This instance that internal repairs will now be the burden of the tenant was specifically mentioned by the Financial and

Development Secretary and later by the Chief Minister who singled out amongst many aspects of housing, amongst a myriad of points that appear on the Estimates. It was singled out because it was a change, and it was singled out without any explanation.

MR CHAIRMAN:

No, the Honourable Minister is saying that he did not answer your specific question on elderly people perhaps because he cannot be expected to give an answer to everything that is raised. Not to the general principles of not repairing houses.

HON A J HAYNES:

It should have been because he is not confident to what he is meant to do.

MR CHAIRMAN:

That is another matter.

HON H J ZAMMITT:

Mr Chairman, I am not taking up the Honourable Mr Haynes because quite honestly one is very unimpressed by his performance in the House although I grant that he is a greenstick and brand new, but I think to remind his youthful mind, I did mention specifically, Mr Chairman, and so did the Honourable the Financial and Development Secretary on the question of the tenancy agreement, and I remember vividly having said that there was nothing drastically new, it was just the implementation of the tenancy agreement and the fact that Government or tenant had adopted an attitude that every single thing that happened in the House was Government's duty to repair. I may not have used those exact words but I think I made it abundantly clear. I hope, Sir, that the Honourable Mr Haynes will wake up and be as active as I think other new Members in the House have proved to be already, Sir.

HON A J HAYNES:

These continuous references to disappointment in my efforts, Sir, I share these mutually with the whole Government, Sir.

HON CHIEF MINISTER:

I am very glad to hear you share the views.

MR CHAIRMAN:

Let us not talk across the floor.

HON P J ISOLA:

Mr Chairman, the Minister talks about the Government now enforcing the contracts. Now what I suppose has been happening is that for the last ten years they have not been enforcing them and gradually the bill has gone up and up and up, it must be that. The drop in expenditure is estimated to be something of the order of £600,000 in 1979/80. The Revised Estimates for 1979/80 is £1,052,000. Maintenance of Government Housing for 1980/81 has gone down to £426,000, so it is almost a drop of £600,000. I know an explanation will be given that half of that vote goes into another vote in the Improvement and Development Fund of backlog and heavy duty works. Right, I accept that, but the point I am making is that the whole structure of the Housing Department was based on the fact that the maintenance of Government Housing would pass to the Housing Department. The super-structure of Warden, District Warden, Head Warden and all that. Now, I don't know what the position is, but as a result I can imagine that for the first year the Warden and the District Warden and the Head Warden will be very busy telling tenants; "No, you have got to do that not us", and there will be arguments galore because the tenants will look at this probably as a rise in rent.

They are now being made to do things that the Government was doing for them. That is why I presume there is no increases in Government rents this year and they will come next year, but that is not what I am getting at. What I am getting at is that the fundamental work of the Housing Department, as far as maintenance is concerned, has been changed in these Estimates. Now, what I would like to ask the Minister is, does that not require reconsideration of the establishment of that department?

HON H J ZAMMITT:

I think that two budgets ago we introduced the maintenance, housing repairs into the Housing Department in an attempt to find out exactly the funding of the Housing Department. It has been found, and experience has shown us, Sir, that the money involved in carrying out the minor repairs which are not Government's responsibility, and which were never Government's responsibility but which Government has erroneously carried out, and I must mention, Mr Chairman, if you will allow me in detail

MR CHAIRMAN:

No. Let us not go over and over the same problems once again. You have been asked a simple question. Why have you not cut down the establishment of the department if you are not going to be responsible for works that you were doing before? It is as simple as that.

HON H J ZAMMITT:

The money that we are cutting down incorporates the wages of members of the Public Works Department that were carrying out repairs for housing and, therefore, it has the element of their own superstructure which is not carried out by housing. We have a vote where we have a small maintenance going but the £521,000 incorporates the wages and salaries of - in fact, I think the total number of men from the Public Works Department dedication to housing affairs was something like 280.

HON W T SCOTT:

Mr Chairman, given this reduction and the change of policy on maintenance one can safely assume Government intends bringing this agreement with the tenants fairly quickly. Can we have a date for that, please?

HON H J ZAMMITT:

Mr Chairman, yes, that is a good question. I think the matter of the tenancy agreement has been looked at very carefully by the Honourable and Learned the Attorney-General and, of course, tenants are being reminded of this, but I would like to make one particular point. Where the Government has found an enormous amount of money possibly being wasted is by fittings that been placed by tenants over and above Government's...

MR CHAIRMAN:

That was made on the Second Reading. Let us not start all over again.

HON W T SCOTT:

Yes, Mr Chairman, but I don't think my question has been answered yet.

MR CHAIRMAN:

He wants a date as to when the change will be implemented.

HON H J ZAMMITT:

I am afraid I cannot give an exact date. The matter is with the Honourable and Learned the Attorney-General and the question of tenancy agreement I think is a question of possibly a couple of months. I honestly do not know exactly when the Honourable and Learned the Attorney-General can really give his final views on the matter.

HON W T SCOTT:

I see. Then my next question, Mr Chairman, is prior to the date of the new tenancy agreement will Government still continue to do the maintenance work it has been doing over a number of years?

HON H J ZAMMITT:

Well, Mr Chairman, in honesty yes, but not the minor little door knob, not now, but even a few months ago, we have been telling people that we are not carrying it out.

HON W T SCOTT:

The tenants presumably will be informed about this prior to the signing of the agreement.

HON H J ZAMMITT:

No, Mr Chairman, because as I have said earlier on in the old tenancy agreement there was an agreement that minor repairs in a schedule were not Government's responsibility.

HON P J ISOLA:

Can I ask who is going to decide this point, is it the warden? Is it going to be the PTO IV or something? Who is going to decide? I remember rightly the distinction between fair wear and tear and so forth was a very difficult one, so on the ground, who is going to tell the tenant that he is responsible?

HON H J ZAMMITT:

Yes, Mr Chairman, again that will be a question of obviously in the case of a normal break one would know whether it is or it isn't; in the case of fair wear and tear they will, of course, require technical advice one way or the other. It would be either the Housing Department PTO IV or if it is put through the Ragged Staff Depot then, of course, it will be the Public Works Department to assess.

Other Charges was agreed to.

Special Expenditure was agreed to.

Head 5, Income Tax Office - Personal Emoluments was agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, on subhead 4, I see there is a substantial increase in the rent of office and service charges. Can I have an explanation for this, please?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

A service charge previous appeared under General Office Expenses and the Honourable Member will, I think, see that in 2 - General Office Expenses, there has been a reduction to this provision.

HON G T RESTANO:

But, nevertheless, Mr Chairman, has there been an increase in the service charges?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, there has been a slight increase both in the rent and the service charge. This is rented accommodation and the agreement runs, if my memory serves me correctly, for three years and last year there was an increase in rent and in the service charge. The service charge is based on actual expenditure to Government tenants. The actual figures, if the Honourable Member would like them, are: rent £7,300; service charge £1,600; and apportionment of a short fall on the service charge for the previous year, a smaller amount bringing a total of £10,300.

HON G T RESTANO:

When does the lease terminate, Mr Chairman?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

If my memory serves me well, Sir, it is a three year lease and I think it is for renewal next year. But I would like to point out that the Government has a committee looking at its requirements for accommodation to see whether we can give up rented accommodation by utilising other Government properties.

HON G T RESTANO:

I am happy to hear that. Mr Chairman, under subhead 5, could I have an explanation?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We have an agent in the United Kingdom who works for us and we pay him £1,800 a year for the work which he does giving us information. There are companies in the UK who earn profits in Gibraltar and our agent works for us on their accounts.

Other Charges was agreed to.

Special Expenditure was agreed to.

Head 10, Judicial (1) Court of Appeal was agreed to.

(2) Supreme Court - Personal Emoluments was agreed to.

Other Charges was agreed to.

Special Expenditure was agreed to.

(3) Magistrate's and Coroner's Courts - Personal Emoluments was agreed to.

Other Charges was agreed to.

Head 11. Labour and Social Security - Personal Emoluments was agreed to.

Other Charges

HON MAJOR R J PELIZA:

Mr Chairman, I wonder whether the Minister can explain, under Subhead 8, Relief Payments Abroad.

HON A J CANEPA:

Mr Chairman, there are a number of persons living in Morocco and Spain who are paid social benefits. This is done through the British Consulate. The reason why there has been a drop in the provision is due to deaths during the past year and thereby because of that our commitments have decreased slightly.

HON P. J. ISOLA:

I was going to ask, Mr Chairman, on item 7, Supplementary Benefits, where the increase is slight, I have noticed it has been less than actually estimated for. Can the Minister say, I don't know whether he said it yesterday, the difference in the number of people on supplementary benefits that are expected during the year?

HON A J CANEPA:

The number has been decreasing over the years. One of the categories under the Supplementary Benefits Scheme, are non-householders. At the time when we introduced the Elderly Persons Pension the level at which that pension was introduced was equivalent to the non-householders allowance under the Supplementary Benefits Scheme, and what has, therefore, happened over the last six years has been that when people reach the age of 65 and they are receiving the non-householder allowance, which is by far the largest number of people in receipt of supplementary benefit, when they reach the age of 65 they get the Elderly Persons Pension so they come out of this subhead and go on to the Elderly Persons Pension Head. That is why I have been pointing out here in the House that the number of people on Elderly Persons Pension is not decreasing because it is being fed constantly by persons from the Supplementary Benefits vote, but nevertheless in this one the number has decreased and we have been able to increase the level of Supplementary Benefits by about 450% over the last 7 or 8 years whereas the actual provision has increased from about £130,000 to £280,000.

HON MAJOR R J PELIZA:

On Subhead No 11, Mr Chairman, Head 11, I am very pleased to hear that the Minister is increasing the child allowance from £4 to £5 which is very good, and I welcome that, but could he explain, I am not very clear as to whether all the children in the family get it?

HON A J CANEPA:

No, we are still not paying family allowances to the first child, instead of that what we are doing is that we are giving income tax payers relief under the Income Tax allowances structure, which is now £200 and will go up to £250.

HON MAJOR R J PELIZA:

So the position is that every child except the first one gets £5 a week now and the first child gets

HON A J CANEPA:

Nothing, except £250 the parent gets from income tax relief.

HON MAJOR R J PELIZA:

Has the Minister given thought of doing away with the child allowance in the income tax and giving them the benefit of £5 a week?

HON A J CANEPA:

This was the subject of a very deep study last year. Because last year we did carry out really a re-structuring of income tax. In fact, it was last year that we abolished the income tax relief in respect of the second and subsequent children in a fiscal package that we brought to the House which also involved doubling of family allowances and they were made tax free. Yes, we have given consideration to that. It would be a very costly exercise because there are just about as many first children of family and one child family as there are now children in receipt of family allowances. It would be very costly to do that. In addition to that I think that it would exacerbate even further the feeling of discrimination that there is amongst the alien labour force who do not get family allowances and only get tax relief for the children. If we were to abolish the tax relief for the first child and pay family allowances in lieu they would have a further grievance, they would have lost that tax relief. They would not be entitled to receive family allowances because family allowances are only payable on the basis of 'presence' is the word in the law, presence in Gibraltar. They would feel even more discriminated against.

From the tax point of view the convenient thing about also limiting tax relief to the first child is that there can be no abuse in respect of many other children for which in certain countries it is not too difficult to produce certificates. I hope the Honourable Member gets the import of what I am trying to say without my having to spell it out in too much detail.

HON MAJOR R J PELIZA:

I get it, but I am not fully satisfied because I think the two sides could be satisfied. For instance, it is quite simple to say that those whose children are not present in Gibraltar would continue to get the tax allowance and those whose children are in Gibraltar would get the child allowance of £5 a week, so I don't think that that is insuperable.

HON A J CANEPA:

I am not sure whether that can be done, Mr Chairman, I don't know that there are any conventions, you know, I am not certain.

HON MAJOR R J PELIZA:

I would have thought it would not be discriminatory because obviously it would apply to whatever nationality, whatever status, if he lives in Gibraltar.

HON A J CANEPA:

But as I say there is the other aspect of it which is the financial consideration and the Government policy has been to use whatever funds are available to the greatest good and we consider that the greatest good is to give it to the larger families. We think that if there is a sum of money that can be made available it should be used to improve family allowances generally rather than give the allowance to the first child because then the benefit after the one child family would get is greater and we think the larger family is the one to be helped.

HON MAJOR R J PELIZA:

I see the point of the Minister, but I think there is a lot of argument to be said too for the poorer families with one child who is obviously getting very little, perhaps nothing, in income tax. His wages do not get to the stage where he pays income tax.

HON G T RESTANO:

May I have a breakdown of subhead 13, Accommodation for Labour - £300,000?

HON A J CANEPA:

I haven't got the details of the breakdown, Mr Chairman. I can obtain it for the Honourable Member in respect of how much we spend at Devil's Tower Hostel. At Casemates Hostel the provision is £199,000; at Devil's Tower it is nearly £110,000. A lot of it goes on wages; for instance, at Casemates wages and related allowances, leave, sick pay, efficiency bonus, and so on, that takes up about £100,000. Water nearly £42,000; Electricity £23,000; Linen and Bedding £2,500; Laundry £7,200; Repairs and Maintenance £5,000; Miscellaneous Stores £10,000; New Lockers £4,800; Protective Clothing £500. Does the Honourable Member want a similar breakdown for the other hostel?

HON G T RESTANO:

Yes.

HON A J CANEPA:

At the other hostel, wages and related items are taking up about £70,000 at Devil's Tower; Water £5,000; Electricity £10,500; Miscellaneous Stores £7,500; Linen and Bedding £3,500; Laundry £4,000; Repairs and Maintenance £6,000.

HON G T RESTANO:

Mr Chairman, how many people are employed in this?

HON A J CANEPA:

At Casemates Hostel there are 27 employed, at Devil's Tower 20.

HON G T RESTANO:

First of all the water charges. I think I heard correctly it was £42,000 at the Casemates and when one compares that to the Devil's Tower, £5,000, it seems to be quite disproportionate. Is there any form of control to cut wastage in water?

HON A J CANEPA:

The accommodation at Casemates is for about 800, all Moroccans, and therefore, they use rather more water because of reasons of hygiene and so on. At the other hostel there are fewer people and the fact is that at Casemates it is much more difficult to control the use of water because in a hostel which is virtually open and there are so many people who are residents I imagine that it may not be difficult for non-residents to get in and have a shower as well. It is difficult to keep strict control at Casemates. I am perfectly satisfied about the control at Devil's Tower but it is difficult to do so at Casemates.

HON G T RESTANO:

I would have thought, Mr Chairman, that with a team of 27 at Casemates there would be sufficient people there to have an element/control of water.

HON A J CANEPA:

No, Mr Chairman. There are 27 people employed, there is one Hostel Supervisor, two Skilled Labourers and a Handyman, 6 labourers, 17 female domestics who are only there as cleaners. So the actual staff involved in supervision is very small. And it is not easy I think to get to know 800 people.

HON W T SCOTT:

Mr Chairman, coming back to the question of the water situation at Casemates, when that project was redeveloped or refurbished, has Government made any provision, for example, in the showers to have them metered, coin operated as, in fact, it exists in the Government Hostel at North Gorge.

HON A J CANEPA:

No, no such provision is made. The charge which is made at the hostel is an all inclusive charge for everybody and as we announced we are putting up the charges very considerably. They now stand at £4 a week, they are going up to £7 a week.

HON W T SCOTT:

Mr Chairman, if I may ask another question on subhead 13, the revenue accrued from charges made, from £4 to £7, can I ask the Minister where it appears?

HON A J CANEPA:

I think it is under departmental earnings. Revenue from Government Property. Page 10, Head 5, Item 5, Imported Labour. Accommodation Charges.

HON P J ISOLA:

Mr Chairman, on Elderly Persons Pensions. Could I ask how many people were in receipt of Elderly Persons Pensions, for the current year 1979/80, and could the Minister repeat, I think he said the increase in pension was going to take place in July or have I got the wrong one?

HON A J CANEPA:

The provision we are making in the Estimates for next year and, I don't think it has changed very much from last year, is for 935. During 1979 the number must have been of that order give or take a few. And the pension is going up in January in connection with the general review of social benefits. January 1981.

HON P J ISOLA:

The increased provision reflects the increase in this January.

HON A J CANEPA:

Last January we increased the pension to £9, in the financial year ending 31st of March, 1980, there was only provision in respect of the increase of January 1980 for 13 weeks; now in next year's Estimates there is provision for the whole of the year and then, of course, there will be a further amount to be met for the last quarter of the year, January 1981 to March 1981. Should that prove to be insufficient we may have to come back to the House for some more funds.

HON P J ISOLA:

The reason I say this, Mr Chairman, is I wonder whether the provision of 935 persons is correct because in fact we provided £400,000 last year, there was an increase in January and still it is underspent by £5,000.

HON A J CANEPA:

Well, £5,000 in a vote of £400,000 is nothing!

HON P J ISOLA:

I know it is nothing but no provision was made last year for the increase on 1st January for 13 weeks.

HON A J CANEPA:

I think we did make provision, yes. The increase last January was £1, it went up from £8 to £9, and I think, Sir, that we did make provision.

HON P J ISOLA:

Then there is provision for the increase. In the figure of £438,000 there is provision for an increase on the 1st of January.

HON A J CANEPA:

We are intending to increase the level of pensions in January. We think that the numbers are going to go down during the course of this year, we think we have reached saturation point and so the extent of the increase is going to be partly offset by savings.

Now, I have given an indication of the order of increases in social benefits but Council of Ministers have not yet taken a decision on the matter because I have not put any proposals to Council of Ministers, but at departmental level we have some idea of what we are proposing to do.

Subject to that, depending on whether the increase is of 15% or 17% or 18%, depending on whether the numbers go down as we anticipate, we may or may not have to come back to the House for further funds. I may have to come to the House for say £10,000 to £12,000 but it is not a great deal in such a large vote.

HON P J ISOLA:

And you will have it, of course, Mr Chairman, but what I am saying is, therefore, that you have really only made a sort of rough calculation there because it is too early really to say what should be the order of the rise in the pension on 1st January, 1981.

HON A J CANEPA:

I have some idea, I think it will be, say, about 15%, and of course the increase here is not 15%, I see the point the Honourable Member is making, it is slightly over 10%, but if the numbers go down we will be alright, if the numbers do not go down I may have to come back for another £10,000 or so.

HON A T LODLO:

Mr Chairman, on Item 14, Holidays for the Elderly. I notice that there has been a slight drop there.

HON A J CANEPA:

It is the same as we provided last year. A party of 10 elderly persons and two escorts. The Honourable Member will notice that in fact we made provision for £3,800 last year and we only actually spent £3,000, so we think we can make do with £3,300. We are not able to send more people because it is necessary to provide a social worker and a nurse to accompany the elderly and, therefore, we can only handle one party a year. We cannot make arrangements for more social workers and more nurses to take time off to accompany parties of elderly holidaymakers. It is exactly the same as last year.

HON MAJOR R J PELIZA:

Could I know precisely what the nurses and other people do?

HON A J CANEPA:

I am not sure, Mr Chairman, that we can do that. The other thing of course is, and let me make one point, that the provisions for elderly persons to go on holiday is limited as per the policy introduced at the time when the Honourable Member was Chief Minister, because this is something which Mr Xiberras introduced. It has always been for people on Supplementary Benefits. The ambit of it has never been widened beyond that. There are fewer people on Supplementary

Benefits today than there were when the scheme was introduced in 1971 and what we tend to find is that the same people go every three years, and every two if we are not careful.

HON P J ISOLA:

We wouldn't object on this side of the House at all, let them go every year.

HON A J CANEPA:

Everybody doesn't do that, Mr Chairman, I can assure the Honourable Member that a lot of large families are not able to take an annual holiday.

HON P J ISOLA:

The last one. Expenses of Industrial Tribunals. Could I ask how many cases came before Industrial Tribunals during the current year? Are they proceeding satisfactorily?

HON A J CANEPA:

We couldn't say how many cases actually came up, Mr Chairman.

HON G T RESTANO:

Read 16, Training Courses in the United Kingdom. I notice that the £1,000 that we voted last year was not spent. Can I have the reasons for this?

HON A J CANEPA:

There has been a very large turnover of staff in the last year both ways; new people coming to the department and other people leaving the department. This was consequent on a number of promotions which had been held back for some time and which took place during the course of 1979. That made it impossible to make arrangements to send people to train in the UK. The people who it was intended to train left the department and those that have now arrived haven't been there long enough to send them.

HON G T RESTANO:

Does this £1,000 we are voting for now, will that cover the full training in the United Kingdom? How many people would go and what sort of training would they do?

HON A J CANEPA:

Not many people would go. Social Workers for instance, or Labour Inspectors. They would be short courses of training, by and large. In the Family Care Unit there is a Trainee Welfare Assistant, and in that case the course is a much longer one, I think it is very nearly a one year course at a

University. Therefore, the provision would have to be higher, but what is being provided for here are shorter courses, Labour Inspectors, perhaps for a Social Security Officer who might do an attachment course for a fortnight at Newcastle, that kind of thing.

HON G F RESTANO:

So really it is almost a sort of token vote. If you require more you will come back and ask for supplementary funds.

HON A J CANEPA:

Yes, it is a token provision that we are making.

Other Charges was agreed to.

Head 12, Lands and Surveys - Personal Emoluments

HON P J ISOLA:

I would like to make use of this particular vote to ask two questions. One is that I notice that the salaries of civil servants between grades 3 and 8 haven't yet been agreed.

HON A J CANEPA:

That is correct.

HON P J ISOLA:

That is the correct position. Do they have a Trade Union?

HON A J CANEPA:

Yes, they used to belong to the Federation of Senior Government Officers which has disbanded and now the negotiating rights are held by the IPCS.

HON P J ISOLA:

Well, I hope the Industrial Relations Officer, who seems to be one of the officers concerned, doesn't negotiate on that.

Mr Chairman, that is one question. The other question on that department is, is the Government satisfied - perhaps I should choose my words carefully, and output is not the right word - with the way activity of this department as it affects development generally in Gibraltar? It seems to me, in my experience and so forth, that this department seems to be one of the departments in the Government that is rather slow in dealing with matters. Have the Government any plans on that?

HON A J CANEPA:

The position I think is a great deal better now, Mr Chairman, since there is a Deputy Surveyor and Planning Secretary, who has only been in post a couple of years. As I say I think the position has been improved because when the Surveyor and Planning Secretary has to go on leave, and leave is quite extensive these days, there is no problem in keeping the momentum going. I am personally very satisfied since I became Chairman of the Development and Planning Commission two months ago. I find that whatever I ask the department to do for me gets done very, very quickly. I know that I am a pusher and I do not mind phoning people two or three times a week if I have to in order to get them do things for me. But I am satisfied.

Since I took over responsibility for economic development, I have asked the department to deal with a number of important, crucial matters that I made reference to in the general debate and I am very satisfied with the manner in which they have been dealt with. I know what the Honourable Member is referring to. There have been delays in answering letters. It works both ways. The other day I remember in Development and Planning Commission seeing a letter where we were expecting a reply, the Government was expecting a reply, and a firm of solicitors - this has nothing to do with any of the Honourable Members who are here - have taken two or three years to reply. I think it works both ways. The fact is that the department deals with very complex matters. In processing building applications they have to be circulated to five departments and sometimes the technical investigations involved take time and it is not easy to collate all the information. Overall I am not ~~as~~ happy really about the work that this department has been doing over the years, and as I say, I personally as Minister for Economic Development, am very grateful for the manner in which people respond to the demands that I make of them.

HON CHIEF MINISTER:

I have discussed one aspect where sometimes there is delay in this department with the Attorney-General only tentatively which may expedite one aspect of the matter on which we tend to feel that we are not getting quick work, and that is on the preparation of leases and documents that should not emanate from that office but should emanate from the Attorney-General's Chambers. It may, of course, mean that lessees will not get away with the advantage they have now that no fees are being charged on the part of the Government for the preparation of the documents but I do not see any reason why they shouldn't pay. It should be done in the legal department. I have discussed the matter with the Attorney-General and in the context of his own arrangements the matter is being looked into.

Personal Emoluments were agreed to.

Other Charges

HON A J HAYNES:

The wages of Grave Diggers are £38,400 I take it. Are these Grave Diggers entitled to any other monies?

HON M K FEATHERSTONE:

When you say entitled to any other monies, what do you exactly mean, entitled by Government to any other money?

HON A J HAYNES:

Are their wages all-inclusive? Is overtime catered for in the wages and so forth?

HON M K FEATHERSTONE:

That is paid separately.

HON A J HAYNES:

The point I am making is would a Grave Digger have any rights to have recourse to the bereaved family for an extra charge?

HON M K FEATHERSTONE:

I think this is the thing that comes up every year. During their own spare time I believe Grave Diggers undertake certain works for families and Government I am afraid is not able to keep control of that.

HON A J HAYNES:

I am talking about a simple burial.

HON M K FEATHERSTONE:

No, they have no recourse to a family for a simple burial. Where they have recourse is where they have to open up a vault and move remains or do something like that in anticipation of a burial. They do that in their own time.

HON A J HAYNES:

Will the Minister inquire because this is something that occurred somewhat recently and I would ask that the matter be inquired into.

HON M K FEATHERSTONE:

If you would like to give me the specific details I will look into it.

HON P J ISOLA:

On this question of the Grave Diggers, Mr Chairman, the overtime is in that figure I presume?

HON M K FEATHERSTONE:

This figure is basically on a 7-day week job, so there is not a great deal of overtime actually, they are on a 7-day basis.

HON P J ISOLA:

Do not all funerals take place during the day? Are they on duty all the time?

HON M K FEATHERSTONE:

They clean up when they are not actually digging graves.

HON G T RESTANO:

Just one I had before that. Rate Assessment of Government Buildings. I see that there is a decrease of £10,800. What is the reason for that?

HON A J CANEPA:

If the Honourable Member will look at Head 8, Housing, sub-head 10, he will see that there is an increase there. Certain properties have been transferred from one head to the other.

HON G T RESTANO:

On subhead 7 - Upkeep of Cemetery. Is Government satisfied that the cemetery is in a tidy and clean condition?

HON M K FEATHERSTONE:

One could always hope that it could be kept in a better state. The Grave Diggers themselves and the Public Works Department at times make special efforts to try and get the cemetery look decent, especially for example around All Souls Day. It is a constant battle with the growing of weeds etc but in the main it is kept in a reasonable state.

HON G T RESTANO:

I don't think the standard is high enough. But I remember I think it was two years ago or something like that that the Minister said that he was going to employ somebody for this particular purpose. Was that person employed, or what?

HON M K FEATHERSTONE:

Yes, we did a JPC there, it's mainly visible in the Protestant side of the cemetery where the brambles had been growing in very great profusion, and this has been severely cut back and the Grave Diggers can now keep it in reasonable check.

HON MAJOR R J PELIZA:

Mr Chairman, at subhead 18. I notice that we spent £1,400 in 1978/79 for the removal of chicken coops. We have a revised Estimate of £2,000 in 1979/80, and we have now allocated £2,000 for the removal of chicken coops again this year. Some one puts them up and we take them down. Can the Minister explain what is going on?

HON M K FEATHERSTONE:

Yes, Sir, this is a constant battle. We take them down from one area and I am afraid they tend to appear somewhere else. This is one of those things where the general public doesn't respond to the Environmental Health ideas that chicken coops are rather detrimental.

HON A J CANEPA:

There is one particular area where something very successful was done but not all areas lend themselves to that, and that is in Panino's Ramp. A number of chicken coops were pulled down and then seats were placed there for the elderly. It happened to lend itself to that. The place was embellished and a very nice little garden, if you like, for the elderly was built there and, of course, having done that you cannot put the chicken coops back again. But it is not easy in some areas and its part of the constant programme over the years; we intend to make provision and wage battle against this.

HON MAJOR R J PELIZA:

Isn't there a way of making the people who put them up responsible to bring them down? Surely there must be a way of finding out.

HON A J CANEPA:

In some cases you have to take them to court or otherwise the police have to be brought along accompanying the people employed by the department to ensure that they are pulled down.

HON M K FEATHERSTONE:

With the Spanish situation eggs will be more easily obtainable from Spain and perhaps there may be less demand for chicken coops.

HON G T RESTANO:

How many chicken coops is the Government aware exist?

HON M K FEATHERSTONE:

I should say at a rough guess 300/400.

HON A J CANEPA:

And I am sure that the Government is less aware than some of us who roam around the Upper Rock.

HON A T LODDO:

On Sundays - I go to the cemetery every Sunday - there is a lack of water, fresh water, from the taps and I haven't been able to get an explanation at the cemetery itself. Why?

HON M K FEATHERSTONE:

I will look into that. I do not see any reason why there should be no fresh water on Sunday.

HON A T LODDO:

There is no fresh water on Sundays.

HON M K FEATHERSTONE:

I will check that for you.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 13, Law Officers - Personal Emoluments was agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 14, Medical and Public Health - Personal Emoluments

HON P J ISOLA:

There is an increase in the numbers. Could the Minister comment?

HON J B PEREZ:

Mr Chairman, I gave an explanation on this in my contribution on the general principles and merits of the Bill. The basic increase is in the complement of junior nursing staff and senior nursing staff. This has arisen out of parity in

which nurses now have extra leave and, therefore, it has been necessary to employ more. May I remind the Honourable Member that in fact this had already been approved last time by the House.

HON P J ISOLA:

So this is the nursing establishment at full strength.

HON J B PEREZ:

Yes, Sir.

HON G T RESTANO:

May I ask, I don't know whether it is under this or under Other Charges. I want to ask about the Health Centre. How many people are employed at the Health Centre?

HON J B PEREZ:

Mr Chairman, at the Health Centre we have 4 Nursing Sisters, 3 Staff Nurses and, I think, 10 Enrolled Nurses/Nursing Auxiliaries, plus, of course, the Clerical Staff and the doctors.

HON G T RESTANO:

I would like to know how many people are, in fact, involved in the keeping of records?

HON J B PEREZ:

I think there are 3 Clerical Assistants employed at the Records Office, but may I inform the Honourable Member that there is a staff inspection at present being carried out in connection with the Records Office at the Health Centre. I gave this answer at the last meeting of the House in reply to a question by the Honourable Mr Bossano. I did say that staff inspection would be carried out and I am pleased to inform the House that it is being carried out now.

HON G T RESTANO:

As I understand it, Mr Chairman, there is one aspect of the records which I think is not being done in the way it should be, and that is that patients' record cards are I believe itemised under the doctors themselves and not under the patients. In other words patients, as I understand it, can go and see one doctor and his record will be kept in the records of that particular doctor. Then perhaps he goes a week later and is seen by another doctor who because the record is not kept per patient has no idea what has been prescribed to them by the first doctor. I think it should be looked into very carefully because I would imagine that doctors would have the need to know the full record of the patient before they can really make a decision as to what is to be prescribed to that patient.

HON J B PEREZ:

Mr Chairman, I take note of what is being said by the Honourable Mr Restano and I shall look into the matter.

HON A J HAYNES:

Mr Chairman, can the Minister explain whether with the advent of parity all doctors and other staff members are paid as per the post they actually work at or as per their qualifications?

HON J B PEREZ:

As per the post.

HON A J HAYNES:

Is there no reduction made taking into account that perhaps their qualifications are not up to that post?

HON J B PEREZ:

Sorry, I do not follow the question.

HON A J HAYNES:

Are there any members of the staff who are filling a post for which they are not fully qualified?

HON J B PEREZ:

No, Mr Chairman.

HON W T SCOTT:

Mr Chairman, will the Minister please explain why under the Establishment and Salaries, under item 2

MR CHAIRMAN:

Where are we?

HON W T SCOTT:

Establishment and Salaries, Medical, page 49. Item 2, Consultant Paediatrician, and in fact also one of the medical officers under item 3, which is on scale 1. If the scale 1 at page 124, mentions specifically a Consultant without private practice as distinct to scale 6 which is the Consultant with private practice. Are we to take it then that the Consultant Paediatrician and the medical officer under scale 1 do not see any private patients?

HON J B PEREZ:

I am sorry I do not understand the question.

MR CHAIRMAN:

You are being asked since the Paediatrician is under scale 1, and scale 1 envisages a Consultant who will not see private patients whether the Paediatrician is seeing private patients.

HON W T SCOTT:

And in fact medical officers as well under scale 1.

MR CHAIRMAN:

And the medical officer.

HON W T SCOTT:

Yes.

HON J B PEREZ:

The question is that the Consultant Paediatrician is entitled to private practice, is that it?

MR CHAIRMAN:

Yes, since he is receiving a scale which prohibits him from doing it.

HON J B PEREZ:

He is entitled to private practice.

HON W T SCOTT:

How does Government find it consistent, therefore, to put him under scale 1 instead of scale 6?

MR CHAIRMAN:

If you go to page 124 where scale 1 defines the salary of a Consultant without private practice you are being asked how you reconcile the payment of this salary with the fact that the Paediatrician is entitled to private practice.

HON J B PEREZ:

The answer is, Mr Chairman, that he is entitled to a limited amount of private practice under a new agreement with effect from the 1st of January this year.

HON W T SCOTT:

Right, Mr Chairman, but then the remark under scale 1 after the Consultant should not have been inserted there. Perhaps they should have a special scale.

HON J B PEREZ:

Perhaps, Mr Chairman, if he gives me an opportunity to explain the situation as I see it, and that is pre-January 1980 this year, all Consultants in the permanent establishment at St Bernard's Hospital were in fact given an option as to whether they wanted to do private practice or not. If they chose to do private practice then they would suffer an abatement of 20% in their salary.

MR CHAIRMAN:

I don't think you are being questioned on the salary, you are being questioned on the fact of the wrong description in the Estimates.

HON J B PEREZ:

Yes, Sir, I agree to that, but the reason is that as from the 1st January 1980 the position has changed and all Consultants are entitled to private practice without having the abatement in salary.

HON W T SCOTT:

Yes, then why have two different scales for Consultants, scale 1 and scale 6 if they are both entitled to private practice?

HON J B PEREZ:

I am sorry, which is scale 6?

HON W T SCOTT:

Scale 6 on page 124. You see, Mr Chairman, if the Minister is saying that under the new agreement Consultants can see private patients then why have a scale for a Consultant who cannot have a private patient and then include one that has a private practice in that scale?

HON J B PEREZ:

I see your point and I agree with you.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Could I make a point? It is the Treasury that prepares the Estimates. I was not aware of this change in the medical practice. I accept responsibility for the error and I will ensure that this is excised from the printed Estimates. I am grateful to the Honourable Member opposite for picking this up.

MR CHAIRMAN:

What the Government is saying is very clear. There has been a change of policy. The Consultants who get the scale 1 will be entitled to do private practice. There has been an error of description in the draft estimate which is going to be corrected. Is that correct?

HON P J ISOLA:

But the point we are asking is, is it that scale 6 disappears and all Consultants go from £11,503 upwards and get private practice, or is it that they all go down to scale 6, £9,202, and get private practice?

HON J B PEREZ:

The first alternative.

HON P J ISOLA:

So all Consultants are now at the top scale and can practice privately. Is this as a result of the contract with the Paediatrician?

HON J B PEREZ:

This is as a result of a new agreement reached in the United Kingdom between Consultants and the Department of Health and Social Security.

MR CHAIRMAN:

So we forget scale 6.

HON J B PEREZ:

That is correct. I am sorry, I didn't take the point of the scale figure.

HON W T SCOTT:

In any case, Mr Chairman, in item 3 you do include a medical officer, presumably a Consultant, as defined by page 104 on scale 6. Should that not be scale 1?

HON J B PEREZ:

Scale 6 will disappear. It will all be scale 1.

HON G T RESTANO:

May I ask then what happens to scales 16, 36 and 40, who are also without private practice? What happens to the Registrars?

HON J B PEREZ:

The answer is that this agreement reached in the United Kingdom in January only applies to Consultants and among the medical officers not all are Consultants.

HON G T RESTANO:

So Registrars will continue to serve without being able to do private practice?

HON J B PEREZ:

We only have a Supervisory Registrar.

HON G T RESTANO:

Under the 9 medical officers you have scale 16 and 36 and scale 16 is for a Senior Registrar and scale 36 is for an ordinary Registrar. If we haven't got a registrar what are they for?

MR CHAIRMAN:

These people are entitled to the same scale as a Registrar. It is not that he is a Registrar but he is entitled to the scale 36 which is what a Registrar without private practice would be entitled to.

HON G T RESTANO:

What I am asking, Mr Chairman, is will those medical officers be allowed to have private practice?

MR CHAIRMAN:

No, you are misleading yourself. The people who would get scale 36 are not Registrars but they are entitled to a salary equivalent to a Registrar without private practice.

Personal Emoluments were agreed to.

Other Charges

HON P J ISOLA:

I have two questions on provisions and drugs and dressings. Has the Minister taken account of inflation there because it seems to me that the increase in the cost of provision over the year is possible, and on drugs and dressings and pharmaceutical sundries, does the Minister expect in some way or another to control costs there?

HON J B PEREZ:

Mr Chairman, if I could deal first with provisions. Tenders go out every year, tenders go out in July, and in these estimates we have allowed for an increase which we anticipate will come through process of tender.

Now on the question of subhead 9, Drugs Dressing and Pharmaceutical Sundries, here again I would like to warn Members of the House, as my predecessor always did, that prices of drugs tend to go up and are hit very hard by inflation. However, I did mention in my speech I would keep this vote closely in hand, I will carefully scrutinise this and I hope to be able not to have to come for supplementary.

HON G T RESTANO:

Running Expenses of Market. I think the Minister said in his speech yesterday that he was installing a refrigerator for fish. I take it that this will eventually come under the expenses of market. I would like to know how he is going to run the refrigerator, what charges are going to be made and so on? Who is going to be allowed to use it?

HON J B PEREZ:

Mr Chairman, the provision is for Cooling Chambers for fish. Taking into account that the frontier is closed at present this is a matter which we will have to look at. Fish importers will be able to keep the fish fresher from one day to another, rather than keep on using the procedure they are using today.

HON G T RESTANO:

What sort of rent will they be charged?

HON J B PEREZ:

This is a matter which Council of Ministers will have to consider.

HON G T RESTANO:

Is the Minister telling me that he has ordered this Cooling Chamber without even knowing how much money it is going to cost to run?

HON J B PEREZ:

I am not telling the Honourable Member that I have ordered it, I would not order something until I have got money voted by the House. It has not been ordered.

HON G T RESTANO:

Well, I hope, Mr Chairman, that when it is ordered proper calculations are done beforehand and the policy of who is going to be able to use it and at what rate is decided.

HON MAJOR R J PELIZA:

Mr Chairman, I have mentioned the improvement of the place, the hospital as such, can the Minister explain where the actual maintenance of the hospital is shown? I have been looking for this and cannot find it.

HON J B PEREZ:

I would like to inform the Honourable and Gallant Member first of all, Mr Chairman, that subhead 22, Minor Works is precisely what it says "minor works" like locks and other minor stuff that the department itself caters for. What I must inform him also is on the question of maintenance. The money appears under the vote of my Honourable Colleague Mr Maurice Featherstone, Minister for Public Works, under Maintenance. In fact, I would inform him that, for example, this year it is proposed to paint the whole hospital and also to do some modifications and redecorations at the mortuary and various other wards. The funds are not shown under minor works, minor works is only what we can do ourselves and do not need to call in the Public Works to do it. So it is not there.

HON MAJOR R J PELIZA:

Have you got your own Handyman at the hospital, how does it work?

HON J B PEREZ:

Yes, we do have our own Handyman. He is paid by the hospital itself.

HON W T SCOTT:

Speaking on the hospital. I notice that the bed linen seems to have to be replaced constantly. Is the Minister satisfied that every effort is being made to find out why all this linen disappears or is lost or whatever?

HON J B PEREZ:

Yes, I have only been Minister for two months and this is a matter which I have already started looking into. I can inform the Honourable Member that we are in fact having to spend quite a sum of money for linen which is included in this vote.

HON W T SCOTT:

Thank you, Mr Chairman, but will the Minister not only make provision as he has done for the replacement of the bed linen but make some effort to stop this practice continuing?

HON J B PEREZ:

I have informed the Honourable Member that I have already asked for this to be looked into and I will be au courant with the situation in a few weeks time. I am aware of the shortage of linen, let us put it this way.

Other Charges were agreed to.

Special Expenditure

HON J B PEREZ:

Mr Chairman, I beg to move an amendment to the draft Estimates 1980/81 by the inclusion of the sum of £20,000 under an additional subheading 84 Dental Equipment, with the consequential amendment to the Estimates.

As I said in my contribution to the general debate this sum is required to purchase dental equipment to enable the department to provide an improved service.

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

HON G T RESTANO:

The £40,000 on new equipment, can we know what this consists of?

HON J B PEREZ:

Mr Chairman, after reading the Hansard of last year I had prepared myself for this one. Well, we are buying an Amplifier for the Speech Therapist, we are also buying two ECG machines, two Monitor Cardiac Recorders, mini Writers ...

MR CHAIRMAN:

And what is that may I ask?

HON J B PEREZ:

I don't know, Sir.

Anyway, Chest Aspiration Set, Metal Drip Controllers, Bladder syringes. Do you want more?

HON A T LODDO:

Government is not contemplating in those £40,000 including a cold chamber for the mortuary?

HON J B PEREZ:

No, Sir.

HON A T LODDO:

Why not?

HON J B PEREZ:

I am told there is one in the Royal Naval Hospital.

HON A T LODDO:

Yes, Mr Chairman, I know that there is one in the Royal Naval Hospital, but isn't it about time that we were self-sufficient in that sphere as well? We are already relying on MOD for electricity, shouldn't we be self-sufficient in this?

HON J B PEREZ:

All I can tell the Honourable Member is that I will look into it and if I find that this is essential I will try and convince my colleagues and bring it as a supplementary to the House.

HON A J CANEPA:

I will at this point say that the long term plan, and I underline long term, is to re-site the mortuary probably at North Front. But I stress that it is long term. Whether it can be done in the next development programme is another matter. We may not be able to fit it in but that is the long term plan.

Special Expenditure was agreed to.

The Committee recessed at 1.05 pm.

The Committee resumed at 4.15 pm.

MR CHAIRMAN:

Before we go on to the Police vote I understand that the Honourable the Minister for Medical and Health Services wishes to give an explanation on his Head.

HON J B PEREZ:

Mr Chairman, it is in connection with the matters which were raised by Honourable Members opposite related to the salary scales of the medical officers. I must point out to Honourable Members that there is an error in the salary scales and it should read scales 1 and 79. In other words the 9 medical officers are composed of 6 Consultants, whose salary scale is scale 1, and in that connection I would point to Members that

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under scale 1, as it is today in 1980, referring to page 124 in the Estimates, should read "Consultant" and that is all - exclude "without private practice". Furthermore, scale 6 in the Estimates in possession of Honourable Members, as from January 1980, scale 6, "Consultants with private practice", that particular scale no longer exists.

So the position as far as we are concerned for this particular financial year 1980, the breakdown would be 6 medical officers being Consultants, scale 1, irrespective of whether they have private practice or not they are just Consultants and they do come under scale 1; and scale 79 for the three House Officers who are employed at St Bernard's Hospital.

May I thank the Honourable Members opposite for bringing this anomaly to my attention and I trust the information I have now given the Honourable Members will satisfy their questions and bring the matter to a satisfactory explanation.

HON W T SCOTT:

I am grateful for the Honourable Member's contribution.

Head 15, Police - Personal Emoluments

HON W T SCOTT:

Mr Chairman, having regard particularly to the projected open frontier, I understand that there are a substantial number of uniformed personnel exclusively involved in clerical activities. Would Government, particularly having regard to this new open frontier situation, seriously consider replacing those trained uniformed personnel who are now undertaking clerical duties by other civil servants?

HON ATTORNEY-GENERAL:

Mr Chairman, proposals have been made for the civilianisation of certain posts in the Police so as to release uniformed policemen for police duties as such. Those proposals are still being considered. They are at the point where an expert will come out to Gibraltar to look into it and to advise at which stage the Government will want to consider the matter. Of course, with the prospect of an open frontier I think there is obviously an additional reason to look at the question of civilianisation. But at the moment the position is that the matter is being looked into.

HON P J ISOLA:

Mr Chairman, I hope that some sense of urgency is put into this because it seemed to us, in the visit we made to the police force for which we were very grateful, it seemed to us from our talk about it and so forth, that the number of uniformed policemen that are available at any given time

for the town area is extremely small. And I would have thought with a situation that could develop with an open frontier and so forth there should be a sense of urgency put into this.

HON ATTORNEY-GENERAL:

Mr Chairman, I think I can say that the matter is being treated with the appropriate degree of urgency. As I said we are awaiting the arrival of an expert from the United Kingdom, a Police expert, to advise on what is involved in civilianisation, but I think the need for the matter is recognised.

Personal Emoluments were agreed to.

Other Charges

HON MAJOR R J PELIZA:

Subhead 11, Investigation expenses. I see that that is going up by £3,500. Could I have an explanation why such a big rise?

HON ATTORNEY-GENERAL:

Yes, Mr Chairman. There have been increased expenses arising from more than one matter recently and this estimated increase is in anticipation of that type of expense continuing. I can tell you a little about what it constitutes, I cannot tell you everything, of course, because it partly relates to the ongoing criminal matters, but, for example, there has been an increased tendency recently to bring out a Forensic Pathologist in cases - not every case warrants that - but in cases where it may be prudent to do so. That is part of the element for which this item allows. There has also been a necessity recently, and again it is a matter which can be provided for in the future, to bring out forensic experts. If I can give you an example you might, of course, recall the time that took place last year, and there it was necessary to bring out forensic experts, so provision was made to that effect.

The other relevant thing I can say is for the prospects of ongoing investigations by the police as part of their normal business. It is an item that has become more expensive over the years. This is what the provision is made for.

HON MAJOR R J PELIZA:

It has risen quite considerably, from £642 in 1978/79 to £3,000 in the current year.

HON ATTORNEY-GENERAL:

One might say that the vigilance perhaps has increased. I think it is a well justified item because one is getting expert advice. I think the proper administration of law enforcement is a matter worth spending money on and the police is certainly conscious of keeping it within a reasonable level.

HON A J HAYNES:

No. 13, Female Searcher. Can the Government explain what a female searcher does and why the emoluments have gone down to £500? Is that a wage?

HON ATTORNEY-GENERAL:

Mr Chairman, this is in no way a reflection on the mirror, Sir. Female Searchers. What has happened here is that because there are uniformed policewomen in the service it has been decided that the post for the future will not be necessary. There is in fact an incumbent at the moment who is retiring and the £500 for this year is to cover her wages up until the time she retires. I don't know whether the Honourable Member really wants me to explain what a female searcher does. I think I can leave that to his imagination.

HON MAJOR R J PELIZA:

Mr Chairman, item 12 Maintenance of Wireless Apparatus. Again an increase of £1,000 which is really 50% on the cost of 1979/80.

HON ATTORNEY-GENERAL:

Mr Chairman, that is simply increased costs in the equipment and it is necessary to keep wireless equipment up-to-date.

HON MAJOR R J PELIZA:

What amazes me is the amount that it has increased by. If you look at 1978/79 it was £642, now 1980/81 it is £3,000.

HON ATTORNEY-GENERAL:

Sir, I understand that in the past it has been possible to obtain technical services in relation to wirelesses free or at little expense, but in recent years it has been necessary, this year in particular, to pay for those services. I cannot say that I can answer the question any more fully but I will look into it and if the Honourable Member desires give him details.

HON MAJOR R J PELIZA:

I would very much like to because I just wonder how it is done. Whether it is done by the Police themselves or whether this is done outside. To me it seems quite a jump, quite honestly. Five times as much.

HON ATTORNEY-GENERAL:

It is done outside, I can say that. I think wireless equipment is in fact sent to the United Kingdom for servicing, but I will look into it further and will give the Member a more detailed information.

HON A J HAYNES:

Subhead 6, Subsistence of Prisoners at the Police Station. Could the Honourable Member give me a breakdown of the subsistence facilities for prisoners?

HON ATTORNEY-GENERAL:

The meals.

HON A J HAYNES:

Is there any monies allotted for prisoners for medical services they may require?

HON ATTORNEY-GENERAL:

Mr Chairman, this is in fact actually an estimate for meals for prisoners while they are held in custody in the Police Station. The question of medical treatment is dealt with under other votes. It does not reflect on this amount.

HON A J HAYNES:

In the light of the James Kelly affair in England where - Mr Chairman, if I may expand on the matter - it has been often the recommendation of doctors that a man found drunk and disorderly, or allegedly under the influence of drink whilst driving, should first and foremost be attended by a doctor. I know the practice here is to bring a doctor but the recommendations are that the doctor should see him immediately. And in the case of James Kelly had a doctor seen him immediately, as opposed to the Police trying to restrain him, they may well have avoided the unfortunate instance of his death. I was wondering whether the Police do avail themselves of any money in order to ensure that if there is not a doctor at the Prison that at least a medical orderly or some other such trained nurse can examine a man allegedly drunk to ensure that there is no medical ailment which may prejudice him later on.

MR SPEAKER:

I am afraid we cannot wait until the answer comes. I am afraid we just cannot interrupt the proceedings of the House every time there is a question so that we can get an answer to it. It has happened before and I hope it is understood. If the answer is not available it is not available but we must not interrupt the proceedings.

HON ATTORNEY-GENERAL:

Mr Chairman, my apologies. I wanted to check but there has not to my knowledge been any problem in Gibraltar insofar as people becoming ill in custody is concerned. I think I have to agree that it is obviously a prudent practice for the Police, if they have any reason at all to suspect that the man may need a medical examination to make sure that he has one. In fact, it is the practice wherever there is reason to believe that a man in custody may need treatment to take him from the Police Station to the Hospital where he is examined. Of course, that is met under the Medical and Health vote. I am quite sure that in the case where the man for obvious reasons couldn't be moved from the Police Station then, of course, they would bring a medical practitioner down to the Station.

HON A J HAYNES:

Mr Chairman, a further note on the point. I appreciate that the Police will on the occasion that they feel necessary take a man to the doctor, but unfortunately that is open to the catch that the police may not necessarily know when the man is in need of medical assistance. He is a policeman not a doctor. I was suggesting that perhaps Government should provide monies for a medical orderly to be present at all times in the Police Station, at least say during the night hours. I am wondering whether this money was in fact intended to cover some such emolument.

HON ATTORNEY-GENERAL:

I am not sure I could agree that this should be automatically desirable, Mr Chairman. The Honourable Member will bear in mind that many of the Police Officers are, in fact, trained in first aid themselves. They are all, in fact, trained in first aid themselves, but I note the point that you make. I am prepared to say that I think that will be necessarily desirable in every case but it is a point which we will give consideration to.

HON A J HAYNES:

Mr Chairman, I accept that policemen are trained in first aid. So are they in England and in England we had this unfortunate case of James Kelly which is not alone. It is a

case that has had most publicity but there have been other instances, and I would rather that this be avoided rather than have implementations after the event. If we are going to wait for some such incident in Gibraltar then it will be at the cost of say, one life.

HON ATTORNEY-GENERAL:

Mr Chairman, as I said, I note the comment. I wouldn't like to seem complaisant in any way at all but we don't think there have been such incidents in Gibraltar and I think there is an element of reasonability in making any such arrangement.

MR CHAIRMAN:

Right, let us leave it at that. Any other items?

HON W T SCOTT:

Mr Chairman, if the Honourable the Attorney-General would have the information at hand under subhead 22, what constitutes "special equipment"?

HON ATTORNEY-GENERAL:

Mr Chairman, this is really safety equipment for the Police Officers.

Other Charges were agreed to.

Special Expenditure

HON W T SCOTT:

Mr Chairman, why weren't the two motor cycles funded in 1979 bought at the time? Subhead 82.

HON ATTORNEY-GENERAL:

The orders were not placed in time and therefore it has been necessary to seek a revote of this money.

Special Expenditure was agreed to.

Head 15, Port - Personal Emoluments

HON G T RESTANO:

Mr Chairman, may I ask whether the seven supernumerary are the seven individuals who have been on temporary employment for the last five years, and if so, in view of the fact that the Staff Inspector's report came to hand on the 7th of November, what has been the result of that report?

HON A J CANEPA:

These people are still awaiting staff inspection.

HON G T RESTANO:

Are these not the seven who were the subject matter of questions and answers two or three months ago on two occasions and the subject matter of a report of the Staff Inspector which came to hand on the 7th of November?

HON A J CANEPA:

The information from the Captain of the Port is that these are still the subject of staff inspection. Other people have been staff inspected. I wouldn't answer about the question that the Honourable Member is referring to because he must realise that I did not have responsibility for the Port at the time and unless my attention was directly drawn to that particular question I don't really know what he is referring to.

HON G T RESTANO:

I see. I did ask questions on this in October and again in December last year, and I would like to know whether these seven individuals supernumerary have been on temporary employment for the past five years?

HON A J CANEPA:

Yes, these are temporary and their position is in the process of being regularised by staff inspection.

HON G T RESTANO:

Well, Mr Chairman, these are the ones that have been there for five years on a temporary employment. The staff inspection report was received on the 7th of November and I would like to know why it has taken so long to finalise their employment position?

HON A J CANEPA:

I cannot say why it has taken so long to finalise the position of these people other than to say that they are in the process of being staff inspected. Until they are staff inspected their position cannot be regularised. As far as the other people in the Port Department are concerned they have been staff inspected already and the implementation of that report is the subject of discussion.

HON G T RESTANO:

I think we are probably talking at cross purposes. Let us try and make that absolutely clear. If these are the seven that was the subject matter of question then the inspection has already been completed.

HON A J CANEPA:

That is not the information that I have from the Captain of the Port. It has not been completed, and until it is completed their position cannot be regularised. It will be done.

HON G T RESTANO:

I have in front of me the answer from the Honourable the Attorney-General saying that the Staff Inspector's report was received on the 7th of November and is now under consideration. This he said in December. If we are talking about a different set of people then, of course, that is why I would like to get this clarified.

HON A J CANEPA:

The position is still under discussion and under negotiation with the Union. The Union which has negotiating rights has not accepted the result of the staff inspection. There is a great deal of diversity of staff involved in this department. We are not dealing with a straightforward staff inspection. People performing great varieties of duties, and this is the subject of the quite intensive negotiations. I know that because I get copies of the minutes of the meetings between the Industrial Relations Officer and the Union.

HON G T RESTANO:

I am grateful for that clarification. It is not that they have to be staff inspected. They have already been staff inspected and it is on account of their non-acceptance, I take it, of the report or matters arising that they are still on a temporary basis.

HON A J CANEPA:

That is correct.

Personal Emoluments were agreed to.

Other Charges

HON G T RESTANO:

Mr Chairman, subhead 2, General Office Expenses. At one time, I believe, and I think it is still on the cards, for the Port Office to be moved to another place. Is this the intention of the Government?

HON A J CANEPA:

Yes. It depends on other matters, there is a game of musical chairs involved but it is still the intention for the Port Office to move to the Western Arm.

HON G T RESTANO:

Is there no idea, Mr Chairman, of when this move is likely to take place?

HON A J CANEPA:

Work is going to commence in about six weeks time.

HON A J HAYNES:

Mr Chairman, could the Honourable Minister inform me as to where we would find under other charges the expenses incurred by the Port Authority in improving the services at the Camber? Would that appear here, and if so under what Head?

HON A J CANEPA:

I would refer the Honourable Member, Mr Chairman, to Head 108, subhead 2, Camber Improvements and Renovations. We still have to come to that.

HON W T SCOTT:

Mr Chairman, under subhead 4, there seems to be, percentage-wise, an enormous increase.

MR CHAIRMAN:

Office Furniture and Equipment?

HON W T SCOTT:

In other words, is this the purchase of totally new office furniture?

HON A J CANEPA:

When the department submitted the estimates the provision that it was seeking for 1980/81 was for £400, but then in the presentation of the Estimates an item of £1,000 was taken out from Special Expenditure and placed under Item 4 and that is why the provision here for this year appears to be a great deal more.

HON A T LODDO:

Sir, subhead 7. I notice it has gone up this year. May I have information here?

HON A J CANEPA:

These are DOE estimates. We are charged by the DOE in respect of the installation charges at the North Mole. The DOE is proposing to spend £7,500 there this year and we have informed them, in fact, that we will not countenance any work in the future unless estimates have previously been submitted and accepted by us.

HON G T RESTANO:

I take it that this also covers cost of the electricity charges. Is the Minister satisfied that sufficient economy is being carried out during the day time? I think it is a matter for very generalised comment by users of the Port that one can go at 11.00 am and all the lights in the Port are on. If it is the DOE who keeps the lights on during the daytime, I see no reason why the onus should fall on the Government to pay for that rather waste of electricity.

HON A J CANEPA:

The provision that we have for electricity this coming year is the same as last year, £1,250. I imagine that they are on an automatic switch and sometimes, I suppose, the automatic switches go wrong, but I think we can look into that. I will take note of that and I will ask the Captain of the Port to approach the PSA in connection with that matter.

HON G T RESTANO:

The control therefore is with PSA on the switches?

HON A J CANEPA:

They supply the electricity.

HON MAJOR R J PEIILA:

On item 12, Rents and Berthing Charges. I suppose that the rent is constant at the berthing daily. Could the Minister explain? Of course, it fluctuates if you notice over the years up and down. I imagine that the rent is constant, every year the same, could the Minister please explain how it works?

HON A J CANEPA:

There has been a new agreement, Mr Chairman, reached between the MOD which we approved last year, and the annual rent was increased to £25,000 for the leased area and we are also paying £5,000 of arrears for the year 1976 to be paid during 1980. Then there is a further payment of arrears for 1977 which will become due in 1981. So there has been a new rent agreement.

HON G T RESTANO:

Mr Chairman, on item 14, Port Advertising. I notice that the Estimates have been cut back by £500, there has been a decrease of £500.

HON A J CANEPA:

Yes, Sir.

HON G T RESTANO:

We have always argued from this side of the House that the more money that is spent on advertising the more results one can get in increased activity in the Port. And I am sad to see that this year it has gone down by £500 and, therefore, obviously with inflation it is a greater cut back.

HON A J CANEPA:

No, Mr Chairman, what has happened is that there have always been six insertions placed in two magazines namely Fair Play and Marine Services, and we have decided this year to cancel the advertisement which was being placed in a German magazine Hansa which was hardly worthwhile. The saving in respect of that is going to enable spot advertisements to be placed in other magazines at the same time and as a result of this new policy we have been able to save £500.

HON G T RESTANO:

I am not quite clear on that. I take it then that £3,000 will include or will not include everything that has been done before.

HON A J CANEPA:

Except the German one.

MR CHAIRMAN:

Plus spot advertisements in other newspapers.

HON G T RESTANO:

Where is that going to be covered from?

HON A J CANEPA:

From this money. The advertising in the German magazine was more than £500.

HON G T RESTANO:

What, in fact, was the sum of the German magazine?

HON A J CANEPA:

I haven't got a breakdown because I have only got this year's estimates not last year's estimates. I don't know how much it was in the German magazine, I haven't got the information here.

HON G T RESTANO:

I would really like to know because that would give us a picture, you know. We are being asked to vote for the money, it is a decrease and

MR CHAIRMAN:

Well, you have been given an explanation, what they have't given you is what they spent last year on the German magazine.

HON G T RESTANO:

We don't know whether there has been a cut-back in advertising.

HON A J CANEPA:

There has been, of course. We are saving £500 overall, and I have given the reason why. The reason is that we were advertising in 3 main magazines, we are discontinuing the advertising in the German magazine because it wasn't worthwhile, the Captain of the Port does not consider that we were getting the return for the money, it was just not worth advertising there. We are continuing to advertise in the two main English magazines that I have mentioned and that as a result of the savings realised from the German magazine we will be able to place a number of spot advertisements in other magazines. As a result of the re-appraisal of the submission we are saving a mere matter of £500. I mean, if he wants to spend half an hour on £500 we can do so.

HON G T RESTANO:

It is the principle, Mr Chairman,

HON A J CANEPA:

The principle is that the Government has considered this to be sufficient

MR CHAIRMAN:

Order, order.

HON A J CANEPA:

And if he doesn't want to vote the money then let him vote against it. It is as simple as that.

MR CHAIRMAN:

Now you can have your say.

HON G T RESTANO:

It is the principle, Mr Chairman. It may only be a mere saving of £500 but I think it is the principle of it, and the Port as well as Gibraltar in other spheres, should be advertised to the limit. I quite understand that perhaps the German advertisement was not producing results, but there should be advertisements elsewhere, not just cast out altogether or just a few spot checks. That is a very stagnant sort of policy.

HON A J CANEPA:

But the principle also is that you make the best use of taxpayers money and you do not throw taxpayers money down the drain. And the taxpayers money that was being spent on advertising in the German magazine wasn't warranted.

HON MAJOR R J PELIZA:

Mr Chairman, in view of the fact that the Port is one of our major sources of income in Gibraltar, to spend £3,000 in advertising this great asset, doesn't the Minister think that it is worth spending a bit more in the hope that we might be able to attract more ships to Gibraltar given the good account that he gave of the activities of the Port and of the very prominent place it has in the shipping world. Could we not spend a little bit more money on this and reap more success?

HON A J CANEPA:

Perhaps we could, Mr Chairman. I think it was my Honourable predecessor who introduced the whole concept of Port advertising, it was not being done by the Port previously. I am not an expert in this field. I was not even involved in the preparation of these Estimates and I must go by the advice that I am given. My colleagues and I have no objection if the Captain of the Port advises me that it is worthwhile to spend another £1,000 or another £1,500 in spot advertising. If that advice is given to me the situation is such that we can go ahead and do it, but this is what it is considered to be prudent, and this is a department which has always been very well managed both by the previous Captain of the Port and the present Captain of the Port. They have always looked very carefully after every penny to make sure that the taxpayer has full value for money.

MR CHAIRMAN:

Right, I think we have ventilated that matter sufficiently.

HON MAJOR R J PELIZA:

Mr Chairman, sometimes officials look after every penny, they may be penny wise and pound foolish.

MR CHAIRMAN:

Order. We have finished with this item. The Minister has given an undertaking that if he is advised by his departmental head that it is necessary to advertise more he will.

HON G T RESTANO:

Mr Chairman, I have a question on the next subhead. Subhead 15, Upkeep of Cranes. I see there has been a very substantial increase. Can the Minister say what the reasons for this is?

HON A J CANEPA:

If the Honourable Member will look into this carefully he will realise that this is a vote that has fluctuated. He might notice that the actual expenditure for 1978/79 was £36,000. In fact, the revised estimates of £20,200 as against an approved estimate of £16,800, and we are only asking for less than £1,000 more. The bulk of the money goes on wages.

Other Charges were agreed to.

Head 17, Post Office Savings Bank Philatelic Bureau - Personal Emoluments, was agreed to.

Other Charges

HON P J ISOLA:

Mr Chairman, may I ask on the Post Office, the Personal Emoluments, can I ask about mail?

HON MAJOR R J PELIZA:

Perhaps Mr Chairman, just on the question of Savings Bank as such, can I ask under perhaps General and Office Expenses? I wonder if someone could give an explanation of how we are doing, how the Savings Bank itself is doing? I say so because perhaps there is more money now coming in and I wonder what progress the Savings Bank is doing and has the Government any

MR CHAIRMAN:

No, we are most certainly not going to go into that now. That should have been done in the second reading of the Bill. It was done, as a matter of fact, if I recall rightly, and I think a full report was given. Not only that, the Honourable the Financial and Development Secretary has dealt with it in his Budget speech.

HON W T SCOTT:

Generally, is the Government satisfied with the state of the vehicles at the Post Office? My information is that they are constantly breaking down to the extent that it is not unusual for them to have to hire private contractors to deliver mail?

HON H J ZAMMITT:

Under Special Expenditure there is provision for the purchase of a mail van this year. It is a fact that the vehicles do suffer certain amounts of damage because the mileage in the Upper Rock area and the like has caused perhaps certain defects and there have been occasions when we have had to hire them. But it is not a very constant thing. It is not a common factor.

HON W T SCOTT:

Well, Mr Chairman, my information is not just one van, or one mini van or one lorry breaks down at one time but on a number of occasions, for the past 6 or 9 months they have all been out of order.

HON H J ZAMMITT:

As Members are aware I am covering for my Honourable Friend Mr Isaac Abecasis. I will certainly look into that but the fact that all vehicles have been out of order has certainly not been reported.

HON W T SCOTT:

I insist on this. It has been on more than one occasion.

HON H J ZAMMITT:

I am sorry, Mr Chairman, I am afraid it is a question I am not able to answer. I will certainly send the Honourable Member details.

HON CHIEF MINISTER:

The idea is to replace these vans gradually, one a year, until we have come up again with a new fleet. We had very old vehicles, they have all been replaced, but they do suffer a lot.

HON G T RESTANO:

Mr Chairman, is it a fact that it takes rather long for the Public Works Department to repair the vehicles when they are out of order?

HON H J ZAMMITT:

Mr Chairman, this question has caught me completely unaware. I cannot say that it takes the Public Works garage a long time to repair. I can inform the Honourable Member that some vehicles that are under guarantee are repaired by the corresponding garage of origin, let us say the dealer itself, and in my experience in Government, particularly during the period I was Mayor, I did not find the Public Works Department took very long in repairing staff cars.

HON P J ISOIA:

Conveyance of Mails, subhead 5, there is a considerable amount of discontent, I think, about the delivery of mails to Gibraltar and so forth. Can I ask if the Minister knows whether every time a plane arrives at Gibraltar and doesn't bring mail, whether immediately the Post Office chases it up? One gets a terrible feeling at the moment that mail is going astray. It is very intermittent. Is something done about it every time because I think it is terribly important?

HON H J ZAMMITT:

Mr Chairman, my information is that when a plane arrives at Gibraltar without a mail bag the Director of Postal Services at once contacts the UK on the matter. There have been, I think it was mentioned by my Colleague at the last Budget session, that there have been occasions during this change-over from Heathrow to Gatwick of some mail bags inadvertently being slowed down, but they were quickly put back and, in fact, I think they are quite pleased with the services that are being offered from Gatwick today. The Honourable Chief Minister is very right, in fact, the Director of Postal Services went over to the UK and came to a very satisfactory agreement with the Post Office people in Gatwick.

HON G T RESTANO:

Mr Chairman, may I ask on subhead 6, Supply of Stamps. I see that there is quite a large increase there. I don't suppose that this is the supply of stamps for philately because this is on the other side. So what is the reason for this very large increase?

HON H J ZAMMITT:

Mr Chairman, it is an increase in the amount of printing of stamps, and a larger sale of stamps, obviously.

HON G T RESTANO:

Increased sale of stamps over the counter at the Post Office?

HON H J ZAMMITT:

No, not necessarily, Mr Chairman, it goes to the Philatelic Bureau.

HON G T RESTANO:

I thought, Mr Chairman, that the Philatelic side of things had been covered over the page under Other Charges, Supply of Stamps.

MR CHAIRMAN:

I imagine the Post Office supplies the Philatelic section with its stamps.

Other Charges were agreed to.

Special Expenditure was agreed to.

2. Philatelic Bureau (1) Personal Emoluments were agreed to.

Other Charges

HON A T LODDO:

On Subhead 7, Commissions Payable to Agents. This differs between £75,000 and the Revised Estimates.

HON H J ZAMMITT:

I am sorry I didn't hear that.

HON A T LODDO:

On Subhead 7, Commissions Payable to Philatelic Agents, the difference.

MR CHAIRMAN:

Between what?

HON A T LODDO:

Between the estimate of £75,000 obviously the revised estimates were £111,000.

MR CHAIRMAN:

The Revised Estimates is for the year 1979/80. They are estimating £75,000 for the coming year.

HON FINANCIAL & DEVELOPMENT SECRETARY:

This is for the sale of £450,000 worth of stamps and the commission of 25% giving £75,000.

HON A T LODDO:

Mr Chairman, could he repeat the last sentence.

HON FINANCIAL & DEVELOPMENT SECRETARY:

The figure is based on the actual expected value of philatelic stamps to be sold, £450,000, and the commission payable to agents at 25% equals £75,000.

HON MAJOR R J PELIZA:

I think we heard from the Minister responsible that this was doing very well, they had found another agent and that the chances are that they would even sell more. How will they reduce the commission this is what I am asking.

HON H J ZAMMITT:

Hopefully, hopefully, we hope to increase the commission.

MR CHAIRMAN:

Order, order. I think we are all speaking at cross purposes. The estimated commission payable for the year 1979-80 was £52,500, the actual commission which was paid was £111,000. What is being estimated this year to be paid in commission is £75,000. There is reduction upon the estimated for 1980-81 and the actual paid for 1979-80 admittedly.

HON MAJOR R J PELIZA:

This is what I mean. If the Approved Estimates were £52,500 and the Revised Estimates, which in fact we found that we sold more, went up to £111,000. With all the improvement that the Minister spoke about, the chances are that we should sell more than that.

HON H J ZAMMITT:

It depends, Mr Chairman, on a number of items which I was completely ignorant of until a few days ago. It depends entirely not only on the value of the stamps, Sir, but the items in the stamps. There are apparently collectors who wish to go for uniforms, for birds or butterflies and, therefore, it depends entirely on the card contents of the actual stamps, we print them in tens or twentyfives. It depends entirely on that, Sir.

HON MAJOR R J PELIZA:

And in the view of the Minister the motifs that are going to be used this time are not going to be as successful as those used

last year?

HON H J ZAMMITT:

No, Mr Chairman, certainly with Mr Pablo de la Rosa's participation in Italy and Switzerland, it is estimated we will be selling this year about £450,000. If the Honourable Member will recall I did mention that this particular year there was a windfall of a possible further £80,000 as a result of Her Majesty the Queen Mother's 80th birthday. That does not mean to say that we may not sell £1m. God willing I hope we do.

HON MAJOR R J PELIZA:

I am not trying to be critical, Mr Chairman, I just want to find out because it is interesting to know how this works.

HON G T RESTANO:

Mr Chairman, the Honourable the Financial and Development Secretary said that the commission is 25%. I understood that there were different percentages. Can I know then what the different commissions are to the different agents.

HON H J ZAMMITT:

Mr Chairman, Sir, in the case of IDPC, the Crown Agents, Bomic, the commission is 25%: in the case of Mr Pablo de la Rosa I think it is 22½% but I am not very certain because I haven't got that here.

HON G T RESTANO:

And then there is an American as well, isn't there?

HON H J ZAMMITT:

The American is Borric. He is the one that carries the Western Hemisphere.

MR CHAIRMAN:

He gets?

HON H J ZAMMITT:

25%.

HON MAJOR R J PELIZA:

Is this negotiated in every instance or is there an international rate.

HON H J ZAMMITT:

No, Sir, it is negotiable with every dealer.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 18 Prison - Personal Emoluments.

HON J BOSSANO:

The deletion of the Staff Nurse post. In fact the Staff Nurse post was never actually filled, I understand, because it appears that really the role that was required in terms of fulfilling minor medical treatment on the spot could be covered otherwise. I take it that the situation is that there is provision under Personal Emoluments for allowances or something to prison officers who will be covering for the absence of the post.

HON A J CANEPA:

That is correct, Mr Chairman. The establishment of the Prison Officers has been increased by one from 12 to 13 and it is intended to train two of them. They will undertake a nursing course and be paid an additional allowance for doing nursing duties.

HON P J ISOLA:

It seems that the allowances on overtime represent something like 67% of the salary.

HON A J CANEPA:

Yes, Mr Chairman.

HON P J ISOLA:

Does this mean that they are being overworked, since there are too many hours being done would that not justify an increase in the establishment?

HON A J CANEPA:

Mr Chairman, they are working a 48 hour week and in addition sometimes some Prison Officers have to be brought in on escort duties when there are a number of prisoners to be escorted to and from the Supreme Court. The Expenditure Committee went into this very carefully, whether it was not worthwhile increasing the establishment and thereby cutting the working week from 48 hours to 40 hours. We would have to employ I think an additional four Prison Officers and the net saving, not taking into account provision of uniforms and so on, and not taking into account long term commitments in respect of gratuity and pensions, the net saving would be £4,000 a year. The Expenditure Committee recommended to Government and Government accepted that it would not be worthwhile for a notional saving of £4,000 to increase the establishment when having regard to the difficult conditions under which the staff are working there is a necessary incentive for people of the

necessary quality to take up this job that their earnings should be fairly high.

HON P J ISOLA:

Yes, but it just seems to me that on this basis, how many hours are they working.

HON A J CANEPA:

At least 48. Usually more particularly when there are public holidays and so on when the premises are increased further.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Subhead 6. I notice that on the maintenance of prisoners and diets, there has been an increase, £5,500. Is that due to inflation or is it that the menus have been improved.

HON A J CANEPA:

Meals are provided by the hospital and naturally the hospital have to review their charges. They do suffer the ravages of inflation so they have to charge us rather more. The provision that we are making is on the basis of 30 meals a day and we do know that the level of occupancy at the prison is likely to remain fairly high throughout the financial year in question and unfortunately beyond that.

HON A J HAYNES:

Sir, under Head 7, Clothing for Prisoners, I see that there was an increase last year from £500 to £1,500, and now the figure of £400 is being put up. Can the Minister give an explanation for that.

HON A J CANEPA:

I had to come to the House for a supplementary before the general election consequent on the prison riots last August when clothing was destroyed, so I had to come for supplementary funds. So having made increased provision which is reflected in the Revised Estimates, through a supplementary vote, we can go back to the normal level of expenditure. The normal thing would have been £500 or so a year but we had to purchase a new set of clothing.

HON A J HAYNES:

I accept that, Mr Chairman, but is it not one of the prisoners' grievances concerned with clothing, that they don't have suitable clothing when they leave.

HON A J CANEPA:

I think they do have suitable clothing whilst they are there,

and when they leave the clothing with which they entered the prison is retained for them. After 7 years I imagine they would have to be reprovided with something else, but we haven't yet reached the stage in the prison when we can provide Saville Row clothing!

HON A J HAYNES:

The point I am making, Mr Chairman, is that generally I would like to see more expenditure on the concerns of the prisoners to alleviate those lost. They are being punished by society but I am sure the Minister will agree that the idea is that they be kept as comfortable as possible within limitations and that they be encouraged to change their way of life. I am sure the Minister will agree with me when I say the prison is not really suited for longtermers and that every effort should be made to ensure that they are corrected as possible.

HON A J CANEPA:

I share those sentiments up to a point, Mr Chairman. The Government has accepted in principle the need to try to provide a new prison and we hope to start work, all priorities being considered, in the next development programme. We hope to include that and I do agree that we do have to provide a modicum of comfort for prisoners. I would like to remind the Honourable Member though that it has already cost the taxpayer a small matter of £46,000 as at the end of March, and probably another £20,000 to come to put right the result of the riot last August.

Kind you there is an element of betterment because we have taken advantage of that to provide improved amenities all round, but I would invite the Honourable Mr Haynes to try and get hold of some estimates of expenditure going back 7 or 8 years and he will see what the taxpayer was having to pay for in respect of the prisoners and what we are having to pay for now.

I remember that when I took office for instance there were only 8 Prison Officers now we are talking of a staff of 19. Generally I think if he were to get an opportunity to compare the provisions that was being made in years gone by with what is being made now I think he would see that there has been a general level of betterment.

HON A J HAYNES:

Those things may have improved since he arrived but I believe that they could be further improved.

HON A J CANEPA:

I reject that totally. My predecessor who belonged to a different administration, the Honourable Mr Kiberras, took a great interest in the welfare of the prison. So much so that he was the Chairman of the Prison Board. So, no, I hope I do not give that impression. I don't intend to do so.

HON A T LODDO:

A question on this vote. Do the prisoners have different types of clothing for winter and summer wear or is it the same standard of clothing throughout the year.

HON A J CANEPA:

I have been up to the Prison at different times of the year and I see that they do wear rather heavier clothing in winter than what they do in summer.

HON MAJOR R J PELIZA:

Mr Chairman, subhead 12. I notice that for the first time, and I welcome the vote for this, Provision for the Rehabilitation of Prisoners, but the amount is £100. Could the Minister explain what is this intended to be for? To what extent is he acting on advice, and is there a general plan to see how we can rehabilitate our prisoners so that they do not return to crime?

HON A J CANEPA:

This is a token vote, Mr Chairman. It is intended to purchase tools and other basic equipment for the work parties. One of the senior Prison Officers is a trade officer, he has undergone training for instance at Landport Training Centre and we have agreed at Council of Ministers that we need to do rather more in the area of providing work for prisoners. And as part and parcel of that we have got this token vote so that the prison itself can purchase whatever tools are necessary without having to rely say on Public Works to provide the tools. Or in cases where we paint the lockers and chairs for the Tourist Office that the prison can purchase our own brushes and so on and just be provided with the paint and so on. This is what it is intended for.

HON MAJOR R J PELIZA:

But is it not intended to rehabilitate prisoners in the hope that when they do finish their sentence they somehow find themselves again the the new life and are not likely to return.

HON A J CANEPA:

I do not know whether rehabilitation is the right phrase to have used here. Obviously the provision of work for prisoners in that environment is a very important part of the process of rehabilitation, but really the manner in which you achieve rehabilitation of prisoners in their home environment is through parole, and now I think the situation is quite satisfactory in the sense that they are able after having served 3rd of their sentence to be eligible for parole. And when we are talking of people with very long sentences it is particularly important so that they can leave the prison and go back to their families and get work and so on. This is really what will achieve the purpose of rehabilitating the prisoner in his environment. Perhaps

It is a misnomer to use the word rehabilitation in what is really meant to be the narrower context of tools and equipment for work.

HON MAJOR R J FELIZA:

Occupation at the prison more than anything else.

HON A J CANEPA:

Yes.

HON MAJOR R J FELIZA:

Could the Minister give some thought to putting some money into the rehabilitation of prisoners?

HON A J CANEPA:

Well, we do provide for instance under another item remedial education for prisoners. It is also done under that. Rehabilitation of prisoners can also include materials, like for instance if we had a female prisoner which has happened on occasions you need to provide other sorts of materials to keep the prisoner occupied, but as regards the question of parole, once the prisoner is out on parole there is no need to provide under any other item of the prison any funds to cover that situation.

HON A J HAYNES:

Mr Chairman, I refer to subhead 8, Wage Earning Scheme for Prisoners. I think, Mr Chairman, I think the Minister said that there was going to be research into the matter so that more schemes for wage earning would be brought up. But would that be for the maximum of £2,200 to be paid out? Could he explain it.

HON A J CANEPA:

There is a basic £1.30 paid a week to all prisoners who are eligible. I say to all who are eligible because remand prisoners do not come under the wage earning scheme. So the provision that is being paid is for 25 prisoners that is £1,500 we also have three landing cleaners and they get £1.50 a week; there are two laundry orderlies they get £1.90 a week; there is a coker for minor meals, not for the main meal, who gets £1.90 a week; and there is a librarian who gets £1.70 a week. That is not connected with the general work which I have just been talking about, this is the work parties that do work in and out of the prison. There is no specific provision made in respect of that, that is covered by the basic £1.30 that all eligible prisoners who participate in the wage earning scheme get.

HON A J HAYNES:

Is the Minister proposing to provide more forms of work for the prisoners?

HON A J CANEPA:

Yes, a greater diversity of work and to ensure that they are well occupied because there is not always sufficient work and we do not want them to be idle longer than they need to be.

HON J BOSSANO:

Wasn't there in fact at one stage a scheme to actually try and give the prisoners up there a trade because of the difficulties of finding employment when they come out and in the hope that because of the shortage of skilled craftsmen if they had a trade it would be easier to persuade an employer to take them.

HON A J CANEPA:

This is correct. This is why I mentioned that one of the senior officers is a trade officer. I was saying to my friend here on my left a moment ago that one of the prisoners there who has given a lot of trouble in the past but who thank God is not doing so now, is quite a good mason and he is rehabilitating the old military cells, in the military yard, where it is intended to set up the workshop for the teaching of basic trades by the trade officer to the prisoners. This is a scheme which we still hope to introduce. Because of the trouble in the prison in the last two years or so it wasn't possible to getting around to doing so.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 19 Public Works - Personal Emoluments.

HON P J ISOLA:

Could I ask a general question on personal emoluments. I notice there has been a reduction of three in the establishment and they seem to be professional officers. I understood that when all the things were worked out that they required a higher figure of establishment to get the development programme going, and I find that the Government didn't really produce much. And now in a year that it expects to produce its highest, I notice it reduces the establishment. It seems to me a little illogical. That is the first question. Another question on the establishment is, can the Minister say why there are so many officers on a personal basis and on obsolescent scales. I will just stop there.

HON M K FEATHERSTONE:

The reductions, Sir. One is the Mechanical Engineer who is at the moment in England studying on his own bat; a two year course to obtain a further degree. There is one Maintenance Surveyor less and one Engineer less.

HON P J ISOLA:

Why is that? Surplus to requirements?

HON M K FEATHERSTONE:

Yes, Sir, that is surplus as such. There is still ample in the development programme to work out our \$10m.

HON P J ISOLA:

We are delighted that the establishment is on its way down.

HON M K FEATHERSTONE:

The question of why a number of officers still hold certain salaries on a personal basis is that when staff inspection re-graded them obviously it has always been the principle that the post may be regraded but the person in the post remains at the same salary that he used to have prior to the regrading.

HON P J ISOLA:

Mr Chairman, just one more. The beaches, cleansing, gardens and Upper Rock. I presume a Works Supervisor is out of that and re-appears again as a supernumerary following staff inspection. I presume he is still on the same job?

Are these the persons who supervise the cleaning of all these beaches, gardens and upper rock? Is this personal supervision, are they on the spot regularly, because it seems to me to be rather few over a very large area. Could that be a reason why possibly things aren't done that well in these areas.

HON M K FEATHERSTONE:

They are the Chief Supervisor and the three PTO's who work with him and who control the whole of the operation. Obviously, there are senior industrials who are also in charge to a certain extent. For example at a beach you have a chief beach keeper who is classified as an industrial grade. He would come under the PTOs who would check on him as such.

HON P J ISOLA:

Are these gentlemen full time on all these jobs throughout the year?

HON M K FEATHERSTONE:

When they are not working on the beaches for example in summer they are doing the gardens, the upper rock area which keeps them going the whole year round.

HON J BOSSANO:

The 23 Works Supervisors.

HON M K FEATHERSTONE:

I think this is the same which has been brought up earlier and they do have an undertaking from the Chief Minister that although they are put under supernumerary staff it doesn't mean that it is a fait accompli that they are going to be industrialised from non-industrials until an agreement is worked out with the Union through the IRO.

Personal Emoluments were agreed to.

Other Charges.

HON G T RESTANO:

I see that there is a considerable reduction in the training of the apprentices and trainees. May I know the reason why?

HON M K FEATHERSTONE:

Yes, we have had a very intensive programme of training of apprentices over the last few years and we are finding that by the time these apprentices work through their course and become craftsmen we are starting to get rather an imbalance of craftsmen to labourers. So this year we are only taking in the number of apprentices we feel will be necessary to cover natural wastage in the actual trades that they are going through.

HON G T RESTANO:

Would this first of all not create an unemployment problem? If these young people who leave school are no longer going to be trained as apprentices, should they be unable to find jobs in the private sector they will be unemployed presumably. Would this not be the result of this cutback?

HON M K FEATHERSTONE:

Yes. On the other hand you cannot automatically say that the Public Works Department is going to be the sponge that absorbs all youngsters leaving school. We must obviously keep our figures within reason as otherwise we will be expanding every single year and we would be getting a continual increase in costs as such. We only need a specific size of labour force and one wants to try and keep it within reasonable bounds, not to let it be continually inflating.

HON G T RESTANO:

Can the Minister say then on how many apprentices these \$55,000 will be spent? How many people will be trained?

HON M K FEATHERSTONE:

There would be 10 who are in training and another 10 who will be taken on this year.

HON G T RESTANO:

So these £55,000 are to train 20 people.

HON M K FEATHERSTONE:

That is right. Yes.

HON J BOSSANO:

Could I ask the Minister what the drop in the intake is? He said there are ten in training.

HON M K FEATHERSTONE:

Yes, there were 20 taken on last year.

HON J BOSSANO:

So the intake has been halved.

HON M K FEATHERSTONE:

The intake has been halved, yes. We are getting quite a strong imbalance. Obviously we do not want to dismiss craftsmen at one end when an apprentice qualifies and becomes a craftsman.

HON J BOSSANO:

But in fact if the intake of ten is intended to produce sufficient craftsmen at the end of the training period to meet natural wastage I take it then that the Minister does not anticipate employing any non-Gibraltarian craftsman in the foreseeable future.

HON M K FEATHERSTONE:

Not at the moment, no, not in the foreseeable future unless we had a craftsman who died and has to be replaced on an emergency basis.

HON J BOSSANO:

Yes, but I mean when the Honourable Member talks about natural wastage I imagine an exercise has been done on the turnover of craftsmen in the Public Works four years hence, which is when the people you are taking in now are going to be ready to take up the jobs.

HON M K FEATHERSTONE:

Yes, we are working on the turnover at present which is providing guidelines as to what the turnover should be in the next two or three years.

HON J BOSSANO:

I take it, Mr Chairman, that this has not been discussed at all

with the staff side because certainly it is the first that I hear of it.

HON M K FEATHERSTONE:

I think there has been some discussion at the Apprentices Board, but I am not sure.

HON J BOSSANO:

But not with the representatives of the Industrial Labour Force, because I would have thought that the underlying assumption that we are not going to be providing as many opportunities for school leavers in the Gibraltar Government to take up apprenticeships as we have been doing in the past, on the assumption that in four years time we are only going to be needing 10 craftsmen, and it can be shown that that assumption is inaccurate, it would be worthwhile reviewing what could have a serious impact in employment opportunities.

HON M K FEATHERSTONE:

Yes, obviously if for example next year we find that our calculations are wrong and that the number of craftsmen by wastage is increasing we would take more apprentices in as such. You cannot obviously have the same quantity each year. I would comment that in this head there are three new entrants as trainee technicians as well as the 10 apprentices.

HON J BOSSANO:

Mr Chairman, it would seem to me, with the size of the labour force in the Public Works Department, that an intake of 10 craftsmen a year, from my knowledge of the situation, would be on the low side. I accept that the figures may be accurate but would the Minister agree that if it is shown between now and September, which is when the apprentices are normally taken on after the end of the school holidays, that there are likely to be vacancies for more than 10 craftsmen, it is worth reviewing because certainly it wouldn't make sense to deprive Gibraltarian school leavers of the opportunity of learning a trade and then have to recruit labour from outside Gibraltar to fill those trades. Would the Minister agree if that is shown to be the case it would be worth reviewing between now and September.

HON M K FEATHERSTONE:

Yes, Sir, we are quite willing to be flexible on this. If there is need for more then we are quite willing to take more on.

HON P J ISOLA:

Unallocated Stores £80,000. I do not think I have seen this put this way before, "deduct value of stores to be issued". Not issued, but to be issued "to other subheads and services". Do those amounts appear in the other subheads and services in the Estimates?

HON M K FEATHERSTONE:

Yes, Sir. When you work out the costs of, I will give you the name of a subhead, "Maintenance of Crown Properties etc", which will appear in the next set of Estimates, the cost includes the labour element and the materials element and that materials element is of course part of this that is actually issued.

HON P J ISCLA:

The reason why I ask that is because stores are either allocated or not allocated, and here there is just an expression of hope. That is why. Should not the figure be £470,000?

HON M K FEATHERSTONE:

No, not necessarily, Sir, because if the quantity of stores that comes in is worth £400,000 and the quantity of stores that goes out is some of the oldest stock which is only worth £350,000, there is a £50,000 difference. That is where it comes in as such.

HON MAJOR R J PELIZA:

Head 11, Mileage Allowances. I notice that that is going up by £1,000. Is that due to any change in the rate or because they foresee having to go further with the frontier open or what?

HON M K FEATHERSTONE:

It is due partly to the increased cost of fuel.

HON MAJOR R J PELIZA:

This is as much as 25%, is it?

HON M K FEATHERSTONE:

Well, petrol has been going up quite severely. I think a few more people may qualify for it as well.

HON J BOSSANO:

Mr Speaker, item 10, there is a 300% increase in furniture.

HON M K FEATHERSTONE:

Yes, I thought this one would be picked up. Actually we are paying this year for some furniture which was supplied to the Deputy Governor's residence. We have had the bill from the PSA, we have to pay it now and it has been put into this year's Estimates. It wasn't paid before. The actual new amount this year is fairly close to the £4,000, it's about £3,300 which is an old debt which has to be met.

HON J BOSSANO:

If the bulk of this money is for the Deputy Governor's residence can the Minister say whether it was a question of the Deputy Governor furnishing his house and sending the Government the bill or was it a matter of policy of the Government that they decided how much money they wanted to spend on furnishing his house.

HON M K FEATHERSTONE:

I think the policy was that we were willing to meet up to a certain level the rest of it was paid for by the Foreign Office in England. We have to meet a sum up to the level we promised.

HON FINANCIAL & DEVELOPMENT SECRETARY:

May I add a point here, Sir. The agreement was we would meet the cost of the actual furnishings for a normal OSAS officer in furniture only and that the balance would be met by the Foreign and Commonwealth Office.

Other Charges were agreed to.

Head 20 Public Works Annually Recurrent - Beaches.

HON G T RESTANO:

Mr Chairman, why is there a reduction in the maintenance of beaches.

HON M K FEATHERSTONE:

I think we are employing one less person on the beaches.

HON G T RESTANO:

May I know why? What is the reason for employing one less?

HON M K FEATHERSTONE:

We found that the needs of the beaches did not demand as many people and in an effort to save public money in the economy we looked through all the labour areas to see if there were any unnecessary persons and we have been able to economise in one person.

HON A J HAYNES:

Would the Minister not agree that the beaches seem to get dirtier annually as the season progresses?

HON M K FEATHERSTONE:

I will not agree with that, Sir.

HON A J HAYNES:

Perhaps it is because the Minister doesn't bathe at the beaches because if he did I can assure him that he would find the beaches particularly dirty.

HON M K FEATHERSTONE:

I can only say that the beaches are kept as clean as is practical, and of course if one wishes clean beaches one does hope that the public will cooperate as well.

HON MAJOR R J PRLIZA:

Has the Minister considered having mechanical means of cleaning the beaches, I understand that this is used in most beaches now. Have we got anything like that here or are we likely to?

HON M K FEATHERSTONE:

I think this has been investigated on a number of occasions. Our beaches are neither big enough for mechanical means to be cost-effective. You need a pretty long stretch of beach for mechanical apparatus to really be cost-effective.

Beaches was agreed to.

Buildings.

HON J BOSSANO:

Could the Minister confirm that it will be the continued policy of the Government in the question of painting Crown Properties to try and promote as much of this work as possible through JPC's in view of the fact that this gives an incentive to the people concerned and a financial saving to Government.

HON M K FEATHERSTONE:

Yes, Sir. In fact last year - I haven't got the figures exactly at this moment, I think I have got them below in my brief case and I will look for them while we go into the next point. We did a fair number of JPC's, I think there were 53 altogether, and a good number of them were in painting. This will be the policy to continue. You have already actually voted in Head 19 under Allowances which does include a certain sum of money of JPCs.

HON P J ISOLA:

Can the Minister say whether the Government programme for the maintenance and painting of Crown Properties during 79-80 was in fact completed? The programme that they set themselves out to do at the time of the Estimates.

HON M K FEATHERSTONE:

I can tell you, Sir, that the money which was voted, which was

split between the money to be spent on housing repairs and maintenance of Crown properties, was fully utilised. Between the Housing Repairs and the Maintenance of Crown Properties we did get through all we were scheduled to do. There is always the situation that you do not know fully what your housing repairs are going to be, so sometimes one will suffer a little at the expense of the other, but in the main most of the work is done.

Buildings was agreed to.

Emergency Services and Stores was agreed to.

Gardens

HON M K FEATHERSTONE:

Could I just bring up a little point on this. As part of our efforts on gardens, we intend this year to try and beautify Sir Winston Churchill's Avenue. We are going to plant 18 palm trees along it. These palm trees will come almost fully grown, 7 meters high, and we hope it will give quite a pretty entrance to the City.

Gardens was agreed to.

General

HON G T RESTANO:

On subhead 6, Mr Chairman, I see that there has been a reduction in rock safety measures and coastal protection. Can we have an explanation for that?

HON M K FEATHERSTONE:

This is something that we do not really know from year to year what is essential because it depends on the winter storms. If we have a relatively mild winter then the damage that is done is not so great and we don't need to spend so much money the following year to repair that damage. If we have a very severe winter, then we need a lot of extra money. This year the winter has been relatively mild and we feel that we can get away with £28,000 to repair the ravages of the sea.

HON A J HAYNES:

Mr Chairman, does this include rocks on the upper rock which could fall onto the East side.

HON M K FEATHERSTONE:

It is mainly coastal protection. The areas of rock on the Upper Rock which have been designated as dangerous were dealt with by the MOD many years ago. We do survey them but at the moment we do not think there is very much danger. You have a number of rocks up there which are held with chains etc. As far as we can ascertain it is relatively safe.

HON A J HAYNES:

Mr Chairman, would it not be true to say that the chains would be of little effect if the rocks were to become loose and fall.

HON M K FEATHERSTONE:

Well, the chains are not intended to hold the rock up, the principle is that the effort needed to overcome the initial sliding friction is quite small and the chain is sufficient to provide that effort. If of course the rock was already starting to fall the chain would not be able to hold it up as such, it is simply to stop the initial sliding friction which would let the rock move down.

General was agreed to.

Highways.

HON MAJOR R J PELIZA:

Could I deal with 7(a) and 7(b) perhaps the two together, Mr Chairman. I am really referring to sick leave. Can the Minister explain if there has been any improvement on this. I believe that there seems to have been some abuse in the past.

HON M K FEATHERSTONE:

We issued warnings to quite a number of people some time around July or August last year when they were taking rather excessive sick leave and there was a very considerable improvement in the incidence of sick leave following those warnings. Over the past three months - and we monitor every week - the situation tended to slip back a little bit in February where there was rather a lot of 'flu' around but last month it has again improved so we are, I won't say confident, but we are happier that people are not taking advantage of the generous sick leave facilities that we permit.

HON MAJOR R J PELIZA:

Mr Chairman, seeing that this is monitored weekly could the Minister be able to tell us what the position is or has been during the last couple of years.

HON M K FEATHERSTONE:

I think the last one I had was that we lost about 250 days in the week on sick leave.

HON MAJOR R J PELIZA:

Was there an improvement?

HON M K FEATHERSTONE:

Yes, at about the same time last year it was running at around 400 days.

HON P J ISOLA:

I notice from the Estimates for both these two items, the estimates 79-80 was £300,000 at the end of the year it is £440,000 which is about 50% more. What is that bad estimating or what?

HON M K FEATHERSTONE:

No, I think the new wage agreement which came through in July gave extra leave to the industrials. I think it increased from 17 days to 19½ days.

HON P J ISOLA:

Could I ask about the gap between the leave and injury pay. It is classified as one item as £330,000.

HON M K FEATHERSTONE:

Yes, last year the two were together. I don't have last year's breakdown at all, but I do for this year, and this year the leave works out to £225,000 for normal leave and £106,000 for public holidays as such, and then the sick leave is estimated around £70,000 odd.

HON MAJOR R J PELIZA:

Mr Chairman, actually that previous question I was going to ask but the difference between leave and injury pay, not sick leave. Between leave and injury pay. Last year it was all bunched together 7(a) and 7(b).

HON M K FEATHERSTONE:

Injury pay is a very small item of £5,500.

HON MAJOR R J PELIZA:

Mr Chairman, under subhead 10 ...

MR CHAIRMAN:

No, we haven't got there yet. We will now recess for tea.

THE COMMITTEE RECESSED AT 5.45 p.m.

THE COMMITTEE RESUMED AT 6.15 p.m.

MR CHAIRMAN:

I will remind the Committee that we are at Head 20, Public Works Annually Recurrent - Highways, and I believe the Honourable and Gallant Major Peliza wanted to ask a question.

HON MAJOR R J PELIZA:

Yes, Mr Chairman, on highways there are two points I would

like to make. First of all perhaps I think it is probably appropriate to thank the Minister concerned, or perhaps the Attorney-General, for at long last, after 2½ years, Mr Chairman, putting right the infamous barrier next to the corner of Cannon Lane. It is a great improvement and it is a pity it was not done before.

MR CHAIRMAN:

This is irrelevant to this particular vote!

HON MAJOR R J PELIZA:

With your indulgence Mr Chairman, perhaps I could say that there is another similar problem to that in Cannon Lane and perhaps the Minister can look at that one as well.

Now the next point, Mr Chairman, which I think is far more important, is that I see that the vote on maintenance and upkeep, notwithstanding the high rate of inflation, has only gone up by £3,600, and given the terrible state in which our thoroughfares are, could the Minister explain why so little money is being put into this vote.

HON M K FEATHERSTONE:

Well I wouldn't call £190,000 very little money.

MR CHAIRMAN:

I think you are being asked why the increase is so small.

HON M K FEATHERSTONE:

The increase is so small partly because we have a saving of two men which amounts to another £7,000. I think you also have to look in the Improvement and Development Fund to see where we are spending money on the roads. The actual cost of the re-surfacing etc is in the Improvement and Development Fund, but operation of Catalan Bay Depot, maintenance of open shelters, the pre cast concrete depot, all this works out to, as we show there, £192,000.

HON MAJOR R J PELIZA:

Yes, well I won't press the Minister on this vote, Mr Chairman, but I will come back to the Improvement and Development Fund where it is probably more relevant.

Highways was agreed to.

Mechanical.

HON P J ISOLA:

Workshops and Garages, Running Expenses and Maintenance. Can the Minister say whether this is mainly wages?

HON M K FEATHERSTONE:

Sir, this breaks up into two parts. The garage and the workshop. The total is £355,000 and of that approximately £300,000 is wages.

HON P J ISOLA:

When Government moves into its new PWD Garage, will everything be put in there or will they continue to have garages in other places and workshops?

HON M K FEATHERSTONE:

The new premises will be more spacious than the present workshop, as far as the actual working area, it will be less spacious as far as the parking area. There will not be too much parking space but as far as working place it is more spacious.

HON P J ISOLA:

Does that mean that all the Government transport will not be accommodated in there?

HON M K FEATHERSTONE:

Well, we hope to get in as much as we possibly can. It is going to need a little bit of effort at the beginning to see how we can rationalise it, partly because we have to have them parked in a certain way so that the refuse lorries can get out first. Until we actually take it over, because the area itself is still pretty cluttered up, we cannot exactly say how we are going to work out the parking.

HON P J ISOLA:

If the vehicles cannot be put in there will they be kept somewhere else or will they put outside on the road?

HON M K FEATHERSTONE:

No, we hope to get them all in there, Sir. But it is going to take a little effort in rationalising.

Mechanical was agreed to.

Pumping was agreed to.

Sanitation.

HON MAJOR R J PELIZA:

Mr Chairman, subhead 13. Perhaps I could draw the attention that although we are spending a lot of money on this, I don't believe that we are really getting the desired result by the state of our streets and other places. I would like to draw

the attention to the Minister to see if something could be done and done very quickly, the area that can be seen from Old Naval Hospital Road where the Old Gas Works were. That area is already strewn with all sorts of debris. Equally the two Jumpers Bastions. Down below in one of them I think it must be a hazard because there is a lot of accumulated water there. It looks to me a few feet high, and in the other place again lots of things are strewn all over the place. Apart from that I think there is a danger for children who are moving in the area of falling into that little Jumpers Bastion. Could the Minister look into that?

HON M K FEATHERSTONE:

Yes, I know the area you mean. I will have a look at it for you.

HON A T LODDO:

On this very same question. In the old Gas Works there is the gasholder tank, again that is full of water. From the Old Naval Hospital Road you cannot say whether it is fresh water or brackish water, but perhaps the Minister would have a look at that as well. It is a danger and children do play there.

HON M K FEATHERSTONE:

Well, we are going to start demolishing at the gasworks shortly and as part of the contract that tank will be filled up.

HON MAJOR R J PELIZA:

Judging by the number of mosquitoes that come to where I live, I think it must be fresh water. Could the Minister move a little faster on that.

HON P J ISOLA:

On this question of sanitation I think one must recognise that the collection of refuse in Gibraltar is good. The public is giving, I think, a very good opportunity for the collection of refuse, in fact better even than in the United Kingdom. Having said that there are areas in Gibraltar, one of them has been described now, other areas where refuse is regularly dumped and known for example to the Public Health Authorities or the Police and everybody else. Now I think that if the Government spends some public funds, if the Government spends something like £600,000 on the cleaning of those highways and the collection and disposal of refuse, Gibraltar shouldn't really be locking the way it does. Part of the blame is on the public or the people who dump the refuse and all the rest of it. Wouldn't it be worth Government spending a bit of money for example in ensuring that Public Health Inspectors make spot checks on areas where it is done regularly and the people are taken to court for example. Similarly with the Police. One gets the feeling that nobody does anything about making sure that Gibraltar is kept clean when there is the ability there to do so. There are people there whose job it is to do so. I will

say that the collection and disposal and the cleaning of highway, one sees it done regularly, but yet Gibraltar is dirty and you have got these dumps all over the place. Shouldn't some of the other departments of Government join in helping in this difficulty.

HON M K FEATHERSTONE:

I thank the Honourable the Leader of the Opposition for his kind words about the refuse collection etc. We do appreciate that there is a need for perhaps stronger measures to be taken and the Honourable Mr Perez and myself are at the moment looking into a little bit of the carrot and the stick. I think one of the things has been that in the past we have perhaps been a little too indulgent in collecting accumulation of refuse and we are going to shortly institute rather stronger measures to see that less dumping is taking place. In particular we are very worried about dumping of builders debris because this is not normally picked up by the crews that go round. The crews that go around throw all their rubbish into the Refuse Destructor and of course we do not want builders debris to get mixed up in there because it damages the plant. But I thank you for your kind words, anyway.

HON A T LODDO:

Mr Chairman, under subhead 16. Toilets and Public Baths. Could I please ask the Minister to which public baths this refers.

HON M K FEATHERSTONE:

The Public Baths will no longer be baths as such but showers. They will be the showers that are available at the Piazza, the showers which will have curtains put on, that are available at the market place.

Sanitation was agreed to.

Salt water was agreed to.

Potable water.

HON G T RESTANO:

Mr Chairman, can I know why there is a reduction of £76,000 on the operation of the distillers?

HON M K FEATHERSTONE:

This is as I said earlier on, that we only intended to work them for about 22 to 25 weeks a year instead of as had been done hitherto 35 to 40 weeks.

HON G T RESTANO:

Mr Chairman, will not this reduction of 20-25 weeks a year in fact push up the price of the production of water? I am sure

you will have the same overhead, or virtually the same overhead, as far as wages and salaries are concerned.

HON M K FEATHERSTONE:

We will not have the same overheads because since obviously we are not producing we will be saving considerably on fuel and chemicals. The labour content will be there but that will not increase the price of production because it will be there all the time. We will instead be importing greater quantities of water and this is cheaper than distillation.

HON W T SCOTT:

Yes, but won't the cost per gallon of water produced by the distiller rise?

HON M K FEATHERSTONE:

Yes. On the other hand the cost per gallon of water imported will be lower. So when you mix the two together you will get lower figures.

Pctable Water was agreed to.

Head 21 Recreation and Sport - Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure.

HON P J ISOLA:

Contribution to Sporting Societies. Can the Minister say whether the whole of that money will go to the Sports Council?

HON H J ZAMMITT:

Yes, Mr Chairman, the total sum of £4,500 will of course be controlled by the Sports Council.

HON P J ISOLA:

Does not the Minister think that that amount could be increased in view of the intention to raise £21,000, I think, from sportsmen using the Stadium?

HON H J ZAMMITT:

Mr Chairman, the Honourable Member is referring I think to item 6 on page 10, where there appears an increase of £19,000 derived from revenue from the Stadium. I must tell the Honourable Member that the immense majority of that figure, the increase will be as a result of the introduction of the allocation fee due to be paid in September. And it should also be borne in mind that the sportsmen so far have not contributed by 25% such as the spectator is paying.

HON P J ISOLA:

Yes, but the spectator pays to see something. That is the point of making contributions to sporting societies of £12,500, there was a point last year because they weren't paying for using the Stadium, but now you give £12,500 and then you take off them £21,000, so the money that you give them they will need to pay back to the Government.

To give an example the Hockey Association, they now have to meet an amount they have to pay the Government for using the Victoria Stadium which they weren't paying before. So if they get £2,000 and they have to pay £4,000 back it means that the £2,000 which they get to go and play hockey in England is not of such benefit to them because they have got to find £4,000 to be able to play hockey in Gibraltar.

HON H J ZAMMITT:

No, Mr Chairman, the Honourable the Leader of the Opposition is not so naive as that.

HON P J ISOLA:

No, I am not naive.

HON H J ZAMMITT:

The only people who have been charging admission fees have been boxing recently, and football, the remaining associations, other than on very special events, have not charged admission fees. It is, therefore, hoped that the associations will be able to charge admission fees to spectators of which they will keep the 75% and Government will make 25%. So in fact the contribution is so minute that the associations will obtain money as a result of this, and Government of course is providing grants to further assist.

HON P J ISOLA:

If the Government recognised the need to contribute to sporting societies because they needed the money, what they are doing now is, they are saying, we are still going to give you £12,500 but we are going to take £21,000 back from you.

HON H J ZAMMITT:

That is not so.

HON P J ISOLA:

So would it not be better not to make any contributions to them and let them go on using the Stadium as before, otherwise the net result for them, unless the public go in large numbers to the Victoria Stadium, and it is a long time since I have seen these large numbers in the Victoria Stadium, they will not recoup that money. They would be worse off as sporting societies.

HON H J ZAMMITT:

They will certainly not be worse off Mr Chairman. May I say that the grants which have increased substantially over the past years as regards grants to associations, are invariably done to those associations who help themselves. It is not that the Government gives money out to every Tom, Dick or Harry who asks for grants. And in particular may I say that we always give money, with the one exception of hockey, to the governing body of the sport. Now, Mr Chairman, I think that it is not by coincidence, but we have, since I came into Government, been running sport absolutely free, and this is absolutely unique.

MR CHAIRMAN:

Yes, but we are not going to speak on the general principles of how the Government should contribute it, we are going to speak on this particular vote. If you have any information to give the Leader of the Opposition do so otherwise we will leave the matter to stand.

HON H J ZAMMITT:

I would add, Mr Chairman, if the Honourable Leader of the Opposition will give way, that the intention behind the allocation scheme is that the more we recoup the more will be returned either by way of grant or by adding facilities for the sportsman.

HON P J ISOLA:

That is what I was going to say, Mr Chairman, that if the Government is going to persist in taking £21,000 out of Sport then their contribution to sporting society should be substantially more, the amount we are being asked to approve -£12,500.

HON H J ZAMMITT:

Mr Chairman may I say that it is not needed at the moment, most associations that have applied for grants are more than satisfied with Government's contributions as was seen in correspondence about the Rock Gunners only a few days ago in the press.

HON P J ISOLA:

But surely once the associations start being charged money they will be ignored.

MR CHAIRMAN:

No, no, order, order! I think we are talking at cross purposes. The sporting associations are only being asked to pay back to Government a percentage of their receipt.

HON P J ISOLA:

I understand that fully, Mr Chairman, but in any case I think the Honourable Minister for Sport also said that other sporting

organisations which had used the Stadium before without charging gate receipts would be able to do so now. I am sure they would have been able to do so in years gone by. The only problem with the Stadium, as I see it, and in those sports, is that they are the players sports - and not spectators sports - otherwise gate money would have been got for this.

HON H J ZAMMITT:

Mr Chairman, on many occasions, particularly on Saturdays, I have seen many a spectator of hockey drawing crowds on average 100 or so and not a penny has been charged.

MR CHAIRMAN:

Yes, but now we are falling into the temptation of debating and I am not going to allow that.

Special Expenditure was agreed to.

Head 22 Secretariat - Personal Emoluments.

HON P J ISOLA:

Sir, I notice the Secretariat, which has quite a large number of Senior Executive Officers, Higher Executive Officers and Executive Officers, is now going to be further increased by a Higher Executive Officer and two Executive Officers in return for the loss of one Senior Executive Officer. How is this going to work and why?

HON ATTORNEY GENERAL:

Mr Chairman, if I can just raise the point of clarification. Did the Honourable and Learned Leader of the Opposition say an increase of a Higher Executive Officer and two Executive Officers?

HON P J ISOLA:

Yes, and somebody else, somewhere around here. An increase of four officers in the Establishment.

HON ATTORNEY GENERAL:

Mr Chairman, the Executive Officer referred to in the Establishment Division breakdown, the extra Executive Officer, the post was in fact already approved by the House when the original staff inspection took place. The purpose of that Executive Officer is to assist the staff inspection unit and provision has been made this year because there is now a place for them to participate in that role. Until staff inspection got under way it was not appropriate to appoint them at the time.

The second additional post is that of Archivist. That post has always been a temporary post until now, at least the holder of the post has been on temporary terms, but because the post is so well established we felt it was more appropriate to show the

post as such, as an established post.

As far as the supernumerary staff are concerned, there is provision for a Higher Executive Officer, as a Supernumerary, and also two Executive Officers. If I can deal with the Higher Executive Officer first; provision has been made for that post in respect of an officer who has become supernumerary and has been temporarily posted to the Secretariat until such time as another post may or may not be available for him. As far as the two Executive Officers are concerned these are supernumerary positions. The intention is to make these posts available to Graduate entrants. They will come in as supernumerary officers nominally posted to the Secretariat but they will in fact during a period of training be sent out to various departments to learn the role. So they are in fact supernumerary provision for a graduate entry scheme which is going into operation.

Personal Emoluments was agreed to.

Other Charges.

HON G T RESTANO:

I would like to ask on Subhead 7, Rents of Flats and Offices. May I know which offices these refer to?

HON ATTORNEY GENERAL:

Mr Chairman, I cannot answer that immediately.

HON A J CANEPA:

These are the offices in Secretary's Lane, the Post Office, the Income Tax, the Industrial Relations Office, Management Services Section, they all occupy offices there in Leon House and Seclane House. I don't know whether we have any other offices elsewhere. I think these are the main ones.

HON G T RESTANO:

If those apply to those offices surely the rent should be charged to those departments, to those Heads, and not to a generalised Head in the Secretariat, otherwise it gives a false impression of what the Head's performance is.

HON FINANCIAL & DEVELOPMENT SECRETARY:

Mr Chairman, it is usual in estimated services where you have a centralised body looking after the provision of accommodation, as you have in Secretariat here, to have the cost of any rented accommodation paid for from that Head, in the same way as under the Public Works vote we have renovation and repairs to Government buildings paid for from a single vote and not put down to the individual department.

HON G T RESTANO:

Well in that case can I have a breakdown of those figures.

HON ATTORNEY GENERAL:

Mr Chairman, in Leon House there are six suites and in Secretariat line dealt with globally. If I can give you the figures; Leon House £1100; £800; £200; £1100 and £200 respectively. Secretary's Lane is ...

HON G T RESTANO:

Those figures tell me nothing at all. Is there no breakdown, no amount charged to the different departments.

MR CHAIRMAN:

No, this is not reflected here. It is not charged to the different departments, the rental comes from the central department.

HON G T RESTANO:

In that case Mr Chairman, when we were going through for example the Income Tax Office, Head 9, there was a charge there for rent of offices. There is a charge there, but we have been told that that also was included under Subhead 7. How can that be?

HON FINANCIAL & DEVELOPMENT SECRETARY:

The offices in this vote are those which are Secretariat offices and the Income Tax is a separate department.

HON G T RESTANO:

How much of the £95,500 is in relation to flats and how much of the £95,500 is in relation to offices.

HON ATTORNEY GENERAL:

Mr Chairman, this will take a little while to work out but I will obtain a breakdown and provide the information to the Hon Member.

HON W T SCOTT:

Mr Chairman, it appears that there is a certain amount of permanency in the occupation of these flats and offices, and given the high figure, the high annual figure, has Government seriously considered purchasing these properties. And if so what stage has been reached.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I did make the point, this morning I think it was, when we were discussing the vote for the Income Tax Department, that the Government was not satisfied with the way which it was having to rent offices and departments and a Committee had been set up and has already made one report and it is to make another, looking at what accommodation we want and where can we find it

so that we can get out of this rented accommodation.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 23 Telephone Service - Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

Mr Chairman, under Other Charges, Subhead 8, Training of Apprentices. I see that three special grade apprentices are going to be trained. In the light of the information we have that the reason why the connection of new subscribers is taking so long is because they are short of staff, is the intention of employing these apprentices to increase the staff? How long is that going to take? If this is not the case, what is the Minister doing about increasing staff so that connections can be accelerated?

HON DR R G VALARINO:

Yes, Mr Chairman, I think there were various points to that question by the Honourable and Gallant Major Peliza. First of all the training of apprentices. These three are special grades and will really be dealing with higher and improved telecommunications services and not the average run of the mill replacement of telephones. We need three apprentices this year basically as a start for the ISD. In fact we need three apprentices this year and three apprentices next year so that we can carry on with the programme as mentioned.

The other question which he asked was about the shortage of staff that we are at present encountering. Such shortage is at present - and I have got the actual figures here - the actual figures of that shortage is nine. One is a mechanical fitter; three are craftsmen A; one is a craftsman A chargehand; one is a store man; and three are the telecommunication mechanic apprentices, special grade. These three will be the ones that will be employed in September 1980, therefore, the figure of nine will be reduced to 6 by September 1980. So we shall be short of six by the winter.

There is very little we can do about increasing the staff as modern methods in telecommunications are moving in such a way that we need relatively qualified people to deal with this type of work. The type of apprentices we get nowadays are not of a very high class and therefore, we would rather wait and get the better type of people rather than get the poorer and less qualified type of apprentice.

This is one of the reasons why we put three special grade apprentices this year and we hope to recruit another three next year to be able to dilute the figure. Getting three better grade this year and three better grade next year. If we went

for six in one year we would probably get as a whole a poorer quality of apprentice.

HON MAJOR R J PELIZA:

Is the Minister saying that for the purpose of connecting a telephone for which I think there is a greater bottleneck at the moment, you require such a highly trained person. Isn't there a way of running a special course for some technicians who could get on with that type of work?

HON DR R G VALARINO:

Mr Chairman, connecting a telephone basically, and I agree with the Honourable and Gallant Major, is not a difficult job, it is a fairly simple job. Unfortunately this year we have had a great deal of work with the installation of new lines, which were mentioned previously in my report, thereby cutting down faults by a tremendous amount and we have had a lot of the men involved in this exercise. The other thing is that last year we managed to instal more telephones but really this was as a JPC which unfortunately we did not have such a thing this year. Therefore the amount of telephones connected this year dropped.

MR CHAIRMAN:

No, we are not going to discuss how easy or difficult it is to connect a telephone.

HON DR R G VALARINO:

It is an easy thing and we intend next year to connect more telephones than we have done this year.

HON MAJOR R J PELIZA:

Yes, but my point is Mr Chairman, I don't know if the Minister has got the point, that I know they are doing their best, that there is a shortage of staff, a shortage of staff which must be highly qualified then perhaps for the more sophisticated side, but I would have thought for the actual process of connecting a telephone it should be possible to recruit certain people who would be trained specially for that, and, therefore, get the thing moving and perhaps to make many more subscribers than we have done lately. Is that not possible at all?

HON DR R G VALARINO:

Mr Chairman, yes. But one must always remember that an apprentice must go through an apprenticeship and this takes a number of years and, therefore, the question in fact is delayed so many years.

HON MAJOR R J PELIZA:

I am afraid, Mr Chairman, this does not convince me at all.

HON G T RESTANO:

Under Head 10. Telecommunications Advisory Service, token to provide consultancy fees. Is this to cover the report of the British Post Office Consultants or is this another service?

HON DR R G VALARINO:

Mr Chairman, this is not to recover the amount we shall be spending for the consultants. This in fact, if one notices has a little (b) beside it. This is a token and it is to provide consultancy fees which are necessary for other telecommunications advisory service because of the fact that telecommunications is moving very rapidly and it is very important that we get constant advice on the new equipment and new methods of dealing with the telephone and telecommunication service. So basically this is a token provision which we have put in for the first time this year, but has nothing to do with the actual consultants that we have engaged.

HON G T RESTANO:

And will the consultants be the same people, the British Post Office, or will it be somebody else? Is it known who it is going to be?

HON DR R G VALARINO:

Mr Chairman this obviously is a token provision. It is difficult for me at this stage to say who it will be. Several major companies run advisory services also through the BPO.

MR CHAIRMAN:

You haven't made up your minds yet who it will be?

HON DR R G VALARINO:

We haven't made up our minds who we shall be using this money for.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 24 Tourist Office - (1) Main Office Personal Emoluments were agreed to.

Other Charges.

HON P J ISOLA:

On Other Charges. Is the Government now going to review the role and function of the Tourist Office in the obviously changing situation which is now going to occur. It seems to me that this is one department in which the opening of the frontier must have profound effects. Are any plans, any study in train in this department? I am saying that this

Department is one that is going to see changes. This Department is affected very much by the possible new situation and is it intended to have a searching study made of the role of this Department in the changing situation, with special reference to the London office?

HON H J ZAMMITT:

Yes, Mr Chairman, one would have to agree with the general comment that the Hon Leader of the Opposition has made. Again, as the Hon the Chief Minister mentioned, it is a step into the unknown. It is felt that in this particular year we should still concentrate on the market from the UK and one will have to watch developments if there was to be a particular change from our tapping sources. It is not felt at this stage that there should be any adjustment unless and until such time as the fruit of that particular tree is seen to mature.

HON P J ISOLA:

What I am concerned about is as to the need, now that tourism is so firmly established in Gibraltar and we have charter operators and we have quite a number of travel agents and tour operators using Gibraltar. It is no longer a situation of one or two, there are a number of them and I am just wondering whether the advertising and field sales amounting to £150,000 is wholly justified in the situation of tourism as it has developed in Gibraltar.

This was a very important Department when it started with new ideas and all that, but tourism to my mind seems to have established now itself fairly firmly with a lot of tour operators and travel agents handling business. I just wonder whether so much advertising out of public funds is now justified.

HON CHIEF MINISTER:

This is one of the aspects which will have to be carefully watched in the developing situation. Provision for field sales is not completely committed though there is a programme, but I imagine there is a considerable element of moving around there as we go along and see. I would certainly persuade my colleagues that apart from any commitments that there may be already for the immediate future, we go a little slowly on the manner in which the money is going to be spent and see where the need mainly arises. The vote was prepared in circumstances when there were no ideas that there would be an open frontier.

HON MAJOR R J PELIZA:

On this question on which I spoke I did refer to this in the discussions on the principles, would the Government always remember that they must not do anything that in any way may reduce the amount of traffic that we have created with the UK because it would be very important for the future to maintain that side of the business.

HON CHIEF MINISTER:

I entirely agree that we must not divert or forget the fact that the people from the UK have mainly been the source of our trade. In respect of what the Honourable Leader of the Opposition was saying I do not think that the Tourist Office people would agree readily that because you have a good market you do not need to advertise and not to continue to foster it because it is a continuing progress. Again, here we have a number of uncertainties which we have to consider. I do not know how much of the field sales vote has been committed. Whatever has been committed will be honoured on the basis that it is going to be allowed, of course, but such as has not been committed will have to be kept under review.

HON A T LODDO:

In view of the preparations that are being made for the opening of the frontier, would the Government bear in mind refurbishing all those tourist signposts which have over the years been allowed to go into decay.

HON CHIEF MINISTER:

Yes, now they will mean something!

HON G T RESTANO:

The service of the airfield after hours, \$10,000 last year and the same this year, what is that in aid of?

HON H J ZAMMITT:

That means aeroplanes landing out of normal hours, particularly night flights, or in the evenings, and they have to pay the MOD extra for the maintenance of the tower and one thing and the other.

HON CHIEF MINISTER:

They only have operational hours for their requirements up to 8 o'clock, after that people come out during the summer season, paid by the MOD, and part of that is recovered from the operators.

HON G T RESTANO:

I do not see why it is the Government who should pay that. Surely, if one is to allow the charter flights to come in at a time of their convenience then if it is after hours and it does cost more surely they could pay for that charge.

HON CHIEF MINISTER:

It is not for their convenience alone. We were just talking about the need of having charters coming to Gibraltar. It is for the convenience of tourism as a whole and in fact we had a problem recently where one of the airlines advertised late

hours in April without having cleared it and we opposed it because we had not been given notice and they threatened to withdraw the charter completely. They subsequently changed their minds and they changed the hours to come within the day-time hours. I think some of it is recovered from the companies because in fact in that case we did suggest that if they wanted the service they would have to pay for it.

HON A J HAYNES:

In answer to Question 105/80 when the Financial and Development Secretary as asked "did Government have any plans for improving facilities at the Arrival Hall at Waterport", the answer was "as soon as the House had passed the next Estimates". If this is in Tourism, where would I find it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Under the Improvement and Development Fund.

HON W T SCOTT:

Subhead 11, Maintenance of Sites. The approved estimate has an increase from £7,000 to £9,500: this year there is a decrease. May I ask why? Are there less sites? The approved was lower than the revised. You spent more money eventually and then now we get a cut. There was £7,000 approved, it was revised to £9,500, and now there is a cut to £8,100.

HON H J ZAMMITT:

Sir, there is an increase of £1,100 to cover costs. The only thing I can say is that there is an increase of £1,100 to cover the cost of materials and the wages of maintenance staff.

HON W T SCOTT:

That was only on the Approved Estimates not on the Revised Estimates, which is £2,500 above the Approved Estimates.

HON H J ZAMMITT:

I do not know, Mr Speaker, I am afraid I shall have to find out.

HON W T SCOTT:

Under Subhead 13. Other than the Gib Song Festival, what other Festival is contained within that amount?

HON H J ZAMMITT:

Deep Sea, Pier Fishing, the ABTA conference, concerts at the Cave, concerts at the Alameda Open Air Theatre, the Miss Gibraltar show.

Other Charges were agreed to.

Special Expenditure.

HON G T RASTANO:

£4,400 for the Historical Exhibition?

HON H J ZAMMITT:

These are the exhibitions that are going to be installed at St Michael's Cave, at the Galleries, and Moorish Castle.

HON MAJOR R J PELIZA:

Could the Minister explain a bit more about that. Am I right in saying that the cost of it was much more but that the manufacturers are themselves absorbing part of the cost and in return are deriving some revenue from the tickets sold at the different places? Could the Minister explain how this is going to work?

HON H J ZAMMITT:

Yes, Mr Chairman, we paid £2,500 on the signing of the contract, a further £7,500 on delivery and another £10,000 to be paid by December 1980.

We start recouping at 35% of takings for the first year; 30% on the second year; 20% on the third year; and 15% on the fourth year.

HON MAJOR R J PELIZA:

What I am trying to get at is, after having paid £24,400 what else have we got to pay the suppliers of the exhibition? Nothing else?

HON H J ZAMMITT:

Yes, a percentage of the entrance fee that will be charged.

HON MAJOR R J PELIZA:

This is precisely the point that I am getting at, because I think this is a very important matter. Could the Minister say how much it would have cost us had we paid for the lot? If we had paid the full amount, if we had asked the suppliers for the full cost of the figures, how much would that have come to?

MR CHAIRMAN:

In other words, what you are being asked to say is whether there has been a valuation as to the cost of the figures, or is the cost of the figures the £24,000-odd that we are voting for?

HON H J ZAMMITT:

After we have recouped the total amount of £24,000 ...

MR CHAIRMAN:

No, you are being asked why the supplier of these figures is being allowed to partake in the fees being charged. Is it because the value of the merchandise which they are providing is higher than the £24,400.

HON MAJOR R J PELIZA:

If the cost of those figures, say, were to be £50,000 and we had paid the full amount and there is no more owed to the suppliers, how much would it cost us?

HON H J ZAMMITT:

I do not know, Mr Chairman. What I can say is that the cost is £24,000 in a contract where they will refurbish the gowns, or make up, etc., but I do not know what the figures would cost totally if we had bought them and kept them ourselves.

HON MAJOR R J PELIZA:

Well, could the Minister, really, because this is a very important issue, because over a long period we may find that we may be paying quite a lot for those figures if they are going to get a percentage of the taking. This is what I am trying to get at. I know that perhaps the Minister has not got the information available, but it is a matter that I intend to pursue and perhaps the Minister could give me the full information in due course.

HON H J ZAMMITT:

I have just been told that it would be double the cost, £48,000.

HON MAJOR R J PELIZA:

About £50,000. Now we can work out over the years how much money ...

HON CHIEF MINISTER:

Half of this was paid in capital in three stages, and the other half is recouped by a share of the income. Once that is recouped the takings are all ours. After the first four or five years we will have to pay them for keeping the figures in a proper state and to maintain them.

HON MAJOR R J PELIZA:

Has the Government got an evaluation of the figures? How many are going to be provided? How much is each figure going to cost? £50,000 is a lot of money.

HON H J ZAMMITT:

I cannot give the amount that each figure is going to cost but

I can say what they consist of.

There is only one prehistoric animal which is a bear. In the Galleries there will be soldiers; in the Moorish Castle there will be dresses of Spanish and Moorish occupation and in the Cave prehistoric figures and a bear.

HON MAJOR R J PELIZA:

I fully understand that the Minister cannot give me the necessary details, particularly when he has not been involved, but I would very much appreciate if he could send me a note on this, giving me figures and so on, because I am very interested in this matter.

HON A T LODDO:

In the light of the expense, will these figures be insured against vandalism?

HON H J ZAMMITT:

I have no details on insurance.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Government does carry its own insurance.

HON CHIEF MINISTER:

I remember when we discussed this matter, steps were taken to make sure that they will be protected as much as possible, both from that and from damp and from vandalism.

Special Expenditure was agreed to.

(2) London Office was agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 25 - Trading Standards and Consumer Protection - Personal Emoluments were agreed to.

Other Charges were agreed to.

Special Expenditure was agreed to.

Head 26 - Treasury - Personal Emoluments.

HON J BOSSANO:

On the Economic, Planning and Statistics Office, Mr Chairman, will Government agree that if with time there were a need for a greater emphasis on the running of the economy of Gibraltar that this could inevitably mean that we would have to be looking at

the adequacy of the establishment in this section which I believe is already carrying a heavy load of work?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON MAJOR R J PELIZA:

Mr Chairman, I'm sorry, you were going so fast. I wanted to ask a question under Head 25. It is just informative more than anything else may I?

MR CHAIRMAN:

May I say this. I think I am not going too fast it is for Members to make sure that they put their question on time. These Estimates have been circulated for a long time now and I think Members should know what they wish to raise. However, if I am going too fast please let me know and I will accommodate.

HON MAJOR R J PELIZA:

I know what I wanted to do but it just didn't give me time to think. I looked under what Head it could be and I thought perhaps purchases would be the answer, but I understand that this Unit is now about to introduce the requirement that publicans have their glasses stamped with the quantity that they are supplying. Could we have some information on that?

HON A J CANEPA:

Yes, I do not mind giving information on a Head for which we have already voted expenditure for. Under the requirements of the Weights and Measures Ordinance, there is a need for the glasses which are used in licensed premises in Gibraltar to be tested and marked accordingly. Tested for measure and then marked with a stamp that certifies that they are correct. This became a requirement at the beginning of 1979 and the Consumer Protection Officer has been endeavouring to make it as easy as possible for the people concerned to comply with the requirements of the law.

HON MAJOR R J PELIZA:

Am I right in saying that this is rather difficult and costly for publicans to do this which will obviously add to the value of the drink, and is the suggestion that perhaps they could keep a measure in the place already marked and then use that as a test in case anyone had doubt?

HON A J CANEPA:

I can see, Mr Chairman, that the Licensed Victuallers are hogging themselves around every possible avenue on this matter. Not being satisfied with having seen the Consumer Protection Officer, having had a meeting with me on the matter where we

undertook to give them every possible facility, including if necessary passing on the cost to the consumer. If you think just on the case of prices, you have to protect the consumer by ensuring that he gets the right quantity. That he gets a pint of beer, expensive as it is, and not 19 fluid ounces.

Not satisfied with having seen the Chief Minister and had correspondence on the matter now the Hon Member is raising the matter in the House. They have suggested...

HON MAJOR R J PELIZA:

They have not seen me, Mr Chairman. I have heard about it and I have every right to introduce it in the House.

HON A J CANEPA:

Yes, but I have a right also to tell you the full facts of the matter. I could have stayed outside in the ante-Chamber and not answered the matter because the Hon Member had no right after a vote had been taken to raise the matter. Nevertheless I have come back into the Chamber to answer the matter and I think I have a right and a duty to explain publicly the history and the background of the matter. I do not consider, and certainly the Consumer Protection Officer does not consider either, and I agree with him, that it is sufficient to have displayed in a public bar a measure which someone drinking beer would have to ask for in order to pour the beer from his glass into that measure to satisfy himself that he has been given the right amount. That is not fair, that is just window dressing. That is not protection of the consumer.

HON MAJOR R J PELIZA:

First of all let me clear the point, that no one has approached me. I have only heard of this and as a member of the House to introduce any matter. It seemed as if the Minister were rather annoyed.

MR CHAIRMAN:

Right, we go on with the Treasury.

HON H J ZAMMIT:

Mr Chairman, before we go into that I have been able to find the details that the Honourable Member wanted with regard to the special expenditure on historical exhibition which the Hon and Gallant Major Peliza wants to know.

I have it that the exhibition is to be installed during May or June 1980 and will consist of the following: The Galleries - two soldiers, the second niche - three figures; the third niche - two gunners and one officer; Moorish Castle - 22 figures; St Michael's Cave - 8 prehistoric men and one bear, bringing a grand total of 38 figures plus one bear.

MR CHAIRMAN:

I believe the Hon the Attorney General wishes to give some information to the House.

HON ATTORNEY GENERAL:

Thank you, Mr Chairman. If I could answer two matters that I said I would look into.

First I will deal with the question by the Hon Major Peliza on the question of the extra cost of servicing the wirelesses in the Police Estimates. The answer I gave before was in fact correct. The position is that in the past they have been serviced by the UK company without charging a fee. When I said they had been serviced, minor work or any work that can be done here is in fact done at the police station by the men employed for the purpose, but some work has to go back to the UK. As I said before what happened is that they were no longer able to provide that service free. So now we have to provide expenditure to meet it. It is expensive but there again, the repair of wireless equipment is an expensive matter.

HON MAJOR R J PELIZA:

The Hon Member said that it had to be serviced in the UK but some was done here by the Police. Has the Honourable Member found out if there is any electronic dealer or repairer who might be able to do it here at a lesser cost.

HON ATTORNEY GENERAL:

Mr Chairman, I will look into it but my understanding is that the equipment concerned is very specialised equipment and there are good reasons for going to the manufacturer in the UK, but I will check the point.

By your leave, Mr Chairman, if I can return to the Secretariat Estimates and the question of the provision of the division of the rentals between offices and flats. Of the figure of approximately £95,000 the estimated division is £10,000 towards the rental of offices, and £85,000 towards the rental of flats. The reason I say "estimated" is because there is an element of an estimate in it. The building at No 5 Secretary's Lane consists both of flats and offices and therefore it is necessary to reach some apportionment as to the respective parts of the rental.

MR CHAIRMAN:

Right. Treasury, now.

HON P J ISOLA:

I think the Hon Mr Bossano asked about the Economic Planning and Statistics office. I think the question was did Government have any plans to increase the establishment. I thought

I heard the FDS saying, yes?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the Hon Leader of the Opposition may have misheard Mr Bossano. My understanding was that the Honourable Mr Bossano said that if there were a proven need to increase the staff, and it seemed that they were very heavily engaged at the moment, by other planning purposes would we consider increasing staff, and I said, yes, Sir.

HON J BOSSANO:

I said actually that if we were going to put more emphasis on economic planning probably this is where the burden of the work is going to fall. My understanding of the situation is that the Unit is already fully loaded and therefore the Government in the light of doing that, does no good accepting the principle of the policy and then finding that they cannot be fulfilled.

HON P J ISOLA:

What I am asking is, has the Government got plans for further economic planning in order to increase this. Are there plans for this? Otherwise, I would have thought that it would be in the Estimates. There would be provision for more planners, or is it that the Hon Mr Bossano has quietly told the Government, or is about to tell them his economic plan.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, the number of officers who we have at the moment in the Economic Planning Unit can, with a bit of difficulty, cope with the work which they are doing because they do both planning and statistics. It is quite clear that as we are widening our planning field; we are having a Port study, the input/output study; we may be having other studies in the context of an open frontier situation. It may mean that we need additional planning staff. If we do then we will get them.

HON MAJOR R J FELIZA:

We must take care that we do not have too many planners and no doers!

HON G T RESTANO:

Is the quota of five, the full complement for the operation of the Computer once it is fully operational?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, but I think that one must look at No 23 under the Establishment, Data Processors 7. Those are the Processors on the NCR Machines at the moment and they are progressively

being trained in computer work, and as the computer takes over and the NCR machines can be cut down they will go in the Computer Room.

HON G T RESTANO:

There is provision for the Computer Manager's job eventually going to a local person?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman, we are in the process of appointing the Higher Executive Officer who will understudy the Computer Manager.

HON P J ISOLA:

When he actually becomes Computer Manager will he be a Senior Executive Officer or will he stay as a Higher Executive Officer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

His grade will be Higher Executive Officer whilst he is understudying the Computer Manager.

HON P J ISOLA:

And when the Computer Manager disappears will he become a Senior Executive Officer and will we then have a Higher Executive Officer as well and an Executive Officer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

This will be a matter for the Staff Inspectors to have a look at. It will depend very much on the amount which we have got on to the computer at the time and how big a workforce and workload there is.

HON J BOSSANO:

Could I ask the Hon Member how many hours we are now working the Computer?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Last time I inspected the computer, Mr Chairman, we were working it normal working hours and I did discuss with the Computer Manager whether or not we should not try and get at least a double shift out of it but part of the difficulty is that the people being trained are ladies and I believe that a late shift work is not very popular with them. I will find out what the latest situation is and let the Honourable Member know.

HON J BOSSANO:

I take it that the Government accepts that the rational way in which to use expensive equipment like a computer is not to have it idle sixteen hours a day and working eight. It is the normal practice to use it intensively.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Yes, Sir.

Personal Emoluments were agreed to.

Other Charges.

HON MAJOR R J PELIZA:

A very important item in the days that we are living in! Sub-head 8, Care of Apes! I notice that we have increased the amount by £700. Is that enough to ensure that they are going to be with us for the next few years?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

All I am aware is that their Union put in a claim for this amount, that there has been agreement reached and they now get £65 per ape per annum!

HON MAJOR R J PELIZA:

Could the House be informed if we still have two packs? What is the population of the apes?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The estimate is for 35 apes. The point is that they are not all on the ration strength. We provide food for 34 apes but there are others who come in.

HON MAJOR R J PELIZA:

Contribution to Gibraltar Government Insurance Stamps. We heard before that the Government insured itself. Could the Hon Financial and Development Secretary explain how this is done? Because I see the amount is always the same, £20,000.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, about 1957 the Government was advised by the then Colonial Office, now defunct and substituted by the Foreign Office, that it was best not to insure but to run one's own insurance fund and we began to set up a fund and pay in a regular amount each year. The figure now stand at just under £400,000. However, the value of the Government Estate is far higher than this and so my predecessor started off an exercise of looking as to whether or not the time had not come when we should get extra advice on the insurance of the Govern-

ment Estate. We pursued this and early in May an expert on insurance is coming out to advise us on this subject and I shall have more to say about it when we have got his advice and we have proposals to put to the House.

HON MAJOR R J PELIZA:

Thank you very much, Mr Chairman.

HON A J HAYNES:

Do I understand that Government does not avail itself of the facilities of re-insurance.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, that is a very good question and it gives me the opportunity to say that the gentleman who is coming out to advise us is an expert in re-insurance.

HON MAJOR R J PELIZA:

Mr Chairman, I don't know whether subvention is the one we are just going to put to the vote or whether it is another one.

MR CHAIRMAN:

It is another one.

HON J BOSSANO:

On the insurance vote I take it that one of the things that will be looked at in this context is the possible difference in the ownership of houses. If the Government has announced earlier on that it was coming up with a new housing purchase scheme which they hope to be more successful with then clearly the insurance would be limited to those that are not sold.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, that is so.

I would also like to correct a mistake that I made when I said that the Government carries its own insurance risks. We are required to insure for third party risks on road vehicles and we do so by law. We do so and the cost in the year ending 31 March 1979 was slightly over £5,000.

Other Charges were agreed to.

Subventions.

HON MAJOR R J PELIZA:

The contribution to the GBC. I wonder if we have any news of what is going to happen with regard to the broadcasting of meetings of this House both by television and radio. Can the

Chief Minister say what is the state of play?

HON CHIEF MINISTER:

We have a letter which was sent by the General Manager of GBC to the Leader of the Opposition, perhaps the Fon and Gallant member has not had time to speak to him since his arrival, and myself stating that on the completion of their transfer to Mercury House, hopefully next June, he was already doing a study in order to make proposals to discuss the matter further.

HON MAJOR R J PELIZA:

In the meantime would the Hon the Chief Minister consider setting up a Committee to consider how things will operate so that when the station is ready to broadcast there will be no further delay from the point of view of this House as to how it should be done. Could he produce something concurrently.

HON CHIEF MINISTER:

I think that whatever is done must be done by the House, this is not a Government measure. It must be done as a whole. What we must know is the facilities that they can offer, and the cost that is going to be incurred. When these are identified then, of course, either a Select Committee or a Committee of the House specially set up for the purpose will be appointed to discuss the matter.

HON MAJOR R J PELIZA:

What I am suggesting is couldn't the Committee be appointed before that is done, so that a lot of spade work is done as to the general view of the members ...

MR CHAIRMAN:

May I interrupt. I did say when there was a question earlier on that I had received a letter from the General Manager of the GBC saying that they will be in a position to give the service to the House if it so required. I did say that I would circularise a letter to both the Chief Minister and the Leader of the Opposition. I have done that and it is our intention, and I did suggest that the three of us should meet to decide how to go about this one. Once we have held that meeting perhaps the Chief Minister and the Leader of the Opposition will report to the House.

HON MAJOR R J PELIZA:

Would it be possible to have a meeting fairly early, Mr Chairman.

MR CHAIRMAN:

When one considers the fact that the letter was received less than two weeks ago, and that I have had to circularise it, I

do not think that the matter is being delayed unduly. We will meet as soon as possible and the matter will not be delayed.

HON MAJOR R J PELIZA:

My concern, Mr Chairman, is that I think this is very desirable, that this should happen, and I would not like to see delays because once everything is ready from the technical side the political views of this House have not been decided and we are not then in a position to make a fairly quick decision.

MR CHAIRMAN:

It is a matter for the Chief Minister and the Leader of the Opposition to say when they want to meet and the matter will then be dealt with.

HON P J ISOLA:

I would think that that matter could be dealt with by the Standing Rules Committee of the House.

MR CHAIRMAN:

I could have suggested that but in the first instance what I suggest is that it is only right that the matter should be discussed between the Leader of the House and the Leader of the Opposition to decide how best to go about this one. If it is the wish of the Leader of the House and the Leader of the Opposition that a Select Committee should be appointed or a Standing Committee of the House should deal with this that will then be done.

HON P J ISOLA:

I would have thought that, Mr Chairman, if the principle is accepted then it is a question of how one works it into the procedures of the House and I would have thought that the Standing Rules Committee could deal with this.

MR CHAIRMAN:

With due respect to the Leader of the Opposition I was not going to presume that the principle itself was accepted. I had to get the feelings of both the Leader of the House and the Leader of the Opposition before I presumed this.

HON P J ISOLA:

I appreciate that and it is certainly accepted on this side of the House.

Could I ask, on the GBC, television licences, the revenue from that. Can I ask what the revenue was in 1978/79 and what it was in 1979/80? Can I also ask whether that revenue comes into Government and then forms part of a subvention, or whether it is passed immediately to GBC?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, it is shown under revenue - Head 4, Item 5, Wireless, £36,264 was the actual revenue for 1976/79; the revised estimate 1979/80 was £94,000; and the estimate 1980/81 is £95,000.

HON P J ISOLA:

The increase was 300% as far as colour television is concerned. Is that the revenue figure that would be expected as a result of that increase? This is just a matter of interest before I go to my next question. It went from £6 to £20.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have just got a revised figure which we have just worked out and it is £100,000. The answer is that I do not think we are collecting all we should collect in television licences and I know that the Minister for Postal Services was discussing the question of how one can get equipment to trace people who are using television sets without a licence.

HON P J ISOLA:

Can I ask, Mr Chairman. That money comes into the Government, and then the Government gives a subvention. The subvention here does or does not include the revenue from television licences.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We receive £100,000 and we give £550,000. All the money we get we put in this pocket and we put the £100,000, and then out of that we take £550,000 and hand it over.

HON P J ISOLA:

I will tell you why I asked this. I am afraid I was slightly misled when I asked in the Estimates why it was that there had been a drop in the subvention, and the Chief Minister said ... Right now, there is a drop in the subvention of £100,000 in the contribution to the GBC.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

In fact, the Revised Estimate is £655,700 and the actual is £550,000. The reason for that is the 1979/80 figure contains £250,000 back pay for two years which was paid out after the analogues and salaries had been settled for the GBC staff.

HON P J ISOLA:

Therefore, if it is £250,000 back pay, then the increase next year is quite enormous in terms of current expenditure.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That figure was a two-year increase so you can knock off there £100,000 for one year, and that leaves you with £125,000. The increase is not as large as one would think. The new figure 1980/81 takes in the 1979 pay award.

HON P J ISOLA:

Yes, I appreciate that, but it is slightly misleading looking at the figures. In fact there is an increase in the subvention. Could I ask as far as colour television is concerned, what is the reason for maintaining this vote, dividing it into two votes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason for this is that we have an agreement with a company to pay by instalments over a five-year period for the equipment that we required and we get it at a very low rate, 7½% export credit guarantee rate.

The amount is made up, if the Hon Leader of the Opposition is interested, of £278,600 this year; £106,000 which is paid towards the renovation of the new premises; £25,000 fees for the architects; £6,264 fees for the Quantity Surveyor. The payment to Link, which are the persons from whom we are buying the equipment on a five-year purchase, is an amortised amount of £81,372; bank charges are £200 and there is a balance to Link for a previous amount and the whole lot comes to the amount in the Estimates.

HON P J ISOLA:

So this figure will disappear in a matter of three years.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir.

HON CHIEF MINISTER:

This is the purchase of the equipment; the installation of the building and setting it off.

HON MAJOR R J PELIZA:

The Mackintosh Hall.

I always bring this to the notice of the House every year and I intend to do so for as long as I am in this House because I do believe that it is very, very wrong that at Election time the Mackintosh Hall refuses to allow any meeting of the candidates participating in the Election to take place there. I do not know whether the Minister has made further representations on this. I know he is not here so it is very difficult I suppose to get an answer. I understand that the present Minister cannot give me an indication as to what the views are at the

present. I imagine he must have known I would bring it up.

HON CHIEF MINISTER:

I can assure the Hon and Gallant Member that I have thought of nothing but that since last year!

HON MAJOR R J FELIZA:

If nothing has been done!

HON CHIEF MINISTER:

No, very much the opposite, I have said that I have done nothing but think of that since last year.

HON MAJOR R J FELIZA:

Oh, well, that is very good of the Chief Minister but obviously he is not very influential because he has not changed anything at all.

HON CHIEF MINISTER:

And I do not propose to so long as the Committee do not want to.

HON MAJOR R J FELIZA:

Therefore, Mr Chairman, he is only thinking and not doing. Therefore, I do propose to reduce Subhead 33 by £1 as a sign of protest.

Mr Chairman then put the question in the terms of the above amendment and on a vote being taken the following Hon Members voted in favour:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon E K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Pérez
The Hon Dr K G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecassis
The Hon Major F J Dellipiani

The amendment was accordingly defeated.

HON MAJOR R J PELIZA:

I hope the matter can be brought to the notice of the Board somehow.

The other point is Subhead 35. Contribution to the Gibraltar Regiment.

I wonder if the Hon the Chief Minister can give us some indication of what the position is with regard to pay and other matters connected with the Regiment. I think he usually makes a statement.

HON CHIEF MINISTER:

I make a report every year. When the Deputy Fortress Commander submits the report of the Commanding Officer, I make a report to the House. This is not done at Budget time.

HON MAJOR R J PELIZA:

If he has any information on the Regiment, could he possibly give it?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The amount of £16,000 is made up of £3,500 annual contribution; £7,000 for the Reserve of Officers, £50 for the Commanding Officer, £50 for the Sports Fund and £225 for adventure training, which comes to £10,825. The balance is made up of a Bounty increase. The Reserve of Officers in the UK had a Bounty increase of £300 per officer and under the arrangements that we have come to with MOD we undertook to meet 75% of the cost of such Bounties here, and our share for the officers is just over £5,000. We do not pay for any of the amount of the Bounty of the other ranks.

HON MAJOR R J PELIZA:

What I was after really on that note was something else. I can see I am not going to get it and I shall have to try another way.

Subvention was agreed to.

Head 27 1980 Pay Settlement

HON J BOSSANO:

Mr Chairman, could I ask the Hon Financial and Development

Secretary whether he has got figures to show what is the total salaries and wages bill at the moment and if possible split this between industrials and non-industrials to give an indication of what the overall cost in percentage terms of existing wages and salaries is expected to be.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The total wages and salaries bill is £17,348,000; the non-industrial total is £10,907,000, and the industrial total bill is £6,441,000.

HON J BOSSANO:

I am correct in thinking, Mr Chairman, that the cost of the settlement means specifically the cost of any new money negotiated and not the fact that if this is the actual cost in 1978/79 the cost in 1980/81 would be higher even without a settlement because of the staging of the 1979 settlement. Have I made myself clear?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, this is a notional figure which we put in and it is based on 10% for the whole year and 12½% for everyone from 1 July. What the exact amounts will be in percentages, and what the savings will be, we have no idea at the moment. We had to put in a figure and we chose this figure. For every 1% increase on that 10% the net cost to the Government will be about £50,000.

HON J BOSSANO:

That was not quite the point that I was making, Mr Chairman. What I was saying was that if this is the existing cost of the wages and salaries bill for 1979/80, then the actual wages and salaries bill in 1980/81, without a wage increase, would be higher because the last stage for industrials only came in April.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The amount that was brought in in April has been included in the Estimates.

HON J BOSSANO:

In the Estimates and not in the settlement?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes.

Head 27 was agreed to.

New Head 28

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that the draft estimates be amended by the inclusion of £1,575,000 under a new Head of Expenditure, Head 28 - Contribution to Funded Services, with the consequential amendments to the estimates. The sum of £1,575,000 is made up as follows:-

	£
Subhead 1 Electricity Undertaking Fund	255,000
Subhead 2 Potable Water Service Fund	610,000
Subhead 3 Housing Fund	700,000
	<hr/>
	1,575,000

The contributions give effect to Government's stated policy for 1980/81 on the Funded Services.

MR CHAIRMAN:

Gentlemen, this has already been the subject matter of discussion, do you wish me to propose the question and debate it or do you wish me to put the question.

HON P J ISOLA:

Mr Chairman, I shall want to make a short statement.

MR CHAIRMAN:

You can do that by all means.

HON P J ISOLA:

I wish to say, Sir, that as far as the Opposition is concerned we shall be abstaining on this vote because we feel that the subvention should be greater. We have already spoken in the general debate on this and I will not therefore say any more.

Mr Chairman then put the question in the terms of the Financial and Development Secretary's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members abstained:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola

The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani

The amendment was accordingly passed.

New Head 28 was passed.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that pages 109 to 112 of the printed Estimates in respect of the accounts of the Electricity Undertaking Fund, the Potable Water Service Fund, the Telephone Service Fund and the Housing Fund be replaced by the revised accounts which had been circulated to Hon Members earlier.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and the amendment was accordingly passed.

The Committee recessed at 7.55 pm.

THURSDAY THE 24TH APRIL, 1980

The Committee resumed at 10.45 am.

MR CHAIRMAN:

Gentlemen, yesterday we finished the different heads: now we go to the Improvement and Development Fund, which is detailed at page 95 of the Draft Estimates.

Improvement and Development Fund, Head 101 - Housing

HON W T SCOTT:

Mr Chairman, in question 13 of 1980, the Hon the Leader of the Opposition asked for a breakdown, Head by Head, of the amount spent in the I&D Fund from 101 to 112.

It happens on every subhead. It appears that the difference in totals in one month, that is the month of March, an extra £881,000 has been spent.

HON M K FEATHERSTONE:

Yes, Sir. If the Hon Member will remember I stated yesterday that on all the Heads which I control, and this excepts Telephones and Electricity, we spent £745,000. The balance is obviously made up in Electricity and Telephone spending. So we did spend the £800,000 in the month.

HON W T SCOTT:

And yet, in Head 102, the Schools, there is a £3,600 shortfall from the money voted last month. In Head 102 the figure given is £425,656 whereas £429,284 was mentioned as having been spent by the end of February of this year.

HON M K FEATHERSTONE:

The actual figure spent is £442,879. This is the total to the end of the year.

You will remember that the figures that are given by the Hon the Financial and Development Secretary are given to him from the Public Works Department and are to some extent estimates till the end of the year. These are the actual figures completely correct.

HON W T SCOTT:

Would the Hon Minister for Public Works care to repeat that figure?

HON M K FEATHERSTONE:

£442,879. If you would like a breakdown I can give it as well.

HON G T RESTANO:

When is the work on the pitched roofs at Varyl Begg going to commence?

HON M K FEATHERSTONE:

I think we have stated on more than one occasion: in the spring, and the spring ends on 20 June. We hope that before that date we will have started work on them.

HON A J HAYNES:

How many units do they estimate they will finish in this coming year?

HON M K FEATHERSTONE:

In this present year we should finish approximately 83 new and modernised houses.

HON W T SCOTT:

Mr Chairman, in subhead 5 where the modernisation is obviously mentioned as job numbers rather than districts or addresses etc, would the Honourable Minister, if not now in the ante-Chamber or at some subsequent stage, please identify these job numbers?

HON M K FEATHERSTONE:

Yes, I shall be happy to meet the Hon Member in the ante-Chamber and I can give him a complete list of all modernisation for his edification.

HON A J HAYNES:

When the Minister said that there would be 83 houses finished by the end of this year, does that mean that some were going to be taken away from the full proposal. "During the financial year we hope to finalise the construction of 66 units and to commence work on a further 150 units for completion by 1982", this is a quote in his speech. What I would like to know is whether the total sum to be completed by 1982 is going to be altered or whether it is just going to be some units finished earlier than planned.

HON M K FEATHERSTONE:

What we hope to finish this year is 83, and what we hope to make a start on this year is 154. I should hope that 154 will be finished by 1982. That does not mean that we will not start on more in 1981.

HON A J HAYNES:

Does that mean that the Opposition were right to ask the Government to do more houses?

HON M K FEATHERSTONE:

No, the Government is well aware of the need for housing and it is at all times looking into the possibilities of creating and building more housing, but there are first, constraints on money and, second, constraints of where to put the housing.

HON A J HAYNES:

Then why did Government resist an amendment to a motion to make more houses?

HON M K FEATHERSTONE:

Government has plans for considerably more housing; plans for some 200-odd houses, but we cannot do it all at once. We have not the labour force to do it and we have not got the money to pay for it. It has to be phased over a period.

If the Opposition can suddenly find a gold mine that provides £25m in one year then perhaps we might be able to do it.

HON G T RESTANO:

Can we have details of the works to be done at the Gas Works?

HON M K FEATHERSTONE:

Yes, Sir, the Gas Works area basically in this present year, the £75,000 is provision of services. We have plans for altogether some 150 houses at Gas Works. This will be done in phases. The first phase which will probably start next year will be 38 houses, but before we can do anything we have to put the roads down, do the ducting for the electricity, etc, and the money this year is going to be for the provision of services.

HON G T RESTANO:

As far as St Joseph's is concerned, I take it that also will be in phases?

HON M K FEATHERSTONE:

No, St Joseph's is a single operation. The tender has been granted and they are starting work on 4 May.

HON P J ISOLA:

What is the time within which the development is expected to be completed?

HON M K FEATHERSTONE:

Two years.

HON P J ISOLA:

How is that, if during 1980/81 £627,000, most of the money, is going to be spent in 1980/81, how can that be?

HON M K FEATHERSTONE:

Are we talking of St Joseph's? Because St Joseph's is £700,000 this year, and £1.3m next year.

HON G T RESTANO:

How many units will be provided? And how many bedsitters?

HON M K FEATHERSTONE:

St Joseph is 50 units. Off-hand I cannot say how many bedsitters but I think it is a fairly high proportion, about 16 to 18. The cost of flats are running around £40,000 at the moment.

HON MAJOR R J PELIZA:

How does this compare with building in other places?

HON M K FEATHERSTONE:

Some 30%/40% higher. We have investigated very carefully, we have pressed the contractors to see if they can sharpen their

pencils but they come back, even after sharpening their pencils, with a figure which, to some extent, is considerably higher than we have estimated. That is why this year the Public Works Department is going to go into some building themselves. As I have said we are going to do the building at Catalan Bay and we are going to do a modernisation scheme. This will give us some idea to assess the rates at which certain jobs should be costed so that we have a better yardstick to check on the rates given to us by the private contractors.

HON MAJOR R J PELIZA:

Has the Minister found out to what this excessive extra is attributed to? Is it labour; is it material or a combination of both, what is it?

HON M K FEATHERSTONE:

It is a combination of both.

HON W T SCOTT:

I hope that the Honourable Member, when the Public Works Department comes to undertake the modernisation, that the inherent cost in overheads will also be brought into line as the contractors themselves have this to bear in mind when preparing tenders.

HON M K FEATHERSTONE:

That is part of the idea. Once we have done a job ourselves we will have a very good yardstick so that we can then measure up more accurately the quotations in tenders, and say from our experience, this is far too high etc, and have a stronger weapon against them to tell them to sharpen their pencils.

HON MAJOR R J PELIZA:

Is it a fact that once upon a time the PWD used to do the buildings direct and then they found that it was more expensive than doing it by contract. Is that a fact?

HON M K FEATHERSTONE:

I think very many years' ago, what was then known as the Lands and Works Department, did do a fair measure of building, but I do not think that they went out because they were too expensive. I think it was labour constraints.

HON MAJOR R J PELIZA:

In the decision to do this, has the Minister had already an assessment from his technical department that the possibilities are that they will be less costly?

HON M K FEATHERSTONE:

We have every confidence that we will be able to do it at a

lower price than the constructors are charging us.

HON W T SCOTT:

I also hope that the Hon Minister is aware that if the Public Works Department undertake jobs themselves there is no degree of protection as with contractors over retaining fees etc. with the Government itself.

HON M K FEATHERSTONE:

I am not quite sure what you mean by protection. I think if you mean a guarantee, up to now the Public Works Department standard has always been very high and I think the inherent guarantee, since we are the people who check basically on contractors' works, must be operative against ourselves as well.

HON J BOSSANO:

Do I take it that the Government will be considering doing more work from direct labour if the initial steps that are being taken prove to be successful as anticipated?

HON M K FEATHERSTONE:

Yes, Sir. If we find that we are successful we will obviously take on more jobs, even if this means expanding the labour force.

HON P J ISOLA:

But I hope that the criterion will be efficient performance and savings in costs.

Mr Chairman, may I go to Varyl Begg. As far as the Varyl Begg Estate is concerned roofs are to be repaired. I am not quite clear where the money is in this Estimate for the repairs of the roofs? Is it there?

HON M K FEATHERSTONE:

No, Sir, we have not provided anything in these Estimates for the repairs of the roofs, that, at the moment, as I have already said, is a matter for negotiation between the contractors and the consultants. Whether the Government comes into any financing of that is still a matter to be decided.

HON P J ISOLA:

I appreciate that, but does the Minister know what the cost of repairing the roofs is going to be?

HON M K FEATHERSTONE:

We do not know the cost but we have had from our own consultants a general idea, and it would be approximately £900,000 to £1m.

HON P J ISOLA:

Can I ask the Minister then how can he say that work will commence in June if there is no provision for the money, and if the contractors and the consultants do not agree between themselves. How can he say the work will commence in June? Who is going to pay and who is going to do the work?

HON M K FEATHERSTONE:

We are only repeating what the contractors and consultants have already intimated to us, that they hope to come to an agreement and have work started in the spring.

HON P J ISOLA:

Are these the intimations put in the press in January this year, or are they more recent?

HON M K FEATHERSTONE:

I would think that has been stated in this House on more than one occasion.

HON P J ISOLA:

But, Mr Chairman, this is why I ask. Certainly my recollection of what I heard in this House and what I had read in Government statements, is, and what was said by the Government is that work will commence in June. There was not the qualification in those statements "provided the consultants and contractors agreed". Because if that is the position are we not back to square one?

HON M K FEATHERSTONE:

I would say that the Government's position would be that if there were no agreements in the negotiations we would come for a supplementary and start ourselves. But that to some extent, is sub-judice and I cannot go very much further on it.

HON P J ISOLA:

We do not think it is sub-judice, I do not think any proceedings have been issued or any arbitration has commenced, but what I am saying is that is it the position of the Government that work will commence in June, whether the contractors agree or not. Or is the Varyl Begg State going to have to wait until there is agreement for work to commence. I think we should have a clear statement on this.

HON ATTORNEY GENERAL:

The position is that if the plans for the work have been prepared and are being costed, and the intention is to go into negotiation with the contractor and the consultant once that process has been completed, and the intended time-table is to proceed to work in June, Mr Chairman, obviously we would like to get agreement on the costs before then. When I answered the

Question in the House in March this year I did not intend to indicate that progress on the work would be conditional necessarily on the cost question being resolved with the contractor and the consultant. The matter is - perhaps sub-judice is not the word - at a stage where, I hope the Honourable Member will appreciate, it is not easy to say too much of what our position will be, but I think I may have answered his question in what I have said. When I gave my answer I did not intend to indicate that the whole matter was necessarily conditional on agreement being reached with the other parties.

MR CHAIRMAN:

Well I think that to the extent that we are voting monies, you are entitled to ask whether it is necessary to vote monies for the purposes of ensuring that the works are going to be commenced in June, but you must not go into the whole question of the present situation of the claim against either of the consultants or the contractors.

HON P J ISOLA:

The only thing I would like to say at this stage is that this is a very different statement being made today than was made before the election, immediately after the election and in this House very recently. It is a very different statement. It seems to me that work on Varyl Begg roofs may well not commence in June and I will not make any other comment. All I ask the Government is that action should be taken, and soon, on this otherwise I can see long delays.

HON ATTORNEY GENERAL:

Mr Chairman, I cannot agree that the statement I have just made now is very different from what I have said in this House in March. Could he show me in which way it was different?

HON P J ISOLA:

I was not referring to the statement of the Hon and Learned the Attorney General. I was referring to other statements.

MR CHAIRMAN:

Is the Hon the Leader of the Opposition saying that assurances have been given in this House that the remedial works would commence by June and that from what he has heard this morning it may well be that this is not so. Is that correct?

HON P J ISOLA:

Yes, Sir, that is correct.

It is a very different picture being presented at the moment. Anyway, I am not blaming the Hon and Learned the Attorney General for it, I think he has been a model of consistency on this. It is others that I am referring to.

Could I ask as far as the Varyl Begg Estate is concerned, I notice that there is £990,000 to complete. What is that?

HON M K FEATHERSTONE:

If the Hon Member will remember I commented that we have put in a figure of about £1m. for Varyl Begg in the last two years of estimates. These are mainly ex-gratia claims and we have thought it best to leave them in there to see if we do deal with them, but it is not definite that we are going to have to pay this money.

HON G T RESTANO:

Mr Chairman, is the \$350,000 for Catalan Bay only for the twelve flats?

HON M K FEATHERSTONE:

No, Sir, that is for the first phase of twelve units, the second phase will follow thereafter.

HON G T RESTANO:

If I understood the Minister correctly, he said that Catalan Bay was going to be done by the Public Works Department. I think it is the only new project of the Public Works Department other than modernisation?

HON M K FEATHERSTONE:

Yes.

HON G T RESTANO:

If this is a reflection on the type of work that is going to be done by the Public Works Department it is not a very good reflection, because the project is £350,000, and can the Minister say why only £50,000 is going to be spent this year?

HON M K FEATHERSTONE:

As we said, we will not be starting until possibly September or October and the rate of progress in building starts rather slowly and then builds up as you go along. This has been the estimate for the first six months of operation. The second and third part, when you are bringing in window frames etc. which are all material expenses, your rate of expenditure increases considerably. This we have found with every other project that we have dealt with.

HON G T RESTANO:

Why only start in September?

HON M K FEATHERSTONE:

Because we have to do the plans, the detailed working drawings, the Quantity Surveyors' work, and all that will take us up to September.

HON G T RESTANO:

Surely, Mr Chairman, the Government should have had that ready by now. We have been on Catalan Bay now for about two years. What has been the delay?

HON M K FEATHERSTONE:

I think the Government has only agreed to build these twelve flats in Catalan Bay in the last four months and there is no delay at all. I repeat my invitation: If Members would like to come to my Department and see the amount of work involved in producing working drawings etc they will realise that it is not done in five minutes.

HON F J ISOLA:

Were not the plans of the Catalan Bay development shown to the Catalan Bay villagers in the meetings of his governing party.

HON M K FEATHERSTONE:

The preliminary drawing was shown to them.

I think the Honourable Member, in his own private business where he has to deal with firms that do build, knows that it does take a considerable time from a preliminary drawing to the laying of the first brick.

HON G T RESTANO:

Backlog of Heavy Maintenance. Can we have a breakdown of the figure that is going to be spent this year?

HON M K FEATHERSTONE:

The backlog of heavy maintenance is, I will not say a cockshy figure, but there is so much heavy maintenance to be done all round the town that we shall have to take each one as it comes and cost it, and the total that we think that we can manage in the year is around £679,000.

As I say, this to some extent is a little bit of a cockshy. If we can do more I shall be coming back here for supplementaries, and I would give you an idea that last year we had estimated £155,000 and we actually spent £257,000.

This is a continuing and on-going project and you cannot quantify at this stage to the exact penny what it is going to cost.

HON G T RESTANO:

Right, Mr Chairman, but can we have an indication of what type of projects are included here?

HON M K FEATHERSTONE:

Yes, for example, the painting of buildings; the repairing of roofs, gutterings; all sorts of jobs like that. The real heavy maintenance. For example the latest big example of heavy maintenance that we have done has been the work on the Tower Blocks where we have been water-proofing the walls.

HON MAJOR R J PELIZA:

Is this being done with the small labour force that has now been released for the small maintenance in the Housing?

HON M K FEATHERSTONE:

No, this will be done. Not being done: will be done.

HON MAJOR R J PELIZA:

I hope they will be more productive than they proved to be in the small one.

HON M K FEATHERSTONE:

We find that where men tend to work in groups and gangs the production is considerably higher than when they are left to do it on their own.

Head 101 was agreed to.

Head 102 - Schools.

MR CHAIRMAN:

I think the Minister for Public Works has an amendment and perhaps he would move it now.

HON M K FEATHERSTONE:

Mr Chairman, I beg to move that Head 102 be amended by the inclusion of the sum of £4,000 under a new Subhead 3 - Site Investigations - Bayside, with the consequential amendments to the Estimates.

The idea of the funds, Sir, is to do a site investigation for an extension to Bayside School and this extension will release an area which, at the moment, is used as small classrooms which can then be turned into bedsitters.

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

HON P J ISCLA:

Could I remind the Minister of the statement he has just made with regard to the Catalan Bay buildings, in which he said that at the first year of building its progress is slow and there was very little done. Could I ask him how that fits in with the proposed expenditure on the Comprehensive School with a cost of £2½m in the year coming ahead and what is the exact position as far as that School is concerned in relation to work on the ground today.

HON M K FEATHERSTONE:

The contractors are moving into site. They started moving in about a week ago and are getting their materials prepared to do the first part of the work which, I understand, is going to be a wall along the site on the sea front.

HON P J ISCLA:

Could I ask the question that I asked last year at the Budget, and which I got a reply to in June last year. When will the first brick be laid?

HON M K FEATHERSTONE:

I would not like to say when the first brick is going to be laid, Sir. As I said the first part of the job is the actual building of the sea wall and I think they are starting on that very early. I should think they should start laying the first brick in approximately two to three months. They obviously have to dig foundations etc and prepare many other things before they are actually laying bricks. We may have a ceremony when we lay our foundation stone and we will invite the Hon Leader of the Opposition to it.

HON P J ISCLA:

I thank the Honourable Member, I would very much like to be at the ceremony because seeing is believing in this instance! But, how is it expected that £2.5m. is going to be spent this year if the first brick is not to be laid until July?

HON M K FEATHERSTONE:

The contractors, Sir, are confident that they will spend more than £2.5m. We have actually scaled down the figures they gave us. A considerable amount of the materials to be used are pre-cast concrete blocks etc, and they are hoping that they will meet this figure quite comfortably.

I understand, Sir, that work has already started and there will be no bricks at all, they will be artificial and stone blocks.

HON P J ISCLA:

I must say I am not impressed by the knowledge shown by the Minister who is telling us about a brick only a few minutes ago.

I notice the Varyl Begg Estate First School had taken three years to complete. I am just wondering whether the Department and the contractors are not being unduly optimistic.

HON M K FEATHERSTONE:

I would not say that it has taken three years, Sir. I think it is taking about two years and three months from start to finish and it should finish around October/November this year.

HON P J ISOLA:

Yes, but judging from the expenditure it looks three years: £85,000 to 31 March; £190,000 in the current year; and £246,000 next year. What seems to be a considerably smaller project seems to have taken around three years.

HON M K FEATHERSTONE:

The £65,000 includes some of the initial fees, etc. That is about six months' work; then you have the twelve months of the year and then about 6 or 7 months this year.

Head 102 was agreed to.

Head 103 - Tourist Development.

HON P J ISOLA:

Has the Government determined where the Airport Terminal is going. Has the project been put out to tender? Are plans ready? Could we have information? It seems a small amount is going to be spent this year.

HON M K FEATHERSTONE:

Yes, Sir. The Government has determined where it is going. It is going to the north side of the present airport, using and remodelling the present entrance hall and extending it into the northern area where at the moment there is a car park. The working drawings are being prepared and it is hoped it will go out to tender in June/July with work starting in about September/October.

HON P J ISOLA:

Could not this particular development be accelerated considerably bearing in mind that there is going to be increased air traffic to Gibraltar during this summer and it is bound to increase next year. Isn't it something that should be dealt with with rather more urgency? Is it so difficult to produce the plans quickly?

HON M K FEATHERSTONE:

I think the working drawings are just about completed. The Quantity Surveyors' work will now start. That is about a six-

week job. We go out to tender June/July. You have to give 6 to 8 weeks for tender and scrutinisation of tender documents. So I cannot foresee, even with the best will in the world, that we can be very much quicker than a start in September/October.

HON A T LODDO:

In view of the fact that part of the car park to the north of the Terminal is going to be swallowed up by the extension improvement, and bearing in mind that the frontier will possibly reopen soon, is there any provision for additional car parking in that area?

HON M K FEATHERSTONE:

Yes, Sir. By the very kind offices of His Excellency the Governor and the Air Commander we have been looking into an area slightly to the south side of the RAF Quarters there, where there is a big open area and they are willing to release it to us at least for a certain period of time; and it should take between 160 to 180 cars. This will actually be an improvement on the present position, so we think it should be able to cope with the demand at the airport.

HON MAJOR R J PELLIZI:

When the Air Terminal was planned was thought given to the possibility of considerably increased traffic by the opening of the frontier? Has this been taken into account in the planning of the Air Terminal and, if not, would it be possible to so adjust the plans so that if necessary it could be further enlarged if it was found not to be large enough?

HON M K FEATHERSTONE:

When this improvement and extension was planned it was with the intention of increased air traffic but not the possible large air traffic that we might hope would result in 2 to 3 years' time with an open frontier. But there are development plans for a completely new airport to be built in about 4 to 5 years' time, and the considerations for this are very wide indeed and will depend to a great extent on the attitude of Spain, whether they wish to cooperate, whether they wish that airport to be perhaps partly on their side of the frontier, partly on our side, it is a very wide thing which we are looking into for the future, but we cannot at the moment say exactly how this would be. But the present extension will allow for at least a considerable increase in air traffic.

HON P J ISOLA:

Will Government make some provision for the supply of trolleys in the Air Terminal. There are no porters and old people have considerable difficulty.

On Moorish Castle, is the restoration going to be stopped for the time being? I notice it is only £100, a reserved vote.

HON M K FEATHERSTONE:

On the first question, Sir, one of the improvements to the airport will be a carousel, in which you fit your luggage rather like the system you get in airports in London etc, and we will look into the question of the provision of trolleys. The distances may be considerably lessened by the use of the carousel but it is a good point.

The Moorish Castle, for the moment the restoration is being shelved, but it is not being abandoned. It is being put off for one year.

HON P J ISOLA:

May I ask, why?

HON M K FEATHERSTONE:

Mainly because we would like to get the Moorish Castle open a little while for the tourist season since it has been closed for three years. We have had pressure from the Tourist Office that they would like it open.

Head 103 was agreed.

Head 104, Miscellaneous Projects.

HON M K FEATHERSTONE:

Mr Chairman, I have the honour to move that Head 104 - Miscellaneous Projects be amended as follows:

- (a) by the inclusion of the sum of £250,000 under an additional subhead 11 - Restoration of Communications with Spain - Works, with the consequential amendments to the Estimates.
- (b) by the inclusion of the sum of £11,842 under an additional subhead 12 - Rehabilitation of North Gorge Hostel, with the consequential amendments to the Estimates.

The first part of the amendment is a cockshy estimate of the amount of money that we may be spending on the works that are necessary with the restoring of communications.

The sum of £11,842 is actually a revote from 1979/80 and is required to meet a contractual payment which could not be paid before 31 March because the contractor had not submitted his bill. We could have left this until a subsequent meeting of the House and brought a supplementary, but we think it would be a little unfair since there may not be a meeting of the House for some little time, to make the contractor wait all that time before we could pay him.

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

HON P J ISOLA:

On the resiting of the Public Works Department Garage, the balance to complete £133,700. Does that include the cost of the demolition of the existing one at Queensway?

HON M K FEATHERSTONE:

No, Sir, the cost of the demolition of the present one at Queensway is part of the contract of the Girls' Comprehensive School.

HON W T SCOTT:

Can the Minister explain the extra charge of £6,000 in the Estimate on the winning of sand under subhead 2? Is he free to do so, or is it surrounded again under the secrets of a private company?

HON M K FEATHERSTONE:

I think this £6,000 was the balance of some small outstanding claims by the contractors who put the work up and has not yet been paid.

HON MAJOR R J PELIZA:

Has the Minister given some thought as to what Government is going to do if sand is imported from Spain at a much lower cost? What is going to happen to this project?

HON M K FEATHERSTONE:

That is one of the steps into the unknown that the Honourable Chief Minister has talked about. We will have to consider it very carefully. Obviously, if the imported price of sand was very considerably lower than one should take the cheaper price.

HON MAJOR R J PELIZA:

Then there will be quite a loss to the Government?

HON M K FEATHERSTONE:

I am afraid it would not be a loss to the Government as such, rather a loss to ODA but, of course, this was one of the things that was done in a closed-frontier situation and one never had any idea how long the closed frontier was going to last. If we had not done it we would have been wrong. If we do do it and the frontier opens and it is cheaper, we are still wrong.

HON W T SCOTT:

Is the projected output of the sand project now that which Government envisaged originally?

HON M K FEATHERSTONE:

The projected output envisaged originally was between 20,000 and 30,000 tons per year, and over the first four months we have worked at a rate of around 20,000 tons. So it is perhaps on the lower side of the two possible projections.

HON W T SCOTT:

I see, and the quality of the sand extracted, is that which the Government expected originally?

HON M K FEATHERSTONE:

There is a slight difference in quality of the sand that is being extracted at the moment to the sand we hope to extract when it is running down from the top.

HON W T SCOTT:

So long as the frontier remains closed or there is cheaper sand from across the border.

HON M K FEATHERSTONE:

You are absolutely right, Sir.

HON A T LODDO:

On Subhead 3, Purchase of Vehicles and Plant. Could we have a breakdown of what these vehicles are and their country of origin?

HON M K FEATHERSTONE:

Yes, Sir. There will be three tipper vans; three vans, one water bowser; and a second-hand staff car. The latter is usually purchased from the Navy when they have one to sell. There will be two Asphalt tippers; a loading shovel; compressor; a dumper; two drilling machines; a woodworking machine; a lathe; a sharpening machine; a vibrating table; a municipal winch; tent skips; three small concrete mixers; and a quantity of towers, scaffolding, props and ladders. In the usual event all this is purchased from the UK.

HON A T LODDO:

Actually, Mr Chairman, what I was interested in was in the vehicles. I wanted to know what the vehicles were. I am grateful for all the information but I was interested in the vehicles and their country of origin. Are they of English make?

HON M K FEATHERSTONE:

As I said in the usual course of events all these items are purchased in the UK. I can inform the Hon Member that last year's purchase of vehicles were all from the UK. I would not

like to say England because we might get some from Scotland!

HON G T RESTANO:

Going back to the winning of sand. When can we expect the first set of accounts of the Quarry Company?

HON M K FEATHERSTONE:

I think they will be laid on the table at the next meeting of the House.

HON P J ISOLA:

The addition of £250,000 has been moved now.

I presume that all that money is going to go initially in providing car park space in connection with the frontier opening? Has the Minister any ideas on this at the moment, any plans in view?

HON M K FEATHERSTONE:

Yes, Sir. We have plans for various areas where we hope we would be able to use as car parking space. We are getting considerable cooperation from the MOD and the Services in obtaining these areas.

HON P J ISOLA:

Is Government going to consider the question of making a multi-storey car park economically feasible by looking into the whole question of parking charges etc.

HON M K FEATHERSTONE:

It is the intention to charge a fee for the areas that we hope to obtain immediately and we do have at least one other area which in the medium term is scheduled for the provision of a multi-storey car park. But that would take perhaps 2/3 years.

HON A J HAYNES:

Can Government consider using more than one road to have access from Spain?

HON M K FEATHERSTONE:

Yes, Sir, that is also under consideration.

HON A J HAYNES:

Can the Minister be more specific?

HON M K FEATHERSTONE:

I cannot be more specific because the matter has to be discussed with the Spanish authorities, and until we know what

their view-point on the matter is, it would be rather invidious of me to say we are going to do this because obviously we have to have their agreement also.

HON A J HAYNES:

Yes, I know but what proposal will the Minister be putting forward to the Spanish representative?

HON M K FEATHERSTONE:

Various proposals are in mind and they are going to be taken to the Spanish authorities for consideration. The whole matter will be undertaken in the very near future.

HON A J HAYNES:

The Minister is not being very specific, but could I suggest that for instance a road by Eastern Beach be suggested as a proposal for another system of traffic to go through, possibly?

HON M K FEATHERSTONE:

That has been taken into consideration. It is a possibility but of course I think you will appreciate that it is very difficult for me to say anything definite until the talks between our officials and the Spanish officials have been finalised and all aspects of the matter from both sides have been looked into.

HON W T SCOTT:

There are £80,000 for the development of motor vehicle examination facilities. Can the Honourable Minister explain exactly what is entailed there?

HON M K FEATHERSTONE:

Yes, Sir, I am very pleased to have this opportunity. At the moment, as the Honourable Member may know, we have a system by which no lorry can be re-licensed till it passes a test of fitness. The area where this is done at the moment is a very restricted area and to some extent presents a certain measure of danger because the brake testing is done simply by allowing the vehicle to run down a hill and should the brakes fail it could entail something rather difficult.

The intention is to put up a proper building with mechanical apparatus on which a lorry can actually be set in motion without moving from its place, on rollers, and brake testing etc can be done properly. It will also have a pit so that the underside of the lorry can be properly inspected. And in the longer term it would also be used if Government considered this a necessity to bring in some form of MOT test for private cars as well. This would apply to cars of perhaps five years or ten years of age.

Of course, all this testing of lorries, and if it comes to it testing of cars, will be on payment.

HON W T SCOTT:

I am very grateful for that. But is the Minister aware that the MOT test in the UK is undertaken by private garages and not by Government? Is the Minister saying that should the MOT test come, it will be conducted by the Government itself?

HON M K FEATHERSTONE:

It shall be done in the first place by Government. If any garage likes to go out to the capital cost of some £70,000/£80,000 to install the equipment and apply to Government for a franchise to work it as well, I do not think it would be looked at unsympathetically. The thing is that the garages in the main have neither the space nor the desire to spend the capital on this sort of project.

MR CHAIRMAN PUT THE QUESTION ON HEAD 104, WITH THE EXCEPTION OF SUBHEAD 12, WHICH WAS RESOLVED IN THE AFFIRMATIVE.

On a vote being taken on Subhead 12 - Rehabilitation of North Gorge Hostel the following Hon Members voted in favour:

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Lcddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major E J Dellipiani

Subhead 12 was passed.

Head 104, as amended, was agreed to.

Head 105, General Services.

HON M K FEATHERSTONE:

Sir, I was expecting a question from the Hon and Gallant Major Peliza. But I did not get it! For his information there is a re-surfacing programme which I am sure he would want to know about. Resurfacing will be done at City Mill Lane; Red Sands Road; part of Main Street; part of Europa Road; Lower Castle Road; and Naval Hospital Hill. We will also be finishing the road at Tank Ramp; Lower Castle Road; and we will be starting a scheme of relaying the pavement in Main Street. The idea is to do it in rather pretty-coloured tiles to make it quite attractive.

HON MAJOR R J PELIZA:

This is what I have been asking for for some time, as the Minister knows, and I am very glad that something is going to happen. The only thing is that I wonder if he could do it in some way that it moves a little faster than the one at Rosia Road. That is another bee in my bonnet.

HON M K FEATHERSTONE:

We will take that into consideration, Sir.

Head 105 was agreed to.

Head 106.

HON M K FEATHERSTONE:

I beg that Subhead 11 - Supreme Court be amended by the deletion of the figures "165" in the "Estimates 1980/81" column and the substitution therefor of the figures "16186".

This is a re-vote from the previous year to meet a contractual payment which was not passed before 31 March. At the same time I will take this opportunity to comment that on Subhead 10, footnote (h) which says "a revote of £36,000" can be deleted.

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

HON P J ISOLA:

What is going to be done in the tourism, port and customs, and the immigration building at the Commercial Mole? I think they go together.

HON M K FEATHERSTONE:

Customs, Sir. There is a revote from last year which I believe consists of some refurbishing, and there is also in this year's part, additional cubicles in the Private Bonded Stores, and the construction of cubicles for Storehousemen in the Transit Shed.

The Port Department, Sir, there is a carry-over from last year

which is the improvement to the building where the NO'S CAFFE comes alongside. This may have to be looked at again in the light of the possibility of a Spanish ferry coming there, and of course any extra monies would come out of the £.25m. we have voted. It is also to enlarge the entrance to the pier, to make good the subsidence and to reprovision of toilets at No 3 Jetty. This will allow No 5 Jetty to be completely given over to the Gibraltar Government.

On Tourism, Sir. At the Upper Galleries there is provision of suitable mounts in the embrasures; the provision of a display of the method of tunnelling used, and additional safety barriers.

To the Air Terminal there is retiling of all the floor area.

To the min-golf there is an extension of the covering over the pergola and replacing all the playing obstacles.

In St Michael's Cave there is provision for rubbish disposal, improvement to car parking, new turn-stiles, improvement to the path and steps of the exit, and additional safety barriers.

Moorish style, it is improvement to the lighting circuits, additional safety barriers and a commentary machine. This is one of those machines that provides a commentary in various languages.

HON P J ISOLA:

Did the Minister mention anything about the Immigration Building?

HON M K FEATHERSTONE:

No, Sir, I think that is refurbishing and painting it. But that will also have to be looked at in the light of the possibility of a ferry from Algeciras and more may have to be spent there.

HON A J HAYNES:

Could the Minister explain what he said about safety barriers?

HON M K FEATHERSTONE:

This is the safety barriers to stop people leaning too far forward and possibly falling over.

HON A J HAYNES:

Would the Minister consider putting safety barriers on the level below the Upper Galleries where so often in Spring and Summer families go and park their cars?

HON M K FEATHERSTONE:

If you mean Princess Caroline's Battery, the difficulty is that

if one is going to start putting safety barriers over every area of the Upper Rock where a person, if they wish to be rather negligent, can fall over, we are going to have the whole of the Upper Rock full of safety barriers and to some extent destroy its natural beauty. But if you have any specific area in mind, if you would like to inform me I will look into it.

HON A J HAYNES:

I have the specific area of Princess Caroline's Battery which he said he would look into.

The other point is that under the provisions for the Port, the Minister proposes to do other things apart from the Shed and the Arrival Hall for the Mons Calpe. Can the Minister tell me more specifically what monies are being used to improve facilities at the Arrival Hall and what exactly the works will entail?

HON M K FEATHERSTONE:

Well, as I said, with the advent of the Spanish situation we will have to look into it and perhaps do a whole re-appraisal, since if we are going to have a ferry to Algeciras we may have to completely change the inside of the building so that we can have a customs system rather similar to other areas where you have two channels, a Green and a Red Channel. All this will have to be looked at and I would not like to be specific now on exactly what we are going to do because until it is looked at we cannot make up our minds fully.

HON A J HAYNES:

Do you mean the Minister does not think it is worth doing this kind of thing without the Algeciras Ferry?

What were the initial proposals?

HON M K FEATHERSTONE:

I do not have full details of the initial proposals. I can let you have them in due course if you wish.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, can I reply to that question.

The original proposal for improving the flow of passengers was to put up steel gates just beyond the north door of the Customs Hall, which would enable two flows of passengers, a Green and a Red. The green channel could go through the door which I believe is on the north side of the Customs shed, while those who had articles to declare would move through the door that is used normally for passengers. It was thought that this would speed up considerably the movement of passengers off the Mons Calpe. But clearly, as my Hon Colleague has mentioned, we have to review this as soon as we know what, if any, ferry traffic there will be between Algeciras the Gibraltar.

HON A J HAYNES:

I am glad to see that the Government benches are going to do something on the advent of a new ferry coming from Spain, but I suggest that this should have been prepared before as part of a contingency plan and the new considerations would have been valid in the light of the increase in arrivals. It would have been fair to introduce them even with the Mons Calpe, because as I said at the time in the questions to the House, there are no facilities for the tourists that arrives in Gibraltar. There are no telephone facilities, no taxi rank, no protection from the rain. There is no system by which they can go quicker through a passport barrier. There are no postal facilities, there is no trolley facility, there is nothing scenic or in any way attractive to admire. And yet Government seems to have been caught unawares.

HON M K FEATHERSTONE:

Well, I will write to Sr Oreja immediately and tell him that he was very naughty in not advising us when we were preparing the Estimates that he was going to open the frontier so that we could have prepared in time!

HON P J ISOLA:

In this expenditure it does not seem to me that there is any money put aside for the improvement of tourist arrivals at the North Mole. There are no toilets there. Is there no provision at all for improving that particular area for people who arrive on tourist ships. Possibly a little restaurant, somewhere where they can take cover, whilst waiting for a taxi etc, some sort of facilities at the Western Arm. Is there no planning in that direction at all. We did ask questions on this.

HON M K FEATHERSTONE:

We have no specific plans for it at the moment, Sir, but of course this will be part of the Port survey and Port study in which they would possibly give us recommendations. I cannot really see the need for toilets since anybody coming ashore from the ship could have used the toilet on the ship before actually coming ashore. The question of a restaurant etc, again to some extent it is a little invidious since you have umpteen restaurants and bars and goodness knows what on the ship and one wonders whether it would be a viable proposition. However, I am sure we can put all these points to the gentleman that does the Port survey and get his opinion.

HON G T RESTANO:

What development is going to be done under Head 10, Medical?

HON M K FEATHERSTONE:

I could not actually answer that, Sir, because we had a rather long list from the Medical Department and we have allocated

them the sum of money that is mentioned and we have asked them departmentally to make up their list of priorities which we will do.

So it is up to the Medical Department throughout the year to tell us what they want done.

HON J B PEREZ:

The £36,000 is to go to the new Sisters' Quarters which I announced I would be opening very shortly, and it is to go to the purchase of furniture for the flats and bedsitters which have already been built. The remainder is really for minor works, and that is, for example, the erection of a boundary wall for the Public Health; Mortuary modification; and other miscellaneous minor works at the KGV Hospital and St Bernard's Hospital; cupboards, air conditioning unit in the ITU and various others. Painting will also be carried out. May I just point out that the money I said we had for the external painting of St Bernard's Hospital is not here, this was under PWD which I mentioned to the Hon and Gallant Major Peliza.

HON A J HAYNES:

Under Subhead No 11 Supreme Court. This I imagine concerns the work which improved the Supreme Court recently. Can the Minister say whether he is satisfied with the quality of the finish?

HON M K FEATHERSTONE:

I have had no representations from the Chief Justice that he is dissatisfied.

HON A J HAYNES:

But isn't the Minister aware that some of the mechanical parts of the thing does not work, like the heating?

HON M K FEATHERSTONE:

Well, there is a period of guarantee that if there any fault and it is brought to our notice then we can get on to the contractor; and they will have to put them right. I think they have done some already.

HON ATTORNEY GENERAL:

I would like to clarify a point if the Minister will allow me. The contract for the works is at present in the defects liability period and I understand that between the 3rd and 13th June the period finishes. The contractors will be going on to the final snagging which I think refer to the tying up of the remaining defects. So the matter, I think, is in hand.

HON A J HAYNES:

Can the Minister confirm that under Subhead 8, Fort, the proposed improvement to the Fort, that there were no contingency plans available.

MR CHAIRMAN:

I think we had had that out already. We are not going to flog a dead horse.

HON M K FEATHERSTONE:

I simply would say, Sir, that the Forward Planning Committee has always been looking at the possibility of an open frontier and had ideas what could be done when the day came, but they were not going to be put into these Estimates, we are going to spend this money now, in the hope that the day might come five years in advance. But they were looking into it. This is where we will have quite a lot of items to bring in due course, which will be in this £.25m.

HON W T SCOTT:

Subhead 4, Labour and Social Security, £25,000. Could I ask the Minister what is contained within that money?

HON M K FEATHERSTONE:

Yes, Sir, there is the provision of security grill to the windows on the ground floor, and also some other extra security on the ground floor; the conversion of a store room into a security room; replacing of wooden steps in the Edmund Rice Home; enclosing the passages within the Home; and renovation in part of the roof of Devil's Tower Hostel.

Head 106 was agreed to.

Head 107, Port Development.

HON M K FEATHERSTONE:

I would like a little tiny comment on subhead 1, where it says "Rehabilitation of Steel Store, Phase II" it should read "Phase I". That is rehabilitating the stevedoring premises which are right at the North Western end of the Mole so that they can become the Port Office. When that becomes the Port Office, Phase II will then be set into operation which is changing the present Captain of the Port's office into a Customs Office.

HON W T SCOTT:

And where will the stevedores who are at present using those premises be housed?

HON M K FEATHERSTONE:

They have already left and they are housed somewhere between Nos 2 and 3 Jetty. They left about six months' ago.

HON G T ROSTANO:

Where will the Signal Station be placed?

HON M K FEATHERSTONE:

My information, Sir, is that this should be right at the very end of the Western Arm, the North Western corner.

HON P J ISOLA:

Is there to be no Unstuffing Shed. I notice that is reserved.

HON M K FEATHERSTONE:

It is reserved because we are not sure whether it will actually start this year or not. The finishing of the reclamation between jetties will take up to about the end of December, and then the plans for the Unstuffing Shed going out to tender etc. It may not be able to start this year, that is why it is put in the balance to complete.

HON G T ROSTANO:

Why is there only £100 down as a token for the Port Feasibility Study?

HON M K FEATHERSTONE:

We have no idea what it is going to cost.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, when the Estimates were prepared we were supposed to ask the ODA whether they could meet the cost of this from Technical Cooperation Funds, so we put in £100 against the possibility that they would not be able to meet the cost. My understanding now is that they will not be able to meet the cost and I shall need to come to the House for a supplementary for the cost of this study.

HON G T ROSTANO:

Who is going to carry out the study?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

We are on the advice of the ODA approaching three consultants to set out their views on how they would carry out the study and estimates of costs. When we have got those they will be looked at by the Tender Board and they will make a recommendation for the appointment of consultants.

HON P J ISOLA:

Isn't there a Port Committee?

It just strikes me that this idea of the Port Feasibility Study comes at a very late stage of the development of the port. We have had the Port Development project for years. There have been reports on Port development. I just cannot see why this is necessary.

HON A J CANEPA:

I thought I had gone into great detail during the second reading of the Appropriation Bill, Mr Chairman and I might refer him to the report in the Gibraltar Chronicle this morning.

Head 107 was agreed to.

Head 108, Marina Development.

HON A J HAYNES:

Camber Improvements and Renovations. Can the Minister explain where the £54,600 will be spent and on what?

HON M K FEATHERSTONE:

Yes, Sir, there is going to be a new control hut, the whole area is going to be resurfaced and mooring bolts will be provided and there will also be provision of water, electricity and telephones.

HON A J HAYNES:

So this is in the future, I take it. What I want to find out is if the mooring facilities, or the number of berths available have been increased in the last six months?

HON M K FEATHERSTONE:

I think there has been some increase but I do not know the definite answer to that one, Sir.

HON A J HAYNES:

Is that £54,000 to be used to increase berthing, or not.

HON M K FEATHERSTONE:

No, Sir. As far as I understand it will be only used for the actual points that I have brought up. It will help berthing that we are going to put in proper mooring bolts.

HON A J HAYNES:

I thought it would be important to Government, now that they are thinking of using some of the pens, using them for

purposes other than those of private yachts, that they ensured that the yachts that come to Gibraltar, which cannot find room in Whites' Marina because it is not ready yet; that cannot find room in Sheppard Marina because it is full; and they cannot find a place in the Pens because these have now been reduced in size, that these yachts which can provide tourism and money and a good name that Gibraltar has in the yachting world, that these yachts should find somewhere to berth. And it should be important to the Government to ensure that the Camber can take an increased number.

I have asked whether more berths are being found and Government says, yes and no, they never come out specifically.

HON A J CANEPA:

Mr Chairman, the number of berths have been increased in Camber substantially in the course of the last year or so for the local people. The Government has been in touch with the Small Boat Owners' Association on this matter. That is what Camber is meant for, it is not meant for yachts visiting Gibraltar. The yachts at the Destroyer Pens are hardly in that category either. They are not people that come constantly to Gibraltar, stay here for a few weeks and leave, in the Destroyer Pens what you have is people that have been living there for very many months, for years in some cases. The new Bayside Marina is becoming operational very shortly, this summer, and I also announced in the Second Reading of the Appropriation Bill the proposal of the plan which Sheppard's Marina have for further expansion. That will take care of the situation as far as visiting yachts are concerned. The Camber will take care of the problems of the Small Boat Owners' Association, arising from the fact that they are going to be squeezed out somewhat at Montagu Basin, and I also said that the people in the Destroyer Pens will be able, if they so wish, to apply for moorings at the new Bayside Marina.

HON A J HAYNES:

But the Minister is missing the point ...

MR CHAIRMAN:

Yes, but we are not going to debate the availability of berths for yachts in Gibraltar at this stage. We are voting a sum of £54,600 for the purposes of specific improvements to the Camber. To that extent it should have been done in the Second Reading.

Head 108 was agreed to.

Head 109, Public Lighting was agreed to.

Head 110, Electricity Service.

MR CHAIRMAN:

I understand the Minister has an amendment to move.

HON DR R G VALARINO:

Mr Chairman, I beg to move that Head 110 be amended by the inclusion of the sum of £92,000 under an additional Subhead 14 - Major Repairs to Engine No 11, with the consequential amendments to the estimates.

As stated by the Financial and Development Secretary it is intended to purchase a new crankshaft for engine No 11 at a cost of some £92,000. The amended Fund Accounts already circulated takes account of this additional expenditure.

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

On a vote being taken on Subhead 11 - Power Development the following Hon Members voted in favour:

The Hon J Bossano
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani

Subhead 11 was passed.

HON W T SCOTT:

Mr Chairman, under subhead 13, Power Development, having regard that in February of this year, at the opening of the House of Assembly, the House was informed that we would be having a new generator installed and in operation within a period of eighteen months, how can Government then reconcile, if they are only going to spend £.5m. of the £3m., spending the balance of £2.5m virtually in 2 to 3 months?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The reason is that it is proposed to fund the building of

phase one of the Generating Station with ECGD funds and under ECGD arrangements only 15% of the cost of the equipment is payable on placing the order. The balance is not payable until the equipment is shipped.

HON P J ISOLA:

Could I ask: the £3m. set aside for power development, is that for one engine or is it more?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, No. This is for the phase one of the new development which will comprise three bays for 5mw engines: two bays will be completed with cement beds for the engines and one engine will go into the first bay. So we would have a second bay for the next engine when it comes along. Also this phase will provide for the switchgear etc, which is necessary for the start up of the new station.

HON P J ISOLA:

I asked, Mr Chairman, because two years ago I think, or a year ago, we provided £4m for power development, and it seems a bit odd to me that a year or two years later we are providing £3m. instead of £4m. So that £3m. then will cover the work of three bays, and one engine. Is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Absolutely, yes, and the switchgear.

HON W T SCOTT:

Can we have a revised date when this first engine will be in operation in the new building?

HON DR R G VALARINO:

There are two things here. First of all the Honourable the Chief Minister mentioned the term £4m. If my memory serves me right, this is not only the Electricity Undertaking but it was also water desalination, water distillation at the same time. The other thing is we said, and we have said many times since the beginning of the year, that we shall do our best endeavour, we brought a commitment to the House, that a new engine should be commissioned by the end of winter 1981/82.

HON P J ISOLA:

We will not talk about that, Mr Chairman. We have argued a lot about this. We have shown our complete dissatisfaction with the explanations and we will just wait a bit longer to see what happens.

But on this point I have to say in the absence of the Preece, Cardew, Rider report that there are two big problems in Gibraltar at the moment. One is the PCR report that we do not

get and the other is my Honourable Friends economic planning which we do not get either! Mr Bossano's plan would help the Government and it would help us to get the Preece, Cardew Rider report.

It is down in the Estimates for 1979/80, £4m. is down for power development and under the electricity service, it does not come down under the others, but as I said as we do not know what are the different options open to Government because we do not have the report, in the Opposition we are at a complete loss to understand why in 1979 power development should be £4m and why in 1980 it should be £3m. But we have not got the report and really as a sign of protest we have to vote against the provision for power development because we are in the dark and we shall continue to protest about not getting the Preece, Cardew and Rider report. We shall continue to protest about it till we get it.

HON MAJOR R J PELIZA:

Could the Minister state how the new survey that is going to be carried out may affect the present plans and is that in any way going to put back the date further?

HON DR R G VALARINO:

I believe I do not need to answer that, reports are coming out all the time, the dates will not be affected.

HON J BOSSANO:

In the context of the feasibility study that is being done of the port, is it not conceivable that that feasibility study could recommend that the Generating Station should not be in the port?

HON A J CANEPA:

Mr Chairman, the Government has taken a policy decision that the new Generating Station is going to go at No 5 Jetty. When I took over the chairmanship after the General Election of the Forward Planning Committee, which is involved with the next Development Programme, the matter was discussed and the decision has been taken by Government that notwithstanding whatever other plans there may be in a port in an open or closed frontier situation, we really have no choice but to go ahead with the power development as envisaged.

I think that if we were to jettison those plans and not to proceed with the provision of a Generating Station at No 5 Jetty, heaven only knows when we would be in a position to provide a Generating Station elsewhere that will get us over the immediate difficulties.

I think it is in the public interest and the Government has made up its mind that nothing must stand in the way of the provision of this extra generating capacity at No 5 Jetty.

And the morning after I was given responsibility for the Port, the Shipping Association came to see me to talk about the Port generally, and they accepted, notwithstanding the inconvenience that it is going to bring the Port, that we really have no choice but to go ahead.

HON J BOSSANO:

The Minister, I imagine, is saying that we have no choice but to go ahead from the point of view of the need that we have for generating capacity. Not that we have no choice but to go ahead there. Even if a policy decision has been taken, if we are going to have a feasibility study which is as wide-ranging as the one described by the Honourable Member, and I was very impressed because it is the most serious attempt that has ever been done in Gibraltar to look at Gibraltar's economic potential in a virtually world wide context; talking about movement of ships through the Mediterranean; possible developments in the EEC; developments in North Africa; etc, which is a way we have to think of developing Gibraltar's geographical position. To go into an exercise of that magnitude and then possibly find that potential cannot be exploited because we have taken a decision a few months' before we have gone into the exercise to start building a Generating Station where we should not be building one, because it is going to be in the way of other possible development, might lead us into a situation where a decision taken by the Government in good faith, conscious of the need for extra generating capacity at this stage, might prove to be very, very costly for the economy of Gibraltar in the future.

There is a conflict of interest in the two things. Although I can understand that the decision taken by the Government was a policy decision I think that if a policy decision is taken in one given environment, and that environment changes, then the policy has got to be reviewed. You don't just go ahead because it is decided. That would be my advice.

HON CHIEF MINISTER:

It could well be that the feasibility study would have to accept as part of the study the fact that there would be a power station there, but in any case the appointment is expected to be made next month with the consultants, and though they would take a long time to make the report the very first thing that they will be asked to look at at this particular point is to see whether they can have an early decision or confirmation so we are happy to go on with it.

HON P J ISOLA:

Obviously the feasibility expert who comes out and makes this report, and I have been reminding myself of what the Honourable Minister said yesterday, who obviously has the Preece, Cardew and Rider report available. May I say to the Honourable Mr Bossano that I know he has welcomed the announcement by the

Minister of the study on the port, but may I say that there have been studies on the port, and it has been as a result of all these studies that we have had the Generating Station I presume going there, and the distillation plant going there, and the filling in between jetties Nos. 1 and 2. This is why I was questioning the need to spend £75,000 in getting people to tell us what we already know. That is my only point.

HON A J-CAMPA:

I do not think there has ever been anything anywhere near approaching what is envisaged. The Port Advisory Board, as I seem to remember, made some recommendations which have either been implemented or are in the process of being implemented; such as the reclamation, but I do not think we have had anything quite like what is envisaged. Neither have we had plans that are so forward-looking as what is proposed. In a changing situation and in a situation that may change again such as transshipments: if there are going to be large lorries coming through perhaps from the Continent to Gibraltar and through Gibraltar to North Africa; we have not had that situation for the last decade or so. So I think that such port studies as we have had carried out by local people has been limited in its dimensions.

HON MAJOR R J PELIZA:

I just want to get confirmation. After what the Chief Minister has said that if the feasibility study at the start were to say, this is not the place where we should have the generator, it means that we have to look for a change of site, in which case can the Minister now be as sure as he was before that the completion date will be the one set.

HON CHIEF MINISTER:

We have to make it that. Either in one way or another there has to be an additional engine.

Head 110 was agreed to.

Head 111. Potable Water Service was agreed to.

Head 112. Telephone Service.

HON W T SCOTT:

How many coin boxes are there for replacement?

HON DR R G VALARINO:

It is intended to replace all the coin boxes by new anti-vandal equipment which will enable subscribers to make international calls automatically once ISD is introduced. This year it is intended to purchase ten coin boxes at a cost of £500 each. We have already ordered eight coin boxes from 1979/80 and these will be expected to arrive this summer. So the total

so far is eighteen.

HON MAJOR R J FELIZA:

I have noticed one at Gatwick Airport which is electronically-controlled and you literally see how much time you have, how much money you put in, how much money you have got left. Is that the type or is it the old one, the mechanical one?

HON DR R G VALARINO:

No, it will be the new semi-mechanical one. Unfortunately, we do not have the wide-ranging experience of the Honourable and Gallant Major to be able to judge on this, but these will essentially be anti-vandal. This is what we want to do because we have had a tremendous problem in Gibraltar with equipment which is being vandalised continually, and this will make sure that not only will they be anti-vandal but that calls through ISD will be able to be made once the coin boxes are installed.

HON G T RESTANO:

Subhead 4, the ISD, £1m. What expenditure on the ISD equipment is going to be made this year on that project?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, if my colleagues may permit me to answer this question. Here again we have allowed 15% for ECGD first payment on order under purchaser's credit, the balance to be paid when the equipment is shipped.

HON G T RESTANO:

I would like to know, Mr Chairman, when are orders going to be placed? Are tenders going to be put out for the provision of the equipment? That is what I would like to know.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, from the discussions which my Honourable Colleagues and I had with the Head of Department and with the adviser to the British Post Office his report is due fairly soon and this will include details for putting out tender documents for the tenders for this. We should get the report next week and one would expect the tenders to be awarded by September/October.

HON G T RESTANO:

Can the Member explain why there has been this delay? I remember I think it was the Minister at the last meeting, and perhaps even the Chief Minister, saying at the Ceremonial Opening that the report would be in not later than 31 March. Why has there been such a delay?

HON DR R G VALARINO:

Yes, Mr Chairman. Unfortunately the delay to which the Honourable Member is referring is roughly about a month. This is unfortunately due to technical reasons and these reasons are really beyond our control.

HON P J ISOLA:

Is this coming under the export credit scheme? Then, of course, it will be bought in England, will it not?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Not necessarily, Sir, because Germany operates similar export credit guarantee schemes. As with the first bids of the new generating power station when the tenders go out it will be made clear that tenderers who can offer ECGD finance arrangements will be given a priority. It may be that one could get a German or some other firm putting in a bid which is attractive. What one has got to look at in these terms is that while the interest rate may be similar you are at risk across the exchanges if you borrow in Deutschmark or Swiss francs, and as the repayment period is over seven years, five years from the date of commissioning, you cannot buy forward for that period. So you are at fairly heavy risk.

HON P J ISOLA:

The reason why I mentioned that is that isn't the practical thing, therefore, to put it out to tender quickly to UK manufacturers where you do not have these doubts, even though it may cost a bit more.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Sir, I agree, but on the other hand we have got out EEC commitment that we must also advertise in the EEC.

HON G T RESTANO:

To go back to what the Minister said, the delay in getting the report was for technical reasons. What does he mean by technical reasons? I would have thought it was quite straightforward.

HON DR R G VALARINO:

Mr Chairman, as I said before the delay is for technical reasons. These technical reasons are highly complicated and I am sure that these technical reasons, even to the layman are may be understandable. The only thing I can do is to say in this House that the delay is due to technical reasons and I think we have to take that at face value, considering that we have a report from a highly specialised type of people. This delay is due to technical reasons, there is nothing more than we can say about it.

HON G T RESTANO:

The technical reason is here in Gibraltar, or back in England? Where do these technical reasons arise?

HON DR R G VALARINO:

These technical reasons arise because of the complexity of the equipment and specially with the advances that are taking place in telephones and telecommunications.

HON G T RESTANO:

Is the Minister then saying that a new type of equipment has been put on the market since the report and they are looking into whether the new type of equipment would be more suitable for Gibraltar. Is that what he is saying?

HON DR R G VALARINO:

No, Mr Chairman. What I am saying is that the people who are advising us are looking into all types of equipment and in the final analysis they will advise us on the best type of equipment that we can use for Gibraltar in this particular case.

Head 112 was agreed to.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that Part I of the Schedule to the Appropriation 1980/81 Bill 1980 be amended as follows:

- (i) Head 3 - Education: Delete the figures "£2,869,700" and substitute therefor the figures "£2,829,700"
- (ii) Head 14 - Medical: Delete the figures "£3,453,800" and substitute therefor the figures "£3,473,800"
- (iii) Add new Head 28 - Contribution to Funded Services £1,575,000"
- (iv) Delete the figures "£28,545,200" from the total and substitute therefor the figures "£30,100,200".

Mr Speaker put the question in the terms of the above amendments which was resolved in the affirmative and Part I of the Schedule was amended accordingly.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that Part II of the Schedule be amended as follows:

- (i) Head 102 - Schools: Delete the figures "£2,746,338" and substitute therefor the figures "£2,750,338"
- (ii) Head 104 - Miscellaneous Projects: Delete the figures "£758,500" and substitute the figures "£1,020,342"

(iii) Head 105 - Government Offices and Buildings: Delete the figures "£272,276" and substitute the figures "£288,297"

(iv) Head 110 - Electricity Service: Delete the figures "£634,222" and substitute therefor the figures "£726,222"

(v) Delete the total figures "£9,783,182" and substitute therefor the figures "£10,157,045".

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendments which was resolved in the affirmative and Part II of the Schedule was amended accordingly.

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

Clause 2

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that Clause 2 be amended by deleting the words "twenty eight million five hundred and forty five thousand two hundred pounds" and substituting therefor the words "thirty million one hundred thousand two hundred pounds".

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

Clause 3

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that Clause 3 be amended by deleting the words "nine million seven hundred and eighty three thousand one hundred and eighty two pounds" and substituting therefor the words "ten million one hundred and fifty seven thousand and forty five pounds".

Mr Speaker put the question which was resolved in the affirmative and Clause 3, as amended, was agreed to and stood part of the Bill.

Clause 4

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that the words "twenty eight million five hundred and forty five thousand two hundred pounds" appearing in sub-paragraph (1), be deleted and the following words be substituted therefor: "thirty million one hundred thousand two hundred pounds" and that the words "nine million seven hundred and eighty three thousand one hundred and eighty two pounds" appearing in sub-paragraph (2) be deleted and the

following words be substituted therefor: "ten million one hundred and fifty seven thousand and forty five pounds".

Mr. Speaker put the question which was resolved in the affirmative and Clause 4, as amended, was agreed to and stood part of the Bill.

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

The Long Title

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, I beg to move that the words "thirty eight million three hundred and twenty eight thousand three hundred and eighty two pounds" be deleted and the following words be substituted therefor: "forty million two hundred and fifty seven thousand two hundred and forty five pounds".

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

The House resumed.

THIRD READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to report that the Appropriation (1980/81) Bill, 1980, had been considered in Committee and agreed to, with amendments, and move that it be read a third time and passed.

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

SUSPENSION OF STANDING ORDERS

The Hon the Financial and Development Secretary moved the suspension of Standing Order No 29 in respect of the Finance Bill, 1980.

This was agreed to.

THE FINANCE ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Family Allowances Ordinance (Chapter 58), the Imports and Exports Ordinance (Chapter 75), the Income Tax Ordinance (Chapter 76), the Public Health Ordinance (Chapter 131) and the Public Utility Undertakings Ordinance (Chapter 135), to vary the duties, taxes, fees and other charges payable under those Ordinances and generally for the purposes of the

financial policies of the Government, be read a first time.

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

The Bill was read a first time.

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I beg to move that the Bill now be read a second time. The Bill incorporates legislative proposals for fiscal changes in 1980-81 and also seeks to give effect to the increases in the Electricity, Potable Water and Telephone Tariffs to which the Chief Minister has already referred in his statement on the Appropriation Bill. Other fiscal measures designed to encourage exports and tap new and additional sources of revenue will be announced during the course of this speech. They are not incorporated in the Bill but will be enacted in accompanying subsidiary legislation.

On the basis of current rates of taxes, duties etc, the Government's estimated total revenue for the coming financial year is £36.5m. After taking account of the expenditure which the House has just authorised on the recurrent budget and after further providing for budgetary contributions totalling £1,575m to the Electricity, Potable Water and Housing Funds, it is envisaged that the year would end with a surplus on the recurrent budget of some £2.3m which would bring the Consolidated Fund Balance on the 31st March 1981 to £5.9m as shown in the Financial Statement circulated to Honourable Members.

Mr Speaker, in his speech on the Appropriation Bill the Honourable and Learned Chief Minister announced the Government's intention to increase personal taxation allowances and the rate of family allowance for each second and subsequent child. These will rise from £4 to £5 a week with effect from 30th June, 1980. Full details of the tax relief measures which will take effect from 1st July are as follows:-

- the single person's allowance will go up by £100 to £750 and the deduction for a wife will be increased by a similar amount. Thus for a married couple, the deduction will be £1,500;
- the deduction which can be claimed in respect of a wife's earned income will also be increased to £750;
- the allowance in respect of the first child will be increased from £200 to £250;
- A married couple, where either party is over the age of 65 will now receive an allowance of £450 instead of £320. The allowance for a single person will remain at £320.
- In the case of a person claiming a deduction in respect of

a dependent relative, the income limitation is consequentially being increased from \$650 to \$750. If a dependent relative has an income in excess of \$600 a year the deduction which can be claimed is reduced by the amount of the excess.

Tables will be circulated to Hon Members at the end of this speech detailing the effects of those proposals on the net incomes of tax payers in income bands ranging from £2,000 to £10,000 per annum according to family composition.

The total cost of the Government's proposals is estimated to be in the region of £1.1m in a full year and around £0.82m for the year ending 31st March 1981. The proposed increases in personal tax allowances alone are expected to cost approximately £1m a year and £0.72m in 1980-81. The increase in family allowances is estimated to cost £0.14m in a full year and about £0.1m for 1980-81.

This is as far as the Government feels it can go for the present in affording a measure of tax relief, bearing in mind the need to build a more reasonable reserve than in the past. A reserve required not merely because of the heavy borrowing commitments which Gibraltar is likely to face in future years to meet its share of the cost of the development programme but also to place Gibraltar in a strong financial position ready to meet any unexpected eventuality. Indeed, Mr Speaker, in debating this Bill the House will need to keep in mind the financial consequences of the Government's commitments on power development, the expansion of the Telephone Service and the construction of new housing. These developments will increase the total of the public debt, already standing at £6.6m, by a further £13m over the next few years. This figure takes no account of borrowing for funding the Government's plans in the next Development Programme beginning in 1981.

In addition to the tax changes I have just announced, certain other amendments are proposed to the Income Tax Ordinance. They are intended to provide for the more effective implementation of the Ordinance and to provide for certain deductions for external improvements to premises. These are as follows:

(a) Avoidance of income tax by subcontractors in the construction industry.

It is proposed to amend the Ordinance to provide that a construction contractor must withhold by way of a tax deduction and after allowing for direct payments for materials, an amount equal to the standard rate of tax payable by a subcontractor. The tax is to be deducted from the amount payable to the subcontractor and forwarded to the Income Tax Department on account of the subcontractor's tax. Provision is being made for certificates of exemption from this requirement to be issued in respect of bona fide subcontractors who have a permanent place of business in Gibraltar and have complied and are reasonably likely to comply with their tax obligations.

(b) Provisions as to commencement and cessation of courses of income:

Sections 8(3) and 8(5) of the Ordinance contain provisions that are intended to deal with the determination of assessable income in the year in which a tax payer first begins to derive such income and the year in which he ceases to do so, respectively. The provisions do not apply to income subject to FAYE tax.

A basic principle of liability for tax is that a person is liable to tax on income accruing in, derived from or received in Gibraltar. Where a person is ordinarily resident in Gibraltar, he is also liable to pay tax on income from dividends, interest, and emoluments of office derived elsewhere, unless it has been taxed overseas and not received in Gibraltar.

In 1977, sections 8(3) and 8(5) were amended with a view to ensuring that all income received after a person became ordinarily resident and before he ceases to be ordinarily resident in Gibraltar was brought into assessment. An unintended effect of the amendment, as expressed, has been to exclude from liability for taxation, income that accrues in or is derived from or received in Gibraltar by a person not ordinarily resident here. This of course is contrary to the basic principle referred above.

It is accordingly proposed to amend sections 8(3) and 8(5) so as to provide that income accruing in, derived from or received in Gibraltar is not, by virtue of these provisions, excluded from assessable income.

(c) Income from employment received by wives:

By virtue of section 10 of the Ordinance, a married woman who lives with her husband is separately taxed on her earned income unless she elects to be treated as a married woman. Unearned income is aggregated with that of her husband, resulting in a higher tax rate.

"Earned income" is defined in section 21(2). There is evidence that the practice is developing in appointing wives as employees of companies or firms and of paying inflated remuneration to them in order to reduce the incidence of taxation. Such transactions are open to challenge under section 12 of the Ordinance as being artificial but the Government proposes in addition to take a more specific remedy to curb this abuse.

Section 21(2) is therefore being amended so as to provide that income derived by a wife from employment or from a pension from employment will only be treated as earned income to the extent that the Commissioner is satisfied that it represents reasonable payment for services actually rendered.

(d) Offences and their compounding by the Commissioner:

Under section 67 of the Ordinance it is an offence to make an incorrect return or give incorrect information. The sanction is a fine not exceeding \$100 and a penalty not exceeding twice the tax not paid, and in default of payment to imprisonment for 6 months. Under section 68 it is an offence to fraudulently evade tax. The sanction is imprisonment for 3 years and a fine not exceeding \$500, and a penalty not exceeding 3 times the tax evaded.

Under section 70, the Commissioner may compound either offence on payment of an amount not exceeding the maximum fine but it is not clear that as a condition of compounding, he can require payment of the penalty.

It is proposed that the fines under sections 67 and 68, which are clearly outdated, should be increased to \$300 and \$2,500 respectively and that in compounding any such offence the Commissioner should be empowered to require payment of all or part of the penalty as well as all or part of the fine.

(e) Appeals:

Under section 55 of the Ordinance, where a tax payer appeals against the decision of the Commissioner, the onus lies on the Commissioner to seek security for payment of tax assessed.

This, plus the fact that appeals take time, result in significant delay in the collection of tax. It is considered that the section should be amended so as to provide that an appeal shall not release the tax payer from liability to pay the tax pending the appeal, and that an appeal shall not proceed unless the tax in dispute, where already due, has been paid. The tax payer should however have the right, in the case of hardship or for other reasonable cause, to apply to the Commissioner to defer payment on provision of security or on such other conditions as the Commissioner thinks fit, and there should be a right of review by the Supreme Court of the Commissioner's decision. Where tax was not yet due at the time of the filing of the appeal, it shall be held payable and due on determination of the appeal as if no appeal had been brought. A successful tax payer would of course be entitled to a refund.

It is proposed to amend the Income Tax Ordinance accordingly.

(f) Penalty on unpaid tax:

Section 60 of the Ordinance provides that where tax is not paid within the prescribed period, penalty tax of 5 per cent shall be charged on the amount of tax unpaid (including penalties unpaid) for every 5 months that it remains owing. Given current interest rates, this sanction no longer carries the same weight as it previously did and it is therefore proposed to increase the penalty tax from 5 to 10 per cent during every period of 5 months.

(g) Relief for external improvement to premises:

In 1972, for a period of 2 years, tax payers were permitted to deduct from their assessable income sums of money that the Director of Public Works certified as having been expended on external decorations and repairs on premises, other than those having frontages in Main Street.

It is proposed to re-introduce this relief, by means of separate Rules under sections 15 and 74 of the Ordinance, to apply to all premises including those having Main Street frontages, for a period of 2 years from 1st July 1980 subject of course to the expenditure having been incurred in the production of the assessable income.

After taking account of the cost of the increased tax and family allowances it is expected that without any additional revenue raising measures, the Consolidated Fund Balance on 31st March 1981 would stand at about \$5m. The Government considers this figure to be on the low side given the current level and cost of Government services, the projected size of the public debt, the cost of borrowing, the need to establish Gibraltar's credit-worthiness in the eyes of potential lenders and to establish a stronger financial base.

Accordingly the Government considers it necessary to introduce additional revenue-raising measures by way of selective increases in import duties and other amendments to the Imports and Exports Ordinance. The proposed measures are as follows:

- the incorporation into existing rates of ad valorem duties of the temporary surcharge introduced in the last year's budget;
- increases in the rates of duty for malt liquor, spirituous liquors and wines;
- an increase in the duty on motor spirits;
- increases in the ad valorem rates of duties for motor vehicles, spares and accessories.
- increase fees on spirits and cigarettes sold at the Duty Free Shop in the Air Terminal;
- the introduction of a "way-leave" on spirits and cigarettes supplied to ships;
- an extension of the drawback facilities to encourage entrepôt trade which can be tapped as a new source of revenue.
- an administrative charge of 5% ad valorem on motor vehicles exported; and
- an increase of the duty retained on radio and television receiving and transmitting sets exported.

Advantage is being taken to provide for the duty-free importation of greeting cards manufactured by charitable institutions or worthy causes and for the duty-free importation also of goods by contractors to the Crown when such goods are to be used solely for the purposes of contracts awarded by the Crown. In this latter context I should explain that such goods have in fact always been allowed in duty-free on the basis that the imports were on behalf of the Crown. However, my Honourable and Learned Colleague on my right advises that this is ultra vires and that the position needs to be regularised in law. Such imports are to be identified on entry as being either for the Crown or for incorporation in a Crown contract. Items imported by contractors into their own stores not so identified will continue to attract duty which will not be refundable.

I shall now deal separately with each of the proposed revenue-raising measures.

First, the incorporation of the 20% surcharge into existing rates of duties. The House will recall that the surcharge was introduced with the last Finance Bill as a temporary measure and that unless extended by legislation passed before 30th April 1980 it will automatically lapse on that date. The Government proposes that it should now be consolidated into existing rates. Indeed it is on this assumption that the Revenue Estimates before the House have been framed. The surcharge produced some £327,000 in revenue to the end of March 1980. The ad valorem rates of duty to which the surcharge applied are being correspondingly increased. Clothing and footwear remain at 10% and are now shown as a separate item in the First Part of the First Schedule to the Ordinance. The Third Part of the Schedule, which sets out the provisions relating to the surcharge, accordingly disappears.

I now come to the increases in the rates of duty for malt liquor, spirituous liquors, and wines.

The new rates will be as follows:

- Malt liquors, for example, beer
in bottles or cans from 22.2p to 25p a litre
in casks from 11.1p to 14p a litre
- Spirituous liquors, for example, whisky, brandy, gin etc,
other than liqueurs from 185.3p on bottled and 183.5p on
casked to 212p a litre whether bottled or casked.
- Liqueurs and cordials irrespective of strength from 206.7p
bottled or 205.3p on casks to 237p a litre bottled or
casked.
- Other liquors of less than 0.50 proof from 11.1p to 14p a
litre.
- Still wines - bottled from 32.2p to 39p a litre
casked from 15.6p to 23p a litre

- Sparkling wine from 62.2p to 69p a litre

In simple terms these increases mean that beer should go up by about 1½p a pint, whisky, brandy, gin and like spirits by 20p per standard bottle of 75 centilitres or 25p a litre and wine by 5p per standard bottle.

The duty on petrol is being increased by 1p a litre to 6.6p a litre.

It is estimated that the effect of these increases on the Index of Retail Prices will be in the order of 0.6%.

The Government believes there is good reason for imposing higher rates of duty on motor vehicles, particularly on large cars, on spares and component parts. The new rates of ad valorem duties proposed are as follows: I will also give the increase over the previous duty plus the 20% surcharge.

Vehicles up to 1299 cc	25% (an increase of 1%)
From 1300cc to 1499cc	30% (increased by 5%)
From 1500cc to 1699cc	35% (increased by 8%)
From 1700cc to 1999cc	40% (increased by 10%)
Vehicles over 1999cc	45% (increased by 15%)
Motor cycles	30% (increased by 6%)
Trailers	25% (increased by 13%)
Spares and Accessories	30% (increased by 3%)

Commercial vehicles are not affected and remain at 16%.

There is some evidence that trade in perfumery has been adversely affected in recent years by the rate of ad valorem duty. Accordingly, this is being reduced from 35% to 25%. Provided that this reduction is passed on to the consumer and not retained by the trade, the lower prices should increase the volume of business.

The Government has also looked at the rate of ad valorem duty on jewellery, following representations but has decided that the case made for a reduction in the current rate of import duty is not substantiated.

I should mention that the opportunity has been taken to metricate import duty rates where these are levied relative to capacities or weights such as those for wines and spirits and tobacco. Similarly the export duty on fuel, diesel and gas oils will be based on metrication. The duty on oils will now be 54p per metric ton instead of 55p per long ton. Duty on the new metric rates has been rounded off to the next higher penny. As a result there will be a small increase in receipts of £15,000.

The opportunity has been taken to replace in their entirety the First and Second Schedules to the Ordinance which over the years have been heavily amended.

Mr Speaker, as I mentioned previously the fees for duty-free goods supplied at the Duty Free Shop in the Air Terminal will be going up, but only in respect of spirits and cigarettes.

The revised fees for these commodities, will now be:

- Spirits -
- for each bottle the content of which does not exceed .375 litres 26p instead of 21p
 - exceeding .375 litre but not .75 litre 48p instead of 40p.
 - exceeding .75 litres but not 1 litre 63p instead of 53p
 - over 1 litre 75p instead of 61p.

Cigarettes - for each carton of 200 cigarettes or part thereof 65p. This was previously 55p.

Mr Speaker, as I mentioned earlier, the Government intends to tap new sources of revenue. The first is the introduction of a "way-leave" on duty free spirits and cigarettes supplied to ships, in order to recoup the administrative costs involved in providing the facility. The fees will be as follows:

- a. For each bottle of spirituous liquor the contents of which -
- i. does not exceed .375 litre 15p
 - ii. exceeds .375 litre but does not exceed .75 litre 20p
 - iii. exceeds .75 litre but does not exceed 1 litre 30p
 - iv. exceeds 1 litre 35p
- b. Cigarettes per 200 15p

It is estimated that approximately £50,000 in revenue will accrue from this source.

Similar considerations apply to the introduction of the administrative charge under the Drawback Regulations of 5% ad valorem on motor vehicles exported (whether unregistered or registered with GG tourist plates) and to the increase from 4 to 5% in the duty retained in respect of radios and television sets exported.

The Drawback Regulations are being amended to include the following items in the Schedule to the Regulations:

- Precious and semi precious stones and manufactured jewellery - where the duty retained will be 2% ad valorem; and
- For goods not otherwise enumerated in the Schedule when exported on a commercial basis, from a Government or private Store - where the ad valorem duty retained will be 5%.

In addition, in furtherance of the policy to assist and encourage the creation of light industries, raw materials used in the manufacture in Gibraltar of paper products such as toilet paper, kitchen rolls, etc, will be exempt from any import duty.

At this stage it is not possible to quantify the effect which these Drawback proposals will have on revenue. The main object is to provide import and export facilities and to meet the administrative costs by means of a small levy.

However, the other revenue raising proposals are estimated to produce some £390,000 in 1980-81 as follows:

a. the increases in specific rates of duties:	
Malt liquor, spirits, wines	£158,000
Motor spirits	50,000
b. the increases in ad valorem rates of duty in respect of motor vehicles, spares, etc	£108,000
c. the increased fees for Duty Free Shop supplies	9,000
d. the "way-leave" on supplies to ships	50,000
e. metrication	15,000
	<hr/>
	£390,000
	<hr/>

Finally, I must mention the increased tariff charges for electricity, telephone and potable water which the honourable and Learned the Chief Minister has already mentioned. The new charges are set out in detail in the bill itself but I shall summarise their salient features.

ELECTRICITY CHARGES

These are generally being increased by 15% across the board with effect from 1st May 1980. The Flat Rate Tariffs for lighting and power go up from 7p and 5.5p per unit to 8p and 6.33p respectively. Domestic Consumers will now pay 5.9p per unit for the first 60 units and 4.61 p for every additional unit. The commercial and industrial tariffs are also being accordingly increased.

TELEPHONES

Telephones rentals and other service charges are being increased with effect from 1st April, 1980, similarly, by 15%. Business rentals go up from £25.20 to £28.98 per quarter and residential

rentals from £18.00 to £20.70 a quarter.

In addition the charges for trunk calls to certain countries are being revised with effect from 1st May, 1980. The revised charges and the countries affected are as follows:-

For Portugal - the rate goes up from £1.35 to £1.44 for the first 3 minutes and from 45p to 48p for each additional minute thereafter.

To Spain - Campo Area - from 30p to 33p and
Other than
Campo Area - from 45p to 48p
for each three minutes or part thereof.

For Morocco - other than Tangier - from 66p to 69p for the first 3 minutes and from 22p to 25p for every additional minute; and

To Tangier - from 45p to 48p for the first 3 minutes and from 15p to 18p for each additional minute thereafter.

POTABLE WATER

Potable Water charges for non-domestic users are being increased in order to ensure recovery of production costs. There will no longer be any hidden subsidies to hotels, the commercial sector or Government through the Potable Water Fund, the consumers, other than the domestic consumer will be required to meet in full the cost of water supplied.

The price for supplies to shipping and for swimming pools will be at 37.5 pence per 100 litres; that for other users such as hotels, hospitals, schools and Government Departments, as well as the Ministry of Defence 33.75p per 100 litres. To domestic consumers the cost will be 11p per 100 litres for the first 4500 litres registered by any one meter in any one month and at the rate of 26p per 100 litres registered in excess of 4500 litres instead of 9p and 21p as at present respectively.

Mr Speaker, as has been explained in the past, these increased charges are not fiscal measures and do not of their own accord directly affect the Consolidated Fund. The financial operations of the public utility services create a contingent liability on the Consolidated Fund. They therefore affect the Government's overall financial position but must be considered and treated quite separately from the financial operations of the Government itself.

The revised Financial Statement which I circulated earlier already takes account of the effects of these higher charges for the Funded Services. It also incorporates the Government's decision to meet in part the projected deficits in the Electricity and Potable Water Fund Accounts, and the contribution of £700,000 to the Housing Fund.

The Statement accordingly shows an Estimated Consolidated Fund

Balance of £5.9m as at 31st March 1981. It does not, however, take account of the proposed increases in income tax and family allowances nor of the additional revenue-raising measures announced in this speech. The net effect of these measures will be to reduce the Estimated Consolidated Fund Balance on 31st March 1981 by some £430,000 to £5.47m, that is £5.9m less £0.8m tax relief = £5.08m plus additional revenue of £390,000 equals £5.47m.

Mr Speaker, Sir, I beg to move.

MR SPEAKER:

Well, I think it might be advisable, under the new practice to call on the Chief Minister to exercise his rights under Standing Order. After he has done this, in any event, we have, in accordance with Standing Orders to recess for a minimum of two hours. We could perhaps take the opportunity of the lunch break.

I will now call on the Chief Minister to make his contribution.

HON CHIEF MINISTER:

Thank you, Mr Speaker, my statement will be much shorter.

In my statement on the Appropriation Bill I explained that our broad approach to this budget was to consolidate our financial position on both the more satisfactory out-turn for last year and on the general prosperity which exists in Gibraltar. I also said that, in doing this, we would as last year, be both realistic and fair.

I am glad that an Honourable Member on the benches opposite who has fought this Government bitterly in the past, and no doubt will do so whenever he thinks it right, and is at the same time the one Hon Member on those benches who appears to be generally recognised as having a particular expertise in economic matters, concurs in our view that there exists, this year, a need for consolidation and for the strengthening of our reserves. Some considerable time has, I think, yet to elapse before - as the Opposition has suggested - we are embarrassed by our riches.

It would nevertheless have been less than fair not to afford some relief in respect of income tax for those with family commitments. The Hon the Financial and Development Secretary has given full details of the relief which I announced on Monday.

The increase in the tax allowance for the first child is, of course, aimed at helping those not in receipt of enhanced family allowances, while that in the age allowance is designed to provide further assistance to married couples one or both of whom are aged over 65.

It has been suggested that we should move to parity with the United Kingdom rates of direct taxation. To do this would cost

over £3m and, unless we are prepared to accept a substantial lowering of standards, the loss would have to be made up by increases in indirect taxation which would both seriously affect our competitiveness in tourism and bring about inordinate increases in the Index of Retail Prices of between 20% to 25%. This would clearly not be realistic. It would also be grossly unfair. While a very few in the very top income brackets in Gibraltar would pay more tax with parity of taxation, the general effect on the higher income groups would be a substantial drop in tax payments and it would then be these higher income groups who would best be able to cope with the increases in indirect taxation which would be necessary. The lower income groups, though also paying less tax, would be considerably worse off.

The Honourable Financial and Development Secretary has explained the immediate legislative measures which the Government is taking in order to enable the income tax authorities to implement the provisions of the Income Tax Ordinance more effectively, that is, to say, to clamp down on tax avoidance.

In the first place, there is evidence that workers in the construction industry are beginning to adopt the practice of operating as subcontractors rather than as employees of the contractor, thereby avoiding the ambit of the PAYE provisions of the Ordinance. Where the individual concerned is only temporarily in Gibraltar this can very easily result in a tax loss as it is not practicable to issue a notice of assessment in every case before he leaves Gibraltar.

Secondly, in so far as income from employment received by wives is concerned, the practice has been developing of appointing non-working wives as employees in order to reduce the incidence of taxation. This is particularly evident in the case of investment companies.

Thirdly, there has been some misuse of the appeals provisions in the Ordinance to delay the payment of tax especially in those cases where the Commissioner is obliged to issue provisional assessments.

The amendments which it is proposed to make in the Ordinance will effectively put a stop to these devices for avoiding the payment of tax. I would like to explain here the strong feelings that have been put to the Government by the Trade Unions about the fact that there are too many ways of avoiding tax, whereas the bulk of the people, the workers and the Company Directors and people who work directly as employees have to pay under PAYE.

As I have already mentioned an in-depth study into all aspects of Income Tax legislation will be carried out in the course of the year. In this context the Government will be considering also whether or not the Elderly Persons Pension should be free of tax. Whether the general application of such a relief would be equitable or whether it would provide a benefit in some cases in which the need does not exist is something that must

be very carefully studied. The question of indirect taxation will be the subject of investigation at the same time.

In my statement on the Appropriation Bill I said that there would be a need for some increases in indirect taxation if we were to achieve a reserve of about £5.5m which the Government considers, for reasons which have been explained, to be both prudent and necessary. Details of these increases have now been announced. Anyone inclined to oppose these measures will be hard put to it to find real grounds for opposition, either on the basis of the need for the measures or of their nature. They are related exclusively to luxuries, should have an inflationary impact of around 1%, which is not particularly significant, and should have little or no effect on trade. Last year's rather more severe measures had no demonstrably adverse effect on trade which grew both in volume and value in 1979.

As to the funded services, the increases in electricity charges are moderate and restricted to cover increases in recurrent expenditure, such as wages, which are not covered by the Fuel Cost Adjustment formula. Given the nature and size of investment in power development, the Government has decided to spread the burden by amortising the capital costs over 15 years and during the initial stages to meet these with a budget contribution.

The subsidy for water is confined to domestic consumers. Hidden subsidies to other consumers have therefore been removed. In this way the Government can establish the full extent of the subsidy to the domestic consumer and consider progressive reductions.

The Government's policy of not subsidising the telephone service is continued. It is hoped to increase the Government's share of international trunk calls routed via Cable and Wireless.

The budget measures should increase the Index of Retail Prices by just 2%. The relief under income tax to an average Gibraltar family on £4 - £5,000 and the increased family allowance will offset the impact of the increases on the household budget. An improvement of some 1% in disposable incomes is expected.

There should therefore be general, though mild, satisfaction about the present state of our finances, about the effects of this budget in particular, and about the establishment of a reasonable, though by no means generous, reserve.

As I said in the House on Tuesday, very careful consideration will be given to the suggestion made by the Hon J Bossano to set up an advisory committee to study the economy with a view to ensuring that it is strengthened rather than weakened by future changes as they develop. Our concern must be for the good of Gibraltar as a whole and our approach directed objectively towards this end and not aimed at political advantage.

MR SPEAKER:

Well, gentlemen, I will now explain that under our Standing Orders the House has to recess for a period of no less than two hours to consider the implications of the Finance Bill.

It is now 1.20 pm ...

HON P J ISOLA:

Mr Speaker, could we recess until 5.00 pm. Members on this side of the House have to eat ...

MR SPEAKER:

Members on both sides of the House have to eat!

HON P J ISOLA:

I would ask the lunch hour should not count.

HON CHIEF MINISTER:

If we allow one hour for lunch we could resume at 4.30 pm.

HON P J ISOLA:

We always allow two hours for lunch and I must insist on this because there are amendments we will wish to make and which will require drafting. We have to consider the implications of the Budget Statements that have been made and frankly I do not think it would be unreasonable to ask for an adjournment until 5.00 pm.

MR SPEAKER:

Well, of course this is a matter for interpretation. If more than two hours are needed then that would be a matter for motion before the House.

I honestly feel, and it is my interpretation of Standing Orders, that it should be two working hours. This should therefore count as from 3.00 pm, when we usually resume business after lunch. I feel that the Hon the Chief Minister would have no objection to that.

HON CHIEF MINISTER:

Mr Speaker, I thought we might have made more progress if we had resumed at 4.30 pm but if they are happy to resume at 5.00 pm I have no objections.

MR SPEAKER:

So, if that is acceptable all round, we will now recess until 5.00 pm.

THE HOUSE RECESSED AT 1.25 pm.

THE HOUSE RESUMED AT 5.00 pm.

MR SPEAKER:

Gentlemen, this morning we ended once the Chief Minister had exercised his right to speak on the Finance Bill and now, 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 P J ISOLA:

Mr Speaker, it must be quite obvious from our earlier intervention on the expenditure side of the budget that we did not agree with the policy that was being outlined by the Government for the next financial year as far as revenue-raising measures were concerned. We are bitterly disappointed with the measures proposed by the Government.

We are bitterly disappointed, Mr Speaker, because all the taxation measures that are proposed are entirely unnecessary if we are to place any credence at all to what Government Ministers said last year at the time of the Budget. And what we are still more disappointed about, Mr Speaker, is the refusal of the Government to agree to an increase in the personal allowances as we have suggested during the expenditure debate of double the amount they are giving.

They are giving very little, Mr Speaker. It is absurd for the Chief Minister to speak of helping the lot of those who are less well off. He gives them a personal allowance of £100. Let us put it another way. He gives £800,000-odd in income tax relief and takes away from the community £800,000 for increased electricity charges, increased water charges, increased telephone charges, which are paid by all and sundry. So where is the relief to the working man? Where is the need to make them pay all this money? Where is the relief to all those people who come into the higher income bracket as a result of the salary review of 1979, and the salary review of 1980?

In the background of the tax measures of last year, this package that was talked about which resulted in very little extra tax in theory, in practice it was a lot more, but which this year will take a lot more out of the pockets of everybody as they go up. And what does the Government give them back? After all the harsh measures of 1979 and 1980, because they conveniently forget the tough budget which was introduced very apologetically by the Government last year.

The Chief Minister only has to read what he said then. Times were hard and difficult and we had to do all those things and he praised the political courage of the Government in so doing. What do they give them back? £100 personal allowance per man and per woman, and then the family and the child allowance. That is all they give them back after having over-taxed them in 1979/80 to a fantastic degree.

Of course, the Honourable the Chief Minister was delighted with the contribution of the Honourable Mr Bossano, who seems to have let him off the hook. Of course he says the Honourable Mr Bossano, who has fought this Government bitterly in the past. Well, I don't know, I don't know, Mr Speaker. I cannot remember many bitter attacks on the Government from the Hon Mr Bossano. I think one has to go back a few years for that. Possibly he has done, but of course he has to welcome this assertion of one of the members of the Opposition to supporting at a time when the Government was in such a surplus situation that it must have come as a wonderful thing for the Chief Minister to have had the Honourable Mr Bossano agreeing with him that they should pay more electricity charges, water charges, more taxes. That there should be a higher revenue balance. Millions. So that the Government can have a wonderful surplus in 1981, which at a conservative estimate is going to be £5.4, but which, if we take into account the review in the private sector from 1980/81 and the tax yield that that will bring, plus all the other under-estimations that there may have been if it follows the course of 1979/80, the Government may find themselves with a beautiful surplus of £8 to £9m just at the time when they are going to go to England for the next Development Plan and be told well, now you are in such a wonderful position our aid to you will be less. And that is coming out of the people of Gibraltar who are over-taxed, Mr Speaker.

It is no good the Honourable Chief Minister telling this House that we should not have parity of income tax with England in personal rates because that would benefit the top bracket earners, conveniently forgetting the great benefit it would bring to most of the low bracket earners and most of the population of Gibraltar. What the Government should be doing is not squeezing the people more, not taxing them more, not making them pay more and more for everything to have a huge surplus, but to give them back a bit of the money they took from them last year on promises that have proved to be false.

That is what they should be doing and that is why we oppose the Finance Bill and we will vote against it. Because the only compensation the Government gives is £100. A miserly £100 personal allowance for a husband and a wife. I think it brings it to about half the personal allowances in England today. This is, Mr Speaker, why we oppose this Budget.

Let me just make one point, the surcharge, the surcharge. What did the Chief Minister say when he imposed it. That was the 20% temporary surcharge because of the emergency of the 1979/80 Budget. The emergency which apparently was not even there.

As the Hon Financial and Development Secretary, I am quoting from page 201, has explained "it is a temporary measure and whether it will be kept in force at the same rate or at some different rate, or whether it is abolished at next year's Budget will depend on the financial situation in a year's time". The year has gone by and the Honourable the Financial and

Development Secretary and the Honourable Chief Minister have expressed satisfaction with the financial situation. And what does the Government do? It turns a temporary surcharge into a permanent duty. Converts it into a permanent duty, and in so doing, of course, it is more than 20% that has gone up, there is that little traction in each rate that has gone up, takes a bit more in the process.

I would have thought that with the present frontier situation developing as it is the Government should not be greedy, which is what they are doing. The calculations that the Government has made if the frontier is opening, more people are going to come in and, therefore, let us put up the indirect taxation more, let us put up the price of whisky, and we get more money in. But that may not be the result.

We on this side of the House know that if the frontier opens there will be an increase in economic activity, at least in wines and spirits and cigarettes, if nothing else, food sales etc. So the Government can expect a still healthier surplus at the end of the year. And if that is the case, and if that is the possibility, is it right that electricity or water, should go up by 25% after having gone up last year by 40%? That electricity should go up the way it is going up by 20% in the secondary rate. And that all the people should get out of this is a personal allowance of £100 on income tax. Is that fair on the people of Gibraltar who had to take their money out of their pocket apparently last year to bail the Government out, and then we found it was not necessary as the figures have shown.

What I cannot understand, Mr Speaker, about this whole exercise is that if last year the Government with all their harsh measures were satisfied with a surplus at the end of that year of £1.5m, how is it that for the period 1980/81 they are dissatisfied if they get a surplus of £5m. without any taxes.

Let us look at what the position would be if the Government imposed no taxation measures at all, and did not increase electricity, and did not increase water, and did not increase telephone charges, and gave £100 personal allowance as they are giving. My calculation is, without taking into account the extra revenue that will come to the Government as a result of any private sector wage negotiations, my calculation is that they would have a figure at the end of this year of £4.2m. That is over double what they estimated last year they would have this year. And if they gave the personal allowances that we say they should give, which is double what they are giving, their figure would be around £3.5m at 31st March 1981. I may be wrong by £100,000 here or there, but I think it comes to about that without taking into account the extra revenue that will come to the Government from the wage review in the private sector. No taxes, no increases of electricity, water, telephone charges, and double the personal allowance. That is probably the budget that would have taken place if there had been an election this autumn. But what does the Government do instead? It gives a miserly £100 personal allowance increase as one

great deal; it puts up the telephone charges, it puts up electricity, it puts up water, it puts up the price of beer, the working man's drink, it puts up the price of whisky and gin and taccardi, it puts everything up again but it says this year, we must be grateful to them for one thing, Mr Speaker. Instead of 40% or 50% increases as we had last year, they are much more modest this year and for that we must be thankful. 25%, 20% although anybody who wants to buy a car will have just that little bit extra to pay so that the Government can sleep well at night and have a nice big surplus at the end of the year to defeat any good arguments we might have for getting a lot of development aid in the next development programme.

This is why we are opposed to this Finance Bill and we have no hesitation in voting against it. We will, however, seek to make an amendment to the Finance Bill to increase the personal allowances. If that can be achieved, it will not be too bad, but the fact of the matter is that this is a budget where taxes have been imposed on the people, charges are being increased with no justification whatever, merely to satisfy the ego of the Government who have suddenly become savings-conscious and feel they must improve their credit-worthiness.

I was a bit surprised to hear the Honourable the Financial and Development Secretary and the Hon and Learned the Chief Minister speaking about the credit-worthiness of the Government. I have never myself heard any complaints about the credit-worthiness of the Government. I do not know whether they are having difficulty in raising money because their credit is not good. I have not heard it and I would have thought it would not be correct. The general situation of Gibraltar is very healthy. A national debt of £8m. with a recurrent budget of revenue of over £30m. is nothing to worry anybody about. I do not know what the real reasons are behind these attempts on the part of the Government to tax the people more. We do not see any reason for it.

Mr Speaker, with a surplus of £5m. the Government tell us that they are going to consider during the year whether the Elderly Persons' Pension should be received free of tax. They tell us in the Chief Minister's statement, I do not know whether the Chief Minister disagrees with the Minister for Labour on this, but they tell us they are going to consider it. They do not tell us we reject it. We will not do it. The Chief Minister tells us, speaking I am sure on behalf of the Government, that they will review it. We are talking of about £100,000. We have the situation in Gibraltar where there are rich people in receipt of social insurance pensions and they get them free of all tax.

The social insurance pensions are received free of tax and the Elderly Persons' Pension pays tax. That is wrong in principle and the Chief Minister recognised this during the Elections in a television interview, and said it, and said don't worry we will do it. We are still waiting, Mr Speaker, and it is only £100,000 involved. And then what happens? The telephones were put up. Any suggestion that old aged couples living

together will have a reduction in their telephone charges? No. And they have to have a telephone because they need to call a doctor in an emergency. The younger people usually keep fit but the older people have to pay more. They will not get their pensions free of tax, and they will have to pay more for their telephones, and they will have to pay more for their electricity and for their water, unless of course they are on the poverty line and then they are on supplementary benefits and the Labour and Social Security Department comes in and helps.

I just cannot see the Hon Mr Bossano, representing as he does, and he says he does, the workers of Gibraltar, how we can support this Budget. He may support it on economic grounds, but how can he support a situation where everybody has to pay more, where tax allowances are only increased by a miserly £100, purely in honour of his economic theories. We will have no hesitation in voting against this Finance Bill at all, Mr Speaker.

Then we heard in one of the speeches yesterday, and we talked about it today, about the port feasibility study, and you will remember I said why have another feasibility study on the port. We have enough studies on the port. We are putting the generators there. We have the filling in of the pockets. We all know what we need in the port. But, oh no, we need a feasibility study in the port, the EEC, world trade, what makes ships come into and out of Gibraltar, Ceuta and Algeciras etc. What does the Government do? It introduces a new tax for ships which is going to raise £50,000 under which any bonded stores or any supplies to a ship have to pay a way-leave. What will this port feasibility study say? Do they pay a way-leave in Ceuta? In London? But what happens when ships' crews come along in ships, when they buy drinks, and cigarettes, who is it for? Is it for the owners back in Liberia or Monrovia or Panama? It is for the crews of the ships. And who decides where the ships go really, is it the people back home, or is it the captain who can say it is cheaper for the owners here. Has any consideration been given to that, Mr Speaker? No, they just introduce it. It seems a small amount for a ship to pay. It just gets introduced, forget the port feasibility study, forget you may get the advice to take it away. I notice duty free shops in the airport, up it goes; export duty on goods.

I hope the Tourist Office does not have the nerve in any future brochure to refer to Gibraltar as a duty-free port. I do hope they do not do that again because I think that is a travesty of the truth, and they could be brought up under the Trade Descriptions Act in England, because you pay duty whether you go in, whether you stay or whether you go out. On everything. Where is the duty free angle of the Government.

We have talked about motor cars. The Government seems to think it is a very good thing that anybody who wants to buy a car should pay through their noses for it, so if anybody wants to buy a big car let him be warned that there is a 45% import duty on it. And so, Mr Speaker, this is the picture that the Government unrolls in this House. Last year it was that things

were bad, they brought a nice income tax package, you have got to pay for this, etc., but this year the tune changes. We are fine, we shall have £5m at the end of next year but we are going to give you a very very little thing, £100 as a personal allowance, but you are going to pay the lot back in increased electricity charges, water charges, increased income tax and so forth.

The Government has to accept that our income tax rates in Gibraltar are the highest in Europe and they should do something about it. That our import duty charges are now going way above VAT charges in most of the countries in Europe. We are becoming the most highly-taxed territory in the whole of Europe merely to give the Government the pleasure of having a larger surplus in 1981 than they had hoped for.

We are not prepared to be a party to giving the Government that pleasure, Mr Speaker, and we will oppose the Finance Bill.

HON J B PEREZ

Mr Speaker, I am afraid I cannot agree with hardly anything the Honourable Leader of the Opposition has just said in this House. In fact I have been rather surprised at some of the comments which he has made in his contribution on the Finance Bill, in particular when the comments come from such an experienced member of this House of Assembly as the Honourable Peter Isola.

It is indeed very easy to come out at Finance Bill stage and say to Government "we propose an increase in income tax allowances", "we want more family allowances", "we want a decrease in import duties", "we think you should give this and that away." I think it is one of the easiest things to do for a member of the Opposition. It is indeed a very popular thing to say. I am sure Honourable Members on that side of the House tomorrow or next Monday will be going round the streets saying, "It is the Government's fault .." and I am sure they will be very popular. But the sad thing for this House of Assembly, Mr Speaker, and unfortunately the sad thing for Gibraltar, is that I am sure that deep down the Honourable and Learned the Leader of the Opposition knows full well that the Government has done the right thing this year.

He knows very well indeed that the measure that the Government is introducing will be beneficial to Gibraltar not only for the coming year but also for the years ahead. The Honourable Leader of the Opposition also said that he did not agree with the policies which had been laid down by the Government. Fair enough. That is his prerogative, Mr Speaker. But unfortunately we have not heard what the policies of the Opposition are at all during the whole debate, neither during the Appropriation Bill stage nor at this particular stage.

What are the policies that the Opposition are advocating for Gibraltar? We have not heard any policies at all, Mr Speaker. I feel that the Finance Bill before this House should be considered against the background of the local funds which are required to complete those projects associated with the current Development Programme.

The Development Programme, as was outlined by the Honourable the Chief Minister in the House of Assembly in February of this year, and as has been stated by the Honourable Financial and Development Secretary, the total estimated expenditure from the Improvement and Development Fund for 1980/81 is £9.8m. £5.6m which is to be met from ODA grants and the balance which we shall have to meet. Also to complete the 1978/81 Development Programme a further £30m are required, out of which £9m have to be met by us. This

also includes the Government's already announced commitment to the expansion of the telephone service, power development, and the construction of new houses, which the Honourable the Leader of the Opposition has forgotten about completely.

Mr. Speaker, in the light of this I feel that the revenue-raising measures which have been announced are no more punitive than the circumstances demand. In fact, I think the Opposition must admit that by and large these revenue-raising measures are not punitive at all. It might be argued, as I think it has been, that in the healthy situation in which we find ourselves today the tax payer is not getting a larger share of the cake. In fact, as I have already pointed out the Opposition are in fact calling for more generous income tax allowances, and I believe the Honourable Leader of the Opposition said that he would be proposing an amendment at the Committee Stage.

But the funny thing about this is that the Opposition have also brought the attention of the Government to the great impact which the opening of the frontier could have to Gibraltar's economy. I say, Mr. Speaker, that if this is the case, if they are warning us of the impact the opening of the frontier could have then let us be prepared. Let our economy be prepared to meet any impact that may arise from the opening of the frontier. And if there are difficulties we shall be able to cope much better with a strong, buoyant and stable economy. If happily there is a boom arising from the opening of the frontier, then by all means let us all share the benefits of it.

The Opposition, Mr. Speaker, have also highlighted the need to spend money on development. Yet throughout the years that I have been in this House, which is four, I recall on many occasions the Honourable Leader of the Opposition criticising this Government of not spending enough. He has always criticised the Government of not spending money on development and in connection with the Development Programme. However, this year, when the Government says that it is intending to spend more on development, not only during this year, but it informs the House of its commitment in the Development Programme from 1978/81, the Opposition now is critical of the Government because we are saying we need more money, because we have more commitments on development. The Opposition now is critical of the Government and they are saying we should not spend so much money on development, give more money back to the taxpayer. That is the impression that Honourable Members opposite have given throughout the last debate in this House of Assembly.

Well, I say to them clearly that we cannot have it both ways. You cannot give increased income tax allowances, increased

family allowances, decrease import duties and at the same time ask for more houses, for an expansion of the telephone services and spend money on power development. That is ludicrous.

The Government, Mr. Speaker, in the Finance Bill before the House, is taking a very prudent course. It is taking a middle-of-the-road course. And that is, it is increasing family allowances; increasing personal income tax allowances with a view to helping those with lower incomes and also with larger families, but at the same time it is also maintaining a reasonable level of reserve in order, as I have already pointed out, to meet its forthcoming commitments in its development programme.

Mr. Speaker, I think the position is indeed very clear to understand to anybody, even for myself, and I am not an economist by any means. We have commitments for the further and future prosperity of Gibraltar. And apart from ODA funds we shall have to borrow money. This has been made clear by the contribution of the Honourable Financial and Development Secretary and also from the Chief Minister. We all know that the position in the open money market today is clearly one that lending rates are at the minimum of 17%, and all the indications for the future are that these very high lending rates will continue.

So, Mr. Speaker, I feel that what we need to do this year is to ensure that our reserves remain at a reasonable level which will enable us to meet our servicing costs for the year and also demonstrate our credit-worthiness to potential lenders to the Government. Furthermore, in view of the high lending rate, it could be argued that it would be beneficial to transfer certain amounts of money from our reserves to our Improvement and Development Fund. But in order to do this our reserves must be maintained at a reasonable level to do this and save on borrowing large sums of money at very high rates of interest.

Mr. Speaker, there is one thing that I agree with the Honourable and Learned Leader of the Opposition, and that is when he says, "We the Opposition are bitterly disappointed with the revenue-raising measures and with the Government". And I say I agree because I feel that the Opposition this year expected very tough revenue-raising measures. The Opposition this year expected a gloomy forecast for Gibraltar on the economic side, and a gloomy future completely. But, of course, they have been disappointed, Mr. Speaker, because the situation has been entirely the opposite. We now have a sound economy, and with the sound policies that this Government is putting forward, I am absolutely convinced that we can look forward to a prosperous future.

Thank you, Mr Speaker.

HON A F LODDO

Mr Speaker, in rising to speak in this debate I do so with some trepidation for a number of reasons. I know that I am following my Honourable and Learned colleague, Mr Isola, and I know that I am to follow the Honourable and Learned the Chief Minister and several other speakers, and these are speakers of no mean ability and parliamentarians of long standing. I am also a newcomer to the House and this is my first budget debate.

Of course, I am at a disadvantage in that I have only had these papers for the last few hours. However, I feel that I would have been failing in my duty to this House and to the voters who voted for me if I did not stand up and make a contribution to this debate.

I am not an economist, so I do not propose to make a dissertation on economics, but rather I would approach this budget as a layman would. And as a layman I think that Government this year could have reserved for itself the distinction of being the first Government ever to actually produce a popular budget. This, they could have done by not introducing any further tax measures this year. Because it seems to me as a layman that they were not needed. Of course we now have a healthy economy, and it is good that we should have a healthy economy. As a businessman I believe that you should build up your reserves, but you should not build them up in one foul blow. And again as a layman to me it appears that we have done exactly that.

From a very small reserve last year we have jumped to a very big reserve, and in balancing the big reserve as my Honourable and Learned Friend Mr Haynes said, the embarrassment is that this kind of profit would make the Consumer Protection Officer blush. In the budget last year we were lumbered with a temporary measure. It is incredible to me how in every sphere temporary measures acquire permanence once they acquire acceptability by the people. I am referring, of course, to the surcharge. This measure, Mr Speaker, could have been done away with.

On to the question of the free port. This free port thing is now a misnomer; no longer is it a free port. We heard earlier on that the port of Gibraltar had been upgraded as a fuelling and bunkering port. Yet at the same time we hear that fuel costs are going up. And on this way-leave scheme which will raise the sum of £50,000 would not we be spoiling the ship for a penny worth of tar?

On personal allowances, I hope I do not get any raised eyebrows but I think that this allowance is pitifully small.

Earlier on my Honourable and Learned Friend Mr Isola spoke about the cars that might or might not be bought on account of the increase in taxation. It raised some laughs from the members of the Government and cries of "you wait and see", so obviously they do believe that the sale of cars is going to shoot up and that is, of course, due to the opening of the frontier. I think that the estimated £108,000 is again going to be a very, very conservative figure and we will find out next year.

Mr Speaker, as a layman, and that is all I can profess to be, it would appear that we have been taxed for taxation's sake.

The Honourable and Learned Mr Perez says that it was a sad thing for the Members of the Opposition because the Government had done so well. No, the sad thing for the Opposition in Gibraltar is that the people of Gibraltar do not realise the true function of an Opposition. The function of the Opposition is not to oppose, it is to make the Government see the error of their ways when they do have errors in their ways. Just as the function of the Government is to govern properly and not bulldoze their way through. The sad thing for the Opposition is, Mr Speaker, that the better they are at their jobs the better the Government will be at theirs, and at the end of their term of office the burden will be on the Opposition to say to the voters "Ladies and Gentlemen, we have done such a good job that the Government has governed better". And I would assure the Honourable and Learned Mr Perez that we on this side would be very happy to give him our policy in exchange for the Preece, Cardew and Rider Report!

As far as the Government is concerned there must be one good point in the budget, and that is that with the drop in the price of perfume they hope to come out smelling of roses.

Mr Speaker, having said all I have said, the House will understand why we in these circumstances have no option but to vote against the Bill.

Thank you, Mr Speaker.

HON M K FEATHERSTONE

Mr Speaker, last year the Opposition's theme was mismanagement and failure to spend money in the Improvement and Development Fund. This year, we have not heard anything

about our mismanagement. We have mismanaged so badly that we have managed to build up quite a good balance in the Consolidated Fund.

There was also, of course, the theme that we were going to prepare for the elections later in 1980 and give an easy budget this year. Well, I think we are going to give an easy budget this year, even if the Honourable Mr Isola is bitterly disappointed.

We also heard last year from the Honourable and Gallant Major Peliza "bad administration of every member of Government". We have heard nothing from the Honourable and Gallant Major Peliza yet but I am sure he will not be able to lay his claim of bad administration unless bad administrations produce these large surpluses. Reading Hansard of a year ago is really very illuminating and very ludicrous, and, of course, without balance in the Consolidated Fund the gentlemen who are on the other side, and were there last year, are absolutely biting their nails in frustration.

We have had a partial theme in this budget, as I have said before, to turn slowly, gradually from direct taxation systems to indirect taxation systems. This is the theme which is being done in the UK and I would think that the Opposition would support us with this. But as my friend Mr Perez has said we do not get a policy from the Opposition, unless that policy is purely to oppose, to destroy, to be destructive at every opportunity.

The Honourable Mr Isola said, of course, that all the taxation was entirely unnecessary. We are giving very little, why not give more. Well, Sir, we are giving quite a substantial figure, £800,000 in the nine months of the year in the income tax, and that will be £1m. odd in a full year, which is quite a substantial amount. But you have to take the whole background to this before you can judge.

The Funded Services we have always understood should be self-sufficient. This was put forward to us very strongly by the then Chief Minister in the IWP Government when he decried after the Teasdale Report the deficit that the City Council had brought up in the Funded Services. It was a terrible thing to have these deficits, the Funded Services should pay for themselves. Now, when we try and make the Funded Services pay for themselves we are told we should not do this, we should not increase electricity, or water, or telephones, we should let the deficit go on and get bigger and bigger every year.

What really does the increase in telephone and water and

electricity actually mean to the average consumer? Electricity is calculated to cost an extra 45p per week; water about 15p a week; and telephones another 15p per week; a total of 75p. Yet, Sir, we are budgetting for a wage increase this year which taken at a conservative estimate will put into the lowest paid workers pocket some £5 a week, and to the average worker some £9 a week.

Surely, it is not so crippling to the average man in the street if he receives a wage increase of £9 to be expected to meet his share of the cost of inflation in the Funded Services of some 75p. He is still £8.25 better off.

Of course, I will have it thrown at me that the other taxes are going to hit the man in the street's pocket. I agree, they are going to hit his pocket to the extent of perhaps a 1% rise in the cost of living. So basically he is still going to be considerably better off. In fact, the relief of tax we are giving for the single man just about pays the increase in the cost of electricity, water and telephones, and if he is married he is £20 to £30 better off. So we are giving to the general public in spite of the increases in the Funded Services.

The Honourable Mr Isola is very worried that perhaps by the end of the 1980/81 year we are going to have a Consolidated Fund Balance of something like £8m or £9m. Well I hope we do. He is worried because then if we go to England and ask for Development Aid we are going to be told that we are rolling in money and we should have less aid. What does he want us to do, to go csp in hand like paupers always! Has he no dignity for Gibraltar? Must we always be subservient? Must we always be crawling on our knees saying, "please give us some money otherwise we cannot manage to live". Surely, we should hold our heads up and try and be as self-sufficient as we can on our own ability. How much better to go to England and tell them point blank that we need a Development Programme of so much. We are willing to put this much into it, you put your share as well.

We have been challenged in the past about why do we not put something towards our Development Programme. In fact in the last Programme we were asked to contribute 10%, and although it was not easy we were willing to meet it, but we would be in a far stronger position if we can say, "You give us two to one", which was what was done before, and which is a situation I hope we will be able to return to.

Secondly, of course, the Honourable Mr Isola has said he has never heard that Gibraltar was not credit-worthy. Well the position really has not arisen very much in the past where there was any need to know whether Gibraltar was credit

worthy, but as has been explained by the Honourable Financial and Development Secretary we are moving into an era of development in which a fair amount of development will have to be paid for by ourselves, especially on the Funded Services, where it has always been the principle of the United Kingdom not to assist to any great extent. They have always said capital development in the Funded Services should be met from our own resources and our own services, and we will be needing to find over the next few years a considerable amount of money to pay for new electricity, power generation and water distillation.

It is obvious that if we have to go to borrow on the open market, especially that in London etc, the credit-worthiness of the territory is going to, if not be called into question, it is going to be asked about, and it is going to be considered before anybody is willing to lend us large sums of money. So it is essential that we should have a good balance. It is essential that when we go to borrow we can say we can meet our commitments, we can meet our interest payments, we can meet the amortisation without having to tax ourselves into the ground.

Are we taxed into the ground? The Honourable Mr Isola rather glibly says we are the most highly-taxed place in Europe. I do not know about all taxes, but I know about some. Let us take the tax on photographic goods. Photographic goods going into the United Kingdom pay an import duty of 23%, and then they pay VAT of 15%, on top of the imported plus duty price, and that puts an article which initially costs £100 up to £142.

HON P J ISOLA

When I was talking about the most highly taxed country in Europe I was, of course, referring principally to direct taxation. I think the indirect taxation is approaching it. I think I made the distinction.

HON M K FEATHERSTONE

It is very easy to have second thoughts, is it not Sir. Especially when his argument has been destroyed. He never said direct taxation. He said we were the most highly taxed place in Europe. Anyway, I will continue with the indirect taxation, the photographic goods from Japan: £142 in England, whereas in Gibraltar it is £115, 20% less than in England.

I would take the Honourable Mr Isola up on his statement that

in taking the surcharge and making it now into the all-in figure we have rounded up. He had better get his little calculator out and check carefully; there is no rounding up. The 10% figure has gone to 12% and that is exactly 20% above 10%. The 12% has gone to 15%, again exactly 20%; and the 17% has gone to 21%. So it is very easy to glibly say we have rounded up and made a little profit on it. I am afraid his calculator has let him down.

He said, "Aha! They have increased the tax on cars. But they had better be careful with all this increase, people may not want to buy cars". Well, Sir, it is rather like a gramophone record, I would refer the Honourable Mr Isola to his speech, page 708 last year. "I think the Government is going to get a few surprises in this respect. I think that if you go and put luxuries up you may get the position that people do not want to buy them. On cars, of course, as always happens, the Government has really closed the stable door after the horse has bolted". We sold 1,000 cars last year! I must say that the horse has bolted but other horses seem to have come along very quickly. Perhaps there are more in the stable than the Honourable Mr Isola gives credence for.

The Honourable Mr Loddo, who made a very interesting and a very good contribution, and I congratulate him, said we could have produced a popular budget. Who says that this budget is going to be unpopular. Everybody had been expecting a really terrible budget. The Opposition had prepared them for it. Time will show whether people consider this is an unpopular budget or whether people are going to be, if not satisfied, because nobody is satisfied when you have some measure of taxation, if people are going to say this is a far lot less than we had expected, and overall we are quite happy with it. I have already had this expressed to me from the little time that we had between 1.30 pm and 5 o'clock.

Of course, we have done some terrible things. Wayleave. Now that is absolutely terrible. Somebody who comes to get his bottle of whisky here at very, very competitive prices is going to pay a few pence more. In fact, all these yachts and motor boats that come over from Spain to buy their whisky here are not going to buy it from us anymore at about £2.20 a bottle, they are going to buy it in Spain at £4.50 a bottle! Why should they pay a few pennies wayleave to the Gibraltar Government? This is not a new thing, there is wayleave in England. Much as we would like to be innovators and originators of certain things, in most instances we do look to the United Kingdom and see certain things that have been in effect there for many years, and where we think they can be put into effect we copy them here.

As I said last year, Sir, about last year's budget, it was a

moderate budget and that the people could stand it was shown only too well by the high and improved Consolidated Fund Balance. This year it is, if anything, a bland budget. I am sure people are going to be able to take it quite easily. Next year, if we have our very high Consolidated Fund figure of £8m, we shall be very happy indeed. We shall then perhaps be able to give a little more away, but what we are giving this year is consonant with our feelings that we need a substantial consolidated reserve for our credit-worthiness and to show that this improvement in our finances is not merely a flash in the pan.

All in all, Sir, I think that the Government should pat itself on the back for having produced a Finance Bill which is quite within the means of anybody in Gibraltar to face.

HON W T SCOTT

Mr Speaker, Sir, in rising again I have no intention at all of making my speech to any great length, but as a family man I will make my contribution in that respect. The Honourable Minister for Medical Services said, and I associated myself with that, that he was not an economist. Neither am I. But he also said another thing, that Government has responsibility so that the measures must benefit Gibraltar and, I am sure he let out unwittingly, that they must also benefit Gibraltarians, because after all it is the Gibraltarians that put all of us here, and that is the responsibility that we have to them. And in making their lot somewhat easier than would appear to be the case with this budget.

The Chief Minister in his statement this morning said that an improvement of about 1% in disposable income is expected. Yes, right at the beginning of the speech he said, and I quote, "It would nevertheless have been less than fair not to afford some relief in respect of income tax for those with family commitments." Mr Speaker, I put to you, 1% is this the sum total of some relief, particularly to the family man that on top of that, a man with a larger family has to pay more for water, because the secondary rate for water has been increased far more than the primary rate; more for electricity for the same reason; his car, should he want to buy one, would become even more expensive because he has to pay more duty on it than a single man or a married man with one or two children. Is this the sum relief, Mr Speaker?

There was another thing in the Chief Minister's statement which we welcomed but I do not think it should have appeared in isolation. We do not really see why the perfumes should

have been left out on their own subject to a lower rate of duty. And of course, as to the comment on last year's rather more severe measures that had no demonstrably adverse effect on trade which grew both in volume and value in 1979, surely this is entirely due to the adaptability and versatility of local traders and surely not to the Government.

If I may ask the Honourable Financial and Development Secretary. We were promised at the end of his speech some tax tables. Somehow unfortunately they did not materialise, probably due to an oversight.

As a final thought, Mr Speaker, although £1.8m has been included in the Estimates for this coming year, I wonder to what extent Government has made provision in its revenue on the effects not only of the £1.8m that it itself will have to pay, but also the other revenue which it will accrue from the Official Employers and the private sector, because last year on admission a few days ago members on that side of the House admitted that they totally under-estimated the effect that the wage increases in the private sector had on the revenue from income tax.

In conclusion, Mr Speaker, perhaps Government might have some positive results and that is that the increase on 1 1/2p a pint on beer might well make a considerable number of bar owners stop stocking the beer thereby saving the problem of having them franked.

Thank you, Mr Speaker.

HON A J CANEPA

Just a very quick comment on the last remark of the Honourable Mr Scott. Just before last year's budget the Licensed Victuallers' Association made representations to the Government to the effect that there should not be an increase in the duty on draught beer because less draught beer was being sold. The Government went along with that and did not increase the duty on draught beer last year, we only increased it on bottled beer. No sooner had we done that, than they made representations to the Government and obtained from the Government, an increase of 3p per pint after, just prior to the budget in February, having passed on to the consumer an increase of 2p due to increases at source. So that through increases both before and after the budget the price of a pint of beer went up by 5p, and the Honourable Mr Scott may remember that there was some criticism in the Gibraltar Chronicle about this. It meant, particularly the latter increase of 3p, that they enhanced

their profits considerably. So here they were making representations to the Government that we should not increase the duty because it might be counter-productive, there might be lower sales, and the consumer had to put up with an increase of 5p, it did not seem to do any harm to the sales because they continued to pick up over the years. So I doubt if another 1p which might be rounded up to 2p in the event, I doubt whether that is going to make a great deal of difference.

This is the way that it always is with budgetary measures. Representations are made that the Government should not do this or that because it can be counter-productive. Sometimes I think there is a case for it, and as the Honourable Chief Minister said there seem to have been very good grounds for perfumery where the sales over the years have dropped. In other areas the Government has to be careful to keep an eye and ensure that what we sell is competitive, for instance cigarettes. If we had put up the duty on cigarettes this year with an open frontier situation there would hardly be any difference in the price of cigarettes between Gibraltar and Spain, and the last thing that you would want would be Gibraltarians going over to Spain and bringing a carton of cigarettes in. They would have to pay duty on that but that they should buy if they need a packet or two of cigarettes whilst they are in Spain.

So the Government does have regard to that, and that is a factor which has conditioned our approach to the revenue-raising measures. The need not to put up the duty on cigarettes any further. The Chamber of Commerce made representations to me during the Chief Minister's absence, the Government looked into the matter and we thought that a good case had been made. But it does not always apply and with draught beer experience has shown that the arguments have not been well founded.

I can really understand that the Honourable Mr Isola should be bitterly disappointed and that he should consider that the measures which the Government have introduced are entirely necessary. Mr Isola is nothing but a very good politician, a very shrewd politician, who sometimes is wrong and he was completely and utterly wrong during the election campaign. The Government had gone to the polls because we were going to have a tough budget and he has done a great deal of good for us because we have not got a tough budget, we have a moderate budget which the people are apparently reasonably pleased with.

He is naturally disappointed because it means that the Government's position is healthier and it gives the Government a great deal more elbow room to manoeuvre over the next four years. Being the very good politician that

he is I am sure that he would much rather that the Government should have its back to the wall, like we had last year, and have one marsh budget after another which might probably be the only way of ensuring a successful General Election for the Honourable Member opposite in 1984. But as things are the scenario looks somewhat different and perhaps we might be able to develop over the next four years a strategy which might return us to office once again in 1984. And naturally he is bitterly disappointed at the prospect of that. That, for a good politician, is the real truth of this budget.

We have endeavoured Mr Speaker, to shift slightly from direct to indirect taxation in this budget, as my Honourable Friend Mr Featherstone mentioned, and by indirect taxation on luxury items. We have also brought about a reduction in the subsidies to the Funded Services and the manner in which they are going to affect the average consumer has been explained.

What has not been said is that on water we hope to reduce the subsidy by nearly £.25 which we are going to get, from some Government Departments who are going to pay more, like the schools, hostels etc., and from the Ministry of Defence who are going to pay more, and from hotels who are going to pay more, and that will mean the tourists coming to Gibraltar. But if the tourist is prepared to pay for a package tour to Gibraltar, say, £150/£160 a week, and if a tourist spending some time in our hotels consumes 5/7 times per head the amount of water consumed in a household in Gibraltar, six or seven times the amount of water, I think that that tourist should be prepared to pay another £1 on top of his package all inclusive tour of £160/£170. And I do not think that that extra £1 is going to deter him from coming to Gibraltar. Then, let him continue to have as many showers as he wishes and as many baths as he wishes, but let him be the one that pays for the economic price that should be charged for that water and that the general consumer of water, or the taxpayer, if we continue to subsidise water, to the extent we have been doing, the taxpayer who is very careful about the water that he consumes, should not be the one to have to pay for that tourist wishing to use up so much water because he is used to doing so in the UK, that very large quantity of water which we can ill-afford.

The level of reserves has been cited as something that might not make the United Kingdom so responsive with regard to Development Aid. Perhaps I should remind Honourable Members opposite that last year when our reserves were abysmally low we requested a grant of £0.5m from the British Government which they refused in spite of the fact that the balance at the end of the financial year was estimated to be

under £1m. the British Government and, in spite of the very harsh measures that we were taking in taxation and in charges on the Funded Services last year so that we could prove to the British Government that we were doing our share, refused the modicum of assistance that was asked for in respect of technical assistance on television, which we require, and which particularly in a closed frontier situation was an absolute must, and the British Government refused that £5m. of aid. So the level of the reserves is not necessarily going to be a factor in the amount of aid that we get. What it will be a factor in will be in our ability, as the Honourable Mr Bossano put it so well - this is the political aspect of a healthy level of reserves - in our ability to have a greater degree of independence so that we will then be less subject to external pressures.

The Honourable Financial and Development Secretary spelt out clearly this morning the reason why we required a reasonable level of reserves and I think that those reasons bear repetition in purely financial terms, let alone the underlying far more important political considerations that I have mentioned.

The Honourable the Financial and Development Secretary said that the Government is going to have very heavy borrowing commitments in future years to meet our share of the cost of the Development Programme and also to place Gibraltar in a strong financial situation in order to meet any unexpected eventuality. Indeed, he went on to highlight the Government's commitments on power development, the expansion of the telephone service and the construction of new housing. All of them together running to very many millions of pounds so that the total public debt is going to increase by an estimated further £15m. over the next few years. It now stands at £6.6m. so we can anticipate over the next two years a 200% increase in the public debt. And that is why we need to be in a strong financial position and why we need a healthy revenue balance.

It has been said by the Opposition that not enough relief has been given in respect of income tax. The relief has not been on income tax alone. Since last year income tax and family allowances has been presented as a fiscal package and that has been continued once again this year. Therefore, in assessing the effect on this package you have to take into account the increase of £1 in family allowances. And if you do so then the relief which is afforded for a family with two children is around £2.40p a week. Again, that average family, having regard to the water that they consume, to the electricity that they consume, and also the effect of about 1% which increased import duties will have, is expected to have to spend about £1.70p or so more per week. So the net effect will be that they ought to be

about 70p better off a week, which is the 1% of improvement in disposable incomes that we have anticipated. So not only have we been able to shift from direct taxation to indirect taxation, not only have we been able to reduce progressively the deficit on the Funded Services, but the overall position remains better even if you do not take into account very attractive wage increases which are anticipated later on this year.

The Honourable Mr Isola made reference to the Elderly Persons' Pensions. I know that what the Honourable the Chief Minister said on television was that the Government would look into this. But the crux of the matter is that there are very serious principles at stake in this matter and these principles have to be weighed up. I do not think that the cost in respect of the loss of revenue from income tax is by any means going to be the deciding factor here, it is the principles which are involved. The Honourable Mr Isola gives the impression that old age is in itself synonymous with hardship. Not any longer, Mr Speaker, and not any longer thanks to successive AACR Governments. Old age pensioners are in very many cases, if not in the majority of cases, far better off than many working people. They are far better off than people that have to bring up families and this is why for the life of me I could not understand the policy of the Opposition during their Election campaign with regard to old age pensioners. The policy that has not been spelt out because they have very cleverly, or so they think, skirted around the issue because they have not defined what or who is an old age pensioner, and, therefore, the impression has been given that all old age pensioners would be gathered under their umbrella of proposals for relief in electricity charges, water charges, television licences, tickets to the cinema etc.

That is less than politically honest, and I think that it was a cheap election-winning gambit which did not quite come off. I say it did not quite come off because I am aware that there was a great deal of support for those proposals which are very attractive to elderly people.

MR SPEAKER

Yes, but he must not take advantage of the Finance Bill as an excuse to reply to electioneering.

HON A J CANEPA

He mentioned the point, Mr Speaker. The Honourable Member made reference precisely to this, to the fact that we were

not giving any relief to old age pensioners on electricity, water charges, and so on.

MR SPEAKER

To that extent you are entitled to reply, but you are referring to the political campaign that they carried out.

HON A J CANEPA

And I do not know Mr Speaker whether

HON P J ISOLA

Mr Speaker, I would like to remind the Honourable Member that that was not the only plank on which we fought our campaign. There were a great number of them. The Government had given us an opportunity to fight on a lot of other planks as well.

HON A J CANEPA

The pensioner today, Mr Speaker, an old age pensioner does, and very often does, include a person with a very considerable occupational pension received either from the Government or from the Ministry of Defence. An occupational pension which is index related and which is, therefore, inflation proof. And in addition to that very many of them have tax free Old Age Pension. And if they do not at least they have an Elderly Person Pension to which they have not contributed and which looked at dispassionately perhaps they are not strictly entitled to but which the Government considers that they should get because of historical reasons.

And so many of those people are far better off than working class people are, and I do not know really whether they are proposing that we should burden the working man with further taxes so that there could be relief given in the Funded Services to these people. I do not know whether I should have to pay more for the cinema tickets for my children so that someone, just because he happens to be aged over 65, should be able to go to the cinema and pay less for his ticket. I hardly think that that is social justice. In any case already they were getting additional tax relief of £320 over and above the normal allowances, and that is being increased for a couple, where at least one of them is over-pensionable age, to £450 in tax relief, which means very

likely an additional £150 less in taxation, or £3 a week more than the ordinary working man with the same income, with the same assessable income, because that pensioner may well have £1,800 of Old Age Pension which is not taxable, which is not assessable.

Mr Loddo spoke during that campaign about a contract. The voter was supposed to fulfil his part of the contract, they for their part would fulfil their part of the contract. I think part of that contract entails, Mr Speaker, as I pointed out to Honourable Members in the earlier part of this meeting, that they should spell out who is going to be the Old Age Pensioner who is going to be entitled to this wonderful Utopia.

Mr Featherstone dealt very ably with the question of import duties on taxes. Mr Isola said that people pay through their nose. They do. That is a fact. They pay through their nose in any case. The price of motor cars has increased by leaps and bounds inexorably over the years. And people take out very hefty hire purchase agreements and they do not mind, particularly young people, very flashy motor cars driving around our streets sometimes to the peril of many. I do not think you would see in any city the size of Gibraltar so many cars bashed about the way that they are here so we all have to pay higher insurance premiums. They do pay through their nose and they buy all sorts of extras. It is not just the case of having a basic motor car but putting in as many extras as you can get. Not as you can afford, but as you can get. So really that this is a winner for the Government. It was a winner I think in a closed frontier situation let alone in an open frontier situation. And there is another aspect to this, and that is that we are taxing rather more heavily the larger vehicles, but the import duty on a car up to 1,299 cc, 1.3 litres, has only gone up by 1, that still stands at 25cc and you can get pretty sizeable family saloons which go up to 1.3 litres engine capacity. They will be cheaper and they use less petrol which will also be cheaper. So I think we are giving people an option there.

Mr Isola said our income tax rates are the highest in Europe. I do not think the rates are the highest in Europe because the maximum is 50%, but I know what he means, because of the rather narrow tax bands that we have here. And that the Government has to do something about it. What? Bring them in line with the United Kingdom? Give away £3m? And cut £3m from expenditure if you can? Or increase indirect taxation even further with an effect of 25% in the cost of living.

The way-leave proposals. What do they mean in real terms? They will mean, Mr Speaker, that, for instance, cigarettes

sold on the Mons Calpe at £3 per carton, the profit on which at the moment, before the budget measures, was 54%, that profit will now be reduced to 45% because of an increase in duty in the field of 15p in this budget. The price of £3 is still very attractive, and even if it is increased to pass on that duty to the customer is still very attractive and it still leaves a very handsome profit margin for the people concerned.

With whisky the position is that the 20p wayleave, which is 12%, will eat into a profit margin of over 33%. So again I do not think by any stretch of the imagination that that can be considered to be crippling. I should just inform Mr Laddo that in fact there was a very popular budget in 1976 when because the reserve stood at £3¹/₂m, because the Scamp Report had not been settled and there were arrears of wages and salaries going back for nearly two years, the reserves stood at £3¹/₂m and it was envidious with such high reserves to introduce an element of taxation, and on that occasion it was there was no tax measures at all and naturally it was very popular.

HON P J ISOLA

There was an election last year as well.

HON A J CANEPA

So was there an election this year and here we are for another four years, Mr Speaker.

To conclude then Mr Speaker, I think that the strategy in a budget that was framed before any knowledge, or any inkling that the frontier was going to open, the strategy of the budget is really one that also fits in very well with an open frontier situation. Visitors who I am sure will come to Gibraltar over the next twelve months in considerable numbers will contribute more to indirect taxes and that I think will enable us to lighten the burden of taxation on our own people in future years.

We also have the strategy developed in this budget, as I have said before, that the Funded Services should pay for themselves as far as is possible other than in the case of water, where we feel that the taxpayer should continue to subsidise at least the domestic consumer. So I see this, Mr Speaker, as a very clever ingenious budget and I can understand why Mr Isola is bitterly disappointed.

HON A J HAYNES

Mr Speaker, at the risk of being interrupted and then misinterpreted and subjected to ridicule by the Chief Minister, and in the certainty that I shall be subjected to all that by the Deputy Leader, I shall make my contribution.

I am not complaining, Mr Speaker. I think that to have been subjected to the combined attack of the Chief Minister and his Deputy means that I must certainly know what I am talking about. Only too well for the Government's liking.

Mr Speaker, the Chief Minister and the Minister for Labour and Social Security say they are disappointed with my contribution so far. As I said earlier the feeling is mutual. I am not impressed by their efforts nor by their bully-boy tactics, and I was most hurt at the reference to my grandfather and I hope that it is not repeated.

HON A J CANEPA

Mr Speaker, if the Honourable Member will give way, I was even more hurt by the rude noise that he made, which escaped the attention of some members of the House but did not escape the attention of others, notably myself, and it was a perfectly human reaction to the way that he had behaved that I threw that back at him.

HON A J HAYNES

You should withdraw that.

HON A J CANEPA

I will withdraw that if he apologises for the rude noise that he made.

MR SPEAKER

You will not do anything other than to continue your speech.

HON A J HAYNES

On a point of clarification, Mr Speaker, there was a time lag which the

MR SPEAKER

Well we are not going to argue on that one. Will you please continue your speech.

HON A J HAYNES

The point is, Mr Speaker, that I have not been dissuaded by the Government in following the dictates of my conscience and in what I consider to be my duty to the electorate. This duty compels me to be critical of the Government which is not always efficient and which will not shoulder the blame for their mistakes. And the incidence of their mistakes seem to be endless. I have often mentioned the more obvious ones such as in housing, the paucity of housing; the mismanagement of the Varyl Begg problem; the lack of their spending of the ODA funds, all the money given to them by England; the lack of facilities and in the lack of service provided for tourists in Gibraltar; the heavy taxation in Gibraltar; and now their lack of concern, or their seeming lack of concern, with alternative sources of energy. I think all these things are of primary concern of budgetary

MR SPEAKER

I must perhaps bring you down to earth. We are speaking about the Finance Bill and the revenue raising measures.

HON A J HAYNES

Mr Speaker, I think we should try and make an effort to find cheaper sources of energy. Government expressed dismay at the high price of oil which we share.

MR SPEAKER

No, no, I have drawn your attention to it and you must accept my ruling. I am asking you to speak on the proper subject and that is on the Finance Bill.

HON A J HAYNES

Mr Speaker, the Chief Minister persists in his claim that the budget is not a source of embarrassment to his Government and he clouds the issue by saying that a surplus of money is not embarrassing. Of course the money is not embarrassing.

It is the miscalculation that ended up with so much money that is embarrassing. A miscalculation of 143%. And if getting that sum so hopelessly wrong is not a source of embarrassment to the Government it is only because in the past they went even more hopelessly wrong.

May I remind the Chief Minister once again that the budget surplus is not his personal contribution to Gibraltar. At page 7 of the ceremonial opening speech he said: "I have thoughts of public money rather than of Government funds because it is not always sufficiently appreciated that the Government is only the authority or agency entrusted by the electorate with the wisest and fairest administration of the money which the public itself makes available through taxes." It is not the Chief Minister's money. I say, let the people of Gibraltar decide whether they are happy with the level of taxation, and let the people say what they think of the Chief Minister's calculations.

And I think he has got this Finance Bill wrong as well! I think that the increases in the tax on liquors and spirits are a miscalculation and unnecessary. I think we all know that we can expect a larger increase in tourism this year, and if we keep our prices as low as possible we will obtain a greater turnover, and that means that Government will get the revenue that they want without prejudicing the local purchaser. But of course Government ignores it.

I deplore the low level of relief for families. We know the Government will not admit that they took too much money away from the people last year, and that is why they will not give anything back this year. Government tells us, Mr Speaker, to be less critical, and in my case to be less aggressive. Well, I cannot help becoming aggressive and angry when I see a Government that cannot run this city properly and will not accept responsibility for their mistakes.

HON DR R G VALARINO

Mr Speaker, after that enlightened speech there is not much we can say, but I shall mention a few points which I think, though enough has been said on the general principles of the Finance Bill, it would be worthwhile for the Opposition to hear.

First of all increases in telephone and electricity charges. In fact all we are doing by increasing these charges, by the same rate of inflation, is that we are maintaining the same rates, in real terms, as last year. This is something that the Opposition should well take into consideration. The

other fact is that though charges throughout the electricity are roughly up by 15% on published rates, the Opposition should note that to the average consumer, to the average domestic consumer, consuming 300 units monthly, this means an increase of £1.20 on existing rates, roughly 10.28% on existing bills. So the 15% of which the Honourable and Learned the Leader of the Opposition mentioned is slightly excessive to say the least.

Now the increases in family allowances and personal allowances will obviously be an advantage to the average worker. What did the Opposition expect us to do? To remove the 15% duty on income tax? As the Honourable Leader of the Opposition mentioned in last year's budget, page 698, in which he referred to the 15% income tax and tries hard to explain a reduction in the 15% income tax? It seems to me that at the time this was more of a personal thing than anything to do with the advantage of the people of Gibraltar. On the other hand we have on page 645 a view expressed by the Honourable Mr Bossano mentioning that the measures of economy should be for the majority of the people of Gibraltar. This is what I believe. I believe that this budget is a fair budget; it is for the benefit of most of the people of Gibraltar, and I am sorry to say that though the Finance Bill may be unpopular to the Opposition, the budget is designed to the whole of Gibraltar and not to the six members of the DPBG present here today.

MR SPEAKER

No, no, hold it. I will not have any improper suggestions as to motives, and I am sure that you will have no hesitation in withdrawing such an imputation. I am saying that I am sure you have no difficulty in withdrawing what you have just said.

HON DR R G VALARINO

Certainly, Mr Speaker, I will change the word "personal" to "political". I think that is sufficient.

MR SPEAKER

Political what?

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HON DR R G VALARINO

We are talking about two things here, I believe, I do not know which one you are talking about, but certainly as far as six members of the Opposition are concerned

MR SPEAKER

What you are saying is that it is the political motivation of the six members opposite that is completely and utterly..

HON DR R G VALARINO

That is right, that is what I am trying to say, that it is the political motivation of the six members opposite,

HON P J ISOLA

He should make it clear, because we heard from it, from this side what he said

MR SPEAKER

No, order, order. Will you please sit down. Order. No, no, I have asked the Minister to withdraw, and he has withdrawn what he has said. He has explained what he meant to say by saying that it was the political motivations of the six people.

HON P J ISOLA

We are glad that he has mastered the English language at last.

HON DR R G VALARINO

Mr Speaker, I am glad that I have mastered the English language and I wonder whether the Honourable Member opposite has done likewise.

HON G T RESTANO

Mr Speaker, one or two points that I would like to reply to

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which has been stated by some of the former speakers. The recurrent theme in both Mr Perez and Mr Featherstone's speeches was that whilst in the past we have criticised the Government for not spending sufficient money out of the Improvement and Development Fund, they had heard little of this this year. Well, I do not know whether the Government is complaisant or whether those two Ministers are complaisant with the amount of money that was spent by the Government last year, but certainly if they are they are very much mistaken because there are vast sums which were available to the Government, funds which were provided by the United Kingdom. And if those funds had been spent, not only this year, but last year, in the previous years, if all those monies had been spent perhaps the Government would have had the reserve that they seem to want for next year this year without having to put in any extra taxation.

Now, Mr Featherstone in reply to something that the Honourable the Leader of the Opposition said about future development aid from the United Kingdom, got up and said that we could not go cap in hand to the United Kingdom Government for money, that we must preserve Gibraltarian dignity. Well, I wonder where that Gibraltarian dignity was when the Chief Minister last year went for £2m and afterwards was shown to be completely incorrect in having gone for £2m when we see the general reserve and the profit made this year. It makes the Government look very stupid in retrospect.

Mr Canepa made reference to the shift of the Government's tactics from direct taxation to indirect taxation and he was using the same words used by the Chief Minister in his statement this morning. They have both said the same thing. They have both said and to quote the Chief Minister, "that these increases are related exclusively to luxuries". How on earth they have the nerve to come to this House and say that draught beer is a luxury, when that has always been considered to be the working man's drink; how on earth can they come to this House and say that petrol is a luxury. Are they saying that it is a luxury today to have a car? Is that what Government is saying? That it is not a necessity really for people to have a car? It was as much a necessity with the border closed because it offered people a certain amount of recreation. But of course with the border open it will be even more of a necessity. So how, both the Chief Minister and the Minister for Labour and Trade and Economic Development could say that they are only taxing luxury goods is beyond my comprehension. I think it is quite inaccurate to boot.

Now we must not forget that element of taxation that has been put on beer is an increase of 25%, and on petrol it is an increase of 18%, which to my way of thinking is far, far too high.

What would the position have been if the Government had neither increased indirect taxation by £390,000, and increased the charges for electricity, telephone, and water. At the moment they have, or they intend to end this year, with a balance in the Consolidated Fund of £5½. That is £5½m in a kitty which the Government will have at the end without taking into account these increases. I suppose really it is a matter of political decision how much there should or there should not be in the Consolidated Fund. I realise that, but personally I think £5½m in one go is far too much. And in fact if the Government had not put up the charges and had not increased the duties I suppose the net position would be that the Government had about £4½m in the kitty, and that I would have thought would have been quite sufficient, especially since I personally consider that they have underestimated quite considerably on what they will get from indirect taxation measures. I am sure that they will obtain much more than £152,000 as has been stated on the increases on beer, whisky and so on, and I am sure that they will get more than what has been estimated on both petrol and on motor vehicles and spares. And spares in fact is another one that I suppose the Honourable Chief Minister and the Honourable Minister for Labour consider to be luxuries. Spares to motor vehicles, spares for the ordinary man who has a car and for some unknown reason, or he may have had an accident or something, and he has to replace a certain part of his car. That I suppose is a luxury too. I think I said this last year but I think I have to say it again this year because the same words were used by the Chief Minister: that his measures were realistic and fair. Well, I certainly do not think they are either realistic or fair in the circumstances.

Now, in the statement of the Financial and Development Secretary, he reminds us that when debating this Bill we should keep in mind the financial consequences of the Government's commitments on power development, the expansion of the telephone services and the construction of new housing. Quite true, Mr Speaker. £3m on the power development; £1m on the telephone service; plus the new housing, but of course it is the Government's fault, for its inefficient history that it is today that we are having to pay for these services and not perhaps 3, 4 or 5 years ago. It is clear that the report which is kept so secret on the power development must certainly have said at the time that they should buy a new generator, but he did not do so. Certainly,

ever since 1975 in this House, from this side of the House, we have been pressing the Government to purchase ISD equipment. They have taken neither advice, or they took neither advice, and of course what is estimated as costing £4m now, had it been done 3 or 4 years ago, might have cost half or even less than half. So I would remind the Honourable Financial Secretary that whilst I take his point that we must mind these commitments, I would ask him to mind the position that it would cost Gibraltar a lot less had these developments been carried out years ago as advised by different people.

On the question of the duty free goods at the Air Terminal, I think one has to be very, very careful not to price oneself out of the market. It is highly important that Gibraltar remains, as it always has been before, competitive in these things. We want to attract people, not reject them.

Lastly, Mr Speaker, on the actual increases on electricity charges, we were told this morning that across the board they were in the region of about 15%, but of course this is not really quite accurate. It is 15% plus the fuel cost adjustment surcharge which will no doubt continue throughout the years. So it will be 15% plus any extra costs that have to be passed on to the consumer as a result of fuel increases. So I am sure that by the time we get the budget time next year we will find that it has not been 15% but a lot more than 15%.

There is just one point on the increased telephone tariffs that I would like clarification on because it seems to be rather peculiar. I see that charges for the first 3 minutes to Tangier are about 48p, Morocco 69p, Spain between 33p and 48p but a massive £1.44 per 3 minutes to Portugal and I would like clarification on that, what seems to me to be quite a huge variation for telephone communication to a country that is quite nearby.

Lastly Mr Speaker, on the question of water increases, it seems to me that the increases to both shipping, swimming pools, hotels, hospitals, schools and Government departments and the Ministry of Defence, at 33.75p and 37.5p per 100 litres, are considerably higher than the operating costs as quoted at the earlier session of this House by the Minister for Public Works. These figures are considerably higher than the highest rates and I also would like clarification on that point, Mr Speaker.

Finally to wind up, Mr Speaker, I think the measures that the Government is implementing are quite unnecessary, quite unnecessary, and it is really a shame that the Government is unnecessarily trying to over-tax an already overtaxed population of Gibraltar.

HON J ROSSANO

I take it Mr Speaker, that that long silence means that there is nobody else willing to speak at this stage, so I shall make my contribution which will be shorter than the one I made last year on the revenue raising measures because in fact last year I think I made my main speech at that stage.

I will deal briefly with the Honourable and Learned the Leader of the Opposition first - before I go on to make my analysis of the revenue raising measures and the budget as a whole, because of course he made some reference to me and to the stand that I was taking, and nowadays I find that the Honourable and Learned Member obviously has so much energy that not content on attacking the eight members of the Government insists on attacking me as well, which is one of the reasons, Mr Speaker, being so lonely on this left wing corner of the Opposition benches, one of the reasons why I have to try and stay last because unfortunately I cannot have a second go, and obviously the Honourable Member can always use one of his members to try and change round whatever it is that I have said. So clearly I feel that the safest position for me to be in is to allow everybody to attack me first and then try and speak last.

The Honourable Member must be puzzled by the stand that I am taking in the House. He should not be in fact because the standard I am taking is the stand I promised the people I would take in the election campaign, and I am working on the assumption that that is what they want me to do and that is why they put me here. And although traditional political analysis might require that if one sits on the Opposition benches one should de facto state that anything that any Government does is wrong, and that that is the way that we should handle the situation, I do not think that that is the way I am prepared to act, and if it means that people will consider me, as the Honourable Member seems to think, too weak an opposition, then no doubt they will not put me here again. And since I do not particularly need, as far as my ego is concerned, to be a member of the House because I do not attach great significance to the position, Mr Speaker, well, then people always get as their representatives what they deserve and what they want and they will only be able to have me as long as they are satisfied that I can only act in conscience in the way I think to be correct. And, therefore, last year I felt so strongly on the way the situation was being explained and handled that I even voted against the Long Title if members will recall it. Not by virtue of the fact that I was sitting on this side.

Last year, Mr Speaker, the only person that was not completely overcast that this cloud of gloom that the House was presented in the definition of the economic situation was myself. And therefore I think that if the

Honourable Mr Haynes talks about embarrassment as to the results compared to the attitude adopted in the House twelve months ago then the only person who can really claim the right not to be embarrassed is me, because last year I made a point of stating quite clearly that it was absolute nonsense to talk about bankruptcy, that Gibraltar was not in fact on the verge of bankruptcy, and that Gibraltar's economy contains strengths that few other economies in the Western world contained. That was my analysis of the situation. I remember the Honourable Mr Isola disagreeing with me, in fact. He said, following my contribution on page 701 of Hansard last year; referring to me he said "I always listen to him with great interest because there is always one thing about the man, he is logical and he is consistent and he states the position as he has seen it. He has been consistent for many years and it is interesting to listen to his economic appraisal of the situation". Well I am sorry if I disappoint the Honourable Mr Isola this year with my economic appraisal, but I can assure you, Mr Speaker, and I can assure him and the House and the people of Gibraltar who care to listen to me sometimes, that I continue to try and be as logical and as consistent in setting out the position as I see it, whether what I say happens to be diametrically opposite to what the Government is saying, or absolutely consistent with it. That is irrelevant as far as I am concerned. I do not say things because the Chief Minister may be saying it, nor do I say the opposite of what he is saying because he is saying that. I say what I believe to be the truth, as I see it, and if it happens to coincide with the Chief Minister or it happens to coincide with Mr Isola's views, well, that just happens to be an accident as far as I am concerned.

He then went on to refer to my stand in saying that the Government was not on the verge of bankruptcy. He referred to the statement that I had made that the "Gibraltar Government is far from being in a dangerous situation", and he was critical of the stand that I was taking then - it is on page 701, Mr Speaker.

Today he has said that my reaction to the budget may be simply the reaction of an economist but should not be the reaction of a man who is supposedly the defender of the working class in Gibraltar. Well, I still consider myself to be

HON P J ISOLA

Mr Speaker, If the Honourable Member would care to quote me correctly, I said that he was "known" to be the defender of the working class in Gibraltar.

HON J BOSSANO

Well the impression that I got - I may have got the exact quotation wrong, Mr Speaker, but the impression that I got was that it was not intended as a statement of fact.

HON P J ISOLA

Yes, it was.

HON J BOSSANO

I am glad to hear it, I am glad the Honourable Member accepts what I am then. Because certainly the impression that I got from what he was saying that I might want to give the impression that I was but that my stand was not consistent with that. That was the impression that I got by the way and the context in which it was said. Now, either the Honourable Member says that I am or he is doubting it. If he is doubting it then I would like to dispel the doubts that he may have.

HON P J ISOLA

No, if the Honourable Member will give way. I did say that voting for this Bill and not supporting the increased personal allowances would be inconsistent with that stand. I think I said that.

HON J BOSSANO

Well, since in fact, Mr Speaker, the Honourable and Learned Member was so clearly convinced of my consistency twelve months ago I do not want to lose his faith in me and I will try to persuade him that I am still being consistent.

He went on in fact in his speech last year to criticise the Minister for Public Works and the Minister for Economic Development - page 104 - for doing everything I taught them. He said they had to ask the Honourable Mr Bossano for permission to do this and for permission to do that, term contracts please co-operate, please allow us to have term contracts, and Mr Bossano says no, you cannot have it and the Minister says, well, at least he has now agreed that it should go to tender. Well I think if the Honourable member expects me to be consistent then at least he must expect me to agree with the things that the people do because I tell them to do it. That at least would be consistent, I would have it.

But of course the reason why the Government I think has not gone ahead with term contracts is not because I personally objected to term contracts but because there was a very

strong feeling amongst its employees, and I tried to explain that last year, and the Government I think has learned one lesson in the last seven years, and that is that it should try and do things by co-operation with the representatives of its labour force, its own employees, rather than in conflict with them. I think it is a good thing for Gibraltar, and I wish it had happened sooner. Now, if that is going to be termed as weakness on the part of Government there is one way of identifying one's own political or ideological position in relation to defence of working class interests and, therefore, if I approve of the Government not willing to do anything without Union agreement, then I cannot be accused of being inconsistent for approving of something the Government does because as a member of the Opposition they disapprove everything they do even if what they do is what I wanted them to do. So I think, Mr Speaker, that perhaps might explain what might otherwise appear inconsistent.

If we take one particular issue, and that is the question of the financing of the Funded Services and the increases of its tariffs, I have previously opposed the increases of the tariffs, and I have opposed in principle the theory of making the Funded Services self-financing. And I think when I did so, I am not very sure whether it was in last year's budget or 24 months ago, in fact between the Appropriation and the Finance Bills, the Honourable and Learned the Chief Minister diluted somewhat the stand of the question of making themselves self-financing and said that they had done so in recognition of the points that I had made so one of the reasons why it is so expensive quite apart from whether they may or may not be mismanaged by the individuals who happen to be responsible for the services as Government, quite apart from that, is because of this economy of size. One of the reasons why we have independent sources of supply is because of our distrust of our neighbours. In fact I think the Honourable and Learned Member made it quite clear when there was talk about new sources of water supply, I think the hint was very clearly there, that the new sources should not be a pipeline from across the border. Now clearly that is a political decision. A political decision which cannot be passed on to the consumers of water, but must be passed on to the whole community because it is a political decision to which we are answerable to the whole community, and, therefore, I think that is an important content in the financing of these services which cannot be ignored. In any other community of Western Europe where there was normal harmonious neighbourly relations, the rational economic thing to do would be to develop services for those communities on the most economic basis, and to create units of the most economic size, but in a situation where the neighbour that might be controlling half of those resources is the neighbour who wants to swallow you up, it would be very foolhardy to put yourself in that situation

if you do not want to be swallowed up. And I am glad to say that I have no doubt that no member of this House, and certainly the overwhelming majority of the people of Gibraltar, have no desire to see that happening and will expect us to do everything in our power to stop that happening. And it is consistent I think with that responsibility to take a stand of saying that something that is unpopular needs to be done because of that overriding objectives rather than to exploit the unpopularity of what needs to be done. I think that is being consistent.

In 1978 I said, Mr Speaker, in the Finance Bill of 1978, on page 598, I said in respect of the size of increases that the Government was proposing, "If we had had 10% inflation in the last twelve months, and the Government had turned round and said 'well I am going to raise all charges by 10% because the policy is to keep the charges stable in real terms and revalue them with inflation', that would have been an understandable argument. Although of course it would have been more understandable an argument if they were doing the same with personal allowances under the Income Tax Ordinance and revaluing those at the same time". Well that is precisely what they are doing now, two years later. If I said two years ago that, Mr Speaker, then I think the Honourable and Learned Member will understand that because I am consistent I cannot say something else two years after, even if everybody in this House and everybody in the rest of Gibraltar have forgotten what I said two years ago, and, therefore, I accept the point made by the Honourable Minister for Municipal Services that in raising charges by 15% in real terms they are being retained at the level they were a year ago, except that of course I thought that they were too high a year ago, and although I accept they are not being increased I voted against them at the level they were set a year ago, and, therefore, I will not be opposing these increases because they are not any higher than they were a year ago, but I cannot support them because I would be in contradiction with the vote I took 12 months ago. Therefore I will abstain on that. But this is the reason why I am abstaining and I am not opposing it like I have done in other budgets, because two years ago I defended such a policy and the Government is doing it now. It would be politically inconsistent or possibly politically more popular in terms of what one considers to be the desirable behaviour in catching votes to vote against everything.

As far as the Income Tax is concerned, Mr Speaker, let us be clear that the same argument applies to that, and just like the Government cannot - the Government in its own defence, because I think sometimes one tends to get in the House of Assembly a situation that because members of the Opposition paint everything that the Government does black, the Government feels almost duty bound to paint everything it does white, and I think they should resist the

temptation. In fact if we accept the analysis that raising charges by 15% is simply retaining them in real money at the same level they were twelve months ago, then clearly raising tax allowances by 15% is not reducing taxation. If one is not increasing prices then the other one is not reducing taxation, and, therefore, the Government, if it wants to be consistent must accept that if it claims that it has not raised these charges, they have just revalued them to retain them at the level they were twelve months ago, then by definition, by a logical extension of that argument, it is not reducing the level of taxation in Gibraltar, it is maintaining it at the level it was twelve months ago. And to have failed to do it by the minimum that is required would have been to increase taxation without doing so overtly. If the allowances had not gone up by the level they have gone then we would be paying more tax than we were last year. By putting the allowances up we are not going to be paying less tax, we are going to be paying the same tax. I accept that entirely. On the question of family allowances, on the question of the £50 for the first child, Mr Speaker, we have gone for an improvement because the increases are of 25% instead of 15%, so clearly there is an improvement there I am glad that there is an improvement and I welcome it. And clearly I am glad that the minimum necessary has been done.

In the overall reaction to the budget, in whether the Government is right in seeking to be prudent at this stage, I support that point of view, and I think, like the Honourable Mr Restano, that these figures, and I said so I think in my earlier contribution, I think that these figures are going to prove to be grossly underestimated. I think that the revenue will be much better than anticipated. I think it is a logical deduction from some of the things Government has said itself, of some of the things the Honourable the Financial and Development Secretary has said himself. Because if in fact we are not making provision for the yield from private sector settlements, accepted that there will also be supplementary votes as a result of inflation on the non-labour side of the budget, I accept that. But after all against that one can say that the Government has shown the effectiveness of the Expenditure Committee in containing supplementary votes, and, therefore, we are in a position to do something to contain the growth of supplementary expenditure that will not procure an equal reduction in the yield of private sector settlement, because the private settlements in fact are not going to be produced by Government, they are going to be produced by the Trade Union Movement, and the more we push for higher wages the more money that they make out of the deal. It cannot go wrong.

In addition to that of course there is again no provision for increased activity, quite apart from the beneficial effect that the removal of the restrictions might have in

traffic and turnover in Gibraltar, quite apart from that the increased activity anticipated in the construction industry, which the Honourable Member mentioned in his statement on the Budget, that increased activity, and increased jobs, is bound to produce more money for Government. Therefore, I think the figures will prove to be underestimated. But I accept, and I have accepted in the past, Mr Speaker, that it is the rôle of a Financial Secretary in fact to err on the side of caution. I accept that that is his rôle, and I accept as a professional economist if one is making a series of estimates, then one makes those estimates with different degrees of probability. And one would have the shut-off point at a fairly low level of probability to be almost certain that that was guaranteed, and that anything else that came along would be the icing on the cake even if one was fairly confident that the icing was going to come as well. So I accept that from the point of view of not having the responsibility of governing, it is easier to point out that there is more money, but being in Government, and this has been the consistent trend in fact in a number of budgets and I have accepted that point, that even though the Financial Secretary might agree with me that that is there, but we all know what has happened before with slippage in the construction industry and clearly if they put in another £1m as a result of the fulfilment of the development programme, and the development programme for some reason or another slips the way it has been consistently slipping, then the £1m would not be there. And if they put on the expenditure side items that had to be spent then we would find ourselves with a deficit of £1m. So certainly, although I would say to the Government that there is going to be more money coming in and the reserves are going to be stronger, if I had the responsibility of advising the Government on this one, and if I looked back at what has happened in the construction industry and the Development Programme over the last 4 or 5 years, then I would say it is too risky to put the money in there because we may again get slippage and of the £10m only £6m or £5m will be spent, in which case the expected multiplier effect in the economy, the expected creation of new jobs will not take place, and I have already spent that money on anticipation of its coming in.

In addition, the most fundamental point for me, and I think the point that we should not have forgotten throughout this budget debate, and which I think has been more noticeable by its absence and by its presence, Mr Speaker, is that this is the most critical period in the history of Gibraltar. There has been a fundamental and dramatic change in the Spanish attitude, this is going to have a fundamental influx in the economy of Gibraltar, and we should be more concerned about that than about anything else. It does not really matter. It does not really matter how much one can knock the Government at this stage because the most important thing is that the Gibraltar economy should not be knocked sideways by the impact of an open frontier. That is the most

important thing at this time, and that is the thing that all 15 of us should be concentrating all our attention on, and when we have got that sorted out and we are clear that the ship is going to stay afloat, then let us quarrel with the skipper of the ship. It is no use quarrelling about who is going to run the ship when the ship is sinking Mr Speaker. And I am not a very strong swimmer!

I think, Mr Speaker, the increases brought about by the increased charges are very substantial in the Funded Services. I mean the increases in consumer costs. I am glad that again I can quote something that I said two years ago, and it gives me a great deal of satisfaction to be able to quote myself two years later.

MR SPEAKER

I am delighted to see the Hanserd has become so useful.

HON. J. BOSSANO

Yes, it is very tattered. I am afraid. I wish it was more durable. Something that I said two years ago, if I can find the page, Mr Speaker, on the question of the Water Account, which the Honourable Mr Featherstone really thought was something that I was saying was, the impression he gave me was that it was really too ridiculous to be taken seriously, and that was how one should charge for water. If the Honourable Member wants to read what he said it is on page 603 of the Hanserd of the Budget of 1978.

Now at that time, Mr Speaker, I said that in respect of the Water Account I felt that one should look at it from the point of view of the cost of production of water from different sources, and that if it was much cheaper, as it is, to have water from wells and water from the water catchments, and then importation and then distillers, then in my view the cheap water should go first to the consumers and, therefore, the water required for commercial enterprise should be linked to the marginal cost of production of water and not to the average cost of production of water. Because if we have got the situation where we are encouraging for example economic expansion, that would be an important element of any economic plan for Gibraltar. And let me by the way reassure the Honourable and Learned Mr Isola that I do not carry an economic plan around in my briefcase, like I said in Inces Hall. I did not have it then and I do not have it now. Economic planning is an approach to running an economy and not in fact something that one has got in a little book which you just look up something and the answer is there. It is a constant exercise of having a sense of direction for an economy with variables in it which are measured and monitored, and when there is a change in a variable an adjustment is made so you are still finishing up where you want to go. That is the essence of an economic plan. The essence of

economic planning is that you set yourself a target and you realise on the way whether you are still travelling in the same direction you want to go or not, whereas in the absence of an economic planning you think certain measures are going to produce certain effects and you have no idea until the end whether you have actually succeeded or not.

Now in the case of water, the point that I was making two years ago, which I think has been in part, certainly a good measure taken up by the Honourable Mr Featherstone, supports this year, two years too late but still better late than never, supports this year of the Governments measure for commercial and industrial exercises, is that if for example an additional ton of water costs us £3.50 to import, and if we are encouraging the expansion of the economy, and that expansion of the economy is going to bring about increased consumption of water, then clearly we do not want to encourage expansion of the economy, creation of more hotels and more bars, by giving them subsidised water, because if that produces a situation where we have to import an extra 100 tons then the cost of that extra 100 tons should be fully passed on to them because if it is not economic to run a bar with imported water at that price then it is better not to have the bar, than to have the bar by subsidising the water and then raising the beer. And, therefore, I still maintain, Mr Speaker, the position of two years ago and I hope the Honourable Member appreciates that perhaps it was not so silly as it sounded at the time,

I think the Government is right in moving in the direction that it has done on water, in passing on to commercial enterprises a cost more related to the cost of production, because whereas consumption for domestic purposes is a necessity, I think economic development must be treated purely and strictly on the basis of the cost benefit analysis, which was something again that years ago I was urging, I think, on the Honourable Mr Serfaty, who is regrettably not with us any more to enlighten proceedings like he used to with all his visits to the cellar in the Tourist Office in London and that sort of thing. He is regrettably not here, but I remember that two years ago I urged him to undertake a cost benefit analysis of the tourist industry and he looked at me with a look on his face as if saying, how do you eat that. But it is important to have a cost benefit analysis because the essence of us encouraging industry, and I make that point in connection with one of the measures here in this Finance Bill, Mr Speaker, which is the question of free import duty on products needed for the manufacture of paper and certain other things, because that is consistent with promoting light industry. Well, that in itself is not a good thing and this is something that we need to be careful of. I think one can fall into the trap of saying that promoting light industry is a good thing. No, promoting light industry is a good thing if the end result of promoting light industry

is that Gibraltar is going to be better off. Now, in other places there may be overriding social or political considerations for creating employment for employment's sake. That is a problem we do not face in Gibraltar. We are extremely fortunate not to face it in Gibraltar. And therefore, in our own economic analysis we must in fact be conscious of our economic structure and not somebody else's economic structure. And whereas there may be a case for incentive and subsidies to create jobs where you have got mass unemployment there is absolutely no case in a place where the importation of labour puts an enormous pressure on all our social services and on our space. So in fact we should not be, I think, as a basic policy aim, we should not be encouraging labour intensive development. We should be encouraging capital intensive development. We should be encouraging things at the top end of the technology structure in terms of anything in industry. And this is why the encouragement for example of financial and banking services is a sensible thing, because there is a very high value added element there. And in terms of the money that can come in, it can produce much more with less use of raw materials or resources like water and electricity than clearly any type of light industry. And, therefore, I feel that in that respect there might have been a reaction of saying, well, everybody knows that promoting industry is a good thing and, therefore, let us go ahead and do it because by definition it is a good thing. Well I would put it to the Government that by definition it is not necessarily a good thing in Gibraltar's economy, and that they should look at that carefully, really.

Within the strategy of a development plan for Gibraltar with rigid economic criteria and rigid economic control, within the offer that I made to the Government earlier of being willing to advise on the setting up of some sort of economic committee which I compared to an EDC but I said should not follow the same rigid lines as in EDC, because I think in Gibraltar we need to approach people and I think we have got a lot of people in Gibraltar who are not involved today in Unions, who are not involved perhaps actively in the Chamber of Commerce, who are not involved in politics, who do not really want to know, but have got a lot to offer. And sometimes we tend to spend a lot of money in bringing experts from outside to tell us how to do things in Gibraltar, who get it wrong anyway, who cost us a lot of money, when we have got people here who never open their mouths and who know how to do it better but we do not seem to have the machinery of approaching them. They may be people who do not want the limelight or who do not want to be accused of supporting one political faction as opposed to another faction. Now, that is something we

must tap and we must tap it now because the time has come for us, Mr Speaker, to put aside all other considerations other than ensuring the strength and viability of the economy of Gibraltar. I cannot overstress this. And the political viability as well. But I believe that one is conditional on the other. I believe that however strong we may feel in political terms, if we do not have a strong economy we would be weak politically to be able to disagree with more powerful nations than ourselves who may think that they know what is best for us. And certainly it is difficult in my judgement, Mr Speaker, to say, for example, to - let us say we had a situation where the Spanish Government wanted us to accept certain proposals that were unacceptable to us, I am not talking at the moment about transferring sovereignty, just let us take a hypothetical situation where they wanted to introduce some changes in our relationship with them which were unacceptable to us politically. And we said, no to that, and that carried an economic price. I think it would be difficult to persuade the British Government, if they did not agree with our judgement, and they are perfectly entitled to disagree - after all it is difficult enough for the 15 of us to agree to why should the British Government agree with us. If they disagreed with our judgement I think we would find it difficult for them to say you must respect our wishes and foot the bill. If we think our judgement is right the most respectful way to back our judgement in this matter, as it is in almost every other matter, is to put our money where our mouth is. That is the crunch, Mr Speaker, and if we think that we have to pay more for some things rather like we are doing with water and electricity, rather than put ourselves in a vulnerable position, then we have to pay for it. But it would be very difficult if for example we got an offer of very cheap water coming into Gibraltar and we said, well, we think it is too dangerous to do this, and the British Government said, well, we do not think it is too dangerous because Spain has now got a democracy they would not do a nasty thing like letting you switch over your supply to them and then letting you all die of thirst, they are not that sort of nasty people. Now we may think they are that sort of nasty people, they may be capable of doing that and worse to us. So we say to the British Government, look, sorry, we do not want that cheap water supply, we want the expensive water supply that we have got. Well, then I am sure that the natural reaction we could expect from the British Government - and that would not entitle us to be anti-British or anything like it - they would still be perfectly entitled to say, look, if you do not trust them to that extent you cannot expect us to pay the difference between what it costs to bring water from there

and what it costs to bring it the way you are bringing it now. If you feel so strongly about it you must be able to finance your own distrust. That makes it absolutely essential that our economy should be strong and that the reserves of the Government should be strong.

In addition to that I think one of the things that happened when the frontier closed was that for many years before Gibraltar was a boom town and very little of that money finished up in Government hands. I do not think we can afford to let that happen again. I think we went through the experience of thinking in those days, and I was not involved at all in politics at the time, perhaps the Honourable and Learned the Chief Minister and the Leader of the Opposition who have been around so much longer than me and who are no doubt likely to be around well after I am gone - well they seem to have an innate survival ability, Mr Speaker, which us normal mortals do not seem to have - they may be in a better position to judge whether this was the case or not at the time, but the impression one gets in fact was that there was so much confidence that the situation was so stable that there was so much money flowing into the economy of Gibraltar, that we did not need in fact to worry about making provisions for the future, and, therefore, it came as a very rude shock to us when the clamp-down came.

I think we should learn from our mistakes, and I think if we have a situation where everything seems to be well and the Spanish Government seems to be changing its tune and seems to be treating us more like human beings than as undesirable specimens, then we should have our economy geared up to exploit that opportunity to the full, to build up the reserves just in case things turn sour again and we have to fall back on those reserves. And if we do not know how to fall back on those reserves, well, that is fine. The money will be there and it can be used either for improving social services, or it can be used to give people money back, to reduce taxation, to allow them to spend more on consumer goods. Because that is one of the essential differentials in any economic system which must not escape. When we are talking about a situation of having a certain level of taxation, and as I said all that the Government has done this year on income tax, all that it has done, has been not to increase income tax, that is all, if in fact we are talking about a situation of reducing taxation, and income tax is a very unpopular thing, there is no question about it, but I am prepared to defend politically, Mr Speaker, I am prepared to defend politically the desirability of paying income tax. Not because I like paying income tax because I agree with it politically.

Because I disagree fundamentally with the philosophy of the Conservative Government of switching from income back to indirect taxation that hits the people at the bottom more and gives more to the people at the top. And I think what the Conservatives have done in their income tax cuts in the last budget is iniquitous and I would certainly oppose any attempt to follow their example in Gibraltar.

Now I think to try and tell people that they can actually have more of everything and pay less is not only incorrect but is in fact stirring up trouble for everybody for the future. It is not possible, Mr Speaker, to pay less tax, to pay less duty and to have more services; to employ less people and to expand Government activities. It is not possible. It is possible to manage the economy of Gibraltar better, and it is certainly possible to run Government departments more efficiently than are being run. I have no doubt about that. But I think we should be questioning why it is that they are badly run, and I do not think that we should jump to the conclusion automatically that it just depends on the eight politicians who are sitting on the Government benches when another eight would be able to keep the system that we have, and produce better results, because I think that the system that we have should be looked at through a magnifying glass. Because I think one of the things that we have got which makes Gibraltar's economy cumbersome is that we tend to have a system of Government, and many people in Government themselves feel that the worst possible development that we have was the amalgamation of the City Council and the Government, which was intended to produce all sorts of economies and the first thing that it produced was the employing of extra staff to deal with the amalgamation and they are still there.

Now, one of the things we must understand is that there is a pattern in the development of Government services throughout the colonies, which is the pattern basically devised by the Administrating Powers and introduced in different colonies at different stages in their political and economic development. Which is natural. Every empire did it, from the Roman Empire on. If you have got to administer the world from Rome, then what you do is you make everybody copy the Roman system, and this is what Britain had done throughout its own colonies. But we have got to understand that in Gibraltar it is only 20,000 human beings living in 2 square miles, that is all it is. And we cannot afford to run the economy of Gibraltar, or the Government of Gibraltar, as if we were running the affairs of a nation state of 50 million but scaled down to the size of 20,000, because that is not the case.

I think there is a lot that we can borrow and adapt, just like I think it is right for us to look towards UK for guidance on how we run our own affairs. But as I said in my earlier contribution Mr Speaker, whereas as a committed intergrationist who is willing to pay the price of modelling every sphere on the UK because I thought the political security and stability of intergration warranted paying that price, if we are not in that situation any more, then I think we must do things in our own way even if we borrow a great deal from UK. Therefore, I would say that whereas a couple of years ago I was pressing the Minister for Labour and Social Security to follow UK in raising family allowances, I would not be doing the same thing today because today he has gone beyond family allowances. So it would be dogmatic to say because we must follow UK I do not agree that you should raise it by £1, you should raise it by 75p like they have done.

If we can have a well run, an efficiently run economy, which produces sufficient wealth to enable our people to live better than in the UK then why should we not? It is not a question of parity plus, I do not know whether the Honourable and Learned Member agrees that we should be better than in the UK. Is he saying that we should not..

HON P J ISOLA

I agree entirely with the Honourable Member. I just mentioned the remark parity plus!

HON J BOSSANO

Yes, but with approval I hope. Well, yes, Mr Speaker, because you see parity has got to do with the wages an employer has to pay an employee, and the biggest employer in Gibraltar is the Ministry of Defence. And the reason why we can defend parity economically is because if our workers in the Gibraltar Dockyard are as productive as the workers in any Dockyard in the UK, and they are, because every Chief of Fleet Support that comes to Gibraltar says so, and he has no reason to say so if it is not the case, if they are as productive, then we can be competitive if we charge the same as a UK Dockyard charges for the labour that we supply. If we charge less, we are selling ourselves short. So why should we charge less. If we charge more we may be putting ourselves out of business. So there is a sound economic basis for saying, we should pay a worker in the Ministry of Defence the same as he is paid in UK because that means that they are getting the

same service for the same money. At the same time if we can produce a lower cost of living through better management of our economy, if we can produce lower taxes, if we can produce better social services, then that is parity plus. Because at the level of work the worker gets the same wages as in UK, but that money produces more for him than his counterpart in UK. But in fact that is true of UK as well, because the worker in Northern Ireland working in the Ministry of Defence in Northern Ireland gets the same wages as the worker in the South East because there are national agreements that cover half a million workers, but the worker in Northern Ireland is on parity plus. He also has a few bones to contend with, but that does not detract from the fact that his wages are not related to his cost of living: he pays less for his housing and less for a lot of things. And one must distinguish between the price we charge for the labour which we supply to the Ministry of Defence, which I think rationally we can defend the same as the national wages in the UK. Morally I think it is right. It has given the worker in Gibraltar a dignity. It has meant for him a recognition that he was worth as much as the UK worker doing exactly the same job at his side, and I think it has been a good thing for our relationship with the UK, and has helped to eliminate a great deal of the friction that existed at the shop floor. And if we in this House can work together to make the economy of Gibraltar better, and I would put it, Mr Speaker, that if the Opposition is able to show the Government up, not by condemning everything they do but by actually presenting alternatives which are not necessarily more popular - and I think obviously to say that we should pay less of our electricity and to say that we should pay less for our income tax is more popular - but if we can show the Government on this side, and in saying we I am including myself with my six colleagues, Mr Speaker, if we can show the Government that in fact it is possible not simply to reduce everything and to give more without explaining where the money is coming from, for them it is possible to raise the money to give the service that is required in a way that is more just, or to do it in a way which puts the burden not on the residents of Gibraltar but raises money from outside, then in fact, if the Government refused to listen to that advice, then the Opposition would be in an excellent position, I would have thought, to go to the electorate and say: look they could have done this in 1980, they could have done it in 1981, they have not done it, and you have been paying a price all these years which you need not have paid if you had not had that party in Government.

I think that that would be conducive to allowing the

Electorate intelligent choice in deciding which is the team that can run Gibraltar best. And I would commend that approach to my colleagues on this side, Mr Speaker, in our treatment of these figures, in our treatment of the budget.

Now as far as the actual charges are concerned, I have touched already on the question of the charges for electricity and so on which as I said, Mr Speaker, I thought were too high last year. I think they are still too high because all that is being done is revalue them by inflation, but I accept that in a policy of making these accounts self-financing, not to revalue them by inflation would be totally inconsistent. It would be a negation of that policy because then you would be creating a bigger deficit and a need to charge 50% increases or 80% or 100% increases as we have had in the past, and I certainly think that that is the wrong approach. If the Government is determined to make these three services self-financing then certainly I think it is preferable that they should do it by smaller and more regular increases than to go a number of years without increasing and then wallop everybody with a 100% increase, which is what happened in the 1970's and I think that is bad. And last year it was a catching up exercise where we had a situation where we had been allowed to get into the red year after year and in fact the House knew nothing about it for six years, because the accounts were all Notional Accounts and we did not know at the end of the year whether the thing had made a profit or a loss. And we found out after six years that there was an accumulated loss of £3m.

Now in that situation, as I said, Mr Speaker, with that policy with which I do not agree, with that policy, that is consistency. As regards the question of charging on indirect taxation on things like spirits and so on and the effect on the tourist trade, I think it is important to be conscious of the effect on the tourist trade. But in fact the predictions that we have had in the past about the impact on the tourist have not materialised. We have had an increase in tourism this year in spite of increased charges last year, and I think one should look at it, I would imagine the Government's own officials look at it in that light, in terms of the effect of price increases on volume. Now it certainly would be economic nonsense to put charges on goods to an extent that it produces a drop in volume and then you finish up with less revenue than you had with the lower charges. That would be absolute economic nonsense. It would be a negation of the purpose of the exercise because you do it to collect more money and you finish selling less and getting less.

But I am not persuaded that that is the stage we have arrived at, but I certainly think that this is something that must be borne in mind by the Government very seriously to ensure that we do not enter into that stage, because it would be a difficult thing to rectify. I remember, Mr Speaker, arguing precisely that the Government was doing this some two years ago when they had a 600% in bunkering in tax, and I said if this produces a drop in ships calling at Gibraltar to bunker and they go elsewhere and the Government then realises that they have stopped coming and they should not have done it, they will not get them back. Realising it afterwards will not enable them to put the situation right. Now, I certainly think the Government should, and I imagine it is conscious to the advice it gets from its own experts in these matters, that in looking at any indirect taxation affecting the tourist industry it must look at the impact that it has on demand, and that it should not produce a drop on demand which is so large that it over-compensates for the estimated increased yield of those measures.

I suppose that the work of the Unit responsible for this would be better in fact if it had more information coming in, and it may be that we need to do more work than we do. Gibraltar's economy has got a tremendous strength in that respect. We can do much more in collecting statistics in a place as small as Gibraltar than any other place can do, and therefore we can actually quantify in Gibraltar what a penny on a pint of beer will produce. We can actually measure, because we control the import, how many pints of beer are sold in Gibraltar. We must measure then the effect that this has and then we will be able to know accurately whether the extra penny on the pint produced a drop in the sales of beer to the extent that what the penny was supposed to produce did not materialise. Now if the Government has not already been doing this then it should set itself a task of doing it because otherwise, quite apart from the futility of the exercise, it would then find at the end of the year that the revenue it anticipated was not there, that it would have to do a tougher budget the following year to compensate for unexpected unanticipated deficits.

I do not think, Mr Speaker, that the size of the increases that we are talking about are going to produce a dramatic drop in this, but if there is a danger, and I imagine that those of the Opposition that have said that we should not do this know that there is a danger of it, or have reason to believe that there is a danger, that we are going to get a drop in consumption because of these increases. We have certainly had fears in the past about this and it has not materialised but if that is a danger then we

should have the facts behind that belief. And if the Government has got fact then the Government should produce that fact in support of its own belief. And then we should have rational discussion about whether a measure is good or bad not because of who proposes it, Mr Speaker, but because of the commitment of that measure judged by the standards of the objectives that we set ourselves. And I think if the objectives are the same then we should be able to persuade ourselves as rational men to pursue the lines that can be shown demonstrably to be best conducive to those objectives. And since we are all agreed on the most fundamental objective of all, that is the preservation of Gibraltar, surely we can extend that to the good running of the economy.

HON MAJOR R J PELIZA

Mr Speaker, I am going to talk at length tonight I am afraid.

MR SPEAKER

What do you mean by length?

HON MAJOR R J PELIZA

Well, one hour, one hour and a half possibly two.

MR SPEAKER

I do not know what the feelings of members are.

HON A J CANEPA

Mr Speaker, I understand that some members of the House are expected to perform on television tonight at 10.15.

HON MAJOR R J PELIZA

If that is unsuitable we can always adjourn until tomorrow morning, Mr Speaker.

MR SPEAKER

I will not make the work of the House dependant on any other commitment once we go on most certainly. If it is

the wish of the House to continue we will continue.

HON A J CANEPA

No, Mr Speaker, I just wanted to underline that if one leaves early I hope it will be appreciated that one can hardly go from the House straight to television studios.

MR SPEAKER

Do continue, please.

HON MAJOR R J PELIZA

Thank you Mr Speaker. I think Mr. Speaker, perhaps I should start by answering my Honourable Friend Mr Bossano, and perhaps at this stage I should remind the House that he is a Member of the Opposition and that perhaps because of that I shall deal with him first, in that it does appear, Mr Speaker, that objective as he may wish to be, it so happens that he has a certain political philosophy which he I am afraid let out of the bag that he agreed with income tax and seemed to enjoy seeing people being taxed. Now, if that is his philosophy because he believed that through taxation the state can make provisions that the individual cannot make better for himself, I can understand, using his professional ability as an economist in a biased way which he himself does not realise, in that he is talking subjectively and not objectively. You might say that a lawyer for instance is never advised to defend his own case; a doctor is never advised that he should try and cure his own disease; because like it or not he is biased and, therefore, when one hears an economist giving advice to the House with a certain political philosophy, one must, therefore, take into account that it is not straightforward impartial political advice that we are getting. That it is economic advice, blended with his politics.

HON J BOSSANO

Mr Speaker, if the Honourable and Gallant Member would give way. Let me just for his own education inform him that it is not possible to be an economist the way he would like an economist to be. In fact with the original development of economics it was originally called political economics, and there are two fundamental types of economists. There are socialist economists, of which I am one, and I believe in socialism and I believe in the economics of socialism.

and there are conservative economists, which is the other type. And there are no liberal economists somewhere in between. And the Honourable Member must decide for himself whether he is of the school of the socialists or of the school of the conservatives and be judged by his standards.

HON MAJOR R J PELIZA

I will explain, Mr Speaker, what my philosophy is as I go along, but I think at the moment I am making an analysis of the contribution made by my Honourable Friend related to the present budget that we are now discussing, the Finance Bill, in that context, and, therefore, I think trying to bring to the notice of the House, which I think is proper and fair, that as an economist, whether he is a social economist, a political economist or whatever kind of economist he might be, the advice that he is giving on the financial side is obviously, in my view anyway, is somewhat tainted by his own political views. And that is the way I see it. Maybe he does not, but this is the way I see it.

Equally I think in some of the assumptions that he is making one would feel that they are not entirely correct. Let us take for instance the question of water for hotels. And now I am talking economics. If we say that because cost effectively the hotels cannot really survive unless the water is subsidised and the hotel should be closed I think this is taking a very narrow view of the situation. Although the hotels may not be able to make that profit and they have to be subsidised, the tourists who are coming to the hotel will be spending money in town which is generating wealth for Gibraltar. So one must not take the narrow view that the water supply for the hotels must not be subsidised simply because it is not cost effective, we have got to see that in the aspect of the general economy of Gibraltar and therefore with all due respect what I heard my Honourable Friend say was that the hotels should be closed.

HON J BOSSANO

Mr Speaker, on a point of order, I did not say anything about closing hotels. The record will show that I said, what I said specifically, Mr Speaker, was that if we were going to open a bar and in order for that bar to operate commercially and economically it had to buy subsidised water, since the object of the exercise was the benefit to the economy of Gibraltar, then it would be wrong to encourage the opening of bars by providing them with sub-

sidised water, they should be provided with water at its true economic cost. And I said that in the context of looking at the whole of the exercise and not leaving out of the equation hidden subsidies. I thought I had made that absolutely clear. Maybe I do not explain myself as well as I think I do.

HON MAJOR R J PELIZA

Well even, Mr Speaker, even on that particular example, if I may say so, even if to keep the bar going we have to subsidise the water, if through the bar we are selling whisky and other drinks which are a source of revenue, that is a source of income to our economy, plus all the other economic activities that that will generate, by bringing the bottles to Gibraltar, by moving it in Gibraltar, all of which is giving employment to people in Gibraltar who in turn are paying taxes. And, therefore, Mr Speaker, with all due respect to his economic qualifications, notwithstanding all that, purely by subsidising the water by 2p we might be getting in return 10p or 15p or more. This is where the monitoring comes in, Mr Speaker, with which I agree. This is where the monitoring comes in where you can tell whether the subsidising of the water is a good thing or a bad thing. What I cannot accept is that you have got to dismiss it as being contrary to our interests to subsidise water in some instances simply because the unit that you are subsidising is itself not cost effective, because we have got to see this in the wider light of the general economy of Gibraltar.

Equally, Mr Speaker, if I may say so on the question of increasing the duty on spirits and other luxuries in Gibraltar one has just to say whether if by increasing it the sales might drop. We must take into account that if by not increasing it the sales might increase. It is not just the negative in the sense that if you put up at the price of the bottle the turnover is going to fall, it might be that by not increasing, precisely because of that, the turnover will increase and the ultimate result is that in fact you are again getting more revenue than you could expect, and equally you would have more economic activity in your area. I think that is certainly logical, very logical. I accept, however, and I fully agree with him, that in Gibraltar it might be very difficult to have small industries because as he said we have over full employment. In certain instances, he spoke about the paper industry for instance, the paper in this instance is being allowed to come into Gibraltar without paying duty, and, therefore, in the process we are losing that revenue, it is acting as a burden on our labour force in an area in which we are very short in Gibraltar and which might have been put to better

use. So in that respect I agree. I mean, we can agree and we can disagree and I hope he takes it in that spirit.

So what I am trying to say is that there is more than one view, much more than one view, to any economic analysis, and that in many instances you might find two economists completely disagreeing. So you find eventually that you have two thoughts, and I must say, and this is the interesting point, that as a result of the budget on this occasion, Mr Speaker, we are beginning to see two very clear cut lines. And in this I think the Opposition can claim to be a genuine alternative to the Government. We said it at the elections, Mr Speaker, and it is now being shown to be so. Because we can see, Mr Speaker, that we can in our view, I may be wrong, carry out the functions of Government in a way that will be a lesser burden on the people of Gibraltar. This is the way we see it. They believe that at this stage it is necessary to cripple the people with more taxes. We do not accept that.

Someone asked if we had a policy. We certainly have a policy. The policy was made clear at election time, and the policy was reiterated, if I may say so, during the Appropriation Bill. I certainly made very clear the position of the Opposition in four aspects. The first one was that we believe in Government efficiency. This is why we said last time that there had been mismanagement. We still believe that there has been mismanagement and we still believe that there is mismanagement today. The fact that the Government has got a surplus does not mean that there is no mismanagement. We saw it very clearly stated only today. For instance, sickness pay has been reduced from 400 days to 200 days. It shows then that there is bad management, bad management which is being corrected. We were right in saying that there was mismanagement. We can go, for instance, to the question of Varyl Begg, where the roofs still leak. There today we were told that they were going to start repairs on the 1st of June and where in fact we are not sure whether that is going to happen or not.

We think that the whole process should have started before, well before, and where I think that there my Honourable Friend and ourselves agree. It is not always, I think, that our Honourable Friend Mr Bossano and ourselves disagree, and I think where, on that particular aspect of mismanagement, I am sure that he agrees. Of course, so he says, there is a lot of mismanagement. Not because suddenly there was a surplus does that mean that we were wrong in saying that there was mismanagement. One thing does not really mean the other.

What we say, therefore, is Government efficiency and value for money. If you remember, I made it very clear. I said: if you are paying, it does not matter what you are paying, if you are paying £20 in tax you expect to get in return £20 in value. But if you are paying £20 in tax and you are receiving £10 in value only, that I think is certainly not in the interest of the taxpayer. The trouble is, I think, that when there is a lot of money in the kitty that is precisely where complacency starts to creep in, and where mismanagement is escalated. This is why, I think, it is very important that those who have got to administer do not find it easy to tax, and, therefore, get more money for inefficiency and their mismanagement. That is why we are reluctant, certainly in this instance because we still believe there is mismanagement, because we still believe the people are not getting value for money, that we believe that there should be a very strong case made out for the need for extra taxation before this side of the House will agree and go with the Government in that respect.

The second point that I made in this policy is that whilst we must look for new sources of income we must safeguard the old one. Therefore, things like the present tourist trade, which is obviously UK orientated, we must try to preserve. This is why we are reluctant to agree that at this very early stage the hotels should suddenly find themselves with an extra bill for water when the whole process of the frontier opening and perhaps providing them with a better income has not even started.

One has to remember that the investors in those hotels are people who put a lot of faith in Gibraltar. We must not give them the impression that now that things are looking better in other respects they are going to be abandoned and really hit very hard. I think it is not fair, and I believe that in that respect the Government should have been a little more temperate.

I think the basic reason of the buoyancy for the economy does not need a lot of planning: it is parity, and for that I think we should thank our Honourable Friend Mr Joe Bossano for getting it for us. There is no doubt whatsoever. That is the basic thing. When you go into niceties of the "tight rope" that, Mr Speaker, is just academic talk. The basic things in Gibraltar, from the economic point of view, is defence spending and for as long as we do the best we can out of that service that we are given, the economy of Gibraltar will be very strong and very stable. That is where the main income of Gibraltar comes from. That is what has made us survive for the past 11 years, and that, whatever anyone else may think about,

that is the only thing that will keep us British and keep our identity in Gibraltar. If we lose that I think we shall find it very, very difficult to survive as a community and to preserve our economy.

This is why, Mr Speaker, I have sometimes been attacked very strongly by members on the other side of the House. I have always defended the Forces in Gibraltar. Sometimes I have even been accused of saying things that I have never said. But I have always realised that our biggest friends, after all they protect us, and our biggest benefactors are the Services in Gibraltar and everything that goes with it. And I maintain it today. And everything else we may talk about, Mr Speaker, we all know would make very little difference. For that I think we need first to give the Services I think the attention they deserve. For a long, long time I have said that they should be given better treatment than the tourists and I am afraid that in many instances that has fallen on deaf ears. I do not believe it is too late and that is one of the old sources that we must exploit to the maximum, now more than ever, because that in my view is the fundamental defence of our territory, of our people, and of our Britishness.

Now as to the new resources, Mr Speaker, that of course would come with the opening of the frontier, and we all know that. It is going to happen simply by people coming into Gibraltar and purchasing things here and spending money here. A little bit of course will go out. I think obviously a certain amount of money will leave our economy by people going across the border, but I think that if we put it on balance the income that we are going to derive from our visitors is going to be overwhelmingly greater than the income that we are going to lose by our people visiting Spain. We must remember that in the last year before the frontier closed, the visitors were mainly tourists who were not Spanish, and also workers who were Spanish. But the bulk of the Spanish people who would have liked to have come to visit us, and who did in fact use to come before restrictions were placed on them after the Queen's visit, there were many and they were great spenders. And I believe that if the local traders are encouraged in the way they should that will happen again. In fact some people are so sure of that that I was told yesterday in fact, that already someone had offered £45,000 in key money for an empty shop in Main Street. That, Mr Speaker, is creditworthiness. Not a balance, not a reserve balance; that is creditworthiness. When people want to put money into Gibraltar, Mr Speaker. The Chief Minister may laugh but any economist will tell you that that is what counts. Which are the nations, Mr Speaker, that prosper? Those nations in which people have put money into. And if that is the kind of money that people are prepared to put into Gibraltar, Mr Speaker, that is creditworthiness. Because you can imagine that if a man is prepared to pay that amount it means that he is going to

do a lot of business. And it is going to do a lot of business in doing two things: one, that he will pay a lot of income tax out of his profit; secondly, that because the nature of the economy of Gibraltar is such, there will be a lot of import duty, which again will be revenue coming into the economy. That, Mr Speaker, is creditworthiness, and I have no doubt whatsoever today that anybody who wants a shop anywhere in Gibraltar will have to pay a lot of money to get it. So the Chief Minister accepts that! Why, therefore, Mr Speaker, worry so much about creditworthiness on the reserve balance when in fact, if you start talking like that people begin to wonder whether in fact there is any creditworthiness.

I remember, Mr Speaker, a big American company that I dealt with, I can mention the name, Chrysler, where the Managing Director told me that we were rated by the amount of credit that we were given and not by the amount of cash that we had. In fact he said that if we paid cash we were suspect. So Mr Speaker, the way to see Gibraltar is, how are we creditworthy? By the amount of money that people invest in Gibraltar. That I think destroys the argument that to be creditworthy we must have large funds.

The third point in our policy was that we believed that the Government should not cease there on the essential social services. Not only did I say that but I believe that whilst we were going through the items of expenditure we concentrated very strongly on education, and medical points - and as you know we had a row with the Minister for Development, and Social Services, on the question of pensions which he sees in a different light. But we do not believe in "meanstests" and things like that, and we would rather see someone with money getting a bit more than having to subject everybody else to suffer means tests. We believe that for the extra that they may cost it would do away with a lot of humiliation on people who need it very much.

So I think, no one can say that but our not accepting extra taxation we are doing so because in some way or another we are not interested in the community paying towards those who need it most. In fact it is not so. Far from it. On the other hand, Mr Speaker, we believe in a very important principle: the right of the individual to spend his own money in the way he wishes. Now, this is a matter of balance, and what happens on one occasion because of the state of development of that community, does not apply to another one, where the state of development is a very different one. So it is no good saying that because I do not believe that communism is the right thing for Gibraltar, I do not necessarily disagree that in some other place communism perhaps is the right philosophy. In

Russia for example. The fact that everybody wants to get out and they shoot them as they go does show that perhaps life there is not so very comfortable, and the fact that in most of our communities we have to stop them coming in may well prove that we are doing very well. So that, Mr Speaker, is our political philosophy, that we do not believe in right or left. It is a pity that Mr Bossano is not here because he would be able to understand now what I was trying to explain before. This is why, Mr Speaker, perhaps we can be more objective than people who have copy-book philosophies which do not work in practice. They are beautiful in theory but when you apply this to human nature it just does not work.

We believe, Mr Speaker, that if we want to have buoyancy in our community it is essential that there should be reward for effort. That to me, and I think to us, is vital in whatever sphere it may be. Of course we also believe that below a certain level no one should be allowed to exist only. We should support them so that they can come above that level, to a level which should be humanly reasonable. To be able to do that it is necessary to have the wealth. So, therefore, it is necessary to create the wealth to be able to raise the community to that level. And anything that does something that will detract from creating wealth, anything that takes people away from investing in our area and takes it somewhere else, that in my view, Mr Speaker, is contrary to the interests of the whole community. And not because of jealousy, not because someone is doing well must we tax them, because in the end you are cutting your nose to spite your face. In the interests of the whole community I think there should be wealth and this wealth should be regenerated, and this is what we want to do now. We must try and regenerate that part of our wealth that perhaps we have lost when the frontier was closed. With all the precautions of course. This is where we have got to think, Mr Speaker. The legal and other precautions I think of which I hope something is being done, and on which I hope the whole House can get together. I have not heard yet of any steps being taken to safeguard us that the whole House should be acting on because that to me is much more important.

The political decisions that we are going to take are going to be far more important than any economic ones of which really on our own we have not got the strength even if we have £10m of reserves. That is nothing, Mr Speaker, nothing. As I have said before, you take the Dockyard away and those £10m would only last one month, two months, finished. I am not saying that anyone is taking it away, but what I am trying to say is that with the Dockyard there we have not got to worry so much about the reserves, but in

any case that is if our reserves were not going to be larger than the Government says they are. This is why, Mr Speaker, when we see the question of the Port, which is doing very well, to find that for a mere £50,000 we have the way-leave on sales of liquor that go to the ships, which means they go for cruises and this is the human nature that we have not got to forget. Usually the ship goes to the Port which more or less the crew agrees to go to. Yes, that is a fact. Ask anyone in the shipping world and they will tell you that the crew have got a big say as to what Port the ship goes to. And if for instance they come here and the water here is more expensive than in other places, they find that by coming here they can get the liquor cheaper, I think it is human nature that they would probably be prepared to come here rather than perhaps to the other side of the Straits, where I do not know what the cost of liquor is, and I do not know whether the Government has made an exercise, but if we are competitive then I suppose they might be alright, I do not know, but there are many other factors. Alright if they are, I do not know, perhaps they should have come out saying it, I do not know, we can only go by the information that we have. Therefore if the Government were more informative on the things that they should be, then we are in a better position, Mr Speaker, to make a decision but the fact is the Government is very closed on many things, as we all know, for reasons better known to themselves, and we can only act on the facts and figures at our disposal.

Now, because we know that the more money that is in circulation the more people can contribute to taxation due to their greater income, Mr Speaker, we believe that everything should be done to expand our economy. Because we believe that in that way, this is part of our philosophy, part of our policy which I think one of the members wanted to know, this is why perhaps I am going to greater lengths, because one of the members wanted to know what our policy was, and I feel indebted to do so. And the consequence then will be, and this with time will come, that there is no need at this stage to tax the people as much as the Government is doing. In fact we believe that there is plenty of scope now to give them added relief.

The Chief Minister, Mr Speaker, dismissed my statement on the appropriation Bill when I said that one had to judge the question of the size of the reserve on a number of factors. He dismissed it just by quoting what I said in 1972, as if that meant that I could never say that we should not have a big reserve. Mr Speaker you have got to look at this in the circumstances of the time, of the economy, of the situation when I said it. When I said it, Mr Speaker, Gibraltar was facing perhaps its most difficult

period, because the frontier had just been closed in 1969, and we were coming out of great difficulties. That was the reason why I said it was necessary to have a big reserve. Apart from that, in those days, much less than now, the Government advisor said that the essence was to have a big reserve. In fact when I was listening today to my friend Joe Bossano I got the feeling that he was a Financial Secretary and not a politician in the House of Assembly. Really part of the establishment. Because as part of the establishment, quite rightly as in fact he admitted, any Financial Secretary wants to play absolutely safe. If he is an official particularly. If he is a politician of course he can take risks the same as anybody else, because as a politician he sees it in more than one light, and quite rightly is prepared to take - I will not say risk - but adopt policies which a Financial Secretary perhaps, who is after all an official, cannot afford to do. That is not his job, quite rightly. And usually, on advising he errs on the side of caution. So for instance to what extent is that caution reflected on what the Government said the reserves were going to be and then it turns out that it was about three times as much by the time they finished.

Mr Speaker, if one goes by past performances, one must, therefore, come to the conclusion that the same attitude is being taken and that, therefore, we believe that the reserves will be much greater than have been suggested at these Estimates. Furthermore, Mr Speaker, I say this because the climate is completely the opposite to what it was in 1972. In 1972 the difficulty was that there was no possibility of expansion in trade, extremely difficult. Now the possibilities of expansion are bigger than ever before, because we shall have a considerable amount of tourism coming into Gibraltar and expansion, Mr Speaker, is really at our doorstep. So I cannot see why we should be so afraid, Mr Speaker. I do not believe so.

Now, Mr Speaker, I think it is fair that I should bring to bring to the notice of the House the difference that there is in taxation between Gibraltar and the United Kingdom, because it is quite substantial. I think that I should start by reading the rates, and then, Mr Speaker, making a comparison of a case. In the United Kingdom now the basic rate for the first £11,250 is 30%, on the next £2,000 . . .

MR SPEAKER

That is of assessable income.

546.

HON MAJOR R J PELIZA

Yes, yes, of assessable income, this is of assessable income. On the second £2,000 it is 40%; on the next £3,500 it is 45%; on the next £5,500 it is 55%; and on the remainder it is 60%. In Gibraltar, Mr Speaker, for the first £500 it is 20%, for the next £2,000 it is 30%; for the next £2,000 it is 35%; for the next £1,500 it is 40%; and for the next £1,500 it is 45%. As you see the difference is extremely great, and if we then take into account the allowances, Mr Speaker, the difference is even greater. Now the single allowance in the United Kingdom is £1,375, here in Gibraltar it is £650. The married man's allowance is £2,145, here in Gibraltar it is £1,350. The first child, Mr Speaker, gets £250 in Gibraltar; in the UK there is no such allowance but the first child in the UK will be getting £4.75 and every other child will get £4.75 non taxable, whilst here the first child gets the allowance and every subsequent child will be getting £5 non-taxable.

So, Mr Speaker, if we made a comparison now of a married man with two children, say a husband earning about £4,150 a year, and the wife earning £2,600, the total of both incomes would be £6,760. If we then take account of all the allowances in those instances, the United Kingdom couple would be paying £972 and getting in child allowance £494 and if you deduct one from the other in the end what he is paying is £478. But if we do the same calculation and we take the £250 that the couple in Gibraltar would be getting on behalf of the child, it would come first of all the tax of £1,316 less £250 equals £1,056. This difference is more than double.

Mr Speaker, I think that in that comparison the Gibraltar couple is paying more money. I believe that certainly up to the level of that income the average working man would be much better off by being taxed more or less on the same scales as they are doing in the United Kingdom. I do not believe that in this instance it is necessary to keep them with the present burden of taxation.

HON H J ZAMMITT

Would the Honourable Member tell me, I did not hear, what percentage a person in England pays for old age pensions?

HON MAJOR R J PELIZA

I beg your pardon, I did not say pensions.

547.

HON H J ZAKHITT

Well probably you would like to look it up, Mr Speaker, I do not know

HON MAJOR R J PELIZA

I am not talking about the old age pensions, I am talking now of families. Certainly I cannot give it like that because I do not know, I am talking now about the families. About a family of the composition that I have given. And in that instance I feel that the couple here in Gibraltar is paying a good deal more than a couple in the United Kingdom. I think in fairness we should try and do something to relieve them of part of the burden. This is why, Mr Speaker, we believe that we should give that extra allowance which my colleague the Leader of the Opposition, Mr Isola has suggested. I hope the Government will give careful thought to that. The amount will not be all that much. It is obvious I think that we shall most certainly have sufficient reserves to ensure that we are well capable of sustaining ourselves in the years to come, with the prospect that exists for an even more prosperous Gibraltar.

I would like to perhaps clear one or two points that were made by different Ministers when they stood up to talk. I think the Honourable Mr Perez said that the measures that the Government were taking would be beneficial to Gibraltar. As you can see there is a great difference of opinion as to what we think is beneficial to Gibraltar. The Honourable Minister should remember that if there is more money going round in the economy there is more wealth generated, there is more tax coming back to the Government, so not necessarily all the money that is given away is given away. Say this allowance that we are suggesting should be given: it is obviously very likely that particularly in that income group the money will be spent in Gibraltar and part of that will come back in taxes and part of that will generate more economic activity. That money going into the reserves you might say is almost lost to Gibraltar. So I think that taxing is not necessarily going to be beneficial to Gibraltar.

Equally, I think he said something about £9m for the Development Programme or the national debt. Again I think one wants to realise that it is not just this generation that should bear all the burden. There are future generations coming who will after all benefit from whatever development we do, and it is only fair that they should pay share of that development. If for instance we have to borrow money, as he quite rightly said, and we have to pay for the borrowing, that is fair enough, but remember the other side of the coin: that money is depreciating and

that in itself the money is paying for itself through depreciation, in that as you go along and you are paying for it back because there is more money available, since obviously through inflation there is more money available and we all have the money and the value of money has decreased proportionately, in fact over a period of time you are paying less for it. This is one of the reasons why in fact people in the United Kingdom keep mortgages and want to pay little for their mortgages. You find that this money can be used for something else and generates wealth through investments and the amount mortgaged in itself is devaluing, apart from all other factors, that the property is gaining value.

I am just trying to make the point, Mr Speaker, that all is not all one sided, there are other views to be taken on practically every economic problem. Whether sometimes you are right and sometimes you are wrong depends on changes that take place as one goes along.

Another thing that Mr Perez said, Mr Speaker, was that the Opposition thought everything was gloomy and that that is why we thought the Government had gone to the elections early because we felt

HON J B PEREZ

I never said that. I never mentioned the National Debt either, but never mind.

HON MAJOR R J PELIZA

Did you not say £9m on the Development Programme, National Debt.

HON J B PEREZ

No, Mr Speaker, not National Debt.

HON MAJOR R J PELIZA

No, but that is what I think you meant.

MR SPEAKER

No, no, let us leave it at that.

HON MAJOR R J PELIZA

Well, I thought you said that we said that everything was gloomy.

MR SPEAKER

Order. Will you carry on with your speech and let us forget about it.

HON MAJOR R J PELIZA

If he did not, Mr Speaker, certainly it has been said that we thought and said, in fact it was repeated many times at the election time, that the Government had gone to an early election because they would have to introduce a very tough budget at this time. That I am trying to say now, Mr Speaker, is that that is obviously what we were led to believe because those were the figures that we were given. That there might be other reasons, which now in retrospect one can see very clearly, and in my view the reason why the Government did go to the elections then was obviously not because of the financial state, because this would have been an excellent occasion, as my Honourable Colleague here said, of really not increasing taxes - they know perfectly well there is no need to put up those taxes - of not putting up any taxes at all, but because they believed that the Opposition was in total disarray. And the biggest surprise I think, Mr Speaker, of their life was to see that we were able to produce eight candidates, notwithstanding all the difficulties that over the years . . .

MR SPEAKER

Yes, but again we are drifting completely and utterly from the Finance Bill.

HON MAJOR R J PELIZA

Mr Featherstone, Mr Speaker, said that during my administration, the question of the City Council, that in those days we were saying that the Municipal Accounts had to be self-supporting. What Mr Featherstone does not realise is that what we were saying was that it had been contrary to law under the City Council administration - I believe it was the Public Health Ordinance - for the Council not to balance their accounts in that respect. And this is what it was all about. Whether in fact at one stage or another it would not be wise, because of circumstances, because perhaps there is so much money in the kitty that the Government can afford to subsidise those undertakings, whether that is not the right thing to do in certain cases,

I am not saying that that is not so, but what I say is that in those days under the legislation that existed for the City Council it was contrary to law not to do so.

On the question of the drop of sales in perfumery I do not know whether Government has realised or whether they are going to make it a policy that on any other commodity on which there are drops in sales they intend to reduce the import duty to encourage them to sell. That I think would be a good policy and let us hope that it does work in this instance. If it does I believe that this is something to bear in mind because there are I think perhaps some items that would bring income into the economy if it were adjusted to be competitive within our own area. I think each commodity, each article, should be looked at on its own merits.

I was rather surprised to hear the Minister for Economic Development who perhaps should be very interested in seeing economic development in Gibraltar, speaking as if the tourists should be prepared to pay any price. I think that is the wrong attitude. We have got to adopt the attitude that the customer is almost always right, if not always right.

Therefore, we cannot say that the tourist who comes here must be prepared to pay more for the beer, or for the hotel room, or for anything else, because what is going to happen is that that particular visitor is not going to return. So I think that the Minister should be a little bit more tactful in that respect, and use more judgement because as I said before, not because one particular unit in our economy may not be cost effective and, therefore, because it needs subsidy we are going to ignore them. That will produce other activity within our economy which in the end produces greater wealth, the example was of the tourists to come to Gibraltar who if he does not find the hotel to be cheap enough will obviously not come and will not spend the rest of the money in our shops and other places.

Equally I think, Mr Speaker, he has the wrong idea about the attitude, and I think he mentioned this again today, towards the publicans in Gibraltar with regard to the measures.

MR SPEAKER

No, no, you are not going to have a chance to reply to something which was said on the Appropriation Bill in the Finance Bill.

HON MAJOR R J PELIZA

No, Mr Speaker, he mentioned it today. He made a remark en passant but not in his speech.

HON MAJOR R J PELIZA

Equally, Mr Speaker, I think that on the question of people having worked in Gibraltar and being able, say, to purchase things that they were never able to before, I do not think one should start of rub it in and say, well, if he can buy a car he can pay more tax, which I think has been the attitude of the Minister on more than one occasion. He certainly seemed to give that impression today. I am sorry he is not here, but it is the way it was said, the way he was speaking.

I believe that the whole philosophy, certainly of my party, is to try and raise the standard of living. First by producing more wealth, secondly by distributing those wealths, and then I think a combination of those two to increase the quality of life of the Gibraltarian. So as to enable them to find Gibraltar a very pleasant place to live in. One of the great difficulties that we may find, and this is something we must never forget, in the transition period that is about to take place here is that the Gibraltarian should find himself so happy here that that will make it one of the biggest attractions for him to stay here. That will be our strongest weapon.

One thing that is not going to make him think on those lines is heavy taxation. Therefore, the more money we can allow him to have to spend, the higher his standard of living, the better he will feel that his stay in Gibraltar is going to be for him and his family. This, therefore, is the right juncture, Mr Speaker, to give some relief to those who need it most. That to me, Mr Speaker, is the strongest assurance, that the people find themselves happy and secure in this place, is the biggest assurance of Gibraltar remaining what it is today.

Thank you, Mr Speaker.

MR SPEAKER

Right, we will now recess until tomorrow morning at 10.30.

The House recessed at 9.00 p.m.

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FRIDAY THE 25TH APRIL 1980

The House resumed at 10.30 a.m.

MR SPEAKER

Well, Gentlemen yesterday evening when we recessed the Honourable and Gallant Major Peliza had his say on the second reading of the Finance Bill.

There are a few members who are entitled to speak yet, I think, the Honourable Mr Zammit has still to speak and the Attorney-General if he so wishes. So if you intend to I will call on you.

HON R J ZAMMITT

Mr Speaker, Sir, before I can enter into my contribution I would like to say that listening to debates or arguments from the other side of the House I was quite impressed, indeed pleasantly impressed, by the contribution from the Honourable Mr Loddo who was quite brave I think in his first attempt in a debate of this calibre to come forth and add that spice of humour which the House I think on more than one occasion deserves.

Of course I could not say that, Mr Speaker, without giving praise equally to the Honourable Mr Joe Bossano, whose contributions have constantly, since I have been in the House since 1972, been of the utmost sincerity and the contributions that he has afforded, when it has pleased the Opposition as much as it has pleased this side of the House, I think the Honourable Mr Bossano has well established himself over the years to have very important contributions to make particularly with reference to the budget. But it can be clearly seen, and Hansard will show it later on, Mr Speaker, that when it has suited the Opposition to run parallel with the thinking of Mr Bossano they have jumped on his bandwagon, and when it has not suited them of course then the Honourable Mr Bossano is attacked severely if his criticism was sometimes praised for what the Government has tried to put over.

Now, Mr Speaker, I would say that it has become customary over the years that I have had the privilege of following the Honourable and Gallant Major Peliza's contribution and quite honestly, and I have said this before, it surprises me that a gentleman who has been in this House for a reasonable amount of years, a man who has been

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Gibraltar's Chief Minister, can be so poor in his contribution to a budgetary debate. The way that he contradicts himself is quite remarkable. The number of arguments he adduces with one breath which three minutes later he contradicts. There is no consistency.

Now this is the difference I see in the Honourable Mr Joe Bossano, and forgetting the differences that may exist between Mr Bossano's political policies and the Government's, one sees a consistency year after year after year. And, therefore, that consistency, Mr Speaker, whether we agree or disagree, must be praised.

Now, Mr Speaker, we have had an awful amount of talk from the other side. Some contributions I say are obvious because I have never ever, certainly since I have been in this House, seen the Opposition applauding Government on whatever measures we have taken, be they bland, mild, harsh, one does not expect the Opposition to applaud the Government, but one does expect the Opposition to adhere to being constructive and objective in their determination.

We note, Mr Speaker, that in the budget of 1975 there were no revenue raising measures since the Government was hit, I would say, harder than we have been hit on this occasion. But of course one sees that the arguments that they place are that the only food that they can give Mr Public for support, is the reason or the hope that they feel they could do better if they were in office. But equally, Mr Speaker, Gibraltar has the experience of having another administration for 2 years and 10 months and quite the opposite happened. In fact we have not had, in the eight years that I have been in the House, demonstrations going down Main Street on account of television licences or other measures that were imposed by that administration.

Mr Speaker, the facts are that whether they want to call - as my Honourable Friend Mr Canepa said on the television yesterday, it was a modest budget. We are not hitting anybody hard. It appears the Opposition would like us to hit the people hard and then of course it becomes a political motivation as opposed to a particular care for the people of Gibraltar.

HON P J ISOLA

How could the Opposition like the Government to hit the people hard when the Opposition is suggesting measures of increasing personal allowances and resisting the taxation measures. How can the Honourable Minister reconcile his statement that the Opposition would like the Government to hit the people hard with the statements that have been

made on this side of the House.

HON H J ZAMMITT

Mr Speaker, in every single budget debate you will see that the pattern of the Opposition, irrespective of whether as I have said, they are bland, hard, or mild measures, the Opposition will always come out trying to save Mr Public and are not objective or constructive in their suggestion other than saying that we have so much money in reserve and we should give it back.

Mr Speaker, I think the Honourable Mr Featherstone yesterday mentioned in his contribution the fact that the Honourable the Leader of the Opposition in a television interview at last year's budget was creating a hullabaloo over the fact that our reserves were so small that we only had three days reserve, and therefore we should increase our reserves. Now the argument is that because we have a reserve we should throw it back. We cannot forget that in the times of the Honourable Major Peliza's administration the reserves were equivalent to 3 months expenditure compared with the budget of that year, and we also found that people thought that that was necessary because the frontier had closed and we had to have a healthy reserve into the unknown. That was nearly three years after the closing of the frontier. We already knew the pattern of the way that Gibraltar was going and the economic plan that Gibraltar would have to face. Now, when we are stepping into the unknown, we can all assume that there will be affluence coming into Gibraltar as a result of the lifting of the restrictions but we do not honestly know. And, therefore, like the Honourable Mr Bossano said, very rightly so, if there ever was a moment in Gibraltar when we required to be absolutely healthy financially it is now. We must be in a position to be able to deter allegations of our weakness financially. It is now that we should be in an extremely healthy position so as not to be swamped.

It is now, Mr Speaker, and we do not know and I am surprised that no member has mentioned this, the question of support and sustain that we have had over the years as a result of the closed border and the restrictions on Gibraltar, it is now and only now that we should be able to go to Great Britain, as my Honourable Member Friend Mr Featherstone said yesterday, we must go cap in hand to Great Britain. We must make sure, and Britain has done so so far, to help those who help themselves, and then when we are able to say that we are helping ourselves can we expect help from Britain who has helped us so far extremely well.

Now, Mr Speaker, I think that the Honourable Mr Bossano hit the nail on the head yesterday when he said de facto the Opposition had to attempt to ridicule the Government irrespective of the consequences, irrespective of whether they think we are right or we are wrong. That is political motivation, there is absolutely no other excuse, no other excuse at all. And we find the arguments quite honestly laughable because they are absolutely ridiculous.

To say, Mr Speaker, that the increase of the import duty on cars is going to stop people buying cars: well of course, Mr Speaker, it is going to add £X to a car, but no one is going to stop buying a car because the price of cars has gone up at source 30% to 40% over the past few years. No one gives a car up because the premium on the insurance policy goes up 30% to 40%. So what is the argument, Mr Speaker. There is no argument. The fact is that we know very well that the people will not stop buying cars because it has gone up slightly. And we know equally, Mr Speaker, and I know this, that there are people who are paying as much as £180 hire purchase a month for a motor cycle, particularly the youth of Gibraltar.

Now, the Honourable Mr Restano said that draught beer was a working class drink. Let me assure the Honourable Mr Gerald Restano, who is not in the category of the poor men, that draught beer is no longer, let me assure him, the working class men's drink. The working class today is drinking spirits, and lagers, not draught beer. And I know that, Mr Speaker, because I have experience in that particular trade. But as I say, Mr Speaker, the contributions were absolutely poor, absolutely poor. In fact the contribution of the Honourable the Leader of the Opposition whose political expertise one respects, was quite honestly as far as I was concerned tongue in cheek. He made a tremendous amount in insinuations that do not hold water. And more so when he has been speaking over the past two or three years at least as the Opposition's spokesman on financial matters. Quite honestly he has not been as convincing as he has been on other debates. And I think he was not as convincing because of course he has been caught, like many others have been caught, by surprise, by the mildness of this budget, and he has to admit this. Whether he says he has erroneous figures or what have you, I think he made very wild and quite unprepared speeches at his Party's conference that we would be able to show everybody why the Chief Minister called a General Election so quickly, and that was because we were going to hit the people so hard that we would be afraid to go to the electorate a few months after such a harsh budget. But alas another mistake and another failure.

Now Mr Speaker, the Honourable Mr Restano referred to the airport tax and the increase, and that we had to make sure that we did not tax ourselves out of the market. Now I think we can boast, Mr Speaker, that

MR SPEAKER

Mr Restano spoke of the Duty Free Shop and not the airport tax.

HON H J ZAMMITT

The Airport duty free.

We can boast, Mr Speaker, that we are possibly one of the cheapest duty free's in Europe. We have always equated our duty free at a price lower than other places, and lower than even British Airways sell on their aircraft. And of course we would be absolute fools if we were to increase our duty free at a price where people would not buy from us but rather buy in the aircraft. We are cheaper than London Airport and we are cheaper than the BA. And equally I could inform the Honourable Mr Restano, a prominent businessman, that he should know that whisky is a little more expensive than our duty free, and he should know that tobacco in Spain is more expensive than tobacco in Gibraltar. And I assume he realises that the Government do meet now and again, we do have a little chat over things such as these, and of course we come to conclusions that should not kill the chicken that laid the golden egg.

Now one thing, Mr Speaker, that the Honourable and Gallant Major Peliza accused the Honourable Mr Bossano of, was in saying that he appeared to agree with income tax. Well, I think, and I do not have to defend Mr Bossano, but it certainly is my understanding that Mr Bossano's interpretation of accepting income tax payments as a socialistic approach which probably the Members opposite cannot understand. But the more tax you pay indicates the more you are earning, and I am sure the Honourable Mr Bossano himself will agree that income tax is the least inflationary fund raising measure that is possible, and, therefore, that is the point he agrees with. I do not think Mr Bossano was saying, or trying to say, that people should pay more income tax, but Mr Bossano, and I agree with him entirely, means is that the more tax you pay the more you are earning. So, therefore, of course I agree with Mr Bossano there, and I was surprised to see that the Honourable and Gallant

Major Peliza could not comprehend that argument. I am afraid that perhaps not being here he may still be sharing the same ignorance next year.

Now, Mr Speaker, to say that the Honourable Mr Bossano's view on this budget are tainted by his political ideas and his professional economic approach I think is absolutely wrong, Mr Speaker. Because it is only on this budget that the Opposition really fall out with the thinking of Mr Bossano. I have heard many hear, hears, and many headshaking agreement with Mr Bossano, when Mr Bossano has been criticising Government very much indeed. He has been the expert, he has been the saviour of the Opposition on financial matters, but yet when he tends to disagree, when he disagrees, then the political motivation is tainted and all the rest. Now that is the sincerity that one sees so evidently in the Opposition now whether we like it or not, and I repeat whether we like it or not Mr Bossano's contributions in budget debates have been extremely good. Not only on this occasion but on every occasion. Certainly. And even in matters in which one does not agree with him one sees the consistency and one sees that at least the man has knowledge of what we are talking about and is consistent. I am afraid I cannot say that for other members of the House. I cannot possibly say that for other members of the House, Mr Speaker.

Now, Mr Speaker, I agree that MOD spending in Gibraltar is a very valuable contribution, and I do not want to give the slightest impression that one would argue against that income which Gibraltar and Gibraltarians derive. But I do not think, as my Friend the Honourable Mr Serfaty who was in the House for many years, I am a fervent believer as he was that whereas there is a 70/30 ratio in MOD/other income to the economy, Mr Speaker, we should not be static and allow that to continue because we do not know if there could be defence cuts as there have been in the United Kingdom affecting the economy of Gibraltar. And whilst one welcomes the 70% contribution, we should do our utmost to try and articulate that 30% well into the 70%, so that we are at least stable and we are on our own feet, I do not want to give the impression that the Government is not grateful for the MOD spending. That we are saying is that we should attempt to articulate the 30% upon the 70% for our own stability. And that of course, Mr Speaker, can only come about as a result of trade and tourism, and I hope that the opening of the frontier can do that for us and then we will be in a much healthier position, Mr Speaker. Then. But we cannot gamble. We must be absolutely sure of what we are doing and this Government is not prepared to gamble. We are not prepared to gamble with the Gibraltarians, we are not prepared to gamble with our Gibraltar. As I said earlier the situation is that

our healthy financial situation today must ensure that we are on absolutely good terms with Great Britain, our best friend, but equally we can be defensive against a possible attempt from across the border.

Now, Mr Speaker, what poor arguments were placed about the increase of water to hotels. Our tourism is going to flop, we are going to drop, no one coming to Gibraltar because we are asking hotels to pay the value of water. Now, Mr Speaker, the Honourable and Gallant Major Peliza fails to understand that the contribution that Gibraltar has been making for an enormous amount of years to hotels to promote the tourist industry has been to the detriment of the taxpayer in the contribution towards the subsidy of the Water Accounts. I accept that tourists come and spend money but we cannot have the argument unless you have as the Honourable Mr Bossano said, we must have a statistic value of what we are subsidising the tourists, otherwise of course it will not pay to have tourists here. The tourists will not come if we find that we are taking more than they are giving. But, Mr Speaker, to ask somebody who consumes six times the amount of water an ordinary Gibraltarian uses, to pay for that - we are not asking them to pay the moon, and I am sure Mr Speaker, that six times the water account of a Gibraltarian I think is quite excessive. It is quite excessive, and the same should apply to anybody else. Why do we not subsidise bars who use water in cleaning up and supplying the tourists? Why the hotels alone? So that someone can have sixteen showers a day. That we can ill afford, and that we are putting right, and I think the people of Gibraltar will agree with that measure if anything.

HON P J ISOLA

If the Honourable member will give way. I do not think anybody on this side of the House has objected to the charges that are being made to hotels. What we have said on this side of the House is that we do not agree with the theory of the Honourable Mr Bossano that if a place of business like a bar or an hotel cannot operate without a subsidy in the price of electricity it does not necessarily follow that it should close. I do not know whether the Government agrees with what Mr Bossano has said or not, but if Government agrees with what Mr Bossano has said then the Government itself has had a big change of policy because the Government has been subsidising water during the last ten years. The Government has dragged its feet in collecting outstanding rates, and electricity charges from hotels during the last ten years. If it is a change

in Government policy please do not blame us for it.

HON H J ZAMMITT

Mr Speaker, the change of policy would be Government's and as long as Government is in power it is Government and we always take full responsibility and the blame for everything we do, even if we do thing rightly, because I have never yet heard a member of the Opposition welcoming a measure, particularly in taxation, that the Government has taken. I think the Honourable Member, and I think Hansard will show, that it was not the way that he has said that the Honourable Major Peliza put it over, and it may be recalled that he mentioned that he thought that the Services, that is the Armed Services, should be helped even more than the tourists. Yes, Mr Speaker, that is vividly in my mind, vividly in my mind. You can see that there was a direction towards a continuation of subsidising hotels and the water in hotels.

Now, Mr Speaker, the Honourable and Gallant Major Peliza yesterday made a little attack on the comparability of income tax in Gibraltar with that of the United Kingdom, and it was exemplified and extended upon on television last night, where of course I think it is established that we could never introduce the same tax measures on income tax for a number of reasons. Needless to say the most obvious that comes to light is the fact that we do not have the number of wealthy people in Gibraltar that one could tax into the 55% band as there is in the United Kingdom where there are many thousands no doubt that are in the £100,000 brackets, and I doubt if there are but a handful in Gibraltar in that particular sector. So one has to tax the middle block which is the most effective. But I was surprised to see that the Honourable Major Peliza gave all the baddies, and I did ask, may I say tongue in cheek, when I rose for clarification, Mr Speaker, and you very kindly allowed me to do so, that he had failed to say and talk about the old age pensions, how they were taxed in UK and how they were taxed in Gibraltar. And the Honourable and Gallant Major Peliza may like to learn, as he learned that income tax in the United Kingdom on family allowances and in Gibraltar were exactly the same, that the old age pension in Gibraltar is tax free. They are not tax free in the United Kingdom, so possibly, Mr Speaker, in the contribution of the Honourable and Gallant Major Peliza he may like to give Gibraltar some credit and not all the adverse things that he has said.

Now, Mr Speaker, I would like to refer to the Honourable

and Gallant Major Peliza's contribution in the budget session of March 1976, and he was referring, Mr Speaker, at page 603, to the money - and it may be recalled that in 1976 there were no tax-raising measures - and the Honourable and Gallant Major Peliza - and may I say before I read this, Mr Speaker, that I would ask the Opposition to consider the reserves that Government has in the context of the unknown. I do not want to be looking into outer space, Mr Speaker, I am talking into the possibility of the frontier and which I think we all agree that the prospects financially appear to be good, but we do not know and that is what we have to see. But the Honourable and Gallant Major Peliza said in 1976: "And so I think this is the time when we have to shapen society. What a golden opportunity we have with so much money in our hands to do precisely that."

Now, Mr Speaker, is the golden opportunity financially and politically not ideal now to ensure that we have this reserve. Would the Opposition not be gloating, if the word is gloat, if we did not have this financial position and we had to hit people hard. Surely reasonable intelligent men as they are would have to accept, it may have been a windfall, we may have been lucky, I am of the fervent belief that Gibraltar is blessed and God is above us at all times, but it is purely coincidental that we find ourselves with a £5m reserve when the frontier is about to open, and that I think is cause for jubilation, and a fanfair of trumpets of which we were accustomed to during the administration of the Intergration with Britain Party. We had fanfairs and trumpets every time the Chief Minister took his hat off. This is absolute, this is the

HON A J HAYNES

Mr Speaker, we believe a reserve should come about naturally and as a way of saving, not as a measure of direct taxation so harsh as we had last year and riddled with miscalculations. Can the Honourable Member explain why Government are not embarrassed by a miscalculation of the extent that we have had this year, especially since this miscalculation that we are talking about is public money, as the Chief Minister has so rightly said, and money drawn from the people. So a miscalculation is to the detriment of the people and we want to know why Government are not embarrassed by this miscalculation. We do not object to reserves in principle, we would like to see reserves coming up naturally and as a way of progressive saving. Of course we want a rich and better Gibraltar.

HON H J ZAMMITT

Yes, Mr Speaker, reserves do not come naturally, Mr Speaker, there is not a tree that I know of that produces gold or pound notes! They do not come naturally. Reserves come and have to come from the economic stability of a Territory which the people themselves must contribute to, and it cannot be embarrassing. It would be embarrassing to us if we had no reserve, if we were in a poor financial situation. We can gloat over the situation, and if the people of Gibraltar feel they have been hit hard now they can rejoice because now is the time when we will be able to reach the fruits of our efforts. Because we have been wise or lucky in ensuring that we have this economic stability which has been brought about in Gibraltar. But I say we must thank God because it has been luck, or if the people were overtaxed last year at least the people can say, thank God we were, because if they were not overtaxed last year we would find ourselves today with cap in hand. But today we can put our tongue out we can put our tongue out, Mr Speaker. Although £5m may not be excessive I only hope we had £10m reserve, Mr Speaker.

Now, Mr Speaker, if I am going to be interrupted I am afraid I will be here until 9.30.

We must be sensible about this, Mr Speaker, but as I say I have never in my experience in the House ever, ever, irrespective of measures we have taken had the support of the Opposition. One expects that, Mr Speaker. What one does not expect is the Opposition to mislead the people by giving the impression that we can give away our £5m reserve because we give back what we have taken away from them. No, it is their money, it is not our money, Mr Speaker, it is not the Government's money, it is the individuals, it is the Gibraltarian's money, and the more prosperous the Government is the more prosperous the community is. So, Mr Speaker, two things have come out in this particular budget. One is the inconsistency of the senior members who have been here for a number of years - I would have understood of course the junior members - the inconsistency throughout the past budgets and in particular this one. But as I say my reason for this is that they have been embarrassed in modelling the minds of people during the election campaign and during the Party Conference of the Democratic Party of British Gibraltar, into modelling the minds of the people: you wait until the budget comes along; they are going to hit you so hard you are going to lament having voted for them. But alas they have failed. They have failed and failed

dismally, and of course we have been lucky, Mr Speaker, that we cannot deny. We have been lucky with these Estimates that the surplus was there before we even knew they were going to open the frontier. So we can look forward to the opening of the frontier with strength and with vigour, and we will ensure that next year, God willing, we can have £20m reserve much to our satisfaction and no doubt, Mr Speaker, much to the dismay of the Opposition.

Thank you, Sir.

MR SPEAKER

Well, if there are no other contributors, and in accordance with the Standing Orders, I will now call on the Chief Minister to exercise his right to reply.

HON CHIEF MINISTER

Mr Speaker, I shall try not to be very long. I think this debate has gone on much longer than the circumstances warrant. But it is quite obvious from the opening by the Leader of the Opposition that he showed considerable disappointment at the good results that we have obtained, and the fact that it has proved that quite a number of the contentions that they had been holding regarding the elections and subsequently have all been wrong. It is a fact that at the time of the last election, Sir, the position was gloomy. So it was put to us. And so we saw it. And it is precisely because it was necessary to take remedial action that remedial action was taken, and I think it is a proof of the necessity of that that the remedial action has been effective and that in fact we find ourselves now in a much more comfortable situation than anybody could have thought of. But that is not to the Government's credit or its fault. It is the fact that the economy has been able to stand it for a number of other reasons and that in fact it has responded in such a way that this is the practical result.

A number of isolated points have been made which I will deal with rather than a long speech. The fact that this will weaken our position at development talks is absolute nonsense. The opposite is exactly the case. Every time we have been to Britain for help, every time we have shown that we were taking remedial action for our own sakes - because it is the policy of the ODA that they help better those who help themselves. In fact at one stage the question of rent was one on which we were under great

pressure to revise because otherwise the grant for housing might have been endangered because they felt the people were paying too low rents and that costs were too high. Indeed the reply to my original letter for a request for certain items of education and so on by way of once and for all budgetary assistance which went at the time before the cuts were started by the new Government, and the reply came after the new Government, did refer to the fact that they had taken note that we had taken steps to correct the situation and suggested some other steps. That was their privilege to suggest, we have done what we thought right. But the point that I want to make is that it strengthens the position of negotiations with the ODA to show that we have taken measures to remedy the situation. Too often it is thought by people who do not like us, and there are many people who do not like us much as we would like them to like us in certain spheres, to say: well, here you are, they are having a very easy time, they pay whisky very cheap, they pay cigarettes very cheap, and so on they want us to pay for their houses and for their schools. Well, if by our performance we show that we are courageous, that we have put the necessary taxes that are required to make our own day to day economy viable then so much more the respect that they have for us and the better chances we have for continuing to get help as before, or subject to whatever charges may come about as a result of the changed situation.

One point made by Mr Scott, with whose contribution I would not quarrel, was that I said that there was 1% relief in this budget. I think that either he misread that or he did not understand what I meant. I said that overall, taking all the measures both the beneficial and the ones that bit into the incomes, overall, there was a 1% relief, which takes account of all the budgetary measures. But it was not just an isolated 1% relief but overall. After the budget the people will not be worse off than they were before the budget because of the package.

One point made by the Honourable Mr Restano about the fact that had we purchased the generators earlier they would have been cheaper. The answer is the opposite. Generators are cheaper now because there is an over-supply. It is well known that in England there is an over-supply of capital expenditure on electricity and indeed our information is that generators nowadays are cheaper. Funny as that may sound they are cheaper than two years ago because of over-production and lack of orders and finance to take them over. And whereas it is well known that in France there is a low supply of power overall

nationally, it is well known that in England in fact one of the papers was saying the other day how disappointed the Central Electricity Authority was about the lack of demand for electricity. So in fact in England the problem is that there is the supply, there is the power available, but there is not the demand because of the element of depression in industry and other aspects.

Now Mr Haynes in his original contribution in the Appropriation Bill raised the question of gas, the question of alternative supply. Now I think he should have given us credit for the fact that all these matters are looked into, but fair enough, it was a new point by a new member and I took it seriously and I had a brief prepared and I explained in my reply the details of all the alternative sources of supply and why they are not feasible in Gibraltar. And whereas I share the concern of the whole world of what is going to happen when oil is at an end, we cannot pioneer in this respect, and in fact some places where they are pioneering such as solar heat, I did explain in great detail for his benefit and the benefit generally, the difficulties in these matters.

Yet he thought fit in his speech on this Bill to raise the matter again and say that we had not taken any note and described us, and really I think it is the first time we have seen this - "Bully Boys". I have never heard a more inept description. I do not know what we do about being Bully Boys when we can stand and listen to the Honourable and Gallant Major Peliza for hours and hours and not even attempt to stop him.

But there is one thing that has been produced as a result of all his ideas, and that is a lot of gas from the other side. Unfortunately it will not produce any energy at all.

The measures we have had to take, the money we have to find. We looked for things that we felt would not unduly cause hardship to the average working man in Gibraltar, and so telephones had to go up. I do not say it is a luxury, but it is something that at a pinch you could do without, although I am sure that the amount we are putting up is not that much. From telephones we went to water. Now, everyone who is careful with the water will not have to pay all that much money. There again it is a question of good housekeeping, not just by the Government but also good housekeeping in the family. Water as you know is quite a drain on our resources. We have to find the money for it, we have to find about £75,000 more this year and I would tell the people of Gibraltar generally that as well as

keeping Gibraltar tidy they should keep their taps shut. Hotels of course will have to pay slightly more and this is inevitable. We cannot subsidise hotels to any large extent.

Increasing import duty on cars and increasing the petrol are of course directed to one thing. In making sure that Gibraltarians will be able to enjoy cars in Gibraltar, because really we are reaching the stage when unless we do something about our circulation, and I do not mean our body circulation - perhaps our body circulation as well - it might do a lot of good for some people to start walking.

Now, all this is what Major Peliza said in 1972 these are my words today, they are taken from the Hansard of 1972. They were not my words today, they are taken from Hansard of 1972.

But of course he was then Chief Minister, now he is in the Opposition.

He went on further, now that the secret has been disclosed, and in the traffic circulation, unless we do something drastic about our parking, and we are not afraid of grasping the nettle, this Government is never afraid of grasping any nettle, unless we do something drastic about it, then people literally will not be able to bring a car and those who bring it will not be able to enjoy it. So, therefore, I think, to copy the words of my friend the Financial and Development Secretary, "a stitch in time saves nine". Since 1972 how many thousands of cars have come, have circulated and enjoyed themselves in Gibraltar!

Mr Speaker, I was reading from the Hansard of the 1972 Budget, pages 170 and 171, Major Peliza's intervention in the budget about water, about electricity, about telephones which he said we could do without, we do not say that. We do not say that, we say that the telephone can pry for themselves but we do not say that people can do without. Now of course pensioners should have them free or cheaper, but we at the time, this is not a luxury you can do without.

Now, Mr Speaker, this is really not the way policies should be approached, saying one thing one day and another when you are in a different place. This reminds me of a point made by Major Peliza about the question of the wayleave that has been put with regard to spirits and so on - that the sale might drop. Mr Speaker, it is not so long ago since we heard when the original duty free shop was introduced at the Airport building, the then Members of the

Opposition Mr Camuzans saying that the introduction of the duty free shop which we were going to put at the Airport would mean ruin to the whole of the trade in Main Street. And because it was our idea it was bad, and the whole of Main Street was going to be ruined. Well, we seem to have survived that one as well, Mr Speaker. I think whatever people may say about us, our power of survival is unequalled, certainly in political terms.

I will not say much about what Mr Bossano said except that he gave the Opposition the hardest beating they have ever had from their own side for a very long time. And I think it was fully deserved.

There are two corrections, Mr Speaker. Major Peliza was talking last night about comparative tables of income tax and he gave one or two examples which are completely wrong. He talked about a married couple with two children on £6,760 total, tax total income tax together. He said that in the UK the tax payable would be £972, the family allowances would be £494, and that, therefore, the balance that he would have to pay would be £478, and that in Gibraltar the tax would be £1,350, the family allowance £260, and then it would be £1,100. In fact in UK the tax payable would not be £972, but £1,384.50p, and the family allowances were correctly staged. So his position there would be £890 tax. In Gibraltar the tax payable is more than what he said, because if we are talking figures we cannot forget the correct figures when it suits us, was £1,504, the family allowances £260, and the final amount of tax would be £1,344. But he miscalculated by over £400 the amount of tax that a family in UK would pay.

The main point about this budget, I think, in terms was generally agreed by the Leader of the Opposition at some stage. I forget whether in this debate or in the first debate, and that is that overall our differences about taxation, overall our differences about approach to the economy, there is one big problem which we must tackle, and I think that the difficulties that have to be encountered in the coming month are perhaps more serious and more dangerous than any that we have had to encounter since the restrictions started, or since the action on the part of Spain, the positive action, that was started initially in 1954 after the Queen's visit, and then from 1963 onwards at the United Nations and by practical restrictions at the frontier.

The frontier is going to be opened, we have to meet that challenge, and we have to meet it mindful that there are many pitfalls and many difficulties that have to be looked

after and cared for above all else. I have just been given on coming into the House, a note which will be circulated to members and other people concerned by the Chamber of Commerce on a number of problems that they want to raise which is consequent on the invitation we gave them at the meeting of Representative Bodies following on our return from Strasbourg the other day and I hope other people who have views on these matters will do so, because it is essential that we stand together on the approach to the measures which will have to be taken following on the Lisbon Agreement. It is against that background that it is necessary to feel completely unembarrassed by financial constraints of a local nature. And it is because of that more than anything that we should look forward, not only to having handsome Consolidated Funds Balances and reserves, but to enhance them and increase them in order that we can meet that challenge which I think overrides all other considerations.

Thank you, Sir.

MR SPEAKER

I will then call on the Honourable the Financial and Development Secretary to exercise his rights to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Thank you, Mr Speaker.

First of all, Sir, I should I think be appearing in a white sheet with a candle this morning, because I misled the House in my speech on the Finance Bill on the telephone rates. For Portugal the rates are the same as I gave, but to Spain, the Campo Area, I said that for 3 minutes or part thereof the increase would be from 30p to 33p. In fact it should be from 30p to 39p, and Spain other than the Campo Area the change is from 45p to 54p and not 48p. I will be circulating to Honourable Members these amendments. For Morocco other than Tangier it is from 66p to 75p, not 69p as I originally stated, and to Tangier from 45p to 54p and not 48p, as I originally stated. The rates were drawn up by the Telecommunication Department, there was an amendment which was received in the Treasury, but I am afraid it did not get itself into my final speech. It is the Treasury's fault that the wrong figures were given and I accept full responsibility and I apologise for misleading the House.

MR SPEAKER

There are no consequential amendments, these are regulations.

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Sir, these are regulations and not in the Bill.

The Honourable Mr Restano asked why the rates to Portugal were so high. Normally, if possible, calls are routed through Spain which is cheaper, but this depends on the availability of lines and if they are not available they have to be routed via the satellite to London and then to Portugal. This pushes up the cost and we have to charge an average cost. The department concerned are aware of this anomaly and in the general review of all rates which is being undertaken, and depending on the negotiations with Cable and Wireless and possibly the CTNE, it is hoped to eliminate this anomaly.

The discussions in debate indicates as if we had jumped from a projected outturn of £1.3m to £5.4m overnight and I would like to correct this impression as a matter of fact. The real comparison is a projection of £1.3m at 31 March 1980 to a revised estimates of £3.5m that date. The reasons for these were explained in my budget speech and I shall just briefly touch on them. A major reason was the improvement of £600,000 in the outturn in 1978 - 1979 mainly due to expenditure falling short, and then in 1979 - 1980 the increase in revenue of somewhat over £2m, over half of which was because of the higher cost of the pay settlement and the private sector income tax which we had not taken into account, and which was pointed out last year, and the balance from other departmental earnings and import duties, and the fact that increases in expenditure were retained to some £1m.

The full details, Sir, are at pages 11 to 13 of the budget speech.

One point was made I think by the Honourable Mr Loddie that bunkering prices had gone up. This is not so, Sir. There is no increase in the export duty, it is merely that we have metricated and instead of one long ton at 55p, it is on metric tons 54p. In fact this is the case where, if my calculators tell me true, we have in fact rounded down because the exact figure would be 54.13.

Finally, Sir, the Honourable the Leader of the Opposition, who unfortunately is not here at the moment, questioned the

wisdom of my mentioning the need for Gibraltar to demonstrate its creditworthiness to potential lenders. The suggestion was not that Gibraltar is not creditworthy, it is merely a fact of life, that when one wants to borrow money one has to give a lot of details to banks the same as if one is going along to get a personal loan from the banks, and when the Treasury or the Government goes to a Merchant Bank to raise something like £12m or £13m for the Government we are asked detailed questions about our Gross National Income, how it is made up, what we spend our revenue on, what our revenue is, the makeup of it, the debt servicing charges, the public debt, and what is the size of our reserves. This is a fundamental question which is put to us and they compare it with the size of the reserves for normal Government expenditure.

Sir, those are the only points which I wish to make.

I beg to move.

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

The Honourable A J Canepa
The Honourable M K Featherstones
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Lodo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

The Bill was read a second time.

Committee Stage

HON FINANCIAL AND DEVELOPMENT SECRETARY

Sir, I beg to move that this House should resolve itself into Committee to consider the Finance Bill, 1980, clause by clause.

The House in Committee.

MR CHAIRMAN

Well, perhaps gentlemen I will explain that the way we do things nowadays is that there is the Finance Bill, which is divided into the amending legislation for each particular Ordinance, and, therefore, Members have an opportunity to vote on each particular amendment to the revenue raising measures, without having to vote as a whole against the whole of the Bill.

THE FINANCE BILL, 1980.

Clause 1

On a vote being taken on Clause 1, the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Lodo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino

The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecassis
The Honourable Major F J Dellipiani

Clause 1 stood part of the Bill.

Clause 2

HON P J ISOLA

Mr Chairman, could I ask the significance of the tariffs and prices in respect of the accounting period including 1st May, 1980. Does that mean that electricity consumed prior to today, or prior to the announcement of the measures, will in fact be charged at the new rate?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Mr Chairman, at the former rate.

MR CHAIRMAN

The accounting period is the 1st of May.

HON P J ISOLA

So that readings made during May will be charged at the old rate? If that is not the case then electricity consumed during April, will be charged at the new rate.

HON ATTORNEY GENERAL

Mr Chairman, may I just answer the Honourable the Leader of

the Opposition. The accounting period does not mean the period during which the meter is read, it means the period for which the meter is read. So that in my view this Bill will not cover increase electricity for the month of April, it will increase electricity actually used during the month of May.

HON P J ISOLA

So that the new charges will not apply to electricity consumed during April. Is that certain?

HON ATTORNEY GENERAL

Mr Chairman, that is the effect of the Bill, yes.

HON P J ISOLA

Mr Chairman, as you know this part of the Opposition any way are voting against the Bill as a whole.

MR CHAIRMAN

May I say that that will be in the third reading, perhaps. Here you have to vote on each clause.

On a vote being taken on Clause 2, the following Honourable Members voted in favour:

The Honourable A J Caneps
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza

The Honourable G T Restano
The Honourable W T Scott

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 2 stood part of the Bill.

MR CHAIRMAN

This is the Income Tax.

HON ATTORNEY GENERAL

Mr Chairman I beg to move an amendment to this clause. It is a drafting amendment for consistency. In the proposed new section 8 (5)(b) on page 5 of the Bill, in the third line of that page, I move that the word "prior" be changed to "previous".

Mr Speaker then put the question which was resolved in the affirmative and the amendment was accordingly passed.

On a vote being taken on Clause 3, the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valerino

The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 3 as amended, stood part of the Bill.

Clause 4

HON P J ISOLA

Mr Chairman, we are supporting this clause in so far as it does bring some alleviation to the position of old aged people, but as I have said

MR SPEAKER

Because it does, because you can only vote for or against without qualifications.

HON P J ISOLA

Yes. I say we are voting for this because it brings alleviation to the position, but as I have said, and there is no need for me to repeat it, as we have said in the general debate we do not think the Government has gone far enough in the position of old aged people.

On a vote being taken on Clause 4 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddó
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecassis
The Honourable Major F J Dallianni

Clause 4 stood part of the Bill.

Clause 5

HON P J ISOLA

Mr Chairman, I have an amendment to Clause 5 and that is, I beg to move that Clause 5 of the Bill be amended by the substitution of the figure "£850" for the figure "£750" where the same appears.

MR CHAIRMAN

Are you saying anything in favour of the amendment?

HON P J ISOLA

Yes, Sir. Mr Chairman, this amendment if accepted would of course alter our whole attitude of the Finance Bill. As we have said in the general debate on the Bill we feel that the increases in the Personal Allowances in Income Tax that the Government is proposing are too small and we feel that the increase of £100 should be £200. Now, there have been a lot of red herrings thrown into this House in the course of discussion to resist this proposal. The impression has been given that the Opposition are irresponsible in asking for the personal allowances to be increased. The Honourable Mr Featherstone and other Members on the Government side have thrown in the question of the dignity of Gibraltar in support of their resistance to these measures. And our proposal that personal tax allowance should be increased is based on the premise that the out-turn of the year for the Government has been extremely good, and that the prospects for next year are equally good. And we have been reinforced in this attitude by the appearance last night on television of the Honourable Mr Canepa and the Honourable Mr Bossano, who expressed great optimism for the finances of Gibraltar. So we are not gambling, as the Honourable Mr Zammit would like people to believe, with the finances of Gibraltar or with the future of Gibraltar. We are making this suggestion in the sure knowledge that the Government, on its own estimating and as a result of all the measures they are proposing in this House, expects a surplus of £5.4m next year as against £1.5m that they estimated at the end of the year we are in. And without taking into account the beneficial effects about which Mr Canepa has spoken and the Honourable Mr Bossano has spoken. And here, much as it might worry each of them, I must put them in together as they make the same stand on this, this despite their optimism and not taking into account these revenues which the Government will receive as a result of pay settlement in the private sector.

So without taking into account all that the position of the Government at 31 March 1981, if they accept this amendment, would still be a surplus of £4.6m, and with the recent increases of revenue expected as a result of wage settlements in the private sector and other factors like the opening of the frontier and things like that, and the spending by the Government of the £10m on the Development

Programme as expected, the surplus could well be over £5m.

As for the question of the British Government, I would say this: if I were Chief Minister - which I am not - the Honourable Member opposite is, and he is the one who has to negotiate with the British Government, I think that if he were to tell the British Government, look we have got a surplus of £5m as a result of the imposition by us on our people of heavier taxation than you yourself have in England, I think the British Government would give the help that is required. I do not think it is a question of dignity. I think it is a question of Gibraltar having done more to put its economy right than anybody else, with serious consequences for the population in the taxes that they have to pay. So when we are proposing this amendment of an increase of £100 over the amount suggested by the Government, we are not putting Gibraltar in a state of danger or in a state of jeopardy, as the Honourable Members on the Government side supported by the Honourable Mr Bossano would lead us to believe; we are seeking a juster system of taxation. We are seeking that the public gets returned to them part only of what was taken off them last year on the basis that even with all those taxes there would only be a surplus of £1m this year, and in fact it was £3.6m. So the taxation measures all went to build up the surplus.

I am not saying that the Government did this deliberately. We have not made suggestions of this. Apparently they were misled as much as we were by the figures that were produced then which have been proved to be totally wrong. I am not blaming them for this at this stage. What I do say, looking at it in the context of the budget presented to us, what we do say is that the Government can make a greater move towards having in Gibraltar the same income tax allowances as they have in England. We have got a long way to go, a figure of £3m was mentioned for us to have exactly the same tax system as in England. Well, with a surplus envisaged of £5m that should not be altogether impossible in the course of the next three years.

Well, to the toot, toot, of the Honourable Mr Zammit, may I remind him that the Government was quite content last year with all their budget measures in having a surplus of £1.5m at the end of this year. And if they were to give the full allowance, I am not suggesting we should, I am not going that far, but if they did they would still have at the end of next year a higher surplus than they expected and with which they were content last year for 31 March 1980. But what we are saying is that a £100 increase in personal allowance, as the Honourable Mr Bossano has said,

I do not know whether he is right, let me for a moment accept that he is right, he is merely ensuring, because of inflation, that people do not pay any more tax than last year. But even then I am not sure that he is right because as a result of the pay settlement of 1979, and as a result of the pay settlement of 1980, because of our narrow bands of taxation, a lot of people in the lower income groups, or middle income group, or lower middle income groups, will be moving into higher brackets and will therefore be paying more tax. We think that it is perfectly possible and perfectly feasible for the Government to increase the personal allowance by a further £100, and thus giving some relief to the heavy taxation that I think all sectors of the community has to pay. And I think that to bring in, as has been hinted at and suggested, the higher income group as this being a measure to benefit the higher income groups, I think that has to be treated with the obvious contempt that it deserves. Because the beneficiaries of our proposal would be by and large the lower middle income group and people with families who are going to have to pay, Mr Chairman, increased water and electricity charges.

They will have to pay it, it is obvious, £850,000 in personal allowances and £850,000 in the Funded Services. The one cancels the other out in terms of money. I am not saying that the same people would pay. We think that the Government should work towards alleviating the income tax position in Gibraltar. We are overtaxed and to support this does not mean, I know it is very difficult for the Honourable Mr Bossano to support any measure that would appear to support the philosophy of Mrs Thatcher and her Government, I know it is very difficult for him, but I think that the Labour Government in England, had they been returned to office, would have ameliorated the income tax position in England, not for the top groups I concede, but certainly for the middle and lower income groups. And the measure that we are proposing of an increase of £100 in the personal tax allowances is meant to alleviate the position generally of all the tax payers in Gibraltar. We say the Government can do this and I would ask the Honourable Mr Bossano to bear very much in mind on his attitude to this amendment the attitude I think of people that he represents in other places, if I may put it that way, who have been pushing for increases in personal allowances. I do not know whether they are happy with just an increase of £100, I certainly would not be, I certainly would not consider that to be a good concession on the part of the Government, especially bearing in mind the financial position of the Government, in which they are showing a much healthier surplus than they expected - at least so

they told us - and likely to show a still much healthier surplus at 31st March 1981, if I am to believe, if I am to take seriously, the optimism expressed by the Honourable Mr Canepa and the Honourable Mr Bossano on television last night. That you see, Mr Chairman, that was speaking to a broader public and I think that the public as a whole will be happy that the Government has such a large surplus.

We share that happiness but we believe that that large surplus has come about as a result of the severe measures of last year. So, Mr Chairman, I would commend this amendment to the House.

Mr Chairman then proposed the question

HON J BOSSANO

Mr Chairman, perhaps I can start off by explaining to the Honourable and Learned Leader of the Opposition exactly what it is that he has invited me to do in asking me to take into consideration the views of my friends in other places.

MR CHAIRMAN

May I suggest that the other places, Parliamentarywise, is the House of Lords. It is not being suggested that you have friends in that august body!

HON J BOSSANO

Well, that might be a suitable solution for future problems, to create a House of Lords, because he may not be fully aware of the thinking in some quarters of the Trade Union Movement as to how best to protect the lower income groups, and basically, I think, the thinking there is that not only would the Government proposal not be considered enough, the amendment of the Honourable Member would not be considered enough, and the system in UK would not be considered enough. I think the thinking there is for example that the section of the community represented by the people who are making that stand should be paying no tax at all, and that all the tax should be carried by the business community and by professional people like Mr Isola.

Now if he thinks that I should be influenced by that sort of thinking, well, then perhaps it is not so difficult to achieve as I thought it was if he is that sympathetic to that motion. But I think that certainly when the Trade

Union Movement is talking about substantial reductions in income tax it is talking about an ideological commitment to shift the burden from one sector of the community on to another sector of the community.

Now I believe that our tax structure is inequitable, that it requires a fundamental restructuring and that what is being done in this Budget is not a reduction in income tax, I have already said that. I do not consider that the increases in the allowances is anything other than restoring them to their previous value, and to take up the point made by the Honourable and Learned Member about moving from one tax band to another, effectively what this measure does is to put you back in the tax band that you were in before.

So that if your top rate was 35% and as a result of inflation your income in money terms goes up by 15%, then you move into the 40%; if your allowance then goes up 15% then you move back into the 35%. Now, to the extent that there is an improvement in your income over and above inflation, you will pay more tax, but that is perfectly just since everybody else who is getting an improved standard of living is making a higher contribution, and that is the whole essence of a progressive tax system.

What is wrong is that you should pay more tax out of the same real income merely because inflation has pushed you into a higher money income in purely illusory money terms. So I think the 15% measure does not reduce taxation and should not be presented as a reduction in tax; all it does is it restores the status quo which would have been disturbed by inflation and which would have meant an increase in tax.

Now, the measure proposed by the Honourable and Learned Member represents for the average working man 60p a week, and that, in terms of relieving people who are grossly overburdened by taxation, 60p a week would enable them to buy a packet of cigarettes! In terms of the effect on the reserve it will mean a difference of £900,000. Now we have got to see that in any organisation where there are a lot of people contributing to a common kitty the impact on the kitty is dramatically out of proportion to the benefit of what you can give each individual.

One of the fundamental problems in any sort of equalising tax system is that if you have got one very rich man in the community you can take all his wealth away from him and still be able to give very little to everyone else. And if that is a valid criticism of people who think that progressive ideas on taxation can be defended ideologically, even if in financial terms their impact is minimal, well it

is a valid criticism of that stand. I accept it is a valid criticism but it applies to anything we try to do in our tax structure with the composition of the contributors to that tax system. If I were to be given a choice as a taxpayer, not as a member of this House, as a taxpayer, of either paying 60p less a week myself and having the Government borrowing the £1m to invest at 20% and I would then have to be taxed the future to repay the £1m and the 20% profit that is being made on it, then I would rather pay the 60p and have that £1m invested in capital projects out of my current income. And I generally support that capital expenditure should be funded, I have already said that in the current circumstances of these enormous interest rates it would be wiser and better, economically, to use our own money at this stage because that would enable us in the future to give more relief to people. If we are able to give them 60p today then by using the money wisely now we may be able to give them £2 or £3 in one year or two years' time. That is my honest analysis of the situation which is not in fact politically motivated at all. I mean, if I was taking a purely ideological stand on this matter, then my argument would be that we should not raise the personal allowances in fact. The proposal that I would put if I was looking at it from the point of view of helping the lower paid, Mr Chairman, would be that the people who are paying the first £500 at 10% should pay 1% or 5%, and that would concentrate the benefit at the bottom and would give nothing to the top. Or if that we increase the personal allowances by £100 we pay for it by increasing the top rate to 60% or 70%. Now if the Honourable Member wishes to pursue this amendment, coupled with an amendment that will increase the top rate of tax and not take it out of the reserve, then I will support it.

HON. CHIEF MINISTER

Mr Chairman, it is the easiest thing in the world for the Opposition to move for the abolition of taxes, or the increase of allowances, but there is a vast difference between being in the Opposition and being in Government because we have the responsibility. We are now told that we have more money than we should have had and that is just as well. What would the position have been if in fact the result had been bad? The Government would have been blamed for it and people would have suffered. It is very popular to be able to say that we wanted to give you more; it is vote catching even four years ahead. It is easy.

The other thing that is completely illogical is this idea, and I thought we had killed this one yesterday but of

course reason sometimes does not take us anywhere, this idea of equating to the UK income tax. This is where the question of the higher income groups came into it and the Honourable Mr Bossano mentioned the fact that the UK tax as it is now is less fair than it was before. And because the taxation measures of the Conservative Government have, as is clearly stated in all the papers, shifted the burden from the people at the top perhaps, for incentive, perhaps with the idea of getting money into investments, perhaps to make the economy tick in another way, it may be right, it may be wrong, but it will still have to be proved that the monetary policies will survive or not survive. The fact is that being tied inevitably to UK tax has no virtue at all for as long as we have a tax system that can produce the money that we want, and that perhaps is more equitable in the circumstances of Gibraltar. At this stage it is less fair because in fact the tax rate is so small and because there are no landed people, there are no people with great income and so on except a few, and that, therefore, going up to the 83% of the Labour Party policies in the past would not produce that much at that level.

One other thing that has to be mentioned in connection with trying to tie up to the present system of income tax is that people in the United Kingdom are paying VAT at 15%. They are being cllobbered with indirect taxation. 15% on the mark-up price: not the 12% that we put on prices at source, on invoice prices. That is a vast difference, not only of three percent, it may be of 25% or 30% by the time the price is marked-up, apart from all the complications in its collection and in its proper administration.

The Opposition well knows that this amendment is going to be defeated. These measures have been the result of many weeks of serious discussions, many alternatives have been put before Ministers on what could be done with the money that we thought in fairness could be given away by way of a package, many of them. All have been considered, and these are the ones that our consideration of the matter, our discussions, our sense of responsibility, our future responsibility, how we see the matter, was decided. But a new dimension has been added to that, because when the budget was prepared we did not know the frontier was going to be opened. And I hear all sorts of things about how money is going to flow with the open frontier. I still have to see what it is going to bring to us. I am not afraid of it, but I think this is the most crucial period in the history of Gibraltar and we have to be careful. And the first thing that we have to do is to have a strong financial position so that come what may we can survive.

Therefore this amendment will of course be opposed and defeated.

HON MAJOR R J PELIZA

Mr Chairman, it is incredible that .082 of £1m, of which part is coming back, because obviously the people who are going to get this allowance will be spending, I imagine, most of the money here in Gibraltar and that is going to create more economic activity here. The point is that all is not going to be lost. It is going to create more economic activity. It means that more of that money is coming back in tax through indirect taxation, through direct taxation or whatever, however the money flows around the economy, so really Mr Chairman, when you come to think about it, it is even going to be less. In actual fact it is going to be less than .082 of £1m, and I think the people deserve, after having been clobbered last time unnecessarily with money this little easement.

MR CHAIRMAN

If there are no other contributors I will ask the Honourable the Leader of the Opposition to reply.

HON P J ISOLA

Mr Chairman, I find it very difficult to follow the argument of the Honourable Mr Bossano about if you give another £100 allowance it means 60p a week. That is if a person is at an income of £2,000 a year and is a single person: the benefit is £30, but if a person is earning £3,000 or £4,000 it is 35%, and if he has got a family earning £3,000, it is £75 a year. A lot more than 60p. At least if I am to believe these papers that the Government have been giving out.

The Honourable Member has been less unfair in saying it is only 60p a week. It is 60p a week for a single person at £2,000 a year, of which fortunately there are few around. If you take a married couple with one child earning £3,000, which is less than average earnings, it is £75 according to the Government paper here.

HON A J CANEPA

If the Honourable Member will give way. With one child, the childrens allowance is being increased from £200 to £250 in the Government proposals and, therefore, it is

included in the Tables. The amendment of the Honourable Member has got nothing to do with children.

HON P J ISOLA

But it would bring, Mr Speaker, if I follow this, a greater benefit than £30.

HON J BOSSANO

The difference in the column in the Tables is the difference of all the measures proposed by the Government, as I understand it. If one is talking about helping the lower paid then one is presumably talking of those people who are in the margin between paying 30% and 35%. Now, it is probable that most single people are paying 35% and that most married couples with children in the income bracket of average earnings are paying 30%.

MR CHAIRMAN

Would the consequences of such an amendment be fair to married couples without children?

HON J BOSSANO

When we are talking about the average industrial worker, a married couple with no children, I think that they are probably at the top of the rates of the 30% banding; they may just make it into the 35% marginally, but they are more likely to be at the top of 30%. And, therefore, £100 will give them £30 a year. It is quite possible that in some cases £100 would give him £35 a year in which case instead of getting 60p a week they may get 67 or 68p a week, but they could not possibly be getting a benefit of 75p a week, Mr Chairman, unless they were paying 50% income tax.

HON P J ISOLA

Well, Mr Chairman, in the case of a married couple as you have rightly said, the difference is greater, but whatever it may be it is difficult for me to follow the logic of the Honourable Mr Bossano who wants as an aim of policy the reserves to go up and up, because then he should even oppose the present clause because that would give the Government another £900,000 at the end of the year.

HON J BOSSANO

Mr Chairman, if the Honourable Member will give way. The difference is that I am not suggesting that we should increase taxation in order to increase the reserves. The amendment of the Government in my judgement does not reduce taxation and does not increase it, it simply retains the same proportion of income going in tax this year as we were paying last year. Now, if we are going to use up reserves to change the tax structure then this requires a more fundamental exercise than just giving everybody 60p a week.

HON P J ISOLA

Whichever way the Honourable Member puts it, money is being used to reduce the tax burden, and consequently the reserves suffer. That is quite clear to me and that is a fact. Whatever he may say all the Government is doing is that people pay the same taxes, but in order that the people pay the same taxes Government is taking £900,000 out of the reserves to achieve that purpose. So, logically, the Honourable Member should not even support the increase of personal tax allowances by £100.

I cannot follow his argument here. It seems to me, the feeling I get is, that the Honourable Member is opposing this amendment because it comes from the Democratic Party of British Gibraltar. That is the final determining factor in his vote. Furthermore, Mr Chairman, we do not believe in unnecessary taxation. The Honourable Member I know has different views, the Honourable Member would probably like the Government to take all the money that is in Gibraltar and then to have it distributed in accordance with his social or economic or left wing or whatever principles. We do not agree with that, let me say that straight away.

We believe that the individual should have a right in deciding how he spends his own money, subject to the needs of the community. That is our position, and I believe it is the Government's position, and if it is not the Government's position then I am not quite sure what a lot of them are doing there.

The Government will defeat this amendment, of course it will, but I hope that this amendment has succeeded in showing the people of Gibraltar that the money is there, that the Government has the money to give the extra £100 in personal allowance, that the economy will not suffer one bit as a result, and that the amendment is being refused purely and simply, looking at it from the Government side, purely and

simply because they are going to give it next year. Instead of this year they are going to give it next year and then it will come from them. And the following year, leading up to the elections as far as the Honourable Mr Bossano is concerned, he will just wait I suppose until we have this fantastic restructuring of our income tax system which will bring a juster redistribution of wealth.

I hope if it does we will agree with it. If it does not we will not. But we believe, Mr Chairman, that these increases in personal allowances can be taken in their stride by the Government and that opposition to them is only there because we have suggested it. I only wish we could have seen their budgetary measures before they brought them to the House and had had a quiet talk to them and said, please, why do you not make it double, £200 and then perhaps they might have done it. We see no basis for opposition to this amendment, Mr Chairman.

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

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members voted against:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

The amendment was accordingly defeated.

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

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Ladda
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valerini
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 5 as amended, stood part of the Bill.

Clause 6

HON P J ISOLA

Mr Chairman, I am not going to put the amendment again because it will only be defeated. I am not going to put any more amendments on any of the tax measures as opposed to increasing the allowances, because I presume that the Government, if I were to propose an amendment under Clause 6 (3)(a) changing £250 to £300, I would be opposed as well, so, therefore, I will not put it.

Mr Chairman, I will just make a comment on section 6, apart from the tax side, and that is on the question of the earned income of a wife. This has been put forward as a means of, I think the words were, "evasion" of tax "avoidance" of tax and the Commissioner of Income Tax is being vested with a discretion to decide whether a salary given to a wife is a reasonable amount of salary for the work that she has done or not. In this way the Government hopes to avoid abuse.

Well, Mr Chairman, whether they do or not I do not know, because it does not say who you cannot give a son a salary; it does not say you cannot give a mistress a salary. So that you are in the position that a married woman is being discriminated against in law, and before we vote in favour of such a measure, having had previous experience and unconstitutional measures passed by this House, I would like to know whether the Attorney-General is satisfied that this is in accordance with the Constitution. Because the effect of this is that it sets up rules for deciding what is and what is not earned income in the hands of a married woman, whereas these rules will not be applicable to single women and men. And it discriminates against women as compared with men in this sense: the Commissioner could decide that a Director's fee paid to a married woman does not satisfy the new definition of "earned income", whereas if the payment were made to a man he would be in no position to challenge it.

Now, Mr Chairman, the Section 14 of the Constitution says: "subject to the provisions of Subsection 4, 5 and 7", none of which are pertinent, "no law shall make any provision that is discriminatory either of itself or in its effect". And we have the position that fees paid to a Director for example who is a married woman can be challenged by the Commissioner of Income Tax because she is a married woman, and for no other reason, but fees paid to a man, or a single woman, or a mistress, or whatever, cannot be challenged by the Commissioner of Income Tax on the basis

set out in this law.

So in my view, if the section is not to be discriminatory, then a discretion has to be given to the Commissioner of Income Tax - and God help him if that is the case - to decide whether any fees paid to anybody, any taxpayer, are earned income or not. And I would certainly like to hear the Attorney-General on the matter.

About two years ago we had an Ordinance passed here, I think it was the Equal Pay Ordinance 1975, and I think that was passed in "The Year of the Woman" I think it was. Last year it was the "International Year of the Child", - was there not an International Year of the Woman? I think there was. I do not know whether it was in 1975 or not, but when that was passed we went through legislation to ensure that men and women were treated equally. Equal pay for equal work and so on, the principle being that a woman is the same as a man and the job should be - I do not necessarily agree with all this - but this is, Mr Chairman, the basis on which our legislation goes, and now we have a piece of legislation that discriminates. It is discriminatory in its effect with regard to a married woman, and I would certainly like to have reassurances from the Attorney-General that a married woman is not going to take the Government to court on the grounds that this law is unconstitutional.

MR CHAIRMAN

I am delighted you said that. You are insinuating

HON P J ISOLA

I am not asking the Chair to rule on this.

MR CHAIRMAN

No, no, even if you are not I would not give you a ruling straightaway, but you are not insinuating that the House is inhibited in passing a law because it may be unconstitutional. It is for the courts to decide whether the law is unconstitutional.

HON P J ISOLA

That is how I look at it, Mr Chairman, as far as I am concerned I am putting the question to the Attorney-General

because I am saying that I hope that as a result of this law the Government is not taken to court, and that in accordance with Section 14 of the Constitution the Court rules that it is discriminatory in the effects that I have mentioned, that the salary or fee paid to a married woman can be queried but not those paid to a man, or a single person, or a mistress.

HON A J CANEPA

Mr Chairman, there is one thing I think the Honourable Member has misunderstood. This subsection only applies to a case where a working wife chooses to have her earned income considered as part of her husband's or the claimant's total income. A working wife has an option: she can choose to be taxed separately as a single person, or she can choose to have her income aggregated to her husband's, and the claimant, the husband, would get an additional allowance in respect of the wife, and he would be the one who is assessed. That only happens in the case of a wife. It does not happen in the case of a mistress, because the mistress is assessed separately to her lover, and it does not happen in the case of a son. A son who is working is taxed separately from his father. So I do not think the Honourable Member has quite understood what is behind this. There cannot be discrimination as between a wife and other people.

HON ATTORNEY-GENERAL

I have been asked to consider whether the measure is unconstitutional. That the principle that special provision may be made in respect of wives: I realise this does not necessarily answer the question or demonstrate the answer, I should say, the principle that married women may be treated separately is of course already established in the Income Tax Ordinance. This provision is not new in that respect but in any event my opinion is that this law is not unconstitutional for the reason given by the Honourable and Learned the Leader of the Opposition. That is of course only an opinion. I cannot stop married women going to court to seek a declaration that an Ordinance or a law is unconstitutional, but I would certainly oppose it.

MR CHAIRMAN

I am interested in this. I think what the Honourable the Leader of the Opposition has said is that this particular

section will give the right to the Commissioner to exercise his discretion in certain circumstances against a particular part of the community. To that extent I would be interested to hear what members have to say. The section gives the Commissioner, no nonsense about it, the right to exercise a discretion against a particular part of the community.

HON A J CANEPA

Only if, Mr Chairman, with all due respect, she wants to be treated as her husband. If she opts to be treated as a single person there can be no discrimination. But then it might not be in the interest of the husband that the wife should be treated as a single person because then they do not evade the provision of the tax. They will have to pay the full whack.

HON P J ISOLA

I think the problem, Mr Chairman, is - I am not talking as a lawyer. Perhaps I will find somebody to test it if I investigate it further, I have had very short notice since yesterday. I am not giving a legal opinion at all, but it does seem to me that if directors' fees, for example - I do not think it would apply to anyone else - if the Commissioner of Income Tax gets accounts which show directors' fees, John Smith, John Noodle, John Whoever, the only thing that he can do with regard to Mr John Smith and Mr John Snoots or Mrs Snoots or whatever, is to say that the directors' fees they have been paid have got to be allowed by law, but up comes a married woman and in her case, what work has she been doing? It seems to me to be discriminatory.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, it is some time now since I have dealt with British income tax, but certainly when I did so Her Majesty's Inspector of Income Tax in the United Kingdom had a similar right and exercised his administrative judgement particularly where professional wives are concerned or the wives of farmers. They would put in that they wanted to pay their wives this or that amount for work done, a doctor, a surgery booking appointments, and the like, and Her Majesty's Inspector of Taxes had a right to say "Look here I think the amount you are claiming, you have not proved it, I think it is too high, I am allowing so much". And of course there is always a right, as there will be here, for the husband to challenge the assessment if he

thinks that it is too low. So I do not think there is anything extraordinary in this at all.

HON P J ISOLA

Yes, but, Mr Chairman, there is one big difference between the Gibraltar position and the English position in this respect. And that is that we do have a written Constitution here and we do have a clause in the Constitution that prohibits the passing of a law that is discriminatory in its effect. It may not be a bad idea, it may be a good thing. I myself am not terribly happy with the idea of vesting in the Commissioner this sort of discretion, but that is the past, one would accept that if it is meant to be a tax evasion measure of whatever you would like to call it. But it does seem to me, as a matter of principle that married women are being discriminated against under the section of the Constitution. If the Constitution section was not there that would be another matter possibly. One could argue that it is unfair and you either agree with it or you disagree with it, but that the Commissioner should be able to say all these fees are OK, but yours I am entitled to query, I can treat you differently, seems to me to be discriminatory.

HON J BOSSANO

I think the Honourable Member is in fact focusing the section from a completely unjustified angle because the Commissioner does not have the right to query the fee at all, for the married woman or for anybody else. If someone chooses to claim an additional £750 tax free allowance under this section, then he can only claim it under certain conditions. If he meets the conditions he gets the allowance and if he does not meet the conditions he does not get the allowance.

It does not say anything about the fees, so if the Commissioner gets a return from a company with 10 Directors, one of whom, is a married woman, and the 10 Directors are each getting £1,000 the Commissioner cannot say that the married woman/Director cannot get £1,000, but if the husband of that woman wants £750 of that £1,000 to be tax free as an additional allowance, then it can only be tax free if it is earned income from employment as opposed to an earned income from investments. And, therefore, the Commissioner has got to satisfy himself that it is earned income. That is what the section says.

HON P J ISOLA

With all due respect to the Honourable Mr Bossano it is not the husband who gets the allowance, it is the married woman who gets it.

HON J BOSSANO

"Where the total income of any claimant includes earned income of his wife the deduction to be allowed shall be increased by £750". That is £750 on top of the £1,500 that he already has. If I were in that situation, for example Mr Chairman, I would have £1,500 allowance against my earned income as a married man: if my wife was in employment for somebody else I would then be able to add her income to my income and deduct from it £750 in respect of additional allowance under this Clause, and that £750 allowance would be either disallowed or accepted in part or accepted in full to the extent that the Commissioner was satisfied that my wife was really working. That is all the section says.

HON P J ISOLA

Well, having had all these assurances we will support the measure but I am not at all convinced.

HON ATTORNEY-GENERAL

Mr Speaker, I would not like to be equivocal about this matter. As far as the law is concerned I want to be quite clear, I do not consider this provision as unconstitutional.

On a vote being taken on Clause 6 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino

The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable F J Dellipiani

Clause 6 stood part of the Bill.

Clause 7

HON ATTORNEY GENERAL

Mr Chairman, I have two drafting amendments to propose in this Clause. In the proposed new Section 46D(2), on page 9, in the third line there appears the word "exemption" and I beg to move that this be changed to the word "certificate" which is the correct word, that was an error.

If I might refer to the second amendment at the same time, under new Section 46 (a) on the same page, in the fourth line I move that the word "building" be made "buildings" plural, to ensure consistency in that provision.

Mr Chairman put the question which was resolved in the affirmative and the amendments were accordingly passed.

HON P J ISOLA

May I just make a small point on this section. I notice it affects subcontractors. Having regard to the evil that this section is meant to remedy, would it not be more logical to have also an amendment dealing with payments to main contractors, because are there not main contractors who come and go. And would it not be advisable to have

a clause under which payments to main contractors suffer the same reductions, and as there are saving sub-paragraphs in this section which would enable a main contractor who did not want a reduction to satisfy and give security to the Commissioner of Income Tax about that tax, I would have thought that there should be provision of main contractors too. I think there are a number of main contractors are there not, small ones, who do a job and disappear.

HON FINANCIAL AND DEVELOPMENT SECRETARY

We have had no trouble whatsoever with main contractors. In fact we find them rather better at paying their income tax than certain other companies. What we are trying to remedy here is the chap who does a hunk, as we have had it in the UK which is beginning to spread here, a man coming over for a holiday, doing the job as a sub-contractor, getting his money and pushing off and we cannot get him. That is the sort of person we are after. We have had a number of instances and it seems to be on the increase. We did not want to move too much, just sufficiently, to catch the people who are abusing or taking unfair advantage.

On a vote being taken on Clause 7 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 7, as amended, stood part of the Bill.

Clause 8

HON P J ISOLA

Mr Chairman, again this introduces more discretion for the Commissioner. I cannot quite see the reason why, obviously there must have been some trouble in the past, why tax has to be paid before the determination of an appeal. Is it that appeals take very long? Is it that the people after an appeal have not paid? What is the reason behind this?

HON ATTORNEY-GENERAL

It is not quite the effect of this section that the tax must be paid before the appeal. What the amendment will say is that if tax is due then the appeal shall not be a reason for delay in payment, and the reason for that is as the Honourable and Learned the Leader of the Opposition must know, that appeals do take time under the present law and there is provision which says that tax goes into abeyance pending the outcome. And the reason is to ensure a flow of revenue without undue delay, but it does not say he must pay tax even though it is not otherwise due before you can bring an appeal.

On a vote being taken on Clause 8 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza

The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 8 stood part of the Bill.

Clause 9

On a vote being taken on Clause 9 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Lodo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 9 stood part of the Bill.

Clause 10

On a vote being taken on Clause 10 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Lodo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 10 stood part of the Bill.

Clause 11

On a vote being taken on Clause 11 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 11 stood part of the Bill

Clause 12

On a vote being taken on Clause 12 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola

The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 12 stood part of the Bill.

Clause 13

On a vote being taken on Clause 13 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 13 stood part of the Bill.

Clause 14

On a vote being taken on Clause 14 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassani
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Lodice
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Member abstained:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 14 stood part of the Bill

Clause 15

HON ATTORNEY-GENERAL

Mr Chairman, I beg to move two amendments to this Clause and again I apologise to the House for the minor drafting corrections that are necessary.

On new Section 48D, Subsection (2) on page 13, the word "or" has crept in unnecessarily and it should come out; and in Section 48D, Subsection (4), on the same page, I move that the word "is" be deleted and the word "are" be substituted.

Mr Chairman, whilst I am speaking on this point, may I also draw your attention to the fact that when the Bill was typed, inadvertently the paragraphs have been run together and by the leave of the House I would like to separate them when I come to printing them.

Mr Chairman put the question, which was resolved in the affirmative and the amendment was accordingly carried.

HON J BOSSANO .

It seems to me, Mr Chairman, that there is in fact a potential loophole in this section in that it must in practice be very difficult to control, particularly when we are talking about plant and equipment that has to be used on a site, that the equipment is brought in for use on a site on a Government contract, and can subsequently be moved to other sites and used on private sector contracts. The law may say that you cannot do it, and the Financial and Development Secretary has got to satisfy himself that it is being used solely on a Government contract, but short of the Financial Secretary being permanently stationed on the site I do not see how he is going to achieve his obligation under the Ordinance.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, problems can arise, I agree, but the point is that before such plant or motor vehicle is imported we can attach conditions to it. I have known this provision to operate elsewhere. One can if necessary have a special number plates or some identifying sign so that it can be picked up if it does begin to work outside. I think in fact that the difficulties are less real than one might imagine.

HON P J ISOLA

As far as Clause 48D (2) is concerned the plant and motor vehicles imported are exempted from duty as well. It seems to me: is that entirely fair in the general context of Gibraltar where you have got transport contractors and you have got other people, that a big company comes in and brings in 10 lorries. I can understand in certain kinds of plant but even there, that he can bring in, gets exempt from duty and is in a better position than anybody else, and then at the end of the day, he can take it out. I do not see why that should not pay duty. I can understand that building materials and so forth for a contract with the plant, but I am not sure about this plant and motor vehicles. Where is the benefit there to the economy? Is the building contractor who tendered - he has given his price; it is a benefit that he is going to get, not the Crown surely.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Chairman, Sir, first of all clearly in letting a contract one would make quite sure that plant and equipment that could be obtained locally would be obtained locally. This is only for plant and equipment that was not available locally. The benefit to the economy is that any tax which you require the contractor to pay on importing would be built into the price and he would then put his profit margin on that cost as well, so that it is money coming into one's pocket, but a bit more going out of the other. So that is a benefit to the economy in terms of the contract.

HON P J ISOLA

Yes but that would only be the case surely if the Government puts a condition in the contract that he must

bring a particular type of equipment but not otherwise. Have we got the assurance that if a contractor has a contract with the Crown and after he has signed the contract he needs a particular plant then no relief would be given? Because it seems to me that it is unfair on other contractors and there is a loss of revenue with no profit to the Crown. If it is done on the basis of what the Financial and Development Secretary has mentioned, that is part of the contract that he imports 3 vehicles, or he imports a bulldozer. I accept that is another matter, but the section does not read that way, the section seems to me to read in a very wide manner. I will give an example. The contractors could say, well, I need two lorries, he goes to a local contractor and the local contractor quotes a price and does not agree; decides it is better if he brings one in himself. He does not have to pay duty - I am not talking before the award, after the award - and all we would be doing really is giving the contractor who has already got his price, based on whatever it is he based it on getting extra benefit at the expense of the revenues.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think in practice this is not likely to happen, Mr Chairman, because what happens at the moment is that administratively where equipment and goods are allowed in for a Crown contract is that in the course of negotiations on the contract the Government or the PSA agree that certain materials and certain quantities are going to be required for this contract and these will be coming in duty-free, or that certain vehicles will be required because they cannot be obtained locally and they will be brought in duty-free and the contract price is then fixed on that basis. Then either the Government Department, the PWD, or PSA, gives to the Collector of Revenue a list of the items which are being imported for the contract and those are checked by the Collector of Revenue. Anything else that is not on the manifest given to him pays duty automatically.

HON P J ISOLA

Could it be assured that the position is that there will not be a relief against payment of duty after tender is awarded, if the particular plant and vehicle were not in the contract, as it were.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes.

HON G T RESTANO

What happens at the end of the contract, once the contract is completed?

HON FINANCIAL AND DEVELOPMENT SECRETARY

The contractor is required to export it.

On a vote being taken on Clause 15 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable J B Perez
The Honourable G T Restano
The Honourable W T Scott
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Member voted against:

The Honourable J Bossano

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable Major F J Dellipiani

Clause 15, as amended, stood part of the Bill.

The Committee recessed at 1.00 p.m.

The Committee resumed at 3.45 p.m.

Clause 16

On a vote being taken on Clause 16 the following Honourable Members voted in favour.

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano
The Honourable Major F J Dellipiani

Clause 16 stood part of the Bill.

Clause 17

On a vote being taken on Clause 17 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone

The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano
The Honourable Major F J Dellipiani

Clause 17 stood part of the Bill.

Clause 18

HON ATTORNEY-GENERAL

If I may speak on this Clause, I understand that the question has been raised whether or not Customs duties are applicable to supplies delivered on board H.M. ships and also on board foreign government warships. Perhaps I can take the opportunity to give my view of the position in relation to those two questions. My view is that Customs duty is not payable in respect of supplies to such ships.

On a vote being taken on Clause 18 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone

The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano
The Honourable Major F J Dellipiani

Clause 18 stood part of the Bill.

Clause 19

HON G T RESTANO

Mr Chairman, I just have one point on this. Is it normal that requests or enquiries to the exchange from a person who has finished a telephone conversation with somebody abroad should ask for the amount of the cost of that communication should be charged to be told how much that particular communication has cost.

HON DR R G VALARINO

The answer to that is, yes. In fact, I believe the Honourable Member had already rang up the Superintendent on this question, and let me quote to you from the Post Office External Communications pamphlet which says:

"Advice of Duration and charge of a call" to which he is referring. "The cost of a particular call made via the Operator will be notified on its completion only if the Operator is asked to advise the cost at the time of booking. An additional charge of 25p will be made"

Here we do make a charge but the charge has been increased through the Budget from 17p to 20p. So it is still cheaper than the actual GPO cost.

HON G T RESTANO

Is the Minister saying that if advice is requested before the call is made that there will not be a charge of 25p?

HON DR R G VALARINO

Let me read this again: "The cost of a particular call made via the Operator will be notified on its completion only if the Operator is asked to advise the cost at the time of booking".

HON G T RESTANO

I would just like confirmation of this. Therefore, if the subscriber asks beforehand, when he places the call, that he wants to be notified after the call has been made what the charge is going to be, he is not charged the 25p.

MR CHAIRMAN

The charge is made if you require to know the cost of the call and you will only be given the cost of the call if you request so at the time you are asking for the call.

HON CHIEF MINISTER

In practice, occasionally, when one requires to know this for the purposes of charging the fees to a particular client, I find that if in practice one has not requested this at the time of booking, if you ask for this later, the information is given.

HON G T RESTANO

It is not a question of whether they would tell you or not, it is the fact that we are being charged for that particular service. I do not know whether this is the normal practice outside. I am told that it is not the normal practice outside in other places. If it is I would certainly like confirmation if for example this happens in England.

HON DR R G VALARINO

I have just quoted from the Official UK pamphlet. The GPO charges 25p. This is what the Honourable Member is asking. We are having a photocopy of the page made for the Honourable Member.

HON P J ISOLA

There is a charge of £3 for tracing annoying or malicious calls. Is that fee charged when the tracing is successful or as a result of a request to trace? Do they charge it to the person who made the malicious call or the person who is enquiring?

HON DR R G VALARINO

It usually happens that this involves considerable time element and effort on the part of the PTOs manning the Exchange. £3 is charged to the person who requests that the call be traced, because very often we find that the request is a frivolous one and not one of a real nature. The £3 is payable by the person who asks for the investigation to be carried out.

HON P J ISOLA

What happens if they cannot trace it, does he still pay?

HON DR R G VALARINO

The moment he requests the call he has to fill in the appropriate document and he has to pay whether or not the request is or is not successful. In a small percentage of cases the request is successful and we are able to do something about it. But in most cases one finds that the request may be frivolous.

MR CHAIRMAN

Is it possible to trace a call or is it that you give a service to see whether you can trace a future call?

HON DR R G VALARINO

It is not possible to trace calls except in times where people dial people like the Fire Brigade, because every call to the Fire Brigade goes through the Telephone Exchange, it goes into the line and one is able to trace malicious calls to the Fire Brigade thereby solving that problem. But otherwise we are not able to trace calls and this takes approximately 48 hours of a PTO's time in wiring the apparatus ready so that the call in this particular instance is traced.

HON ATTORNEY-GENERAL

Mr Chairman, may I speak on this. The point having been raised by the Honourable the Leader of the Opposition, I think there is an element of ambiguity in paragraph 6 as drafted. I hope there will be objection were I to suggest an upment.

I would propose that the word "caller" be changed to "person requesting the service" and then that puts it beyond doubt.

Mr Chairman put the question which was resolved in the affirmative and the amendment was accordingly carried.

HON G T RESTANO

I am asking for clarification on the £3 charge in connection with the picture calls.

HON DR R G VALARINO

Yes, this is for journalists, so that one is able to obtain a telephonic picture call on this end. It is quite a complicated procedure and this is why we charge a specific amount of £3 for this.

HON G T RESTANO

Can the Minister give us details of what in fact occurs on

picture calls?

HON CHIEF MINISTER

I have seen it done myself, some years ago. The journalist goes along, it is an adaptable machine which brings out a picture in dots and when the machine is added to the station by impulses the dots are transferred to the other side as if it were a telegram and the picture can be transmitted on the telephone like that.

HON G T RESTANO

Is this like a telex tape?

HON CHIEF MINISTER

No, it is different. It is like revolving drums.

On a vote being taken on Clause 19 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J E Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Ioddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano

The Honourable Major F J Dellipiani

Clause 19, as amended stood part of the Bill.

Clause 20

HON G T RESTANO

Could the Government say what is the highest operating costs for water from all available sources at the moment?

HON M K FEATHERSTONE

£3.61 per tonne.

HON G T RESTANO

Per 100 litres may I ask please?

HON M K FEATHERSTONE

36.1p from distillation on the VTE.

On a vote being taken on Clause 20 the following Honourable Members voted in favour:

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano
The Honourable Major F J Dellipiani

Clause 20 stood part of the Bill.

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

The House resumed.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I have the honour to report that the Finance Bill 1980 has been considered in Committee and agreed to, with amendments, and I now move that it be read a third time and passed.

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

The Honourable A J Canepa
The Honourable M K Featherstone
The Honourable Sir Joshua Hassan
The Honourable J B Perez
The Honourable Dr R G Valarino
The Honourable H J Zammit
The Honourable D Hull
The Honourable R J Wallace

The following Honourable Members voted against:

The Honourable A J Haynes
The Honourable P J Isola
The Honourable A T Loddo
The Honourable Major R J Peliza
The Honourable G T Restano
The Honourable W T Scott

The following Honourable Members were absent from the Chamber:

The Honourable I Abecasis
The Honourable J Bossano
The Honourable Major F J Dellipiani

The Bill was read a third time and passed.

HON ATTORNEY-GENERAL

Sir, I have the Honour to move that the House resolve itself into Committee to consider the Trade Licensing (Amendment) Bill 1980, clause by clause.

This was agreed to and the House went into Committee.

The House in Committee

THE TRADE LICENCING (AMENDMENT) BILL

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

Clause 3

HON ATTORNEY-GENERAL

Mr Chairman, I beg to move the following amendment to this Clause:

To renumber this clause as subclause (1) thereof.

To add, after subclause (1), the following subclauses:

"(2) Section 11 of the principal Ordinance is further amended by adding, after subsection (2), the following subsection:

"(2) This section shall not apply to an applicant who under the provisions of this Ordinance is entitled as of right to a licence."

"(3) The principal Ordinance is consequently amended—

"(a) in section 3 (6), by omitting the words, 'without the necessity of giving notice of such application under section 11,';

"(b) by repealing section 19 (2)."

Mr Chairman, in speaking to this amendment I would also like to refer in anticipation to the following amendment because they are indeed part of the one object. Under the present provisions of the Trade Licensing Ordinance and also under the new provisions as it is proposed to amend the Ordinance, certain persons are entitled as of right to a licence. At the same time the machinery in the Ordinance provides that applicants for licences must give notice to enable objections to be made. And there is also a provision which says that an applicant must give at least three months' notice. In relation to existing persons who are entitled as of right to a licence the first of these provisions, the requirement to give public notice, is modified. In fact it is waived and I think it is only appropriate, it has been drawn to my attention, that really if one is entitled as of right then there is no point in advertising. And so the amendment proposed by this Clause and amendments to other clauses consequential later on, provides that wherever a person is entitled as of right to a licence has no need to advertise.

Mr Chairman, I move accordingly.

Mr Chairman put the question which was resolved in the affirmative and Clause 3 was amended accordingly.

Clause 3, as amended, stood part of the Bill.

New Clause 4

HON ATTORNEY-GENERAL

Mr Chairman, may I before we reach Clause 4 propose a further amendment. I beg to move in the following terms:

To insert after Clause 3, as Clause 4, the following new Clause, and to renumber the existing Clauses 4 to 7 as Clauses 5 to 8 accordingly:

"Amendment 4. Section 13 of the principal Ordinance is of Section amended, in the proviso to subclause (3) - 13.

"(a) by deleting from paragraph (b) the word "or";

"(b) by deleting the full stop in paragraph (c), and substituting the expression "or", and

"(c) by adding after paragraph (c) the following paragraph:

"(d) a person who under the provisions of this Ordinance is entitled as of right to a licence."

Sir, when I moved the previous amendment I explained to the Committee that where a person is entitled as of right to a licence there is no purpose requiring him to advertise. Equally I think there is no purpose requiring him to wait three months before he may have an application heard. The effect of this proposed new Clause is to implement the relaxation of that requirement.

Sir, I move accordingly.

Mr Chairman, put the question which was resolved in the affirmative. New Clause 4, was agreed to and stood part of the Bill.

New Clause 5

HON ATTORNEY-GENERAL

Mr Chairman, I beg to move to this Clause the following

amendment: to add after subclause 2 the following sub-clause 3:

"(3) Section 8 of the principal Ordinance is consequently amended by omitting from subsection (1) the expression '(f)', and substituting the expression '(g)'."

Mr Speaker put the question which was resolved in the affirmative and new Clause 5, as amended, was agreed to and stood part of the Bill.

New Clauses 6 and 7 were agreed to and stood part of the Bill.

New Clause 8

HON ATTORNEY-GENERAL

Mr Chairman, I beg to move the following amendment:

"To omit from subclause 1 (b) the words "the items 'Printing' and 'Welding'", and substitute the words "the item 'Welding'".

"To omit from subclause (2), (3) and (4) respectively the words "printing or welding", and substitute in each case the word "welding"."

HON CHIEF MINISTER

This matter was raised at the last meeting when, following on representations from all the printing businesses in Gibraltar, we included printing, and the Honourable and Gallant Major Peliza raised the very interesting point that it might be thought that this could be an attempt to interfere with the freedom of expression of opinion etc. It was not intended as that, it was intended on representations made by printers and printing. We have been trying to devise a definition of a printing business which would exclude the media but we have not been able to find it. In any case the representations that were made in the old situation where they were afraid that there was going to be intrusion from across the border here. I imagine now that with an open frontier they could easily print in Spain and bring it here, and that is one of the many problems that will have to be looked into.

Therefore in deference to the point which was not thought of but which was made, and which I think was valid in a way, unless there are pressures of a different kind and we can find a definition that will satisfy the safeguards that are required, we propose to remove it from the Ordinance.

Mr Chairman put the question which was resolved in the affirmative. Clause 8 was agreed to and stood part of the Bill.

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

The House resumed.

HON ATTORNEY-GENERAL

Sir, I have the honour to report that the Trade Licensing (Amendment) Bill, 1980, has been considered in Committee and agreed to, with amendments, and I now move that it be read a third time and passed.

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

The Bill was read a third time and passed.

Mr Speaker

We have come to the end of public business. There is only one further item which is the motion of which notice was given by the Honourable Mr Bossano.

HON CHIEF MINISTER

Mr Speaker, I should say that Mr Bossano spoke to me before lunch about the question of timing. I was not particularly keen to take this motion this afternoon, this suited him very well because he had other business to attend to and I suggested that we deal with the private side of the Agenda on Monday morning if possible.

MR SPEAKER

Yes, I have no objections.

HON P J ISOLA

We do not mind fitting in with the private arrangements of members, because that is all it is.

MR SPEAKER

May I be very clear on this one. It is my prerogative to recess the House for short whiles. For obvious reasons I always try and get the feelings of the House as to whether one should or one should not so that I can at least make sure that what I am doing is acceptable to the majority of the House. If there is any doubt as to whether we should or should not then the answer is that there should be a motion for the adjournment of the House which can be voted on. I say this so that there is no misunderstanding as to what my position is.

HON P J ISOLA

What I was saying, Mr Speaker, was that we did not mind fitting in with arrangements of Honourable Members, their private arrangements, because the business of the House should come first. We would have liked a bit of notice that we were going to adjourn this afternoon because it does upset other peoples' arrangements on this side of the House. But we are quite content to recess in the special circumstances.

HON CHIEF MINISTER

I would like to say, Mr Speaker, that this is only for the convenience of Mr Bossano, that I had thought that I would require some consultation with the Honourable the Leader of the Opposition about the motion and I thought that as things developed it was better to deal with this in a more relaxed manner rather than in a rush.

MR SPEAKER

Since we are going to meet on Monday exclusively for this particular motion I do not think there is a need to start as early as 10.30 a.m. If this meets with approval all round we will now recess until Monday at 11.00 a.m.

The House recessed at 4.15 p.m.

MONDAY THE 28th APRIL, 1980.

The House resumed at 11.10 a.m.

MR SPEAKER:

Well, Gentlemen, on Friday evening we finished all the Government business and can now go to the private member's motion. There is one on the Order Report on which the Honourable Mr Joe Bossano gave notice and I will therefore now call on Mr Bossano to move his motion.

Private Member's Motion.

HON J BOSSANO:

Mr Speaker, I beg to move that this House considers the question of Gibraltar's decolonisation and its future status, to be a matter to be decided exclusively by the British Government and the people of Gibraltar and that it further considers that this view reflects the freely and democratically expressed wishes of the people of Gibraltar.

In the light of this, the House considers that Her Majesty's Government should exclude this question from the subject matter of any negotiations that may take place in the future as a result of the recent agreement reached in Lisbon between Lord Carrington and Sr Oreja.

Mr Speaker, there are two elements in the motion: the first is a statement of what the House considers to be the prevalent view in Gibraltar regarding Gibraltar's future constitutional development; the second part of the motion seeks to have this view reflected in what Her Majesty's Government negotiates or does not negotiate with Spain.

The motion arises fundamentally out of the agreement reached in Lisbon which came as a surprise to most of us in Gibraltar and which for many of us was a reversal of the position of Her Majesty's Government for so many years of not negotiating with Spain.

It would appear on the surface, on the reading of the text of the agreement, that essentially the Spanish Government has agreed to suspend the restrictions, not to remove them, in exchange for obtaining the agreement of Her Majesty's Government to negotiate with Spain the decolonisation of Gibraltar in conformity with the UN Resolutions. I think the agreement and communique that came out gave rise to concern in Gibraltar and this was reflected by the number of people attending the meeting called by my Party in Casemates where a statement was read effectively containing the same text as the motion, and that statement was subsequently incorporated in a letter to Lord Carrington and transmitted to London.

As regards the position whether Gibraltar's decolonisation should be negotiated with Spain, I would remind the House that the stand taken in 1976 by the Gibraltar Democratic Movement,

some of whose members are still in the House, that the stand to which those members subscribed in 1976 is in fact very similar to the stand in this motion.

There were three elements in the constitutional position of the Gibraltar Democratic Movement and those three elements reflected a commitment that it was the basic human right of the people of Gibraltar to decide their own future; that Gibraltar's decolonisation was necessary because a colonial situation was an affront to the dignity of the people; and that the Territory and the people of Gibraltar were an inseparable entity, and therefore this reality should be given constitutional form. The stand contained in the election manifesto, and the basic principles upon which the Gibraltar Democratic Movement was founded, read as follows: "The present colonial status of Gibraltar is an affront to the dignity of the people of Gibraltar and the Movement will press for the decolonisation of Gibraltar and the creation of a new status which will secure the future of the Territory and the people of Gibraltar. The territory of Gibraltar and the people of Gibraltar are an inseparable entity and the Movement will seek to give this reality constitutional form. The future of Gibraltar must be secured without delay and it is a fundamental human right of the people of Gibraltar to decide this future."

That stand, regretably, was not translated into any practical results because immediately after the Election there was a Constitutional Committee with representative bodies set up which met once and has not produced anything practical. At the time some of us felt that we should be moving on the constitutional front to pre-empt a situation where there would be movement by Spain and by Britain, and we would find ourselves with the initiative taken out of our hands. And I think that that is a situation we could be facing as a result of the agreement reached in Lisbon between Lord Carrington and Sr Oreja.

I think it is important to realise that notwithstanding all the assurances that have been given, and there is no doubt that some of the statements made in answer to questions in the House of Commons and House of Lords have been the most clear-cut and the strongest statements of respect for the wishes of the people of Gibraltar that have ever been made by any British Government. I do not think there is any question that this is the case, but there is also no question either that when Sir Ian Gilmour was pressed by Mr Peter Shore, the Labour spokesman on Foreign Affairs, on whether sovereignty would form part of the negotiations the answer was that nothing was excluded from those negotiations. The fact that the word sovereignty has not been mentioned and the motion does not mention the word sovereignty anyway, it mentions Gibraltar's decolonisation without entering into the area of the existing sovereignty and the future sovereignty.

We have already passed a motion in this House saying that the sovereignty of Gibraltar is not a matter for negotiation between Britain and Spain. That motion should not be inter-

preted too rigidly in terms of saying that as long as the word "sovereignty" does not crop up during the course of the negotiation, therefore, the motion is being respected, because that would be a way of sticking to the letter of the motion and evading the spirit of the motion, and, therefore, effectively when we say that Gibraltar's decolonisation, and Gibraltar's future should not be negotiated between Britain and Spain, we are again saying that Gibraltar's sovereignty should not be negotiated, but we are not using the word sovereignty. I think we need to do that because we need always to err on the side of safety when it comes to securing our future. I do not think we can go wrong by being over-zealous in trying to close all possible loopholes in this matter.

The position that we as a people should take in saying that Gibraltar's decolonisation and its future status is exclusively a matter to be decided between ourselves and Her Majesty's Government is not, in my view, a position that we can be attacked on by anyone because that is the normal constitutional development in every colony. To my knowledge there is no colonial situation where the colonising power has discussed the decolonisation of that territory with that territory's neighbour and not with the people of the territory.

In the United Nations the reality is, that the majority view has been to give precedence to Spain's territorial claims over our right to self-determination, and the United Nations has consistently stated that our interests must be protected but has always gone on to say that the territorial integrity of the nation should not be interfered with as a result of applying the normal process of decolonisation. I think it is important that the question of Spain's rights under the Treaty of Utrecht should be divorced from the question of our right as a colonial people to pursue the normal process of decolonisation which is inevitable in Gibraltar. It is something that people must be conscious of. That what cannot happen is that Gibraltar should be the last remaining colony in the whole world when every other colony has disappeared. Therefore, we need to find a way of remaining linked to Britain, which is what most people want, but not as a British colony which is something the rest of the world cannot accept and something which the British Government itself is committed to changing as a result of its commitment to the principle of decolonisation in the United Nations.

It must also be remembered that the United Nations has passed a number of resolutions and that in particular there was a resolution passed on the 19 December 1967 which said two important things. "Considering that any colonial situation which partly or completely destroys the national unity and territorial integrity of the countries incompatible with the purposes and principle of the charter of the UN and specifically with paragraph 6 of the General Assembly Resolution 1514/15 regrets the interruption of the negotiations recommended in General Assembly Resolutions 2070/20 and 2231/21." That resolution was a very important one adopted by the General Assembly on the 19th December 1967, because it regretted the interruption of negotiations and it referred specifically to the colonial situation in Gibraltar being one which destroyed the national unity and

territorial integrity of Spain. It went on to say then: "... declares the holding of the Referendum of 10 September 1967 by the Administering power to be a contravention of the provisions of the General Assembly Resolution 2203/31 and those of the Resolution adopted on 1 September 1967 by the Special Committee on the situation with regard to the implementation of the declaration on the granting of independence to colonial territories and peoples."

Therefore, in December 1967, the United Nations General Assembly regretted the fact that negotiations were not taking place, by implication, to restore Spain's territorial integrity by making Gibraltar an integral part of Spain, and declared the Referendum that was held in Gibraltar, that Referendum to which so many of us looked upon as a free expression of the wishes of the people, declared that to be in contravention of the provisions of the General Assembly Resolutions.

The first paragraph in the agreement in Lisbon says that Britain and Spain have agreed to negotiate to resolve the problem of Gibraltar in conformity with United Nations Resolutions. I cannot accept, and I do not think that many people in Gibraltar would be prepared to accept, that any negotiations should be in conformity with a resolution that declared that the Referendum held in September 1967 was in contravention with General Assembly Resolutions and consequently by implication was invalid, because effectively the stand of Her Majesty's Government throughout has been that that Referendum was the free expression of the wishes of the people and would be respected and that stand is still being maintained and, therefore, there appears to be a fundamental incompatibility between a commitment to negotiate on the basis of the United Nations Resolutions, and a commitment to stand by the people of Gibraltar and respect their wishes and ensure that those wishes are respected by the rest of the world, which is a fundamental responsibility that Her Majesty's Government has got.

It has been argued, Mr Speaker, that because Her Majesty's Government is responsible for our foreign affairs, then it is their prerogative to hold talks with the Spanish Government on the question of Gibraltar and even presumably now to negotiate. Let us make no mistake. There is a fundamental difference between negotiations and holding discussions or talks. Negotiations mean to any rational, unbiased outsider a commitment to resolve a problem by a willingness to make concessions on both sides. If one side or the other is prepared to give nothing then no negotiation is possible.

If we ask ourselves where the responsibility of Her Majesty's Government lies in respect of the constitutional division between domestic and foreign affairs, I would put it to the House that our future and our rights to the territory of Gibraltar are not foreign affairs, they are purely domestic. They are purely an internal matter between ourselves and the administering power, which is Her Majesty's Government, because effectly if we say that discussing Gibraltar's constitution, discussing how we run our own society, is some-

something in which Spain has got a say, or on which Spain has got to be consulted, we are effectively recognising the Spanish claim to Gibraltar and virtually admitting it.

To me it is perfectly legitimate that commercial relations between Spain and Gibraltar, traffic between Spain and Gibraltar, air communications between Spain and Gibraltar, all those things should come within the ambit of relations with another state, and, therefore, clearly under our present constitutional relationship it is a matter for Her Majesty's Government to negotiate with Spain. And there is nothing wrong with doing that. There is nothing wrong with Gibraltar and Spain reaching agreement on, for example, the question of air communications between Spain and Gibraltar, and the landing rights for Spanish airlines in Gibraltar, and the landing rights for British airlines operating between Gibraltar and Spain, because these would be no different from the sort of negotiations and arrangements that Spain must carry out with France and Portugal and every other neighbour. There is no reason why we should not have negotiations on things like that.

But it would be totally unacceptable, for example, for the Portuguese Government to discuss its own internal constitutional relationship with Spain just because they happen to be next to each other. We cannot accept that Gibraltar in any way being anything other than Spanish, breaks up Spain's territorial integrity any more than Portugal does, because effectively if we look at the Iberian Peninsula then the Iberian Peninsula consists at the moment of two nation states and a colony and we, the people of Gibraltar, are not Portuguese and are not Spanish. We are Gibraltarians and we have got our own sense of identity, and that sense of identity which we have can only receive genuine constitutional recognition the moment that our right to Gibraltar is recognised as a de facto right because we have existed longer as a people than the United States has.

It is, therefore, important in trying to achieve the long-term security that has been missing in Gibraltar ever since the Spanish Government mounted its campaign in earnest to take us over, it is important that we should be absolutely united in our sense of identity as a people, and on our determination that our future is a matter exclusively belonging to us, and that we will brook no interference from Spain in the decisions that have got to be taken in this area.

I accept that Her Majesty's Government has entered into an agreement which excludes nothing and that the motion is seeking to modify that agreement. There is no question about what the motion is trying to do. I believe that we should try to do that because there is a conflict within the agreement which is inexplicable, because there appears to be a commitment on the part of Her Majesty's Government to us, to respect our wishes in this matter, and a commitment to the Spanish Government to negotiate in conformity with the United Nations resolution to resolve the problem of Gibraltar and of course, I am one of those who maintains that there is not a Gibraltar problem that

there is a Spanish problem.

In my view the lifting of the restrictions should have been a completely unilateral act on the part of the Spanish Government without any reciprocal measures, not even the reciprocal measure of agreeing to negotiate, because if there was no justification for putting those restrictions on, and if the restrictions were put on originally because of our refusal to negotiate away our future, then effectively, the removal of the restrictions by being linked to a willingness to negotiate goes some way in justifying their original imposition.

Her Majesty's Government, of course, has repeatedly said that they will respect the wishes of the people of Gibraltar, as set out in the preamble to the Constitution, which says that we will not pass under the sovereignty of another state against our freely and democratically expressed wishes. I think in answer to Questions in the House, in the recent debate on the statement made in both the House of Lords and the House of Commons, the answers given appeared to go beyond that. Beyond in fact the strict wording of the preamble to the Constitution. In answer to a question by Sir Derek Walker-Smith, asking Sir Ian Gilmour whether it was correct that under the interpretation of the Treaty of Utrecht any change in the status of Gibraltar would necessarily involve reversion to Spanish sovereignty, and asking Her Majesty's Government whether they accepted or rejected this view, the answer was: "Our position is as I have stated. There can be no change in the position of Gibraltar without the freely and democratically stated wishes of the people of Gibraltar." That is a clear-cut statement which I interpret as meaning that there can be no change, not just in the question of whether we come under the sovereignty of another state, which might theoretically mean no change in our nationality but not necessarily no change in anything else. When it is put as broadly as saying that there can be no change in the position of Gibraltar, for me that means no change in anything affecting Gibraltar unless we are in favour of this change.

But that clear-cut statement seems to invalidate the commitment to negotiate with Spain, and it is important that that apparent conflict should be resolved and that it should be made clear that if the negotiations are going to take place, and there is no doubt that they will take place, then whenever the matter of Gibraltar's future comes up, the conflict will be resolved by our views taking precedence over any argument that Spain might put. For me it would have been a much more acceptable situation if Spain had effectively recognised our right to Gibraltar and accepted that we are the sole arbiters of Gibraltar's destiny. Mr Speaker, if the situation is that that would have been as desirable for every member of the House then that must be the objective we set ourselves, however difficult it may seem, because after all Spain has got a very clear-cut objective, to take Gibraltar over. And notwithstanding the fact that people on the Spanish side may say that the best thing would be for the Gibraltarians to want to be Spanish, and that looks an impossible aim, the fact that it

looks an impossible aim to the Spaniards does not prevent the Spaniards from trying to achieve it. Therefore, if from our side, getting the Spaniards to recognise our right to Gibraltar looks an impossible aim, it should not prevent us from having it as an aim, and for working towards achieving that aim, because we must attack the problem with the same determination, with the same energy, with the same consistency of purpose that the Spaniards are doing. And we must be as determined not to give an inch as they are determined not to give an inch. Because if we are in any way weaker in our determination, weaker in our faith, in our own strength in achieving our objectives, then effectively any weakness on our part strengthens the hand of the Spanish Government and the hand of virtually every political party in Spain who, whatever nuances of emphasis they may put on the situation, fundamentally are all of the one view that Gibraltar is part of Spain, that this is Spanish soil, and that we are here basically on borrowed time.

If we look at the difference in Spanish attitudes across the political spectrum we find that those differences effectively can be put down to people who are less intransigent than others, who are prepared to give us more time to adjust or more time to adapt, or more time to change our minds, but the objective at the end of the day is still the same. And our objective at the end of the day must still be the same. Our objective must be that it must be recognised, in the first instance by Her Majesty's Government, secondly by the Spanish Government and subsequently by the International Community, that we are no different from the people of any other colonial territory, and that our rights must be respected and defended the same as the rights of any other community in any other part of the world. We must ourselves take a very strong stand on the issue because we cannot expect other people to do the work for us. We can only expect, hopefully, to influence the opinion of others, if we show ourselves the strength of feeling we have on this matter.

I commend the motion to the House.

HON CHIEF MINISTER:

Mr Speaker, I do not think there is anybody in this House that does not share the feelings expressed by the Hon Member in respect of our position and our future. This is unanimous. It was shown at the Referendum. It was shown in the 1976 Election, and it has been shown over and over again.

However, as has been pointed out on one or two occasions in the past, the only difficulty one finds in sharing completely not the sentiments but the method in which the Honourable Member wishes to achieve that, is slightly in conflict. First of all it is a bit over-simplistic not to recognise that Britain, which is responsible for our foreign affairs, has got wide international responsibilities which cover membership of the United Nations, membership of the European Economic Community, membership of NATO, and generally speaking, has

relations with the rest of the countries in the world and, of course, she has a very big and a very determined responsibility towards the people of Gibraltar and towards the position of Gibraltar.

Unfortunately, the Motion seeks, as the Honourable Mover has rightly said at the end of his speech, there is no doubt that the Motion seeks to modify the Lisbon Agreement. I wish that could be done and that that were possible, that we were in a position to modify the Lisbon Agreement as it has been signed, because Britain in the pursuance of her foreign affairs has entered into that communique, but has in pursuance to her commitment to the people of Gibraltar, set out what her position to the people of Gibraltar is. So really, whether there is any conflict in the terms of the agreement in Lisbon within itself, having regard to the fact that the two positions have been explained, is another matter. But that that Agreement safeguards the people of Gibraltar is very clear, and I am glad that the Honourable Member has referred to the statements made in the House of Commons and in the House of Lords, particularly the former, and will put an end to this dithering though that the preamble to the constitution divides the people from the territory. The statements made, and not only the ones that he has mentioned, but various other statements in those replies, make it very clear - at some stage they say that the "sovereignty" of the Rock will not be negotiated without the consent of the people.

So I think that the spirit which we always understood was the purpose to the preamble to the constitution is very clearly explained and as the Honourable Member has said has gone far beyond anything else that has been said before in this matter.

The Honourable Member has referred to United Nations Resolution and the one of December 1967. The United Kingdom attitude in respect of the commitments to the people of Gibraltar were reiterated in the 1967 debate in the United Nations when it had not been incorporated into the preamble to the constitution. The preamble to the constitution set out, very well and, gave great satisfaction to the people of Gibraltar, the position, but it is only fair to say that the British Government from the very beginning, from 1963 onwards, since the matter was raised in the United Nations, has always maintained that the wishes of the people of Gibraltar were paramount in accordance, not with resolutions of the United Nations but with the Charter of the United Nations, which is much more important because that is the one that set up the organisation.

But not to recognise that Britain has got responsibilities and to pass resolutions that attempt to direct other than to influence particularly when there is a guarantee to maintain that commitment, to attempt by a resolution of this House to modify a commitment of the Foreign Secretary could have the same effect as so many of the resolutions of the United Nations that are not honoured because they are outside the ambit of what they were done. I would like to say that to my understanding the British Government has very rarely, if at all, except on the question of the resolutions on Gibraltar, disregarded recommen-

dations of the General Assembly. I think the question of Gibraltar is the only one on which the British Government, which has always had great respect for the United Nation - and of course this is a General Assembly Resolution and not a Security Council Resolution, where the matter would be much more serious, and indeed where the British Government have got a veto. But in the General Assembly the Resolution of the United Nations have always been observed by the British Government except in the case of Gibraltar because, it has its commitment to Gibraltar; and because it said that that was not its function. The function of the General Assembly was not to determine or to make any recommendations that impinged on the question of sovereignty. And that is the basis on which the British Government have not taken note of the Resolution of the United Nations in respect of Gibraltar.

I accept that the agreement gave rise for concern initially and that that concern has been greatly allayed by the reiteration of the British Government's commitment to us personally and in Parliament, and by the fact that they have insisted that Gibraltar's leaders should be present at these discussions, negotiations, talks, whatever they may be. I do not want in any way to attempt to water down the fact that the word "negotiation" is there, we made it very clear from both political parties that we were against the use of that term but we had to realise that that was something that had been explained as being open and that anyone could raise anything. It is true, and let there be no misunderstanding about it, that the Spaniards will raise that at the very first possible practical opportunity, but it will depend whether they are prepared to accept that the attitude of the British Government will be that this is a matter on which the people of Gibraltar must have a say or not. If they accept that and they do not insist on pursuing that matter, then, whereas I do not agree with the Honourable Member that by having these talks it is an acceptance of Spain's claim, that if in fact that is their argument in support of that, then there is a counter-argument by accepting that the people of Gibraltar will be represented and that by accepting that the wishes of the people of Gibraltar are incorporated into the Lisbon Agreement, they themselves are accepting for their part that we have a say in this matter. And though that may not be any achievement on the part of anybody who takes that simplistic view, that this is a matter purely between Britain and Gibraltar, for the wider approach to the matter, it is something which is much more significant than it has been before.

Therefore, if there was concern about the agreement, and there is relief because of the commitment, there is also a considerable desire, in my judgement, on the part of the people of Gibraltar that the representatives of the people of Gibraltar should be present at these talks. This is not, as I have said so many times, in order to ensure that the British Government carries out its commitment to the people of Gibraltar. If it were for that alone then perhaps it would not be necessary because otherwise it would mean an attitude of distrust. It is precisely to be able to tell the Spaniards what the people of Gibraltar feel and the leaders of the people of Gibraltar are

the ones best qualified to tell the Spaniards rather than the British. We have had periods in various negotiations from time to time in the days of the Lopez Bravo and Sir Alec Douglas Home talking together and in fact occasionally you get some organs of the press that mention that the British Government used the people of Gibraltar. As recently as two weeks ago we heard that from Sr Lopez Rodo in another context. He is out of touch with the situation, and he is still harkening after the Franco era in which he was a Minister. That can no longer be the position of a democratic Government in Spain which accepts the condition that the people of Gibraltar must be present at any talks. Whether we are a third party or not we are with the British Delegation, part of the approach of the British Government's attitude to Spain in respect of the question of Gibraltar.

As I say it is very difficult to differ from the sentiments expressed by the Honourable Member, but unfortunately the way he has put the motion, as he says, seeks to amend something to which the British Government is bound and would be really a non-event in the sense that it would not have any practical effect and I think that this House loses strength and loses influence if it passes resolutions which it cannot see implemented. In addition, it would make it blatantly impossible for us to be present at these talks if this solution were to be passed in the form in which it has been drafted.

For this reason I regret that I have to propose an amendment, not because our views are in spirit any different from those held by the Honourable Mr Bossano, or indeed by every single individual in Gibraltar, but because it is most important that this spirit should be expressed in a verbal framework which will accord with the constitutional relationship between Britain and Gibraltar.

The Hon Member said that he thought that this was the only case in which there was any question of a third party being involved in the decolonisation of any territory. I would remind him of the fact that there are a number of such cases, and we need only concern ourselves with those in which Britain has been involved, and there is Belize where there is a resolution of the UN by supported by all the countries other than Guatemala and one or two of the other right-wingers to the effect that independence should be given to Belize. They have the territory, they have the whole set-up there, but it is impossible to give independence to Belize because Britain will not undertake its defence and its sovereignty as the people want, if she withdraws on independence because Belize is so small that it could be easily swallowed up by Guatemala. There again, on the opposite side, the resolution of the United Nations calling for its independence has not been observed precisely because independence will lead them to be swallowed up by Guatemala, and that is what the people do not want, and the British Government continues to undertake onerous defence duties. It is well known that when there are movements in Guatemala they also reinforce the British presence there, not because it is going to be a war between Britain and Guatemala in the continent, but because the presence of British troops there is a detriment to Guatemala to pursue its inten-

tions to invade the territory.

The other problem that Britain has as a relic of the old empire is the question of the Falkland Islands. There, there is a conflict with Argentina, and there again even though there was about 5 or 6 years' ago an agreement which went much further than this one, in that Britain and Argentina agreed to talk about the sovereignty of the Falkland Islands, five years of fruitless talks have led to nowhere, because the people of the Falkland Islands, small as they may be, - and what is wrong with being small - still stand by their determination to stand with Britain.

As I say, we must put the motion that expresses the wishes and the sentiments of the people of Gibraltar in a verbal framework which will accord with the constitutional position. That is the constitutional relationship between Britain and Gibraltar. I feel that in that way our views will be listened to with greater respect and they will have greater force in Britain and elsewhere. Whilst no less firm, clear and consistent, they are stated in the context of and in compliance with the formal relationship between Britain and ourselves. Conversely I believe that there is some danger of our being taken somewhat less seriously, in a very serious matter, if our views are stated in a manner which ignores that relationship, ignores that situation.

The essence of our position is a simple one. It is our desire that sovereignty over Gibraltar should be British, and that British sovereignty should not be negotiated. The most formal statements of these two views are of course, the 1967 Referendum and the resolution proposed by the Honourable Mover in November 1977 and adopted unanimously by this House. Therefore, I think that it is essential and most valuable that in any restatement of our basic position we should make specific reference to the verdict of the Referendum and to the 1977 Resolution, and I propose, when I produce my draft amendment, that this will be covered. And if I may say so, having regard to the comment of the Hon Member himself that the Referendum was rejected by the United Nations, it is the more necessary to incorporate it into an amendment now in order that we reiterate the result of this Referendum. A lot of people say that it is already about 13 or 14 years' old and ask what would the position be now? And I say well, instead of 14 it might be 23 or 62, but it makes no difference basically to the result of the Referendum if another one were held now.

I think it is also necessary that we should express our firm confidence in Her Majesty's Government and I propose to include a reference to that in my amendment. Britain is responsible for our foreign affairs and this is explicit if nowhere else in the terms of the choice of the Referendum which I propose to quote in my amendment. We must allow the British Government to use an element of judgement as to how they are conducted. Mr Speaker, it is for this reason and, as I say, in no way belittling the efforts of the Honourable Member, watering down the sentiment of the Honourable Members feelings, that after

considerable thought I propose an amendment which I have discussed with the Leader of the Opposition and which I think covers all the points that the Hon Member has put; makes it possible to pursue the matter further and makes it also possible for us to be present - and it is no easy matter to be present in these circumstances I can assure you but the more necessary for that.

Mr Speaker, I beg to move that the Motion be amended by the deletion of all the words after "this House" and the substitution therefore of the following:

- (1) Reiterates the views of the people of Gibraltar, freely and democratically expressed in the 1967 Referendum, that they wished to retain their link with Britain, with democratic local institutions and with Britain retaining its present responsibilities;
- (2) Reiterates the unanimous view of this House, expressed in a Resolution adopted on the 8th November, 1977, that it is opposed to any negotiations on sovereignty; and
- (3) expresses its full confidence in the British Government's commitment, as most recently reiterated in the statement issued in Lisbon on 10 April, 1980, to honour the freely and democratically expressed wishes of the people of Gibraltar.'

Mr Speaker, as I say, it is a matter of approach and nothing else, and it is also a matter that will carry and give a stronger position, a stronger situation, if we pass a resolution which we can fight for and which in no way attempts to inhibit the British Government in carrying out these responsibilities to the people of Gibraltar while at the same time carrying out its responsibilities in the wider concept of the international community.

Mr Speaker then proposed the question in the terms of the Hon the Chief Minister's amendment.

HON P J ISOLA:

Mr Speaker, you will have appreciated from the applause given from this side of the House that we are in agreement with the amendment to the motion proposed by the Honourable the Chief Minister, on which we have had consultation following, of course, the communiques that were issued after the Lisbon Agreement of trying to obtain a united stand on the future of Gibraltar among the elected members of the House.

I am sure that the Honourable Mover will agree that the sentiments expressed in the proposed amendment gives the House an

opportunity to unite under an amended motion which I think brings out the salient points on Gibraltar and on which there is unity among the people of Gibraltar, and I am really talking here on the decision of the people of Gibraltar that Gibraltar should stay British and that there should be British sovereignty over the Rock. I think, if one heard or one appreciated the concern that was expressed after the Lisbon announcement, it was the possibility that British sovereignty over the Rock was being or might be negotiated, not really the possibility that Gibraltar might never be granted independence or something like that. It was the issue of British sovereignty over the Rock that expressed concern and I think that the amendment can leave nobody in any doubt as to how the people of Gibraltar feel on this, as to how the elected members feel on this, and indeed how we will act ourselves, that is the leaders of Gibraltarian opinion, in any discussions or negotiations that take place.

Mr Speaker, the first object of my Party is to maintain the people and territory of Gibraltar as an inseparable entity according to their wishes, so naturally immediately after the Lisbon Agreement, we did come out with a press release on the 11 April 1980, in which we welcomed the statement by the British Government that it would maintain fully its commitment to honour the freely and democratically expressed wishes of the people of Gibraltar as set out in the preamble to the Gibraltar Constitution. And that whilst we maintained that the sovereignty of Gibraltar was not negotiable and, therefore, could not agree to negotiation but could include the negotiation of such sovereignty, the DFBG nevertheless reiterated its confidence in the British Government to maintain its commitment to the people of Gibraltar. We said that it would be the people of Gibraltar who would decide their future, and we appealed to all political parties represented in the House of Assembly to make a united stand in maintaining the wishes of the people as far as their future and the future of Gibraltar was concerned. We ended up: "that Gibraltar's vital interests must now have absolute priority over every other domestic issue and the DFBG is prepared to play its full part in maintaining a strong and united solid front of Gibraltar's status."

Mr Speaker, because of this statement we later joined in a joint press release with the Chief Minister, the governing party in which again the aims were set out of protecting and safeguarding our British sovereignty. It seems to me that the amendment to the motion presents a unique opportunity to bring unity amongst all sectors of the House, and, therefore, amongst all sectors of the population of Gibraltar to be united on fundamental issues. I would certainly ask the Honourable Mover to look at the amendment in this light. As a genuine attempt by the two main political parties to bring a measure of unity to the people of Gibraltar.

Only 2 or 3 days ago the Honourable Mover was speaking on the economic situation of Gibraltar and the need to bring every possible brain working on it because the question of survival was at stake. Well, a fortiori, Mr Speaker, on this question

of the status of Gibraltar and of British sovereignty for Gibraltar, on which my Party is certainly not prepared to compromise nor is any other Party in Gibraltar represented in this House, it is essential that it should be put in a Motion of the whole House. I think that the real problems which the Honourable Mover has brought out in his opening statement are real problems and we recognise what he says. We always recognise the logic of what the Honourable Member says, but the question of saying frankly that there is no Gibraltar problem, there is a Spanish problem, is, I am afraid, to oversimplify the situation.

There is a Gibraltar problem because the Spanish Government and people do not recognise British sovereignty over the Rock. That is our problem. But if the Spanish Government and the Spanish people recognised the right of the people of Gibraltar to self-determination, then there would not be a Gibraltar problem as such, but there is one precisely because our neighbours do not recognise our right to self-determination. And when you are talking of decolonisation, Mr Speaker, you are talking of a right to self-determination. The problem is, as I see it for the people of Gibraltar at the moment and I hope this will change in time, that the word "decolonisation" is really a United Nations word, it is contained in the United Nations Charter and it spelt out there: independence, integration or free association, and the United Nations, for reasons best known to themselves, have brought out resolutions from time to time saying that the right to self-determination does not apply to territories which really form part of another territory, in their view. Therefore, you cannot break up the territorial integrity of a state in order to give self-determination. These are the problems that we have been faced with because the United Nations seem to have agreed, I think for reasons entirely outside the Gibraltar issues, mainly because of anti-British feeling in the United Nations, and I think the Rhodesia UDI had a lot to do with this, because the United Nations expected the British Government to move troops into Rhodesia and settle Mr Smith within 12 months of him declaring independence. Those sort of problems, and the problems that at that time: there were problems of other British Colonial territories, it was all that sort of problem that militated against us in Gibraltar. There is no question about it.

The Honourable Mover is quite right, there was a resolution passed in the United Nations rejecting the Referendum. This is true. And there was a resolution passed suggesting that Gibraltar should be decolonised on 1 October 1969 by incorporation with Spain. That is also true. But that is the international body dealing with decolonisation. And that international body said, wrongly in my view, that the question of decolonisation is not a matter between Gibraltar and Britain, it is a matter between Gibraltar, Britain and Spain. And this has been our struggle and it will continue to be our struggle.

Fortunately for us the British Government, where decolonisation of any of her territories is concerned has stood by the fundamental principle of the right of people to self-determination however small they may be. Obviously British relations would

be much better if they were to do what Spain did, for example, with the Sahara, to hand it over. It would be much easier for Britain's international relations if they did that with Gibraltar, if they did it with the Falkland Islands, or they did it with Belize. But that is not the history of Britain as a colonial power, and the commitment, our biggest guarantee in Gibraltar, is and will continue to be the British Government's record in respecting the rights of a people to decide their future, and the British Government's record in upholding through thick and thin. And, of course, the most recent example was Rhodesia, where Britain lost enormously as a country in economic terms and so on, to maintain the principle of self-determination for the Rhodesian people, almost against their own people, because a lot of people in Rhodesia had fought in the war for Britain, were actually Englishmen who had emigrated to Rhodesia, and they stood by that principle until it was achieved.

Therefore, Mr Speaker, for our Party, the British commitment to Gibraltar is above every other consideration, and we accordingly place great reliance on that because unfortunately other countries do not seem to interpret the rights of people to self-determination in the same way as Britain does. When the Honourable Mover said that if Spain were to recognise the right of the people of Gibraltar to self-determination all would be well, I agreed entirely, and I think that the struggle of the people of Gibraltar vis-a-vis Spain is to get precisely that, to get them to recognise that.

Mr Speaker, I do not think for one moment that the Honourable the Chief Minister or myself are going to be able to persuade the Spanish Government to recognise us. Who knows, we might, eventually, I think the people of Gibraltar might eventually as Spain becomes more and more democratic, but it is very much an uphill task. At least if we can get them to recognise that they cannot expect a change in the status of Gibraltar without the consent of the people of Gibraltar, in a sort of negative way, perhaps that would be going some way. But I think, and I am not saying that we did not fall over the Lisbon communique as a wonderful thing, we did not, but I think that the acceptance by Spain of a re-statement of the British Government's position in that communique was a very important qualification to the agreement to enter into negotiation. Because Spain recognised as from that minute that the British Government intended in any negotiations to honour their commitment to the people of Gibraltar.

That is very important because I am not one of those people who think that the preamble to the Constitution can be interpreted in the way that it seems to have been interpreted by some people in Gibraltar, that that means that we can keep our nationality but the territory can pass to Spain. That is not what the preamble says. That is in my view entirely an incorrect interpretation of the preamble and it was a bit sad to me, Mr Speaker, on the morning we saw the Foreign Secretary in London to read English newspapers - I think it was the Guardian and the Telegraph - putting that interpretation over

as coming from Gibraltar. That the correspondents concerned had been given that interpretation in Gibraltar. I do not know who gave it, but I think it is wrong to give that interpretation. It is wrong for us to concede that our constitution allows for that possibility. Let the Spaniards argue that point if they wish, or let somebody else argue it, but for us to concede it - first of all I do not think it bears that interpretation, but even if it did, or even if there was a possibility of it, we are the last people who should proclaim it.

That preamble to the Constitution was obtained after a lot of argument and struggle, and let it be said that it was put in by the British Government of the day because they said that it was their policy, this is what they had told us since 1963 when the restrictions started, these were their public pronouncements in Parliament and they had no hesitation in putting it in a formal way in our constitutional document. Following the announcement of the Lisbon Agreement I think that in the Houses of Parliament, if there could have been any possibility of misinterpreting what the preamble said on the part of the British Government, that the possibility of a wrong interpretation must have been completely expunged by what Sir Ian Gilmour said, not just in the answers cited by the Honourable Mover, but later on when he said there was no question of any giving up of British sovereignty over Gibraltar. It could only take place after the freely and democratically expressed wishes of the people of Gibraltar has been stated; and then later on he said, "British sovereignty will not be altered without the expressly and democratically stated wishes of the Gibraltarians. Surely that is as clear as it can be." This is, to my mind, fundamental to the people of Gibraltar, because, let us not have any illusions about this, the question of Gibraltar staying British under British sovereignty can only occur if the British Government fulfills its commitment to the people of Gibraltar. We cannot of ourselves do anything to protect our position.

If the British Government were tomorrow to say, "self-determination, the United Nations have said time and again, which they have, so if the United Nations were to say self-determination means independence, here you are Gibraltar, here is your independence," and we got it, we know for a fact that that independence would be short-lived unless it was recognised and respected by Spain. Therefore, the British connection, apart from the fact that we want it, that connection and no other connection is, therefore, all-important to us, and that is why I hope that the Honourable Mover, recognising this sort of argument, will recognise the need of passing a motion in the House that expresses how people feel, and not a motion which, with respect, although it also expresses what the people feel, nevertheless is a criticism of the British Government, I think shows a certain amount of lack of confidence in the British Government, and, more important of all, is one that is ineffective because the British Government has made its decision. It has committed itself in its international relations with another country and, therefore, this will go

forward. And I think that the message that has to go from this House is a message of confidence in the British Government's commitment to the people of Gibraltar so far as the sovereignty of Gibraltar is concerned, reiterating our view that the Chief Minister and myself have no mandate either from the House or from the people of Gibraltar to negotiate the sovereignty of Gibraltar. I certainly will not, and I am sure the Chief Minister will not either. We are very conscious of that, and then expresses also the wish of the people of Gibraltar to retain their link with Britain and confidence in the British Government's commitment.

These are the matters that are important, that are of vital importance to the security of our people, of vital importance to getting them to go about their ordinary day's business with confidence and not with concern. We cannot take away concern from people because obviously when they are talking about one, one must be concerned, and one must be worried, but let them be calm and confident that we all know where we stand and that our stand will be respected.

I think that if we can agree to a motion in these terms, and the people know that this is something that all the parties in the House agree, then I think that will help enormously to obtain a climate of confidence among the people about their future, about their stability, and their security, which is all-important.

Mr Speaker, my Party certainly will vote in favour of the amendment.

HON MAJOR R J PELIZA:

I would like to say a few words on this amendment to the motion and also on the original one because I do not intend to speak again.

I feel duty-bound to say so because my sentiments are well known and the strength of my views on this issue are also common knowledge in Gibraltar and I feel I should make a contribution to this debate perhaps starting by saying that I do intend to support the amendment. So whatever I say should not be misinterpreted in any way. I have given my support to the bi-partisan approach of this House to this very important issue. I was also very pleased to see that by and large the two speakers share the spirit of my Honourable Friend, Mr Bossano, whilst at the same time not accepting the practical advantage of adopting his views, which to some extent is my feeling, perhaps a little more inclined to a strong approach rather than to the more diplomatic approach which I think the bi-partisan approach is taken. I say so because otherwise I would be a hypocrite.

I made it quite clear in 1976, when I stood for election as an Independent, that I felt that the House should pursue an aim of decolonising Gibraltar in relation with the United Kingdom and nothing else. A feeling that is generally accepted in this House except, again, that I think the two speakers expressed

in one way or another, or implied, that it might be an impossible task to do so. I think personally that we should set our aims sooner or later in which way we should proceed and that perhaps now it is not timely to do so, one of the reasons why I accept the amendment, perhaps this is not the time to pursue it in those lines, the aim should still be to try and do away with the status quo.

The position as I see it is that for reasons better known to Her Majesty's Government than to ourselves, over the years the British Government has had to give way on the public stand they took on the issue of Gibraltar. One was that there would be no talks under duress. Then regretfully Her Majesty's Government decided to talk under duress. Now, my way of seeing it, there is no doubt that whether they are going to negotiate or not publicly they have agreed to negotiate with Spain on sovereignty. This is my honest opinion and it is only fair that I should make it known here. Whether because of the presence of our elected members there, when the time comes, no progress will be made on that issue, that is a matter that we shall have to wait and see.

May I say that that is one of the reasons why I personally support it, that the Chief Minister and the Leader of the Opposition should participate in the so-called Strasbourg process, because I felt that although nothing was said as to whether or not sovereignty was going to be discussed there, it was important that we should have our representatives there present to put a stop to it from Gibraltar's point of view, to express a point of view from Gibraltar, should the situation arise. As we know little or no progress was made in the Strasbourg Process, and now we have started again on a different one which, to my mind, is even more serious than before.

We can see from the interest that members of the House of Commons took on this issue by the number of questions that were asked, and certain replies that were given, that it is considered that we have now reached a crucial situation, which is perhaps in the long run and I hope it will be, if not in the short, better for Gibraltar than it has been in the past. We just do not know what the outcome of these long and protracted negotiations are going to be but whatever, in the short term it might be, we shall certainly have our two representatives present there to express the Gibraltar point of view if the need arises and perhaps to take any necessary action if the situation comes to the point where that should be taken, to make known what the position of the elected members is in relation to these talks.

We have seen in the answers given to questions in the House of Commons that the Chief Minister and the Leader of the Opposition, after having seen the Foreign Secretary and Sir Ian Gilmour, were quite satisfied with the position. Well, I hope that that is so and that at least the Chief Minister and the Leader of the Opposition are quite satisfied with the situation. That, I think, is a matter which is of great satisfaction to us, if that is the case and does away, to some extent, with the apprehension that people may have in this connection with regard to the coming negotiations.

However, I think, Mr Speaker, that it is the duty of this House, and the duty of every individual elected member to try and make sure that there is no erosion of the stand that Gibraltar has always taken on this matter. In that respect I will certainly try and play a part at the other end, and to be able to put a case which is clearly seen it is necessary in some instances to be absolutely blunt about the situation, as not "calling a spade a spade" can sometimes be misinterpreted and perhaps the full significance of the situation may not be apparent to people who for instance saw, with the opening of the frontier, - I certainly heard people congratulating us for the great victory. I do not believe it is a question of victory, I think the lifting of restrictions is a question of justice but they obviously did not see the other side of the coin which everybody in Gibraltar sees as a matter that one has to show a certain amount of concern and to be absolutely sure that in the process Gibraltar does not come out the loser. I am pleased to say that it seems to me that in that respect the House is fully united, and I would like to see my Hon Friend, Mr Bossano, accepting this amendment for what it is. One has to realise that in the present circumstances I do not believe, that whatever the resolution of this House may be, we are likely to change the posture of the British Government in this respect. It is obviously counter-productive to act in a manner which is going to be totally ignored, and indeed perhaps even dangerous for morale in Gibraltar if they were to see that the stand of Gibraltar is not, for reasons better known to the British Government, themselves, perhaps a matter of diplomatic approach to the situation, they could not go with us. One has to accept basically that whether we like it or not it is the British Government which is responsible for our foreign affairs.

I have always said before in this House that foreign affairs is a question of horse trading, and we have no horses to give away. Her Majesty's Government has got many and may not need Gibraltar at all, but there are many other parts they can play to bring about a solution to our problem without any concessions coming from Gibraltar if we know how to play our part of the game. And I believe that facing the British Government at this particular moment with an impossible situation is not going to be of our advantage. I would urge my Hon Friend Mr Joe Bossano, who is well aware of my sentiments, that perhaps he could drop his motion and agree with the amendment presented by the Chief Minister, and obviously fully supported by my Leader and by myself and by my Party. We should all go together on this one and present a united front on this occasion, as I think we have always done before. I believe it is because it can do no harm in the United Kingdom particularly to see how strongly the people feel on the question of sovereignty. That is something that I well understand, people responsible in the negotiations cannot say or do, people who are not themselves participating in the negotiations are quite free to act in the manner that they think is best for Gibraltar.

We have lots of friends in the United Kingdom. The Gibraltar Lobby is strong, and the reaction of the Gibraltar Lobby has been seen by the questions that were asked. It is possible, if

more support is wanted from them, that is available. I certainly, if my position in England, will be acting as a watchdog, and obviously my services in my humble way are available just as much to my Party as to the Government, or to any party in Gibraltar that feels I can be of any use. Of course I would be more than willing to see what I can do at the other end in support of any view that is the unanimous view of this House.

Mr. Speaker, having said all this, I feel that because of the strength of Gibraltar, the fear of erosion which is the only one that I believe exists, I am absolutely certain that the undertaking of the preamble of the Constitution will be fully honoured by Her Majesty's Government. I have no doubt about that. I have never had, but in the long process what will happen is that if this question of sovereignty is lying on the table, and is going to lie on the table there for ever more, the uncertainty in Gibraltar will be present as well, and it is because I believe that this uncertainty has got to be done away with once and for all if we are going to look to the future with absolute confidence, I believe that it is in the nature of things that we should pursue, perhaps in the long term, a way of attaining what we call self-determination in some respects. But if it is not full self-determination because of other matters that may be affecting that final outcome, such as treaties that are compelling to Her Majesty's Government, if that is not possible, then the wishes of the people of Gibraltar which in some way are being used in a negative way at present, should be used in a positive way in the sense that we should be able to establish a permanent indisputable relationship with Her Majesty's Government which is not for evermore open to any forms of vicissitudes in international affairs, of which I recognise we have little or no say.

It is in that respect that whilst fully supporting the motion I cannot but reserve my view, which I started by saying at the beginning, that it is vital that the Government of Gibraltar and all the Parties in Gibraltar should strive to get a permanent relationship with Her Majesty's Government which is unquestionable either internationally or with any other nation in the world.

HON J BOSSANO:

Mr. Speaker, The Honourable and Learned the Chief Minister's amendment in fact does not amend my motion, it completely eliminates the motion and replaces it with a new one. It takes out everything after the word "House" away and substitutes a new motion. Therefore, I would ask members to bear in mind that my reactions to the new motion are bound to be the reactions of the time I have had to look at the new motion, because if what had happened was that an amendment had been placed on the second part of the motion, which was clearly what I was anticipating and what I indicated I was anticipating when I said that there were two parts to the motion; the first one was a statement of our views; the second one was an attempt to modify the Lisbon Agreement by saying that in the light of our views on

the subject, the agreement in Lisbon should be limited by excluding from any negotiation with Spain the question of Gibraltar's future, which I said was in a way an extension or a re-phrasing of the November 1977 motion.

The new motion, in my view, reflects little or nothing of the original motion, which we are told expresses sentiments shared by all the members of the House. Let me say that of the three parts in the motion there is no difficulty, as far as I am concerned, in supporting the second part which states once again the unanimous view of the House expressed in the resolution of 8 November 1977, logically because I moved that motion on 8 November 1977. The third part as regards the full confidence in the British Government's commitment I can support without difficulty because the fact that I may be critical of a decision taken by the British Government is not and should not be interpreted as an indication that I think the British Government is about to sell us down the river. But because I believe that the essence of saying that we want our wishes to be respected must involve our right to express those wishes and not only the wishes that may be palatable to HMG, if we are going to condition our expression of our wishes to only those things that we know the British Government likes to hear, then their commitment to respect our wishes is really worth very little. Therefore, I feel free to express dissatisfaction without implying that that dissatisfaction carries lack of trust in the British Government. Furthermore, I think it is important and worthwhile to state, as the third part does, that we express confidence in the commitment stated in Lisbon to honour the freely and democratically-expressed wishes of the people of Gibraltar and that there should be a full-stop there, because in the Lisbon Agreement there was not a full-stop, it went on to say, "as stated in the preamble to the Constitution", and although the Honourable and Learned Member, the Leader of the Opposition has made it clear today and on previous occasions that he did not share the view that the preamble to the Constitution was not as watertight as it should be, although he is of that view, the fact is that I certainly think it is worthwhile stating in the House that the interpretation we put on the agreement is that the commitment is to respect our wishes without qualification. Therefore, I am in full support of that as well.

As regards the first part there is one element in it which I think may not have been intended in the way that I interpret it, but that is my interpretation on the reading of it with the time I have had to think about what it means. And that is the sentence ending that first paragraph. Because the first part reiterates the view of the people of Gibraltar expressed in the 1967 Referendum, which I support fully, our wish to retain our link with the UK, which is the overwhelming view in Gibraltar, and then goes on to say "... with Britain retaining its present responsibilities", which seems to imply that we wish to stay as a colony without any change of the responsibilities of Her Majesty's Government in Gibraltar at any point in time.

My Party is committed to Gibraltar's decolonisation. It stated so in the Manifesto, and in the 1976 Election the Gibraltar Democratic Movement was clearly committed to the process of decolonisation which is defined in even stronger language as "an affront to the dignity of the people of Gibraltar". The colonial status being an affront to the dignity of the people of Gibraltar was one of the things on which three other members of this House stood, beside myself, and, therefore, I would propose, in order to introduce into this new motion at least a reflection of the commitment to self-determination that was the essence of the spirit of my original motion, and in order to clear beyond doubt that, for example, the view expressed by Her Majesty's Government in the Hattersely Memorandum that it was not possible to alter our relationship with Britain in any direction, that we had to retain the status quo in perpetuity or until things change in Spain, which was unacceptable to most of us at the time, I would say that the way that we can have that reflected in the motion proposed by the Honourable and Learned the Chief Minister would be to add as an amendment to this amendment the words after "responsibilities at the end of para (1)" "... any alteration of which is a matter to be exclusively decided between Her Majesty's Government and the people of Gibraltar".

With that proposal I am not saying that we are seeking an alteration, but I am saying that that alteration cannot be initiated by Spain. It has to be initiated by either ourselves or Her Majesty's Government, and that it is a matter for agreement between the two of us, which is essentially what the first part of my motion was stating. Because essentially for me if we are committed to the application of the principle of self-determination in full to the people and the territory of Gibraltar, and if we all recognise that that is the fundamental stumbling block in our relations with Spain and in the approach to the Spanish Government, as the Honourable and Learned Leader of the Opposition has said, that if Spain recognised the right of self-determination then we would have no problem, and I accept that. The fact that Spain does not recognise it does not mean that we must not be constantly asserting it. It is important for us to assert it and it is important for us in the motions of this House that that should be there as our view, although I recognise the difficulty of the House of Assembly of Gibraltar deciding policy for Her Majesty's Government. But at least we can make clear to Her Majesty's Government what our views are, and to do so in a motion that ends by saying that we have full confidence in their commitment to respect our wishes to my mind, comes close enough to the spirit of the original motion which I have been told we all share.

It would appear, Mr Speaker, that the spirit is willing but the flesh is weak as regards the original motion. Well, at least let us retain some of the spirit and give it some flesh in the proposed amendment.

MR SPEAKER:

Has the Hon Mr Bossano finished his intervention so that I can

propose the question?

HON J BOSSANO:

Yes, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, I wonder whether we could have a little time to look at this. I do not want to exercise my right of reply now, but there are one or two obvious things that I would like to say in any case. I would like to make one thing clear, and that is that what I did say was that I entirely agreed with all the sentiments expressed. I had various reservations about the terms of the motion.

MR SPEAKER:

The position now, is that I would have to propose the amendment to the amendment which would then open further debate on this particular issue exclusively and then he would have the right of reply on the amendment to the amendment and then the Hon the Chief Minister would have the right to reply on the amendment and ultimately, if we carry the thing to its logical conclusion, the Hon Mr Bossano would have the last word on the question, as amended, if it is carried to its logical conclusion, the Hon Mr Bossano will have the last word on the question as amended, if it is carried. So what I intend to do now is to propose the amendment to the amendment and then perhaps it would be time to recess.

HON CHIEF MINISTER:

Unfortunately, Mr Speaker, not thinking that it would take this long, I have an official commitment at 3.30 p.m. I do not know whether members would like to meet earlier and finish or ...

MR SPEAKER:

How long would this engagement take?

HON CHIEF MINISTER:

Not more than half an hour.

MR SPEAKER:

Well, perhaps, anticipating, before I propose the question, once I propose the amendment to the amendment, we should recess until 4.00 p.m.

HON CHIEF MINISTER:

If it suits members opposite.

MR SPEAKER:

If we know the debate is not going to last more than one hour, there is no reason why we should not meet at 2.30 p.m. I am just now trying to gauge members' views in the matter.

HON J BOSSANO:

Mr Speaker, I understand the position that I have just produced an amendment which obviously the Chief Minister and the Leader of the Opposition would want to give some thought to before they decide how they are going to react to it. But the Hon Members must understand that that is my own position earlier on.

HON CHIEF MINISTER:

I know, and if the Hon Member had asked for an adjournment, he would certainly have been justified. Mr Speaker proposed the question.

MR SPEAKER:

I have proposed the amendment to the amendment and we shall now recess until 4.00 p.m. when the amendment to the amendment will be considered.

The House recessed at 12.55 p.m.

The House resumed at 4.05 p.m.

MR SPEAKER:

I will remind the House that when we recessed for lunch we were at the point when the Honourable Mr Bossano had moved an amendment to the amendment. And I had proposed the question, that words, as follows, should be added to the last word in the first paragraph of the first amendment: "Any alteration of which is a matter exclusively to be decided between Her Majesty's Government and the people of Gibraltar." We are now open to debate on this particular amendment to the amendment.

HON CHIEF MINISTER:

Mr Speaker, I think the luncheon adjournment has given us an opportunity of looking at this more carefully, whilst I agree that the Honourable Mover had not had much time earlier on to look at our own amendments, I have also been in consultation with the Hon Leader of the Opposition.

First of all I would like to say that the purpose of phrasing the first part of my amendment was really and purely historical in order to reiterate the result of the Referendum and there was in itself any limitation for the future, it was a statement of fact. Perhaps the statement of fact could have stopped at expression of the 1967 Referendum. The reason why it is there is not because we hope to continue the same limitation but because

it was a complete statement of the result of the Referendum. Therefore, they do not in any way limit any future action that may be decided.

Secondly, I feel that if these words were to make any sense in the terms which the Honourable Mover proposes them they would have to come after the word "Britain" and the rest should be omitted. But then we would be interfering with the statement of the fact as they have been put out already. I feel also that it dilutes the result of the Referendum by introducing in the same paragraph something which is alien to what was decided there and, thirdly, and the most difficult one is, that it reiterates exactly the terms of his original motion and introduces into it that element to which I referred this morning, made it impossible to accept, which meant that if that really was as much an intention, as he said in his own words this morning, to modify the Lisbon Agreement, it is as much a possibility of being considered as modifying the Lisbon Agreement as the rest of the motion.

HON J BOSSANO:

If the Honourable Member would give way. I would remind the Honourable and Learned the Chief Minister that what I said this morning, and what I repeated in the context of my amendment, was that my original motion as I saw it had two different elements: one element which was our own view on how Gibraltar's future should be decided and that there should be only two parties to taking that decision; and the second element was that in the light of this Her Majesty's Government should agree to exclude this question from the negotiations, and in asking Her Majesty's Government to agree to this in the second part we were effectively asking Her Majesty's Government to modify the agreement, since the agreement excludes nothing. So if we were asking that something should be excluded and the present agreement does not exclude anything then it is in the second part that we are seeking to modify the agreement.

As far as I am concerned we certainly need to take a decision in this House and we certainly need to make it clear whether it is the view of all the members of this House that Gibraltar's future and its decolonisation is a matter exclusively for us and Britain, or whether it is a matter which we accept Spain has got a say in. That is fundamental and I do not think one should evade that issue, one should clearly state whether one supports that stand or does not support that stand.

HON CHIEF MINISTER:

I do not want to be unnecessarily controversial about something when we are trying to bridge the gap, but with the greatest of respect to the Honourable Member the first part of his motion was trying to put into it something that has not been decided by the people of Gibraltar. And that is because in fact in the 1976 Election the Honourable Member and his Party did not get a majority or a mandate on that, nor did he in the last election despite the personal support that he found. So really we are

trying to have a Referendum in this House on something that really has not been fully accepted in those terms, not because it dilutes the principle or the desire of the people to continue, and I know the Honourable Member's ability to be able to establish something that he has been fighting for for a long time, and on which I respect him, but he cannot carry us with

this matter on which he has not been able to carry a vast majority of the people. And whereas I entirely agree that it is primarily - I will put it that way for the purposes of answering the last point - a matter for the people of Gibraltar and the people of Britain, but when you put the word, "exclusively", you come up against the difficulties I explained this morning, why the terms of the original motion in that respect was unacceptable and why, despite the short time, the Honourable Member has had enough signs to realise that he was trying to repeat here what has been put aside for the sake of something else here.

For that reason, Mr Speaker, we are not able to support the amendment to the amendment.

HON P J ISOLA:

Mr Speaker, the amended motion - not the present amendment, the last amendment - in my view is the collective view of all opinion in this House on this matter, and was the collective view on the things that I think are of great importance.

What convinces me that we cannot go along with the latest amendment by the Honourable Member, is, of course, the fact that it changes what was decided in the Referendum. I mean what paragraph goes is to reiterate what was expressed by the people of Gibraltar in the 1967 Referendum and what was expressed is there. To talk of changing, or the possibility of changing, what was expressed there is to dilute the effect of the 1967 Referendum which, as far as the people of Gibraltar are concerned, was a decisive answer. Accordingly, to amend that proposition to my mind goes against what was democratically expressed by the people of Gibraltar at the time.

I am not going to repeat the arguments put forward from this side of the House this morning as to the reason why we felt that the proper motion to pass was the amended motion which, in my view, must reflect the wishes of the people of Gibraltar, must reflect the stand of all the political parties in Gibraltar. It is my view that the amended motion puts forward the essentials to the Gibraltar position. Of course, Gibraltar being a Crown Colony, it will be a matter for Gibraltar and London to decide any future constitutional status. That goes without saying. But what we are in fact putting forward here is a reiteration of the Referendum, a reiteration of what was the unanimous view of the House on the question of British sovereignty over Gibraltar, and an expression of full confidence in the British Government's commitment to honour the freely and democratically expressed wishes of the people of Gibraltar.

Those are the three vital factors in the equation, and, accordingly, this side of the House cannot go along with an amendment that seeks to wittle down any of these three fundamental factors.

HON J BOSSANO:

Mr Speaker, it is absolute nonsense to say that the amendment seeks to wittle down anything. All that the amendments seeks to do, Mr Speaker, is to reintroduce the important element in the original motion, and in fact I have no difficulty in supporting the motion before the House now, all I am saying is that the motion that was brought before the House by me was a clear and categorical statement of the view that Gibraltar's future is a matter for us and Britain, and members of this House must have the courage of their convictions and either state clearly and categorically that they subscribe to that view or that they do not so that people know where they stand. It is no good trying to say that to reintroduce that element is to wittle down the result of the Referendum. If the Hon Member thinks I have made a mistake in drafting the amendment then I am quite happy to withdraw my amendment and have an addition introduced into the new motion which specifically says what he has just said is obvious. It is obvious that Gibraltar is a Crown Colony and, therefore, it is for Gibraltar and London to decide its future. Well, if it is obvious will the Honourable Member subscribe and support a motion that says precisely that and nothing more than that? Just a motion that says that Gibraltar's future is a matter for London and Gibraltar and no one else: will he subscribe to that if it is obvious? And then he does not have to say that it is wittling down anything else. It is no good saying in an aside that one subscribes to that and not being willing to put it to the test by voting in this House.

I recognised from the beginning, Mr Speaker, that that view might not be acceptable or palatable to Her Majesty's Government, and I said that I recognised that my Motion was trying to do two things: one was to state what the views of the members of this House on the matter were and; secondly, to ask Her Majesty's Government to modify the agreement with Spain in the light of the expression of such views. I except that in trying to get the second I may be trying to carry with me other members of the House further than they are prepared to go, when it comes to actually having the audacity as a mere colony to suggest that we can tell Her Majesty's Government how they should conduct our affairs, but I certainly did not anticipate that there would be any reluctance by any member of this House to subscribe without reservations to the view that the British Government and the people of Gibraltar are the only ones who can decide Gibraltar's future and its decolonisation. I think it is important that there should be a categorical statement either way. We are entitled to know in Gibraltar how the members of the House feel and that the issue should not be avoided.

I understand that the Spanish Radio has said at lunchtime that in answer to the question by the radio, Mr Parsons has just

said on the other side of the frontier that Her Majesty's Government does not accept the view put forward by my Party that Gibraltar's decolonisation is a matter for us and Britain alone. That is a matter for Her Majesty's Government to say, but I am saying that we as representatives of the people of Gibraltar should take that stand. The Honourable Member said earlier in his contribution in support of the Honourable and Learned the Chief Minister's amendment, that it was a matter for Gibraltar, Britain and Spain. Well, I do not agree that it is a matter for Gibraltar, Britain and Spain and there are members who were elected to this House in 1976 who subscribed to the view that the constitutional development of Gibraltar, that Gibraltar's future status was a matter exclusively for Gibraltar and Britain, and if they have changed their mind they should stand up and say so, they should say that they no longer believe that. And I do not think it is right, Mr Speaker, to say that unity should be attained by avoiding issues or brushing things under the carpet. I believe it is important for all of us to be united in defence of Gibraltar's interest, but I cannot act against my conscience on this, and I do not think that if the point of unity is that one should act contrary to one's strongly-held belief and contrary to the public commitment one has entered into with the electorate, one should sacrifice those things for the sake of unity.

As I said, Mr Speaker I have no objection, I have no difficulty in supporting the motion put forward by the Honourable Member because I do not think that the motion is in conflict with the one that I put. To state that we all accept the Referendum results isn't in conflict with the statement that any future decisions changing our relationship with the United Kingdom must be ours and the United Kingdom's alone. There is no conflict between that and the Referendum results. There is certainly no conflict between this and the motion to which everybody subscribes, that sovereignty was not a matter for Spain and Britain to negotiate. I would have thought, Mr Speaker, that it was implicit in the commitment of every members of this House that Gibraltar's sovereignty should not be negotiated with Spain. It was implicit that Gibraltar's decolonisation should not be negotiated with Spain and Gibraltar's future should not be negotiated with Spain. Or perhaps some member in this House who professes to know more about this than I do can explain to me how one can discuss Gibraltar's decolonisation, and negotiate Gibraltar's decolonisation, negotiate Gibraltar's future status, and yet not negotiate sovereignty.

All that we have had so far, as a result of pressure from this House of Assembly is an acceptance from Spain that sovereignty is a sensitive issue and that it should be avoided. We must get further now, and we must as I said earlier, Mr Speaker, establish the strength of feeling that there is in Gibraltar of our right to self-determination, just like there is that sense of feeling in Spain, and I do not think that that requires that we should in any way appear to be anti-Spanish, or in any way be in conflict with them although we can be in profound disagreement with their approach, in profound disagreement with their attitude that Gibraltar is

Spanish soil and belongs to Spain.

If we consider that Gibraltar is a British Colony and should remain a British Colony until we and Britain decide otherwise, then let us put our name to that, let us subscribe to that philosophy, but let us do that quite clearly and categorically and not try and wash over the issue and pretend we are doing one thing when we are doing something else.

I commend the amendment to the House, Mr Speaker.

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

The Hon J Bossano

The following Hon Members voted against:

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Lodd
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon H J Zammitt

The following Hon Member abstained:

The Hon D Hull

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon Dr R G Valarino
The Hon R J Wallace

The Hon J Bossano's amendment to the Hon the Chief Minister's amendment was accordingly defeated.

MR SPEAKER:

Well, gentlemen, we have before us now, the amendment moved by the Honourable the Chief Minister to the original motion to which the Chief Minister has already spoken in moving it and that the Hon Mr Isola and the Hon and Gallant Major Peliza have also spoken.

Anyone else who may wish to speak to the amendment may do so of course.

Since there is no other contribution, I shall call on the Chief Minister to reply to the amendment.

HON CHIEF MINISTER:

I am sorry, Mr Speaker, that it has not been possible to reach agreement in this matter, because it looks as if the fact that we have not agreed on this matter on the positive side of the statement of the Mover on the amendment to the amendment, as if we are in favour of the opposite proposition which we are not. That is the difficulty, of putting something that is not acceptable in those terms and the question of accepting it in those terms it looks as if you agree to the opposite. We do not agree to the opposite. We do not subscribe - I am sure the Honourable Member opposite does not subscribe - to the fact that there should be an interference on the part of Spain in deciding our future, but it is a fact of life that in the carrying out of the international responsibilities of Britain in respect of her membership of the United Nations and membership of Europe, that may be a fact. Whether it is desirable or not is another matter. That is why it is regrettable because if you do not mention anything you do not put to the matter to the test. You do it, and you don't agree, and it looks as if you agree to the opposite. I would say that where the political situation comes in, is where you put in the word "exclusively", because for other reasons than for the purposes of Gibraltar, Britain cannot "exclusively" decide this without reference to her other obligations which need not in any way affect the basic principle which is set out in the Lisbon communique, which is that they will abide by the provisions of the preamble to the Constitution.

Self-determination was our main plank in Strasbourg only two weeks' ago. Of course we subscribe to the right of self-determination. With regards to that, to what has been described as that simplistic view of the Honourable Member's approach to the international matter, I would remind the Honourable Member that we had an election on the 6 February and that that was his plank and he did not carry Gibraltar with him on that at all. There was no opposite view and, therefore, whatever vote he had he can subscribe to whichever way he wants to, and he is free to do that. That is the freedom of our democracy that we can discuss this matter, but let there be no mistake that the failure to accept those words in that context in no way means that we subscribe to the opposite.

I commend my Motion and I hope that for the lesser of the evils the Honourable Member will be able to subscribe in voting in favour of the Motion as it now appears.

MR SPEAKER:

Now, I want to make clear to members so that they know what they are voting for. They are voting now on the amendment by the Honourable the Chief Minister to the original motion amended by the Honourable Mr Bossano.

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon H J Zammit

The following Hon Members abstained:

The Hon J Bossano
The Hon D Hull

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon Dr R G Valarino
The Hon R J Wallace

The Hon the Chief Minister's amendment was accordingly passed.

HON J BOSSANO:

I am abstaining for the obvious reason that I do not want my Motion amended, and I want to make that quite clear, because I do not want anybody else saying afterwards that I do not respect the results of the referendum, that I am against my own Motion of November 1977, or anything else. What I do not want is my Motion amended.

MR SPEAKER:

Again, since it is my duty, I will remind the House that what we have before us is the Motion as moved by the Hon Mr Bossano, as amended by the Honourable the Chief Minister and to this motion we have had contributions by the Mover, and from the Honourable the Chief Minister and that whoever wishes to speak to the motion as amended now is free to do so.

HON MAJOR R J PELIZA:

Mr Speaker, I would like to say that for the same reasons I explained earlier, that I accepted the Motion as amended by the Hon Chief Minister, I think that more or less the same points that I made apply to the amendment. In other words, if this were to be a matter that had to be put to the British Government today in the circumstances prevailing, perhaps I am inclined to believe that they could not go with that amendment. For the sake of making a proposition from this House that can be acceptable not only to the British Government but to public opinion in Britain and particularly to the House of

Parliament, all members of the House should vote in favour.

I am very pleased that notwithstanding his strong views on this matter - which I concede - but as I explained before one has to see it in the light of balance without at all giving away the point, which I do not think that by voting for the amendment of the Honourable the Chief Minister one is giving away the point unless one stated so categorically, I certainly am not giving away the point, and I do not believe that any member in this House to my knowledge is prepared to give away that point, but I think for the sake of being effective in the decision that this House is going to take as you saw I voted in favour of the amendment and I am very pleased, Mr Speaker, that my Hon Friend Mr Bossano saw the situation, and even if he could not vote in favour at least he did what I think was second best and that was to abstain.

MR SPEAKER:

Before I put the question to the House I will ask Mr Bossano whether he has anything further to say. He has the right to reply.

HON J BOSSANO:

I have got a lot more to say, but I will not say it all now, Mr Speaker.

Mr Speaker, I am now speaking effectively on what is a totally different motion from the one that I brought to the House. Let me say that I think that all that the motion before the House does now is to restate our well-known position on the matter, and that my motion was seeking to do more than just restate our well known position on the matter, because I think that the implications of the present situation are different from anything that we have ever faced before in all our dealings with Her Majesty's Government and in all the problem of the Spanish claim to Gibraltar since its inception.

It is the first time that there are going to be officially recognised negotiations to resolve the Gibraltar problem and we all know, I am not telling members of the House anything they do not know themselves, we all know, as the Honourable and Learned Mr Isola said, that the fundamental thing on which we have to take a decision and if the House had not been prepared to take a decision, on this occasion I can assure the House that I shall make it my job to give them plenty of future opportunities to decide, the issue has been avoided, in my view, by the motion before the House not decided definitely one way or the other, because the Honourable and Learned the Chief Minister himself said that in rejecting support for this particular statement it did not imply support for the opposite view.

We cannot sit on the fence on this one, we cannot say: we are not saying that it is a matter just for us and Britain, nor are we saying that it is a matter for Spain, Britain and us. What are we saying then? We are saying nothing. We need to

say something. If we say nothing if we do not say that our stand is that Gibraltar's future is a matter for us and Britain, then it will be a matter for Britain and Spain, because we are not objecting to that. And even if our objection is unacceptable to the British Government we must be prepared to put it. It is absolute nonsense, Mr Speaker, to make such a big song and dance about Her Majesty's Government's willingness to respect our wishes if every time we have to express our wish we have got first of all to clear it with them.

HON CHIEF MINISTER:

Mr Speaker, if the Honourable Member will give way. What we want to make sure is that we are in a position to carry on getting the British Government to continue to support the people of Gibraltar. It is not a question of clearing things with them. We do say things that they may not like, but there are certain things for which they are responsible and for which we are responsible, and for as long as we can keep that parallel feeling we have the main safeguard which is their commitment to abide by our feelings.

HON J BOSSANO:

I accept, Mr Speaker, that this particular amendment, as the Honourable Member has put it, has not been cleared with the Foreign Office, but it seems to me that the approach and reaction of members has been conditioned and influenced at least by what they anticipate to be Her Majesty's Government's reaction to the sentiments expressed in the original motion. Are members saying that if Her Majesty's Government had been happy to accept a statement to the effect that Gibraltar's future and its decolonisation was a matter for us and them exclusively there would have been no problem in passing the motion in the House? Of course, there would have been no problem.

HON P J ISOLA:

Mr Speaker, if the Hon Member would give way. I do not know that the Honourable Member is trying to imply about the influence of Her Majesty's Government. Her Majesty's Government does have an influence, obviously, in our affairs, but the stand that certainly my Party has taken on this is to form a judgement on the situation, it has formed a judgement on what is best for Gibraltar, and the result of that judgement is that we come down overwhelmingly in passing a motion in the terms of the amendment of the Chief Minister. There is no question of getting clearance from anybody as far as my Party is concerned on any motion. We have to keep in mind the first object of our party which is to keep the territory and the people of Gibraltar British as inseparable entities, and the judgement we have to make is: what is most likely to achieve this result? We do not have to ask anybody about that. I want the Honourable Member to be absolutely clear on this point because I would not like to be misquoted at all. We are not being influenced in any way by what anybody else may say.

HON J BOSSANO:

Mr Speaker, before I gave way to the Honourable and Learned Member I asked a rhetorical question. Would any member of either party have had any difficulty in supporting this motion if it also enjoyed the support of Her Majesty's Government? And I do not think there is any doubt about that. So whether they have consulted the British Government - and I accept they have not - and whether they have been influenced or not in arriving at the judgement of what they think is best, one primary factor in exercising that judgement has been what they know to be Her Majesty's Government's attitude to this matter.

And that has been made absolutely clear, because in the House of Commons, as I said earlier on, there were some very clear-cut and very welcome statements about the commitment that the position of Gibraltar and the status of Gibraltar would not be altered against our wishes. But at the same time there was also a clear indication that nothing would be excluded from the negotiations. And yet we have got a motion in this House, to which we are all committed, that says that the negotiations should not include sovereignty.

I have attempted to do two things with my motion: one was to extend that commitment of this House which in itself is undoubtedly in conflict with the Lisbon Agreement. The Motion of November 1977 in itself is a modification of the Lisbon Agreement. Let there be no doubt at all about that, because we have said in our motion here that sovereignty is not a matter for discussion between Britain and Spain, and when asked that question by the Labour spokesman on Foreign Affairs, Mr Peter Shore, the answer was that nothing was excluded. And nothing means that not even sovereignty is excluded and we sought to have it excluded. My motion attempted to extend that to a more specific definition of the problem: the definition of Gibraltar's status and its decolonisation, but I thought that even if the second part would not be acceptable the first part of the motion was acceptable and was not in conflict with any of the fundamental policies advocated by any of the three parties during their Election campaign.

I was honestly convinced, Mr Speaker, that the first part of the motion, which was that Gibraltar's future was a matter for us and Britain alone, was something that was acceptable to every member of the House, that was acceptable to the three political parties and that reflected the majority view in Gibraltar. I sincerely felt this was the case and I am certainly very surprised to find that even if the feeling is there, there seems to be some reluctance to express it.

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Passan
The Hon A J Haynes

The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon H J Zammit

The following Hon Members abstained:

The Hon J Bossano
The Hon D Hull

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major F J Dellipiani
The Hon Dr R G Valarino
The Hon R J Wallace

The Hon J Bossano's motion, as amended by the Hon the Chief Minister, was accordingly passed.

ADJOURNMENT

The Hon the Chief Minister moved the adjournment of the House sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 4.45 pm on Monday the 28th April, 1980.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

17 JULY 1980

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Third Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Thursday the 17th July, 1980, at the hour of 10.30 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE, MVO, QC, JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development, Trade and Labour and Social Security
The Hon M K Featherstone - Minister for Public Works
The Hon H J Zammit - Minister for Housing and Sport
The Hon Major F J Dellipiani, ED - Minister for Education
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J B Perez - Minister for Medical and Health Services
The Hon E B Pizzarello - Acting Attorney-General
The Hon R J Wallace CMG, OBE - Financial and Development Secretary

OPPOSITION:

The Hon P J Isola, OBE - Leader of the Opposition
The Hon G T Restano
The Hon Major R J Peliza
The Hon W T Scott
The Hon A T Loddio
The Hon A J Haynes

The Hon J Bossano

ABSENT:

The Hon I Abecasis - Minister for Tourism and Postal Services
(who was unable to attend due to illness)

IN ATTENDANCE:

P A Garbarino Esq, MBE, ED - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 25th March, 1980, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

The Hon the Minister for Economic Development, Trade and Labour and Social Security laid on the table the following documents:

- (1) The Pilotage Administration Charge Rules, 1980.
- (2) The Port (Amendment) Rules, 1980.
- (3) The Pilots (Amendment) Rules, 1980.
- (4) The Merchant Shipping Ordinance (Amendment of First Schedule) Notice, 1980.
- (5) Gibraltar Registrar of Building Societies - Annual Report, 1979.
- (6) The Employment Survey Report - October, 1979.

Ordered to lie.

The Hon the Minister for Housing and Sport laid on the table the following documents:

- (1) The Postal Order (Amendment) Regulations, 1980.
- (2) The Motor Vehicles Insurance (Third Party Risks) (Amendment) Rules, 1980.
- (3) The Motor Vehicles Insurance (International Motor Insurance Card) Rules, 1980.
- (4) The Tourist Survey Report - 1979.
- (5) The Hotel Occupancy and Air Traffic Surveys Report - 1979.

Ordered to lie.

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

- (1) Accounts of the John Mackintosh Hall for the year ended 31st March, 1980.
- (2) The Education (Independent Schools) (Free Dental Treatment) Order, 1980.

Ordered to lie.

The Hon the Minister for Municipal Services laid on the table the following document:

The International Trunk Calls Charges (Amendment) Regulations, 1980.

Ordered to lie.

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

- (1) The Copyright (International Conventions) Order, 1979.
- (2) The Companies Rules, 1980.
- (3) The Jury (Amendment) Rules, 1980.
- (4) The Supreme Court (Civil Procedure, Temporary Provisions) Rules, 1980.
- (5) The Supreme Court (Amendment) Rules, 1980.
- (6) The Supreme Court Fund (Amendment) Rules, 1980.

Ordered to lie.

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

- (1) The Import Duties (Drawback) Regulations, 1980.
- (2) The Income Tax (External Decorations and Repairs) Rules, 1980.
- (3) Supplementary Estimates Consolidated Fund (No 1 of 1980/81).
- (4) Supplementary Estimates Improvement and Development Fund (No 1 of 1980/81).
- (5) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 8 of 1979/80).
- (6) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 9 of 1979/80).
- (7) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1980/81).
- (8) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1979/80).

(9) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 1 of 1980/81).

(10) Treasury Minute on the First Report of the First Session (1979) of the Public Accounts Committee.

Ordered to lie.

MR SPEAKER:

May I say that two records have been broken. I think this is the longest list of papers that the Financial and Development Secretary has laid on the table since I have been sitting on this Chair and I think the Government itself has broken its record of laying papers on the table, this is the longest list that I have ever had.

HON J BOSSANO:

I wonder if I could interrupt here. I don't know whether this perhaps is the appropriate time but I thought before we got on to the formal business of the House, I think Members and certainly I would like to know that the Hon Mr Abecasis is making satisfactory progress.

MR SPEAKER:

May I say that as the inquiry is one of showing concern as to the state of health of Mr Abecasis, I am delighted to be able to give an opportunity to the Chief Minister to inform the House.

HON CHIEF MINISTER:

It is very kind of the Honourable Mr Bossano to inquire. Mr Abecasis is making excellent progress, he is physically fine, he is mentally very well, certainly, with regard to memory. His forward thinking is still a little subject to training but he is making excellent progress and I think that he will be back in the House after the recess, hopefully, with full power.

MR SPEAKER:

I am delighted to hear that and may I express I am sure the wish of the House when I say that I hope the progress continues satisfactorily and that we will see him here after the recess.

ANSWERS TO QUESTIONS

The House recessed at 1.10 pm.

The House resumed at 3.25 pm.

Answers to Questions continued.

The House recessed at 5.15 pm.

The House resumed at 6.05 pm.

THE ORDER OF THE DAY

MR SPEAKER:

The Hon the Chief Minister, the Hon the Minister for Housing and Sport, the Hon the Minister for Education and the Hon the Minister for Municipal Services have all given notice that they wish to make statements and I therefore now call on the Hon the Chief Minister.

HON CHIEF MINISTER:

Mr Speaker, I have given notice of two statements. The first one is on Engineer House.

The House will recall that in answer to Question No 16 of 1980 by the Hon Major R J Peliza on 25 March, 1980, the Minister for Economic Development, Trade and Labour and Social Security gave the House an assurance that definite steps would be taken to ensure that the Engineer House site would be taken over by the Government. I am pleased to be able to inform the House of the successful conclusion of negotiations between the Government and the liquidator appointed to deal with the affairs of L W Dayfenn (Gibraltar) Limited whereby it has been agreed that the Government will purchase the residual interest of the company in the Engineer House site for 286,000. This agreement has been conveyed to the liquidator's legal advisers and, once the Supreme Court has approved the transaction and the purchase price has been paid, the site will become the property of the Government.

As previously stated, the Government proposes to develop the site essentially for residential purposes with provision being made also for recreational facilities, landscaping and parking. The plans, which provide for the construction of approximately 30 flats, also envisage the widening of Engineer Lane along its frontage with the site. The flats will be made available to the general housing pool and pedestrian access will be provided from Engineer Lane to Castle Ramp.

It is proposed to include this development as an item in the next Development Programme.

HON MAJOR R J PELIZA:

Mr Speaker, I am glad this has come to a conclusion after, I think, 30 years of waiting. I do hope that full use will be made of the land available. I haven't seen the plans, but it seems to me that 30 flats is not much when one considers the size of the area. Is that the full use of the area?

HON CHIEF MINISTER:

It is precisely a site where we do not want a very high density area because it is heavily populated and it should be part on the lines of that area in some respect. I am sure my Hon Colleague will be only too happy to show Hon Members, particularly the Hon Member earlier than others if he is interested, the outline plans that he has. The other statement I have to make, Mr Speaker, is on the Public Works Department.

HON J BOSSANO:

The Hon and Learned Chief Minister said that once the Government obtains the land it is intended to include this project in the next Development Programme. Would the Government consider it worthwhile, rather than leave the place in its present state, to try and make some temporary use for it either in terms of parking facilities or, perhaps, as a temporary playground or something because if we are not going to make use of it for the construction of this project for the next couple of years, then it would be a pity not to make any use of it at all in the interim period.

HON CHIEF MINISTER:

I am told that the plan is a fairly straightforward one and likely to figure early but I entirely agree that if any practical short term noncommittal immediate help can be made in any respect, that would be looked into. Parking, certainly.

MR SPEAKER:

May we have your second statement.

HON CHIEF MINISTER:-

Mr Speaker, in my statement on the Estimate of Expenditure at the meeting of the House of Assembly held on 21 April, 1980, I informed the House that during the course of February and March I had held meetings with Ministers, and with Heads of Department and senior officials who work to Ministers, and impressed upon them the need to concentrate on achieving greater efficiency in carrying out departmental responsibilities and greater and constant awareness of the need to contain the growth of public expenditure.

It is now intended to institute a programme to investigate the level of efficiency in the execution of departmental responsibilities. The largest spending department of the Government is the Public Works Department and it seems appropriate that it should be the first department to be looked into.

Arrangements are accordingly being made to appoint a Commission to inquire into the role of the Public Works Department, its performance, its structure and its organisation. Sir Howard Davis has kindly agreed to chair such a Commission, the composition and terms of reference of which are being considered. The relevant Staff Associations will, of course, be consulted in this exercise and outside bodies and members of the public may also wish to comment or submit representations. An order of priority will be worked out for carrying out a similar exercise in respect of other Government departments.

HON P J ISOLA:

Mr Speaker, it is with very great pleasure that I welcome the statement by the Chief Minister. I think it was stated in our party political programme that the roles of the different departments in our community should be closely examined and I am glad to see that the Hon and Learned Chief Minister, in his statement, closely followed the wording in our manifesto. We welcome this investigation into the role of the Public Works Department in our community because as all Hon Members are aware, certainly on this side of the House, we have been considerably concerned over the years at the way that this department has been discharging its role to the community and we have been pressing to have this sort of look at the department. We welcome this statement by the Chief Minister and we certainly look forward to seeing the results of the inquiry.

HON J BOSSANO:

Can I ask the Hon Chief Minister to clarify that the objectives, in terms of improving the efficiency of this department, is effectively to find better ways or alternative ways of organising the work in order to achieve, perhaps, greater output from the same resources rather than the other direction, to maintain the same output with lower resources and possibly lead to cuts and redundancies.

HON CHIEF MINISTER:

That would presuppose that we are satisfied with the present setup in which case, of course, we would not have an inquiry. Of course not. The idea is to make the most of the staff and the personnel we have and to make sure that the department works well. I would like to say that there has really not been a thorough investigation into this department and, in fact, not even the merger of the City Engineer's Department and the Public Works Department in 1959 was done methodically and in fact there are many areas where it requires to be looked into. It is one of the highest spending departments and it is not an exercise to start-cutting but an exercise to start making the best of what we have.

MR SPEAKER:

I will now call on the Hon the Minister for Housing and Sport.

HON H J ZAMMITT:

Mr Speaker, Sir, I think I have given notice of two statements. As I mentioned in answer to Question No. 168 earlier this morning, I will be making a statement concerning the increased postal charges.

MR SPEAKER:

Perhaps you might start with your other statement first.

HON H J ZAMMITT:

Very well, Sir. Then I will deal, Sir, with the financial assistance given to Sporting Associations.

Mr Speaker, Sir, there seems to be some misunderstanding of the manner in which financial assistance is given to local sporting associations participating in events abroad. I therefore wish to make a brief statement to clarify the position.

The Government has provided and will continue to provide financial assistance to local Associations which represent Gibraltar at sporting events abroad and which enter for these events after qualifying in full official international competitions organised by the appropriate international governing body of the particular sport. Those participating in sporting events abroad by invitation or other arrangements are not eligible for financial assistance.

Grants to governing bodies of sport are considered when applications are called for by the Committee appointed for this purpose. It is then up to the governing bodies of sport to select their priorities within the grants provided.

HON P J ISOLA:

Mr Speaker, I do not welcome that statement. Does the Government not consider that there is a need to look, without commenting on sport

MR SPEAKER:

May I interrupt you. I have always established the practice that when a statement is made I always give the Leader of the Opposition the opportunity to make a comment on the statement itself. Insofar as questions are concerned this is not question time and only points of clarification should be raised.

HON P J ISOLA:

It is really a comment that I wish to make.

MR SPEAKER:

Fair enough.

HON P J ISOLA:

Mr Speaker, we cannot agree, on this side of the House, that when talking of sport and helping sport, no distinction can be made between what we would call broadly senior sport and junior sport. We believe that when you are talking about under-16's and under-15's, clearly different criteria should apply in giving assistance. It is part, we feel, of following a policy that was found to be good policy in the House, generally, of supporting young people, getting them out of Gibraltar for periods of time and giving them assistance in the development of whatever skills they have and this is why we have been critical about the Government's lack of support to the Gibraltar Junior Football League because there we are talking of 400 young people under the age of 16 who compete with each other, 10 teams, 20 teams, under 15 and under 16 and from whom a team has been chosen to go outside Gibraltar and I don't want to enter into debate at the moment on this issue but we certainly think that a distinction has to be made, a very clear distinction has to be made, of what I would generally call, men going out from sporting events and people under 16, school children, who are helped and encouraged to develop their sporting interests and we think it is unfortunate they are both dealt in the same way. As far as senior sport is concerned

MR SPEAKER:

No, because I think your reply is going to be longer than the statement itself.

HON H J ZAMMITT:

Mr Speaker, I tend to see the reason but I think the Hon and Learned Leader of the Opposition will have to concede that no Government could be able to stand the expenditure that young teams, possibly under 15, of their own free will and volition wish to go to America, Brazil or Moscow. More so, when it is known by Government that these youngsters have been afforded every single item and money for this particular trip.

MR SPEAKER:

I think you should now move to your second statement.

HON H J ZAMMITT:

Mr Speaker, Sir, as I mentioned in answer to Question No. 168 this morning, I would be making a statement concerning the increase of postal charges. Sir, as a result of an undertaking given by my friend and colleague, the Hon I Abecasis to inform the House whenever postal charges are reviewed, it falls on me to make this statement on the next increase which will become operative on the 1 August, 1980.

The last general review of postal charges took place on 1 January, 1977.

Since then, the cost of postal operations has increased considerably, mainly as a result of periodical revisions of salaries and of rising costs at all other levels.

In presenting the new rates of postage, I would like to point out that particular care has been taken to keeping these increases as low as possible, while at the same time ensuring that the running of the Post Office is financed as much as possible by its users.

In essence the new rates are as follows:-

Local Postage is increased by 1p, ie from 3p to 4p for a letter weighing 50 grammes.

Overland or surface rates from 6p to 9p for a letter weighing 20 grammes.

Airmail rates to Europe by 3p, ie from 12p to 15p for a letter weighing 20 grammes.

Airmail rates to other destinations and other postal services are also increased.

HON P J ISOLA:

Mr Speaker, whenever the Hon Member makes a statement I can't welcome it. How can the Government justify these rather large increases - overseas mail at 15p has never become more expensive than from England to Gibraltar. From England to Gibraltar the postal charges are 13½p. By the Government putting it at 15p we are going to find ourselves in the position that a lot of our mail from England is going to be held up in the Gibraltar Post Office because people have put the English rate on and we find ourselves having to pay . . .

HON A J CANEPA:

The UK rates are also going up on the 1st August.

HON P J ISOLA:

Then we have parity in postal rates. So far the Gibraltar Post Office has managed to send our mail to England at a cheaper rate than they send to us but that now disappears. One is concerned with the quality of postal delivery, we don't know where the fault lies but certainly I think users of the Post Office will agree that delivery of mail between Gibraltar and England and, in fact, Gibraltar and other places going through England, is most unsatisfactory and I hope the Minister now that we are being made to pay the going rate, I think the public are entitled to a decent service. On local postage, Mr Speaker, I wonder whether the Government ought not to reconsider the increased charge to 4p for taking two days to deliver mail from one part of Gibraltar to another. Can the Government, in increasing the charges to 4p, give any assurances to people who post letters on one day that they will be delivered the next?

HON H J ZAMMITT:

Mr Speaker, there are a number of points that I think he has raised by way of clarification I think I have to answer. First of all, I think I should say officially that the postage rates from England to Gibraltar and England/Europe and Gibraltar/Europe will be increased to 15p as from the 1st of August. I have been assured, Mr Speaker, by the Director of Postal Services that every endeavour will be made to try to improve the service in Gibraltar as far as is possible and there are certain rates, Mr Speaker, where in fact we are lower than in UK but I agree, Sir, that the Hon Member is right in saying that we should offer a similar service as is done in UK and we will do our utmost, I assure you, Sir.

HON J BOSSANO:

Mr Speaker, could I ask two points? Given that the basic reason for the increased charges is to make the Post Office self-financing, could I ask the Hon Member whether he has any indication of the cost to the Post Office of local mail, as opposed to United Kingdom mail, which would justify the local postage and, secondly, whether in fact given that in the cost of the Post Office there are the charges made by other Government Departments for things like water and electricity, whether the Post Office is not entitled to charge the Government for delivering the water and electricity bills because apparently it seems to me that part of the cost of running the Post Office is providing a service to this department who in turn treat the Post Office purely as one more customer but get privileged treatment themselves? Has he looked at either of those two points in his consideration of the need to make the Post Office self-financing?

HON H J ZAMMITT:

Sir, firstly, let me say that the Post Office has for quite a number of years been subsidised and subsidised quite substantially by the Philatelic Bureau. This was because there was never advance knowledge of the cost of pay settlements but one now more or less has an indication of what a pay settlement will cost and therefore we will not, I don't think, need 3 or 4 years to find

MR SPEAKER:

This is a statement, you have been asked a simple question. You have been asked whether you have taken into consideration in the increases of the local postage from 3p to 4p, the fact that you deliver mail for Government free of charge when Government charges for water and electricity, that is all you are being asked.

HON H J ZAMMITT:

Well, I think I've answered the first part of the question, Mr Speaker. The second part is that of course Government has pre-paid postal services.

HON CHIEF MINISTER:

Mr speaker, I bear that this is being done in the United Kingdom now ie making departments pay their own postage and perhaps that may be one way of getting more revenue from one department and making it cheaper for the Post Office but I would like to make a statement now that we do not propose to abolish a monopoly.

HON J BOSSANO:

I wouldn't for a moment dream, Mr Speaker, of suggesting de-nationalisation by the Hon and Learned Chief Minister. What I am saying is given that the statement, Mr Speaker, started off I think by pointing out the need to try and get the consumers to pay for the service and Government itself is a consumer of the service provided by the Post Office, I've asked the Minister if in arriving at his calculations of the financing of that service he has taken into consideration that part of the cost borne by the Post Office is the cost of delivering Government mail free of charge?

HON H J ZAMMITT:

That certainly was not taken into consideration, Sir, it may be a point we will have to consider.

MR SPEAKER:

I now call on the Minister for Education.

HON MAJOR F J DELLIPIANI:

Mr Speaker, whilst Gibraltar students have always paid the same tuition fees as UK students, and will continue to do so in the future, maintenance allowance and other special allowances have not been the same as those applicable to students in the United Kingdom where there is a mandatory awards system covering all students, including initial and post-graduate teacher training courses. The Educational Awards Regulations have already been examined by Government with a view to bringing maintenance and other special allowances for students more into line with those applicable in the United Kingdom, including the determination of parental contributions. Whilst it will not be possible to bring the Gibraltar system entirely into line with that applicable in the United Kingdom, in that the United Kingdom system is much more complicated than our own and in terms of parental contributions is related to a much more complicated income tax system, it has already been decided that with effect from September next the Educational Awards Regulations should be amended in such a way that the parental contribution to individual scholarships will be reduced by an average of £130 per annum. This contribution will now be met by Government by adjustment to the scale for the calculation of parental contribution. In addition the basic maintenance allowance will be increased to £1,600 in the London area and £1,400 elsewhere. The increased gross maintenance figure together with the reduced parental contribution will mean that students will receive between £250 and £350 per year from the scholarship fund than is the case during the current academic year. The special allowance for equipment applicable to specified courses will also be increased and the discretionary provision delegated to the Minister for Education in relation to individual hardship cases will also be increased. The minimum grant will be increased to £250. These changes will result in students being significantly better off financially during the next academic year than was the case during the present academic year. It is intended to review maintenance and special allowances applicable to students in the near future under the Educational Awards Regulations on an annual basis.

MR SPEAKER:

I will now call on the Hon the Minister for Municipal Services.

HON DR R G VALARINO:

Sir, the report of the British Post Office consultants was received on 28 April 1980. The recommendations deal with the system to be used and the measures to be taken to meet our needs with regard to the growth of the telephone system and the introduction of ISD with automatic call charging. Specifications have now been completed and have been sent to the three major manufacturers of exchange equipment in the UK with an invitation to submit tenders.

The closing date for tenders is Friday 8 August. The tenders will be examined by the Telephone Department in conjunction with the British Post Office and the contract will be awarded on Monday 15 September, 1980.

This is a complete turnkey project. The equipment will be delivered, installed and tested with the aim of bringing it into service in October, 1982. It is intended that the whole project will be commissioned by the 20th December, 1982.

While on the subject of the Telephone Department, the House may wish to know that the cable replacement and expansion programme is progressing as arranged. Subscriber carrier equipment was received in June 1980 and the Department is now in the process of installing and commissioning this. This type of equipment enables the capacity of a local exchange cable network to be doubled without adding extra cables or involving any expensive civil engineering works.

As the House knows, the Cable and Wireless Satellite Earth Station was commissioned on 20 June 1979. During the course of this year the Department has further increased the number of both way satellite circuits by seven, bringing the total to twenty-six, thus continuing the improvement in semi-automatic international tele-communications.

Negotiations have continued with Cable and Wireless regarding our desired increase in terminal shares. A provisional viability study has been produced by Cable and Wireless and the final viability study including their projected figures will be sent to Government by their Head Office in London by August. These figures will be examined closely and further discussions will be held with Cable and Wireless. It may nevertheless be necessary to increase the revenue for the Department by increasing charges for the two telephone lines used by each telex and by increasing charges for calls to UK and beyond via the Satellite as from 1 October, 1980. These increases would affect mainly businesses with telex lines and not the average subscriber to any large extent.

MR SPEAKER:

The next item on the Order Paper are Government motions.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that the order of business should be amended in order that the motion standing in my name on the Gibraltar in Europe Group should be adjourned until Monday morning.

MR SPEAKER:

In the normal order of business this motion would have to be heard today but since it has been agreed that we should not deal with this matter until the Members of the Gibraltar in Europe Group are in Gibraltar, it is suggested that under Standing Order 7(3) the order of business be changed in order to enable us to go on to Bills.

This was agreed to.

BILLS

FIRST AND SECOND READINGS

THE SOCIAL INSURANCE (AMENDMENT) ORDINANCE, 1980

HON A J CANEPA:

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

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

SECOND READING

HON A J CANEPA:

Mr Speaker, I have the honour to move that this Bill be now read a second time. Mr Speaker, it is really clauses 2, 5, and to a lesser extent, clause 6, paragraph 2, which contain the main objects and principles which we are intending to legislate for. Perhaps, I might deal with the other clauses therefore in the first place since they are of less import. Clause 3 merely repeals a transitional provision which was made in 1970 and which is now obsolete. Clause 8 also deletes an obsolete reference to Colonial Regulations and Financial Instructions and in the case of clause 9 the opportunity is being taken to revise certain penalties for offences thereby bringing them more into line with the level of penalties in the United Kingdom. In clause 6, Mr Speaker, the first paragraph is a minor amendment which has been advised by the Attorney-General in order to make the meaning clearer but in sub-paragraph (2), however, we are removing an anomaly whereby in a very few instances a reduced widows' pension converted when the widow reached the age of 60 and thereby become entitled to an old age pension, in a very few cases depending on the average number of contributions, they converted to a lower old age pension. This is clearly anomalous, it is something which we discovered about a year ago, some time in 1979, and in the interim period before we were in a position to bring legislation to the House, we have been carrying out an adjustment by paying the person

concerned the difference in supplementary benefits so that there would be no element of loss so we are rectifying this anomaly in this clause. The real guts of the Bill, however, Sir, are in clause 2 and in clause 5. Clause 2 redefines self employed persons in order to include ministers of religion and members of religious orders. We are thereby giving an opportunity to these people who are not insurable at the moment to become compulsorily insured. Many of these would not be able to qualify for anything like a full pension in due course and therefore in clause 2 we are giving them the option to join the scheme only if they so wish so that any member of a religious order who are too old to contribute between now and reaching pensionable age a sufficient number of contributions to make it worthwhile for them to acquire entitlement to a substantial pension, need not contribute, they can opt to stay out. All future members of the clergy and religious orders who arrive in Gibraltar from the date of implementation of this legislation, namely, from the beginning of 1981, will have to become compulsorily insurable unless they are already contributing to a similar scheme elsewhere so it is a further looking measure and we are affording an opportunity to the existing clergy, if it is in their interests to do so, to join the scheme. The other substantial point covered by the Bill, Sir, is clause 5 which confers on a man the right to an old age pension by virtue of his wife's insurance as happens in the case of a woman who now enjoys the right to a pension by virtue of her husband's insurance. This amendment will not take effect, however, until 1985 and the reason is that we are applying progressively a directive of the EEC by which, by 1985, we are required to remove the option which a married woman or a widow have not to pay contributions if they so wish, we are required to wipe that out and also to bring their contributions fully into line with male workers. At the moment a female employee does not pay the same contribution as a male, women pay slightly less, but over the period of the next four years from 1981, we are required by an EEC directive to bring these contributions into line, the same for women as for men, and therefore the Government considers it is only right that if a woman is going to pay the same contribution, in the same way as a man on reaching the age of 65 is able to confer on his wife a pension, a woman should also be able to confer on her husband a pension when she reaches the age of 65, if he doesn't have a pension in his own right because either he is not contributing or has contributed but is getting a pension lower than what he can get on his wife's contribution so we are introducing equality of treatment in this respect. The other two clauses, Mr Speaker, 7 and 10 are purely consequential. I do not know whether the Honourable Mr Bossano is perhaps outside but for the record, with your leave, Mr Speaker, because although germane to the Bill it is not totally relevant, I would ask your leave to inform the House that in December, 1978, the Honourable Mr Bossano, in question No. 285, asked the Government to look into the matter of reviewing the conditions under which credit for social insurance contributions may be granted to see whether it was

possible to help those who were chronically ill and had exhausted the credit to which they are entitled, so that their entitlement to long term benefit should not suffer because of long gaps in their contribution record. I think it is an opportune time, if you allow me, Sir, to inform the House that having studied the matter it has been decided to provide for the granting of unlimited credit (a) to persons who are permanently incapacitated for work because of physical or mental incapacity and (b) to persons incapacitated for work as a result of an industrial accident or an occupational disease. Such persons, of course, would have to fulfil the appropriate conditions for the grants of credit in the first instance but instead of that being limited to I think it is a maximum of 26 weeks I believe now the Director of Labour and Social Security will be given power to grant unlimited credit. It is not something which is being dealt with in the Bill, it falls to be dealt with by regulation, but I thought I should inform the House because the next three amendments to the Social Insurance Contributions Regulations is already being prepared and will be made later this year in order to come into effect at the same time as this Bill. Sir, I have much pleasure in commending the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Sir, we welcome this Bill. On the question of the religious orders and the new set of self employed persons that can come in or the amendment of that definition so as to allow ministers of religion to become eligible to the insurance scheme, we agree with this clause, I think it is a very fair one and obviously one has to bring them in on a compulsory basis and it is fair to say that anybody who comes after 1st January, 1981, will have to comply. Those who are already here, already active will have the option to join. Is the position, I would like to ask, that an opportunity will not be given to the people who qualify under this to pay a lump sum like others were given and get the full benefit, is that the position?

HON A J CANEPA:

That is the position.

HON P J ISOLA:

The only thing I would observe here, on the Social Insurance (Amendment) Ordinance, and I am glad to see that the Committee Stage will not be taken until a subsequent meeting, I hope the Minister can consider between now and the Committee Stage, whether now that he is giving an option to certain classes of

people, and rightly so, to join the scheme, whether consideration might not be given to extending that option to persons who are still not in the Social Insurance Scheme. I would like the Government to think about it, we will think about it, I am not quite sure how it can be done or what can be done, but since the Bill is before the House I think if something can be done to ameliorate the position of old age pensioners who are not getting an old age pension, I think the opportunity might be taken. The introduction of equality between women and men, I think that must be welcomed and this is good and this may help, I think, or it could help people who are not eligible today to the old age pension under the Social Insurance Scheme, it could help them if they could now receive the pension through their wife's contributions but I suppose that that would not be of much benefit or use to them if it is not going to come into effect until 1 January, 1985. I appreciate that the Government is considering bringing it in in accordance with EEC directives but what I would like to ask the Minister when he replies is whether there might not be some alleviation possible for the position of some old age people who are not eligible to old age pension under this Ordinance if the date for bringing this into force could not be advanced somewhat. I know this is a highly technical matter and I may be talking through my hat but perhaps the Government could think about this between now and the Committee Stage to see whether by making a man entitled to an old age pension by virtue of the insurance of his wife, by using these provisions and bringing them into force earlier, the lot of the man who is obviously older than the woman but who is not in the scheme, whether he might not be brought in this way. I think that anything that can be done to help the situation of those persons to bring them into receiving an old age pension under this Ordinance I think would be welcomed and supported by this side of the House so whilst welcoming this Bill that is before the House as an improvement as being perfectly fair and just I would pose the question to the Minister whether he could not improve on its provisions between now and Committee Stage to achieve the objects that I have set out.

HON A J CANEPA:

The question of re-defining self-employed persons in order to allow the clergy to qualify was a matter that was considered by Council of Ministers at the end of November, 1979, over seven months ago. Obviously, the moment that the Government was giving consideration to bringing people into the scheme who are not now within the scheme, the question of the category of people that the Honourable Member has referred to immediately obviously came into the picture once again, so I do not need to between now and October when the Committee Stage and Third Reading is taken to give the matter further thought, the matter was given thought at that time. In the case of clause 5, the amendment about equality of treatment, on that decisions were taken by Government in June, 1979, so again the time gap of about five months in considering what

should be done about the clergy was motivated because we were giving consideration precisely to this point so I cannot offer a great deal of hope to the Honourable Member that we will be able to come up with something between now and October. The question of a lump sum payment covering arrears by the clergy does not arise. When I was approached by the Bishop and asked to consider whether the clergy would be eligible to qualify for payment of social insurance contributions he made it abundantly clear that he saw this as a forward looking measure, something for the future. He recognised that the older clergy had, perhaps, missed the boat and he really wanted to ensure that having regard to the progress that is made nowadays and having regard to the need to put the position of priests in the future on a firmer footing than what has been the traditional case, certainly with regard to the fact that there was never any provision for their old age, whether the Government could do something in this respect and I was agreeable on that basis because it was a forward looking case and would not open up the canard, if that is the right word, of this big issue of the people outside the scheme. The question of the equality of treatment and why we have phased this. In 1977 I brought amending legislation to the House in order to give an option to married women and widows not to have to pay insurance if it was not in their interest to do so. You could have a case where a widow was already getting a full widow's pension and was in employment and through contributing she would get nothing out of it because she already had a widow's pension and you cannot have two pensions. Likewise there were cases where women opted to pay the reduced rate of contribution which only covers them for employment injuries because they were covered through their husband's contribution and they did not consider that it was worthwhile for them to contribute. That was provided for in 1977 and it was, I don't mind telling the House, rather annoying for me two years later to be asked and to be told through an EEC directive which we had no option but to comply with, that we now had to put the clock back and something that had been seen in Gibraltar as a good and a progressive measure had to be repealed, effectively. As I say, I didn't like that and I did not think that in the circumstances of Gibraltar what the EEC want met our requirements and we made representations about it and we were told that there was nothing that we could do and that in fact United Kingdom ministers had felt the same way and had not been able to get anywhere with Brussels. Therefore, since the applicable date was 1985, I thought I should recommend to the Government that the process of bringing into line women's contribution with men's, in other words, increasing them should be spread out over as long a period as possible so that the impact would not be very great. After 1985, a widow in employment already getting an old age pension will have to contribute without getting anything out of it because she cannot get a higher pension and the only thing that she might be covered for will be unemployment. Likewise, a married woman will have to make the full contribution even

though she is covered by her husband. In that case of course she will be entitled to a pension in her own right at a single person's rate which might be higher than the addition that she would get on her husband's contribution. That is why we are spreading it out over five years to 1985, but because I did not like having to take these steps I thought that it was only fair that I should bring women into line and give them the same rights as men have otherwise a woman would only get a pension for herself be considered the same as a man and not get any addition. In fact, this will only happen in a handful of cases because there cannot be many cases in Gibraltar now where a woman is working and contributing and her husband is not, very, very, few cases, I would hazard a guess, a handful and I mean a handful. I thought it was equitable to do so but by the same account it would not be equitable to confer this right before 1985 because the woman will not be paying full contributions before 1985 unless, of course, we were to bring forward the date on which she is made to contribute the full amount to 1981/82 and then concurrent with that she could pass on this right to her husband and as I say we are only talking of a handful of people that will benefit out of that whereas it is not a handful of women who will have to pay the full contributions by 1985 so balancing the two things together I thought it was better to proceed as I have indicated.

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

HON A J CANEPA:

Sir, I beg to give notice that the Committee Stage and Third Reading be taken at a subsequent meeting.

THE GIBRALTAR COURT OF APPEAL (AMENDMENT) ORDINANCE, 1980

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that a Bill for an Ordinance to amend the Gibraltar Court of Appeal Ordinance (Chapter 170) be read a first time.

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

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Mr Speaker, it is a short Bill consisting of two clauses. The first one being the interpretation clause and the second is a substantive matter. The principle purpose of this amendment, Mr Speaker, is to empower the Court of Appeal by order of the President made with the consent of each party to sit in the United Kingdom on any interlocutory matter and to defer any interlocutory matter on written submission

without hearing the parties. It is a novel departure, Mr Speaker, for the Court of Appeal of one country to sit in another but the purpose of the Bill is to avoid delay by enabling matters which are of small procedural substance at the moment to be dealt with away from Gibraltar. This would avoid delay and would also reduce the number of matters for which the Court need come to Gibraltar thereby saving costs. The House will wish to know that the Chief Justice favours the proposal and the Bar thoroughly approves of it. Mr Speaker, I commend the Bill to the House.

MR SPEAKER:

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

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

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE BUREAU DE CHANGE ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to regulate bureaux de change in Gibraltar be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move that the Bill be now read a second time. The purpose of this Bill, which is a major piece of legislation, is to regulate the operation of bureaux de change in Gibraltar. The buying and selling of foreign currency constitutes trading within the meaning of the Trade Licensing Ordinance under which a licence is accordingly required. In the expectation of the frontier opening quite a number of applications were received for such licences to trade in foreign currency. The Government, however, considers that Gibraltar's image as a tourist and financial centre could be marred if it acquired the flavour of an uncentred money changing centre. Secondly, that dealing in foreign currency is a highly specialised trade requiring expertise, prompt access to overseas information

and resources capable of absorbing losses from currency fluctuations and, finally, that the Licensing Authority established under the Trade Licensing Ordinance was not equipped to control and assume responsibility for the provision of financial services in Gibraltar. It therefore had to take urgent steps to introduce tighter control over the establishment of such businesses known as bureaux de change i.e. those places at which foreign currency is bought or sold by way of business. Accordingly, a directive was issued in the public interest, under the provisions of Section 16(3) of the Trade Licensing Ordinance, to the effect that the Trade Licensing Authority should not proceed to hear or determine any applications for a licence to trade in foreign currency without the prior consent in writing of the Financial and Development Secretary. This directive, Mr Speaker, was only designed to control the situation until proposals for suitable legislation to be brought to this House and it is the intention behind the present Bill to introduce those controls. Before proceeding further, Mr Speaker, I should like to stress that the proposed legislation is only intended to cover trading in foreign currency, that is, the buying and selling of foreign currency as defined in Clause 2 of the Bill by way of the business. It will not apply to any receipt or payment in foreign currency made in the ordinary course of other business such as, for example, in payment for goods or services. In other words, Sir, if I am a visitor to Gibraltar and I go into a shop and wish to buy a watch or scent or whatever and I have travellers cheques in sterling or in deutch marks or whatever the currency, the salesman can change travellers cheques he can give the change in whatever currency I ask him and if he happens to have it and I get the purchase. That is the normal arrangement. It is only the buying and selling of the actual foreign currency which will be controlled by the Ordinance. If I may, Sir, I would like to touch on the broad details of the Bill. Clause 5 provides for the setting up of a Licensing Committee comprised of the Financial and Development Secretary as Chairman and two other members to be appointed by the Governor. The Government's view is that these members should be senior members of the Treasury and intends to advise His Excellency the Governor accordingly. It is proposed that the Committee should deliberate in camera and that an officer of the public service should be appointed as an investigating officer to the committee. I think, Sir, it is important that Honourable Members should appreciate the difference between the proposed bureaux de change licensing committee which would be set up under the Bill now before the House and the existing Trade Licensing Authority. Although the latter has the general responsibility for public interest it also has the important role of considering private interests and for that reason is empowered to hear objectors to the issue of trade licences. The main function of the Bureaux de Change Licensing Committee, on the other hand, would be to examine applications under this Ordinance, having regard to the need to protect the economy of Gibraltar and its reputation in relation to financial matters and tourism. In considering

and determining applications, the Committee will be guided by the criteria listed in 16(2) of this Bill. These include such matters as the financial standing, financial experience and reputation of the applicant, whether the business will have effective and competent management, the proposed amenities, the size and locations of business, the hours of business, existing facilities and arrangements that will be made for the disposal of foreign currency balances surplus to the requirements of the operator. I would at this junction, Mr Speaker, like to give notice of my intention at the Committee Stage to substitute the word "his" for "local" at the end of the second line of Clause 15(2) sub-paragraph (3) of the Bill. If I may just revert for the clarification of Members, at the moment the subsection reads: "arrangements proposed by the applicant for the disposal of foreign currency that is surplus to local requirements". That should read: "arrangements proposed by the applicant for the disposal of foreign currency which is surplus to his requirement". I am sorry that this error has crept into the Bill, Sir. The point here is that it is normal and necessary for a Bureau de Change operator to make forward cover both so that he is covered in his operations in the event of violent swings in the currency market. As the criteria for determining applications of Bureaux de Change licences form part of the criteria used in assessing applications for licences under the Banking Ordinance, the Government considers that persons who are licensed under the Banking Ordinance to carry on banking business offering current and deposit accounts and cheque facilities, that these should be excluded from the application of the provisions of the proposed Ordinance other than those included in the clauses specified in paragraph 4 of the explanation and that is Clause 32 under which the Financial and Development Secretary may give directions; Clause 33, relating to the production of documents to be kept; Clause 34, providing consequentially for offences and Clause 36, relating to regulations otherwise than for licensing matters. Licences issued under the Ordinance will not be transferable and will relate to specified premises. There is provision for their renewal, variation and also for cancellation for a stated cause and suspension pending the determination of an application for cancellation. There are rights of appeal to the Governor in Council against decisions of policy and the Stipendiary Magistrate where licences are cancelled on essentially factual grounds. There are also included in the Bill, Sir, transitional provisions to allow for those persons who hold, at the commencement of the Ordinance, trade licences authorising them to carry on the business of Bureaux de Change to be deemed licenced under the Ordinance for a period of 3 months and for pending applications made under the Trade Licensing Ordinance that are caught by this Ordinance, to be determined under the new Ordinance. The First Schedule of the Bill provides that certain fees and these, Sir, are considered necessary to meet the cost of administering the Ordinance. Sir, I would point out to the House that whilst it is a major piece of legislation and it

is complex, it is important that new legislation to control Bureaux de Change is passed at an early opportunity as possible. The present arrangement whereby the Trade Licensing Authority cannot proceed to consider a licence to trade as a Bureau de Change without the consent of the Financial and Development Secretary is a holding measure, it is unsatisfactory and, if I may say so, Sir, I think it is probably less fair to applicants than would be consideration under the proposed Bill. Sir, I commend this Bill to the House.

MR SPEAKER:

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

HON P J ISOIA:

Mr Speaker, I think I agree with the Honourable the Financial and Development Secretary, it is a complex Bill. It has only come to us five or six days ago, we do not think, frankly, that this Bill should go through all stages during this session. In the first place the question of Bureaux de Change is not quite as an emotive subject as divorce, but it has evoked some interest judging from the number of applications that I have seen and I think the chance should be given to members in the trade and the public to comment on the Bill and to make representations, if they wish to make them, either to the Government or to ourselves. I do not think it would be right to insist on this Bill going through all its stages. I appreciate the present situation is unsatisfactory but I think once the Bill has been published I do not think it would come as a surprise to anybody to find that the Financial and Development Secretary is no longer giving consent to the hearing of particular applications until the Bill comes into force which it could come in October. I say this having heard what the Financial and Development Secretary said. I do not think it would be right to put this Bill through all its stages, certainly I would like to have more time to consider it and I am sure Honourable Colleagues on my side of the House would too. Let us say straight away the criteria by which we are governed in approaching the problem of Bureaux de Change. We would not like to see Gibraltar becoming a little "Zoco" where lots of little shops change money or having Bureaux de Change all over Gibraltar, we would not like to see this. On the other hand, equally, we would not like to be overprotective, let me put it that way, of the existing banking institutions that have bureaux de change. We think there is no reason why responsible and respectable people who wish to engage in this sort of business, which I think can be very risky, should not be able to do so provided they fulfil the criteria set down in the Bill, in other words, we agree there should be regulation of bureaux de change and it shouldn't be an unregulated trade and therefore we agree entirely with having a Bill to regulate this. Things that I think we would certainly like to

think a little bit more, Mr Speaker, is questions of the composition of the licensing committee for Bureaux de Change. I see the merit of having the Financial and Development Secretary as Chairman and I would like to be assured that he will be the Chairman and not somebody else. If it is going to be him we agree entirely but I would not necessarily agree to it being somebody else. As to who the other two members should be, senior officials, personally, perhaps, I would go along with that, others might feel that there might be more representation not on the Committee but some people may say that the Financial and Development Secretary is well represented by having himself there. He does not need two other officials necessarily and there might be a case for having somebody from outside, I don't know, we would like to think about this. We are not against the idea in the Bill but I think that we would like to have a think about that. Mr Speaker, another point on which I would certainly like to have a think on are the criteria for granting a licence. At first reading they seem alright but on the other hand there may be other things that we would like to see in it. We would like to be assured that the criteria that has been set out has not been set out too much in consultation with the banks in Gibraltar, I think we want a little elasticity but respectability. We certainly would like time to consider this Bill. I think one would like to allow time for members of the public or interested parties to make representations on it. The next point, Sir, that we would certainly like to consider, I would have thought, is the question of appeals. This is an important one. As a matter of principle I am not very happy with the idea of having an appeal on some grounds to the Governor in Council and an appeal on other grounds to the Stipendiary Magistrate. I am not happy, Mr Speaker, with the idea of an appeal going from the committee to an executive body, the Governor in Council. There may be good arguments for it I suppose but when one considers that the Financial Secretary, for example, sits with the Governor in Council, ex officio, I do not think it is such a good thing, as a matter of principle, that an appeal from the committee should be heard by what is essentially an executive body. I think we should keep the Governor in Council for making policy decisions and governing but not as far as possibly taking judicial decisions of an appellate nature. This is important, I agree, and it might be a good idea to have appeal direct to the Supreme Court in cases of Bureaux de Change. This is something that I certainly would like to think about and I am sure other Hon Members would like to think about. Another point I would like to make is the question that no licence shall be transferable. I see the point but if we are going to give effect to that point I think we will have to make some provision under which shareholding in the case of a limited company cannot be transferred. If shares are transferred in the company owning the licence then he loses the licence unless he has got consent. I would have thought that was important otherwise people just form a company and that is it and they go on transferring and they have got a marketable security. So, Mr Speaker, these are our first reactions

to the Bill. We do support the idea of regulation and we do support the idea of control of Bureaux de Change, we do not want the free-for-all but on the other hand we are not here to protect the situation of existing banking institutions although we have the greatest respect for them. I think there is no reason why people who may wish to set up in this sort of business should not set up. Generally on the Bill, Mr Speaker, we support the principles of the Bill, we support what is said in the Bill but we feel, however, that opportunity should be given to interested parties and members of the public to make representations on the Bill either to the Government or to the Opposition and we ourselves would certainly like to have a look at the points that I have mentioned in my address. Thank you.

HON. CHIEF MINISTER:

The reason why we put it for Committee Stage in this meeting, Mr Speaker, is because we do not like the present methods that have been used to put a stem to this by acting on a Governor in Council direction by the Trade Licensing Committee. But on a balance of convenience, if Honourable Members opposite do not object to that having to continue as it has to continue because otherwise this one has to be substituted, of course, we have no difficulty in allowing this to go on until October and hear representations from them or anybody else.

HON MAJOR R J PELIZA:

I welcome the Honourable Chief Minister's decision to allow this matter to receive some attention from the interested parties in Gibraltar which I think they might be many. I think the local trading community will see an opportunity here of perhaps benefitting their own position. I do not believe that they should be deprived of that opportunity. With the present criteria this may well prevent quite a number of reputable firms in Gibraltar from being able to enter this kind of business which obviously in my view may well be very profitable in the circumstances foreseen. Because of that I think, Mr Speaker, the criteria is very important that it should receive a little closer attention. One aspect is the financial standing and financial experience. What is going to be demanded in the form of experience? If, for instance, a firm were able to get an employee from another institution which dealt in financial matters will that be considered financial experience? Well, if something like that is going to be the case then it will certainly open the door to local businessmen to be able to undertake such business if other things are approved but if the criteria of financial experience is the fact that the business must have been established either here or abroad for a number of years, that is certainly going to close the doors, I think, of Gibraltar. Perhaps the Financial Secretary, in reply, could expand a bit more on what the criteria means because the terms I think are open to a lot of interpretations. I think an elucidation of those interpretations would be very valuable as to the comments that will later be made, I hope, by

interested parties in Gibraltar and certainly by the Opposition. I think we all agree that we do not want to see little tables all over Main Street carrying out exchange to the extent that we see in other parts of the world, that I think would be contrary to the wishes of businessmen in Gibraltar. On the other hand I think that kind of competition that we see in free enterprise should not be restricted by that consideration which I think can be avoided quite easily and at the same time give enough margin for local businesses in particular to be able to make use of this new situation. Otherwise I think we create monopolies which in the long run will not be in the interests of Gibraltar and naturally the exchange rates will vary with the amount of competition that may be available in our market so I think we must balance one thing against the other. I see our Hon Minister opposite shaking his head, but that is a fact, some Bureaux de Change do in fact have lower rates than others and this I think the Honourable Minister will find out if he goes abroad that not necessarily all the bureaux have the same rates of exchange. Therefore, I think it is in the interest of Gibraltar that the rate of exchange should be the lowest possible so that it does attract the tourists because that in itself is going to generate more business in our shops. Therefore, Mr Speaker, I think that whilst one does not want to see every shop in Gibraltar becoming a bureaux de change, I do believe that it should be borne in mind that we do not want to create monopolies and I also believe that if in the decisions that are going to be taken by this Committee, which is obviously a very official committee and if the decisions are not going to be satisfactory to the applicants in many instances who feel that they have not had a fair deal, like my Honourable Friend the Leader of the Opposition has said I think that somewhere in the open the appeal should take place where all the factors involved in that application will be able to be discussed openly and in public. That I think in itself will give an assurance to the applicant for the licence that the whole matter is being fairly and not only that I think generally in Gibraltar it will be seen that that was the case otherwise I think it will lead to all sorts of interpretations and I believe that that is not in the interests of good legislation or good Government and in that respect therefore, Mr Speaker, I think that those points should be borne in mind and I would certainly - I think this is important - I would certainly welcome from the Financial Secretary in his closing address to expand in detail as to what he means by the criteria and the terms used under the different clauses. I think this is very important so that when we start thinking of what this will represent we can make a judgement as to whether we can support as it is laid down in the Bill or whether we would like to introduce amendments.

MR SPEAKER:

I will now call on the Honourable the Financial and Development Secretary to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, first of all I would like to assure the House that I am not proposing some comfortable, cosy arrangement that might lead to a monopoly and those Members of the House who perhaps know that those cases in which I have given my consent, have come before me already and which has gone through the Trade Licensing Authority, there is no question of it being a tight, cosy arrangement particularly with only the Banks having the rights to act as bureaux de change.

HON MAJOR R J FELIZA:

If the Honourable the Financial and Development Secretary will give way. I wasn't obviously referring to him personally but the law is the law and his successor may not have the same liberal view that he has.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the Honourable Member is ahead of me. I am replying really to the points made by the Honourable Leader of the Opposition, that there is really no question behind the Government's thinking or behind that of the Treasury who put the proposals to the Government, that that should be a cosy arrangement that might lead to a monopoly situation and the decisions that we have made so far indicate that. I think that also both in the way in which we are looking at cases at the moment, before consent is given or withheld, it is quite clear particularly where it is withheld that people know why it is withheld. It is important, I agree with the Honourable and Gallant Member, that people should know why their case has been turned down. In all the cases where consent has been withheld we have spelt out in a letter to the applicant why and we were quite happy to discuss with them further should they wish. Specifically, in the Bill now before the House, it provides that where an application is not accepted, that the reason for withholding acceptance are set out, this is a safeguard which is necessary. As for specific criteria, the Honourable and Gallant Member referred to the financial experience and do we run financial experience that could possibly be imported or learned locally, well, indeed, we are not suggesting that it could only be people who come in from outside who would have this experience, the experience could be local and on financial standing clearly one will need to be assured that the funds behind the organisation are adequate for the extent of business that they are proposing. Whether or not the proposed management of the business is likely to be effective and competent that will have to be judged on its merits and the experience of persons who are to be engaged in the bureau de change, whether they have the necessary experience. The amenities offered, hours of business, etc, proposed size of the business and turnover, I think speaks for itself. Proposed location links up with the existing facilities. One does not want necessarily too many bureaux de change in one

part of the town and another part of the town empty of facilities. The arrangements proposed by the applicants for the disposal of foreign currency, has he come to an agreement with a bank or any financial institution either here or outside Gibraltar for coverage so that the foreign currency surplus to requirements can be disposed of in an orderly fashion rather than putting him at risk by having the whole currency over too long a period when there could be wide fluctuation. Whether or not the proposed business will be the only business to be carried on in the proposed premises, this is important because in the Government's view it would be wrong to have a bureau de change in a shop in which other business is being transacted and where persons could go up, change their money and come back again. The provision that if a person goes into a shop to buy goods and presents a travellers cheque or foreign currency, that that can be accepted, should be adequate for the shop but for the orderly conduct of business our view is that it should be a separate, distinct, discreet premises. It may be operated by a person who owns another shop but it has got to be, in our view, a distinct premises except insofar as such places as travel bureaux, a hotel, a bank or other financing institution or credit taking institution. However, Sir, we have noted with interest the points made by the House and as the Chief Minister has already indicated we are content that the Committee Stage and Third Reading should wait until the next meeting of the House. I would point out that this will mean a consequential amendment to clause (1) subsection (2) because the intention was that the Ordinance should come into operation on the first day of August.

HON MAJOR R J PELIZA:

Could I just ask the Financial and Development Secretary one question? One the question of financial experience - I am coming back to this because I think this is a very fundamental - you say 'local financial experience'. What do you mean by 'local' that they have to own a bank or in which way?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It could be that a person who is going to work in a bureau de change has had experience working in a bank in Gibraltar or elsewhere.

HON MAJOR R J PELIZA:

Thank you.

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:

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

THE INCOME TAX (AMENDMENT) ORDINANCE, 1980.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Income Tax Ordinance (Chapter 76) be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. There are four major changes to the Income Tax Ordinance proposed in the Bill now before the House. The first is to remove the exemption from income tax that applies to allowances of members of the Gibraltar Council and this House. The second is to exempt from income tax interest received from deposits in banks and building societies in Gibraltar made by non-resident persons or by tax exempt companies, and the third is to provide the same rates of taxation and allowances to non-resident individuals as apply to persons ordinarily resident in Gibraltar, and the fourth to ensure that dividends paid by companies licenced under the Development Aid Ordinance out of profit not chargeable to tax under the provisions of that Ordinance, should be exempt from tax in the hands of persons to whom they are distributed as dividends. Sir, Members' allowances. The Income Tax Ordinance provides that the allowances payable to Members of the Gibraltar Council and of the House of Assembly are exempt from tax. Following the Pring Report, there is a move to introduce salaries for Members of the House and that such salaries should be taxable. For the avoidance of any doubt, the provisions in the Ordinance at Section 7 which exempts allowances of Members of Gibraltar Council and of this House from tax would be deleted but the operative date would be the date on which salaries are introduced. The second change is Non-Resident Bank Accounts. Sir, in 1966, acting upon the advice of the Economic Advisory Committee, an administrative ruling or extra statutory arrangement was to the effect that interest received by non-residents holding deposit accounts with local banks should not be charged tax. This has since been extended to exempt companies, that is, those companies registered under the Companies (Taxation and Concessions) Ordinance. There is no provision in law to allow this administrative concession.

More recently, representations have been received on behalf of locally registered Building Societies, that interest earned by non-residents on deposits with the Societies should be granted similar exemption. Sir, the Government attaches great importance to this part of the general banking business. It is understood to be a substantial and provides an important incentive in attracting outside capital. Without this concession Gibraltar would no longer attract such capital with a consequential loss of business to the banks and very likely an adverse effect on Gibraltar as a finance centre. It is therefore proposed that the Ordinance should be amended to provide that the interest received by non-residents, including tax exempt companies, irrespective of amounts deposited with local financing institutions, should be exempt from tax. The House should perhaps be aware that interest earned by non-resident depositors from financial institutions in the United Kingdom, Jersey and certain other territories is exempt from tax. The third change is the proposed Non-Resident Taxpayer. Prior to 1969 the Income Tax Ordinance provided for a special type of taxpayer who was defined as a 'permitted person'. This category was designed to provide that persons who were not resident in Gibraltar and who came into Gibraltar on a day-to-day basis to carry on a trade or business or to exercise any employment, profession or vocation, should derive the benefit of the allowance and lower rate of tax applicable to resident taxpayers. When the frontier opens, there is a likelihood that persons residing outside Gibraltar may once again take up regular employment here without necessarily residing in Gibraltar and it is accordingly proposed to re-introduce this category of taxpayer. I think that I should also mention that this is pertinent in the context of the EEC where since December, 1979, the Commission has been considering proposals for a directive concerning the harmonisation of income tax provisions with respect of the freedom of movement for workers within the community. The proposal's main provisions are that frontier workers should be taxed in the member state of residence with credit being given for any tax withheld at source by the member state of employment, but other non-resident workers should be taxed in the member state of employment on terms no less favourable than those applied to resident workers. These proposals are at present being carefully studied in the House of Commons.

Development Aid Licences, Sir. Section 6 of the Development Aid Ordinance provides that where a licence has been granted to a company, dividends paid out of profits not chargeable to tax shall not be treated as assessable income to the shareholders. The spirit of that legislation was that the relief should apply to the ultimate beneficiaries and we have looked back to the 1963 debate on the Development Aid Ordinance, the second reading debate, which, if my memory serves me correctly, stems from proposals by the now Leader of the Opposition and it is quite clear and

was stated that the tax concession should go through to the ultimate shareholder, the person who draws the dividend. Unfortunately, the way in which the Ordinance is drafted, this is not possible with interlocking company arrangements. A strict interpretation of Section 6 of the Development Aid Ordinance does not permit the Commissioner of Income Tax to extend the concession beyond the immediate shareholders of the company holding a Development Aid Licence. For that reason, Sir, it is proposed by means of clause 4 of the Bill to amend the section so as to give effect to the original intention retrospectively to the 12 December, 1963, when the legislation was enacted. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, I notice that a lot of the clauses in this Bill are deemed to have come into operation some years back and that the Bill itself shall be deemed to have come into operation on 1st of July, 1980, so that, accordingly, I presume that no harm is done by again leaving this Bill for the next meeting of the House. We would not like to have to pass all stages of this Bill at this meeting principally, Mr Speaker, because I think we require a little more information about clause 3 of the Bill. I think we would like to consider this particular clause a little more. I notice that the Honourable the Financial and Development Secretary said these EEC proposals or directives were being considered in the House of Commons at the moment. I think before we are asked to pass this into law I think we ought to have a little more information about it. I am not quite clear what the position is and I don't know whether it is the appropriate time to ask questions about it. Certainly, I would have thought that as far as non-resident workers in Gibraltar are concerned, or non-resident individuals, put it that way, there are no EEC members involved at the moment and there are no EEC members likely to be involved when the frontier is opened immediately until such time as other things happen in the European Economic Community or that Community is enlarged. I would certainly like to know a little more about the repercussion on the revenues of Gibraltar and so forth. It may be that it is perfectly fair that a non-resident individual should have all the deductions, etc, allowed but I think we want to consider that, I would certainly like to look at the particular sections in the law it refers to and especially as it would seem to me that if this is passed now quite a large number of non-resident individuals may be entitled to relief that they are not at the moment entitled to. I

don't know what the financial repercussions are but we certainly would like to know something about that. I think that is the main reason, I think that clause 2 of the Bill saying that it be deemed to come into operation on the 1st April, 1966, can wait two months and still go back and the other one on the development aid which one agrees with, that is a question of regularising, I presume, what is an administrative position and on that one, Mr Speaker, we would certainly like to know a little more of the financial results that this will have. I know this is controversial but certainly we would like an opportunity to move an amendment to this Bill following what has been said and what we have heard and what we have debated on, and that is the question of an amendment to this Bill to take the opportunity that we have got an Income Tax Bill before us, to take the opportunity of exempting elderly persons' pensions, income received from elderly persons' pensions under that particular Ordinance from income tax. I know the Chief Minister, I cannot remember when it was, since the Budget in April when we raised the matter, I do remember encouraging sounds having been made by him then during the election campaign more or less said that the Government would consider favourably exempting elderly persons' pensions under the Ordinance from tax. I think during the budget he said that these matters had to be considered by the Government carefully and again I think that if the Bill is left for October, the Government may have an opportunity to consider this particular point so that it can be possibly introduced. As far as we are concerned we certainly would like to have an opportunity to draft a clause in this Bill to make an amendment of that nature. So, Mr Speaker, as there are two points about this Bill that are of considerable importance, one is the new section 3 which we certainly would like to consider further and we think that again as in any democracy we think this does introduce a section of some substance into our law and again I think affected parties ought to be given an opportunity to make representations on it. The other point, as I said, is the question of the elderly persons' pension which we feel should be received free of tax by the recipient and we feel that the Government should consider that in the context of this particular amending Bill. We would ask again that the normal course should be followed with this Bill of leaving the Committee Stage to the next meeting of the House.

HON CHIEF MINISTER:

Mr Speaker, we have been looking at this matter and I am surprised that so much time is required for what is a reasonably short Bill. If the Bill is not passed on this side of the summer then, of course, in fact, the frontier opens and workers come they will be taxed but they will have none of the allowances and that would be a source of early grievance that they might feel. I wonder whether in order to try and accommodate Members opposite as far as possible, we could leave the Committee Stage and Third Reading as the last item of this meeting next week.

HON MAJOR R J PELIZA:

As I see it, it is obviously a matter which has to be clarified. If this is a question which is being discussed by the House of Commons to what extent are we committed? Perhaps the Financial Secretary can explain. Mr Speaker, if the Chief Minister not necessarily now, but between now and later - I don't know whether the matter can be left at rest at this moment and I don't know whether we are about to adjourn now - but if the matter can be left for the moment, perhaps by tomorrow we might be able to get together and really thrash the matter out.

MR SPEAKER:

The Honourable the Chief Minister has said that whilst he is not in a position to defer the Committee Stage and Third Reading to the next meeting for the reasons that he has stated, he is quite prepared to defer the Committee Stage and Third Reading of this Bill to a later stage of this meeting.

HON P J ISOLA:

If it is going to be left for a later stage in the meeting that helps.

MR SPEAKER:

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, first of all, I apologise if I have muddied the water of this Bill by referring to an EEC directive. The position is as the Honourable and Learned Leader of the Opposition said, that at the moment no EEC residents are affected by this. All I was merely trying to indicate was that what we proposed to do is something which would be in accordance with the spirit of future EEC legislation. The other important point made by the Honourable and Learned Member was the question of financial loss. On Clause 3, there are at present no individuals who would pay less after the enactment of this section. All that has happened, as my Honourable Colleague the Chief Minister has pointed out, that if Spanish workers were to come over and this section were not enacted, they would not be able to draw the allowances under the Income Tax Ordinance. The loss to the Government then would depend entirely on the number of Spanish workers working here and going back into Spain, being resident in Spain. On section 4, on the Development Aid Ordinance, there again there is going to be no loss of revenue to the Government because the tax concession is already there and it is going into the companies concerned.

The problem is that where you have a series of interlocking companies the concession stops with the first company and it cannot pass on the concession to dividend holders in the parent companies, it goes into a subsidiary company and it is locked in there. The subsidiary company gets the concession but they cannot pass it on and therefore the Government would not be losing any revenue at all. So there is no question of loss of revenue on either of these clauses. I hope I have made that clear.

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:

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

THE SUPPLEMENTARY APPROPRIATION (1980/81) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to apply further sums of money to the service of the year ending 31st March, 1981, be read a first time.

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

SECOND READING

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I now move that the Bill be now read a second time. The Bill seeks to appropriate, in accordance with Section 55(3) of the Constitution, a further sum of £205,823 out of the Consolidated Fund. The purposes for which the sum is required are set out in Part I of the Schedule to the Bill and in more detail in the Schedule of the Consolidated Fund Supplementary Estimates No. 1 of 1980/81 which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with Section 57 of the Public Finance (Control and Audit) Ordinance, the sum of £777,908 from the Improvement and Development Fund for the purposes noted in Part II of the Schedule to the Bill and in the Schedule of Supplementary Estimates No. 1 of 1980/81 for that Fund which I also tabled at the beginning of the meeting. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

MR SPEAKER:

We will now recess until tomorrow morning at 10.30.

The House recessed at 8.00 pm.

FRIDAY THE 18TH JULY, 1980

The House resumed at 10.30 am.

MR SPEAKER:

I will remind the House that when we recessed yesterday evening we had finished the First and Second Readings of all Bills. The next item on the Order Paper is Committee Stage and Third Reading.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that this House resolves itself into Committee to consider the following Bills clause by clause:

The Gibraltar Court of Appeal (Amendment) Bill, 1980, and

The Supplementary Appropriation (1980/81) Bill, 1980.

This was agreed to and the House went into Committee.

THE GIBRALTAR COURT OF APPEAL (AMENDMENT) BILL, 1980

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

Clause 2

HON ATTORNEY-GENERAL:

I have the honour to move that Clause 2 be amended by the deletion in line 5 thereof of the word "interlocutory" and the substitution therefor by the words "interlocutory matter".

Mr Speaker put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 2, as amended, was agreed to and stood part of the Bill.

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

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

THE SUPPLEMENTARY APPROPRIATION (1980/81) BILL, 1980.

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

Schedule

Schedule of Supplementary Estimates Consolidated Fund
(No 1 of 1980/81)

Item 1, Head 2 - Customs, was agreed to.

Item 2, Head 3 - Education

HON P J ISOLA:

Mr Chairman, could I ask on the £4,000 that is now required? I presume that is not the total cost of the sponsorship of the scheme for children attending MOD schools? Is that the effect of not phasing it out and putting back what it would have cost in a full year, is this what it is?

HON M K FEATHERSTONE:

This is the extra number of children who will become the intake of this year.

Item 2, Head 3 - Education, was agreed to.

Item 3, Head 7 - House of Assembly, was agreed to.

Item 4, Head 11 - Labour and Social Security, was agreed to.

Item 5, Head 13 - Law Offices

HON P J ISOLA:

Mr Chairman, the replacement of Crown Counsel who will be coming between September 1980 and 1981. Is it proposed to advertise for this or is it proposed to get somebody here on secondment, or is it proposed to invite applications from the local legal profession?

HON ATTORNEY-GENERAL:

It is proposed to get a contract officer out.

HON A J HAYNES:

What is he required for?

HON ATTORNEY-GENERAL:

Replacement of Crown Counsel during the incumbent's absence on study leave in the United Kingdom.

Item 5, Head 13 - Law Offices was agreed to.

Item 6, Head 14 - Medical and Public Health, was agreed to.

Item 7, Head 15 - Police

HON P J ISOLA:

Has all this work now been done?

HON M K FEATHERSTONE:

No, Sir.

HON P J ISOLA:

Can I be told how much of the £13,000 has been spent so far?

HON M K FEATHERSTONE:

I think, roughly, £8,000 to £9,000 has been the cost of purchase and about £5,000 is for the work.

HON W T SCOTT:

Is there any question of traffic lights included within these signs?

HON M K FEATHERSTONE:

No, Sir.

Item 7, Head 15 - Police, was agreed to.

Item 8, Head 19 - Public Works, was agreed to.

Item 9, Head 25 - Trading Standards and Consumer Protection, was agreed to.

Schedule of Supplementary Estimates Consolidated Fund No. 1 of 1980/81 was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund No. 1 of 1980/81.

Item 1, Head 101 - Housing, was agreed to.

Item 2, Head 104 - Miscellaneous Projects

HON P J ISOLA:

Mr Speaker, regarding the improvement in the Hostel accommodation, is the cost almost doubling then, is that the position?

HON A J CANEPA:

When the original estimates were drawn up I think we were talking in terms of about £270,000 and it has escalated, mind you, with some further improvements on what was envisaged originally, it has escalated to about £470,000.

HON W T SCOTT:

What is the relationship, Mr Speaker, between (a) Provision of Services - Key and Anchor Club, on this particular Head and the one which we have just voted for £1,700 at item 4 on the Consolidated Fund?

HON A J CANEPA:

It is not connected with the premises which are being modified to enable Campo Area pensioners to be paid their pensions there. There is no connection between the two, or with the furniture for which we have provided funds under the previous Schedule. There is no connection.

HON W T SCOTT:

Could I therefore ask what is the nature of the outstanding commitment amounting to over £4,000?

HON M K FEATHERSTONE:

Basically, Sir, it is to provide electricity and water from the Government supply rather than from the MOD supply which it had before.

Item 2, Head 104 - Miscellaneous Projects, was agreed to.

Item 3, Head 105 - General Services was agreed to.

Item 4, Head 106 - Government Offices and Buildings, was agreed to.

Item 5, Head 107 - Port Development

HON P J ISOLA:

Mr Chairman, on this question of the Port Feasibility Study on which the Government is going to spend quite a substantial amount of money, £90,000, can I take it that if this study is

in relation to the development of the Port right up to the year 2000 I think the Minister has said, can I take it that this report or this study when made will be made available to the Members of the House?

HON A J CANEPA:

We will have to consider that, Mr Speaker, when the report is made available to the Government. I wouldn't like to commit myself at this stage. There could be information there of a highly confidential nature, generally, which it may not be possible to make available to the Members of the Opposition. We will consider the matter carefully, without commitment, and we will try and give the Opposition as much information as possible. Again, without committing myself, it might be possible to make parts of it available and not other parts. It is not the first time that a report has been expurgated and parts of it have been published. But as I say these are just considerations and I wouldn't like to commit myself, at this stage, one way or the other. I realise the enormous interest that it has for Members opposite, that they are being asked to vote £90,000 for this study and I think it is a fair point that they should be given as great an opportunity as possible to know what there is in the report. We will see what we can do when we obtain the report, Mr Speaker.

HON P J ISOLA:

This is of some importance because if it is a report that is going to look and project the Port of Gibraltar as part of the economy over the next 30 years, my view is that it would be wrong not to allow this report to be made available to Members of this House. If it contains matters that the Government would wish to keep confidential for a number of reasons, then I think it could be given to the Opposition on a confidential basis and such confidence would be respected but I think it is a bit hard to ask the Opposition to vote £90,000 for a study and then for them not to be able to see it even on a confidential basis.

HON A J CANEPA:

I see some validity in the point that the Leader of the Opposition is making, Sir, but I think it must be realised that there are matters which are of crucial importance to Gibraltar particularly at a certain juncture in the life of Gibraltar. I remember, for instance, in 1969, the IWPB Government commissioned a report on manpower planning, the Beeching Report, and that report was not made available to the Opposition, the Government did not consider that it could be made public. I would have said that when I came into office in 1972 and saw that report, it did not seem to me, personally, that there was a great deal of matters of a very highly confidential nature in it. Nevertheless, in the exercise of their judgement, that administration did not

consider that they should make it public. I can foresee that in this particular report there are bound to be matters which are going to be highly confidential. I see the point that the Honourable Leader of the Opposition made that the Opposition will regard that as being in confidence, but in confidence for Members on this side of the House is not quite the same thing as for Members on that side of the House, with all due respect, Sir, because we are the executive and they are not.

HON CHIEF MINISTER:

Mr Chairman, I would like to add on this one that it could well be, apart from the fact that we are bound ourselves, it could well be that there are some aspects of the report which deal with matters on which the Leader of the Opposition is himself currently consulted and on which others are not and in which case of course if it was in that line of confidentiality he would share that responsibility. There would, naturally, be what is normally called the "expurgated" report which would be published and then there could be a second-tier report with matters which are of a confidential nature available to Members and there may be other matters which though not available to Members may well be available to the Leader of the Opposition particularly if it is in a line of confidentiality on which he and I share. I think that is as far as I can go now.

HON P J ISOIA:

Mr Chairman, the difference between this and the Beeching Report, for example, is that this is being paid from taxpayers' money, from public funds. I appreciate there could be a problem but I don't think that if something is given to Members of the Opposition in confidence that it would be disclosed, or parts of it in confidence. But I think it is important that we should not get into a position with this report as we unfortunately did with the Preece, Cardew and Rider Report. I can understand in this report there being things that perhaps are of a highly confidential nature, there could be. I cannot imagine that possible, for example, in the Preece, Cardew and Rider Report yet we did not see it and I think it is important for Members of the Opposition to see a study that is provided for Gibraltar because it is being paid by the taxpayers' money, it is important that as many people as possible should see this feasibility study, should see the way it is considered by experts the Gibraltar Port should be going and be able to contribute to the debate on the matter rather than have a situation where the Government gets a report and then keeps it to itself, implements what it thinks should be implemented without giving an opportunity for discussion to other people, to other elected representatives, to discuss whether what they are implementing is enough of the report or not enough of the report. All I imagine that would happen would be

that the Government would say: "Well, we are going to do this. This is recommended by the Port Feasibility Study", but they will not tell us what they are not going to do which is also recommended by the Port Feasibility Study. So if it is not made available to Members of the Opposition it is difficult for them, I think, to discharge the very important role that they have in public life. Certainly, having said that, we think it is a lot of money, £90,000, for a report but we will certainly vote for it on the understanding and on the basis that most of the report will be made available to us and anything only affecting the security or something highly confidential will not be made available.

Item 5, Head 107 - Port Development, was agreed to.

Item 6, Head 110 - Electricity Services, was agreed to.

Item 7, Head 111 - Potable Water Service

HON W T SCOTT:

Mr Chairman, presumably, as was the answer to a question earlier on in this meeting, the Government will be in a position to assess whether water can be abstracted economically within the course of the coming year?

HON M K FEATHERSTONE:

Yes, Sir. A preliminary report is going to be prepared and it should be available around the end of August and I do not think that I will have any difficulty in making this available to Members of the Opposition but as I have said we cannot definitely state that all is well until we have had at least one year's pumping tests. When that is done and completed we will then have a final report and we will then know whether we can reasonably proceed with the abstraction of water or not.

Item 7, Head 111 - Potable Water Service, was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund No. 1 of 1980/81, was agreed to.

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

Clauses 2 to 4 were agreed to and stood part of the Bill.

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

The House resumed.

THIRD READING

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to report that the Gibraltar Court of Appeal (Amendment) Bill, 1980, with an amendment, and the Supplementary Appropriation (1980/81) Bill, 1980, have been considered in Committee and agreed to and I now move that they be read a third time and passed.

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

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that there is an urgent need to amend the Matrimonial Causes Ordinance to bring the law in Gibraltar closer into line with that of the United Kingdom". Mr Speaker, I want to be able, in asking Members to vote in favour of this motion, to stress just how wrong it would be to vote against the motion and precisely what is the only possible interpretation that can be put on a vote against the motion. Let me make clear first of all that effectively the motion asks the House to recognise the inadequacy of the present law without committing it to the degree of reform that is required. It could well be that on the question of the degree of reform it may not be possible to get unanimous agreement. I, for one, would tend to favour the view of socialist parties that the dissolution of a marriage should be based on mutual consent. This may appear to other Members to be seeking to liberalise the law too much but the motion does not commit Members to the degree of liberalisation only to a recognition of the fact that there is a need to reform a law that basically is a reflection of European practice in the last century which basically is consistent with the position outside Gibraltar in 1857. And if Members refuse to support this motion and refuse to recognise that effectively they are saying either that they consider that the law in the rest of Europe should have stayed as it was in 1857 or that the mentality in Gibraltar is that of 1857. I think it is regrettable that the Church has reacted the way it has done to this motion because, of course, nobody in this House of Assembly represents any religious denomination and in the House of Assembly we are not empowered to legislate about the religious beliefs of individual citizens which is a matter for each person's own conscience and we do not live in a theocracy in Gibraltar and consequently unlike what is happening in Iran, I am not trying to in Gibraltar build a state based on Islamic law or Catholic law or any other law other than secular law. In addition to that, of course, the fact that

the law may permit something to take place does not mean that anyone who is a devout Catholic has got to make use of that law any more than devout Catholics should not be making use of the existing law which permits existing divorces which apparently are also unacceptable to the Church. Therefore, I think the question of religious considerations should have no influence at all on the voting on this motion because this is purely something that the Church continues with its teaching and those who are practising Catholics and wish to live their lives by the teachings of the Church should continue to do so regardless to what the law may permit for others and we are legislating for the whole of Gibraltar and not for a section of the community. The contention, Mr Speaker, that any amendment of any description to our existing law would effectively bring about a total breakdown of family life, presupposes that family life in Gibraltar is very unstable and only exists under a facade of stability perpetuated by coercive laws and at the moment that the law was changed there would be a stampede of people wanting to get divorces. Well, that is absolute nonsense, Mr Speaker, because if there were that many people living unhappily together in Gibraltar they would cease to live together regardless of what the law says because the only thing the liberalisation of the divorce law does is permit people to re-marry. There is absolutely nothing now to stop people who are not living together living with someone else, the only thing is that they cannot get married to someone else and it may be that we prefer to live in a society where we are turning a blind eye to what is going on around us and provided we do not recognise it, provided we do not admit it, provided we do not legitimise it, we do not mind. I think that is a totally hypocritical society, I think it is important to recognise the reality of modern life in Gibraltar which is basically no different from that of anywhere else, to realise that the true stability in a union between a man and a woman must be and can only be on the basis of mutual love and mutual respect for each other and nothing else. There are no laws that can make a happy marriage out of a marriage where the husband beats up his wife every day and it would be totally immoral to say that it is a more serious crime, a crime that permits the separation of that man and that woman, that man should go with another woman to bed once than that he should beat her 52 weeks a year. These are the practical, non-emotional realities of what marriage can mean or cannot mean for different people and the refusal to take a second look at our laws to try and improve them would be to deny happiness to a lot of our constituents, a lot of people who have voted for us to be here who are entitled to happiness and it would not be imposing anything on anybody that doesn't want to make use of it. It would be simply making something available to people to whom it is denied now. And let us not forget, Mr Speaker, that our law in Gibraltar recognises divorces granted in the United

Kingdom and that people who are determined to have a divorce and who have got the means to be able to go to the United Kingdom for the period of time, can get a divorce there and come back and it is recognised under our existing law so that this tends, like so many other pieces of legislation, to work against those of limited means because we all know, Mr Speaker, that whatever the law may say, there is always a way of going round the requirements of the law if one has got enough money to foot the bill. I would wish, Mr Speaker, that the House, in giving consideration to my motion, would do so in all seriousness and out of the knowledge that whatever else we may be doing here, we have got a responsibility to give a lead in Gibraltar even on controversial issues and that it is not simply a question of saying that there are people who disagree with divorce and there are people who agree with divorce and that those who disagree have got the right to deny to those who think otherwise because in looking at legislation I think we must look at the creation of a democratic pluralist society where we give people the maximum amount of freedom consistent with their obligation not to interfere in the freedom of their neighbour and if anybody wants to make use of the provisions in the law to get divorced that is a purely, personal and private thing which no one else has got the right to deny to that person. I commend the motion to the House.

Mr Speaker then proposed the question in the terms of the Hon J Bossano's motion.

HON CHIEF MINISTER:

Mr Speaker, I think I should first of all acquaint the House with the attitude of the Government, the collective responsibility the Government has taken in this matter in the past and then explain how we propose to deal with this matter. Let me say at the outset that from my own religious point of view I have no qualms about divorce because my religion does not oppose divorce and even if that were so that I could have a different view but it happens, not to be so, so my own remarks in this matter apart from reporting, as is my duty as Chief Minister, my own remarks are purely my own and they can be as blunt one way or the other as the mover has thought fit to put but I think that the matter is sufficiently serious not to be disposed of by means of a 3½ or 4 minute speech with a 5 or 10 day notice of motion to deal with a fundamental matter which, whatever one may think, does cut across society in Gibraltar and I do not think that that is the way in which we should carry out our responsibilities. The matter was first brought to the attention of the Government for action in relation to the International Woman's year by the Housewives' Association in 1977. The decision taken by Council of Ministers on the 23rd of November 1977, was that the Housewives' Association should be asked what measure of

support they enjoyed for their proposals and they were so told in a letter following that decision. Then they said: "We wish to say that our proposals followed the many representations made to us by members of the Association and others since 1975". We pursued the matter, the matter was again looked at by Council and it was agreed that in the absence of any evidence of a substantial demand for a reform in the law further consideration should be deferred for the time being. That was in October, 1978, and the Housewives were told: "The view of the Government is that there is little evidence of a substantial demand for a reform in the law on the lines suggested and consequently further consideration is being deferred for the time being". Then it was followed up by a letter in January, 1979, arguing that there is a demand but not giving the evidence about the question of a general meeting, as they had explained at the beginning that it had been decided. When further representations were made; "It was agreed the question of divorce was a fundamental issue in Gibraltar on which direct consultation with the people might be necessary and the matter should therefore be pursued on this basis". And that was the last that we heard from the point of view, officially. It has been the view of the majority of the Members of the Government and therefore the collective responsibility of the Government, that there should be more tangible evidence that substantial amendments to the law of divorce carry support and I think it is regrettable that the Honourable Mover, despite the fact that I may agree with some of the remarks he made, did not see fit to include such fundamental changes as he thinks are necessary in his Party manifesto at the election. It may well be that he would be elected just the same but whether he would have been elected with the votes he got or not is a matter for conjecture and that is why I think we ought to go carefully as to how to approach this matter. As far as my Party is concerned we are a pluralist Party and we do not have a whip on this matter. Each one should vote according to his own conscience and that is how the matter will be dealt with in this House. I should make no apologies to say that I would generally agree with the sentiments expressed by Mr Bossano on the necessity to amend the law, as an individual, but the collective responsibility of Government is in this correspondence which I have read. When a motion is brought independently then, of course, people are entitled to vote according to their conscience and there is no question of any Government whip or any Government majority being exercised. I think Mr Bossano is wrong when he talks about the law being as in 1857, that is not the case. The law of Gibraltar is like it was in 1937 in the United Kingdom. Because the 1857 Act required that when a wife claimed for divorce the husband had to be guilty of adultery plus cruelty or desertion whereas when the husband claimed for divorce he only had to satisfy the fact of the adultery of the wife. In 1937 the law was exactly the same as it is in

Gibraltar today and it was in the A P Herbert Act of 1937 that changed the law of divorce and following the book he wrote called "Holy Deadlock" where he drew attention, not to the question of the inadequacy of divorce at the time, but the improper use that the single act of adultery was being put to, the farce that it was being made in order that people would get a divorce and this business that there was of getting chambermaids to recognise somebody who had obtained a woman just to be seen in a nightdress reading a paper when the breakfast was brought in in the morning and showing a photograph and so on. It made a farce of the divorce laws and A P Herbert greatly advocated and carried through a private Bill of divorce and that was a private Bill in the House of Commons in 1937 that changed the law. The law as I remember was changed in this respect and that is that it provided three more grounds for divorce in addition to adultery precisely to deal with the fact that the grounds for adultery were being used improperly and in fact people were not only not committing adultery but were committing perjury to obtain release from their marriage and that was culpable desertion for three years physical cruelty and incurable insanity and I think also imprisonment for more than 10 years. Later on, the amendments that have been made in 1969 and so on practically changed the concept of the matrimonial offence to the breakdown of the marriage and of that there has been considerable controversy in the United Kingdom and I think in fact the present law does not do away with the culpability because in fact it still maintains that if adultery is committed it can become impossible for one party to live with the other and therefore it can be said that the marriage has broken down irretrievably, it was a very typical English compromise of the matrimonial offence with the breakdown of the marriage. Having said that, I think the most helpful attitude that the mover has taken is to say that the motion does not mean that we ought to follow the pattern of the English law. I do not think, even if there were, as there is, need for amendment of the divorce law in Gibraltar in certain circumstances subject to certain conditions, that Gibraltar's society is sufficiently sophisticated to absorb the kind of free element of divorce that there is in England to such an extent that it can now even be obtained by post. I do not think that despite the fact that there may be very hard cases which could be cured by amendment of the law if perjury is not to be committed or one of the parties is not prepared to provide the necessary evidence in order to do that, I do not think that some of the grounds on which divorce is granted in the United Kingdom would in any case be applicable to Gibraltar. But in the United Kingdom, the change of divorce has taken a different aspect, there people have been more concerned about the distribution of money than about the grounds for divorce. In fact, all the cases that come before the Courts now on divorce are very rarely defended cases. They are all cases of how the money is going to be distributed and how is the house going to be dealt with and these are serious matters

which of course require considerable discussion. Therefore, I would like to say that Members of this side of the House will express their personal views on this matter as a result of which we will see how the debate proceeds. Thank you.

HON P J ISOLA:

Mr Speaker, if this motion were to be taken as just one other motion that has been brought before the House and discussed absolutely on the merits, the House would expect the mover of the motion to give grounds for his motion, to give grounds especially why he considered that there is an urgent need to amend the law. If this was an ordinary debate and I was against the motion, as I am personally, I would say the mover has not established any urgent need for any amendment himself, he has not given us the reasons why in July, 1980, instead of February, 1980, why there is an urgent need in July, 1980, and there was not an urgent need in February, 1980, or in 1976 when he led a Party to an election. After all, he complains we are 100 years old, why didn't he take it up when it was 90 years old? There must be a reason for the Honourable Member coming to this House and saying there is an urgent need now in July, 1980, to have the divorce law amended but he hasn't said anything about urgency, he has told us that he himself believes that people should be able to get divorced by mutual consent. That is his belief, we know how he is thinking. We know what he thinks therefore of marriage as a solemn matter between two people. But that is neither here nor there. What I am trying to get at is that if this was just an ordinary motion which it isn't, it is a motion that I think produces great emotive issues, it is a motion on a greatly emotive issue so far as Gibraltar and its people are concerned and the Honourable Mover must know that because he moves around so much among the people of Gibraltar. So that really we do not know, we have not been told by the mover why it is that on July the 17th, 1980, there is an urgent need to amend the laws of divorce which didn't exist in February when he was preparing his Party manifesto as its leader or when he led his three groups in the elections in 1976. Perhaps when he replies he will tell us that but as I said that is of no importance, really, Mr Speaker, because once the issue is before the House, once there is a motion before the House then we have to consider the issues that are raised in the motion. I think it is childish to expect Honourable Members of this House to believe that divorce is not a highly emotive issue, that divorce is a highly fundamental issue in any society. Perhaps other societies have grappled with this problem earlier than we have, perhaps, they have come to other solutions than we have. But it is childishly absurd to put in a motion of this nature in the way that it has been done, on a very low key basis, without expecting strong reactions from people who feel differently to the mover. The mover complains, for example, that the Catholic Church was wrong to have come out, that it was unfortunate for the Catholic

church to have come out against this motion. I see no basis for this because the Catholic church, like politicians, like political parties, like trade unions, like Chambers of Commerce, like Shipping Associations, are entitled to speak out on matters that affect the way they think and the principles on which they think. I cannot object to anybody speaking out on an issue such as this which is highly emotive and on which people of different shades of political opinion and thought have very strong views. As far as the Democratic Party of British Gibraltar is concerned, Mr Speaker, this is an issue which it has not considered in depth, representations have not been made in the past to the Party on this issue, on the demand for reform and therefore we will not, obviously, take a policy decision on a matter as grave as this without mature thought and consideration. Therefore, in the same way as the Chief Minister has said with his Party and with Members of his Party will act and vote and speak according to how they personally feel and how their consciences dictate, in our Party the position will be identical. Honourable Members on this side of the House are free to express whatever opinions they feel should be expressed or ought to be expressed on this issue. Therefore what I say on this motion and on the issue of divorce is purely my own personal views on the matter and not those of my Party or indeed of my colleagues, until we have had an opportunity to look at it. Mr Speaker, we live in a democracy and in a democracy elected Members in a House, especially those elected on a Party ticket, have a responsibility to carry out or try and carry out what that Party has stated in their election manifesto which is on the basis on which they have gone to the people. Clearly, there are a number of matters that are not in a manifesto with which a Party deals in the course of public duties during their term of office in the House and, of course, it has to adopt attitudes to these matters and take decisions. There are, of course, generally recognised amongst political parties, a number of issues, not many, which are fundamental to society and which obviously require a mandate to put into effect. If, for example, the Government were suddenly to say: "We will nationalise all shops in Main Street", we would accuse them of doing things that they were not and for which they did not have a mandate, nationalisation not having been in their Party political manifesto, and rightly so. There are a number of fundamental things in a society that for elected politicians to legislate on really require a mandate and it is my view, and I hope it is also the view of Honourable Members on my side of the House because I am sure it must be the view of the Honourable Mover, that divorce is precisely one of those subjects on which a political party requires a mandate, it requires a mandate to put it into effect, it requires to be able to go to the people and say: "We are going to amend the law of divorce", either in this way, as the Honourable proposer would like, so that people can just write to each other and say: "We are divorced", mutual consent, and that is it or: "We are

going to permit now, in addition to adultery, we are going to agree to desertion and cruelty and we are going to do this and we are going to do that". Before a Party puts that in its election manifesto it has to consider obviously the consequences of it and make a judgement on it and then go to the people and then the people can say they like it or they don't like it, and decide. On a question such as divorce, judging purely and simply from the reaction there has been to the mover's motion, it is quite obvious that it is a highly controversial subject. For example, the leader of the Housewives' Association, Mrs Summerfield, I think, wrote in the Chronicle saying how the Housewives' Association supported it. The Honourable and Learned the Chief Minister has cited examples. Only this morning I read in the Chronicle 16 housewives writing saying they are in the Housewives' Association and they do not support it, it wasn't discussed. So even there one sees controversy. There is no question, for example, as to how the Catholic Church stands on this point in this community and I think we are bound to take account of the views of the Catholic church in Gibraltar because there are a great majority of Catholics in Gibraltar over all other denominations. Fortunately, the relations between the different religious communities in Gibraltar have always been good and I am sure they will continue to be good and there is no reason why they shouldn't be but we have to acknowledge as a fact that the Catholic community is a majority community in Gibraltar and the Catholic church has thought fit to speak out on this issue and we have to take some account of that. The Honourable Mover may take no account at all. Others may feel justified in taking a lot of account of what it said. One cannot, unfortunately, necessarily divide religion and secular entirely on this issue because it is fundamental to the way of thinking, in my view, of a Catholic that marriage is sacred and marriage cannot be dissolved. This is how some people think. There are obviously, and I appreciate it, there are a lot of hard cases, a lot of cases where there are good grounds possibly and so forth but it is very difficult when you are up against principles. It is very difficult when you are up against people who feel that marriage is indissoluble and genuinely feel it. You may call them archaic, you may call them out of fashion, you may call them what you wish but they exist and they feel strongly on it and I do not think this House can move into a reform of the divorce laws without a proper mandate and without proper consideration, without proper investigation. That is my own obviously personal view. Certainly I would say that as the Leader of a political party I would not agree to support a measure, as a Party, in respect of which we do not have a mandate. That would be undemocratic, that would not be democratic. Mr Speaker, as far as I am certainly concerned, I am against divorce as a matter of principle on two grounds. One is on religious grounds and I don't think I should really go into that, on the firm conviction that I am not entitled to dissolve a marriage and I have no right to be a party to that, that is on the religious grounds but then I am not convinced

on social grounds that divorce, or easy divorce put it that way, because divorce exists already but that easy divorce is necessarily a good thing for society as a whole. I think that the strongest unit in any society and the only thing that seems to have stood up to the ravages, the history and the ravages of change and the ravages of time, is the family, the family as a unit of society. The family is the most stabilising influence of any stable society and I believe that the history of divorce in different countries has shown that easy divorce has tended to destroy the stability of the family in a society. I think that the family as a unit has been greatly weakened in certain countries which have adopted the sort of divorce law that the mover would wish us to adopt in due course and in time and that is divorce by mutual consent. That, really, now exists in England and it exists in America. I don't know about Russia, but in Russia it presents no problem because there things are done and that's it and as for debate, well, we will forget about that for the moment. Sir, Russia I am afraid we cannot compare at all in this instance. In America and in England there has been divorce by mutual consent, in other words, the principle that the Honourable Mover has put before this House of divorce by mutual consent has been accepted and the result on society has not been good. I want to be honest with the Honourable Mover, I haven't got an open mind on this issue in the sense that I have firm convictions in this matter but what I am saying is that in Gibraltar we have, I think, a very good family society, we do have it, I think the family is all important, the pride of parents in their children and how they come up, our concern and so forth is very marked in our society and the family unit is extremely strong. It is perhaps a unique society in the world that we live in. In other countries sons and daughters do not want to come home for their holidays, they want to go somewhere else, they want to go all over the place it is different, I don't know what the reason for this is but I think that on practical grounds before a political party or before a legislature makes changes that could profoundly affect that society, they want to think very, very carefully, they don't want to do it because a motion is popular, because they are under pressure from hard cases and, unfortunately, there are hard cases, there is a well known principle about hard cases making bad law but there are hard cases in a society and we do not want to move into an area without knowing what we are letting ourselves in for, without knowing the consequences, not over a few years but over a period of time, over one or two generations. Perhaps, Mr Speaker, I will concede, perhaps I am overstating the position, perhaps I am exaggerating a bit, it may be true perhaps that is because of my bias in the matter for which I apologise to the House, but I think basically my thoughts on the matter at this stage are that we do not have a mandate to legislate on this matter without very much more research and consideration into the matter and very much consultation with the people. Mr Speaker, I have probably just now written off 1,000 votes

but that cannot be helped. I do hope the Honourable Mover accepts that I cannot in conscience accept the plausibility of the arguments that he puts forward for change and certainly I would like to hear from him when he replies what it is that has made him feel now that there is an urgent need to amend the law. Thank you, Sir.

HON A J CANEPA:

Mr Speaker, I am going to vote against the motion and I am sorry that the Honourable Mover has given us already without hearing those of us who are going to vote against the motion, without hearing our views, he has already given a somewhat aggressive interpretation as to the manner in which we are voting and the implications of such a vote. I am not too deeply involved at this stage about the merits or otherwise of the issue of divorce. I am more concerned at the manner in which an attempt is being made to amend the law on divorce and I stress regardless on the merits as to whether the law on divorce should or should not be amended. I am not going to bring my religious views into this debate, that is a matter for me and for my Creator, and therefore I will limit myself to supporting from a purely social point of view the point made by the Honourable Mr Isola that divorce should never be too easy because I do not think that it is a good thing for young people to enter marriage without some sense of commitment and without some sense of reflection about the seriousness of the step which they are taking. And if it was possible in Gibraltar to obtain a divorce merely because two people have been living apart for two years and they consent to that divorce as is the case in the United Kingdom, I think that there is a very distinct danger, a very real danger, that young people would enter marriage without the sense of commitment that I have referred to, with the attitude that, well, if it does not come off, if they do not get on together, they can wait two years and get a divorce. That is a social point of view and I will not have anything further to say about the merits of the matter. What I dislike about the manner in which an attempt is being made to change a fundamental law, is the fact that only five months ago, or five years ago, or two or three years ago, five months ago, there was a general election held in Gibraltar. And whereas in 1976 one of the candidates, Mr Ellul, had himself made of divorce an issue at that election, that was not the occasion this time, even Mr Ellul himself played down to some extent his commitment to reform of the divorce laws compared to the stand that he had taken in 1976. Neither in 1976 nor in 1980 did Mr Ellul obtain substantial support from the electorate. If he had been returned to this House I would have said that Mr Ellul had a mandate to bring such a motion but the Honourable Mr Bossano is in a different category altogether because the Honourable Mr Bossano did not in 1976 or 1980 include the question of reforming the divorce laws in his election platform or manifesto as is the word more currently used in British politics rather than in American

politics. In 1976 Mr Bossano's Party did not support Mr Ellul and I think it is a pity that Mr Bossano has not told us in his short introductory address why his Party did not include the issue of divorce in its electoral manifesto; why they did not as individual candidates have anything to say in the articles which appeared under their names in the press, why in their addresses over television they had nothing to say about divorce and why they did not go around the streets of Gibraltar clamouring for a reform in the divorce laws. I think it is a pity, Mr Speaker, that the Honourable Mover has not answered these points to the House and perhaps when he exercises his right to reply he might have an opportunity to do so. Again I wonder, Mr Speaker, I really do wonder, whether the Honourable Member would have obtained 4,900 votes if the issue of divorce had been included in his manifesto. I am not a betting man, my guess is that he would not. And perhaps that is why it was not included in the electoral manifesto. I notice, Mr Speaker, from the issue of the Gibraltar Chronicle of Monday that in a report on the Bishop's Pastoral letter, a paragraph which may have escaped the attention of some Members of the House and of the public referring to the reform motion being introduced by Mr Bossano, and going on to say: "At the Party's annual Assembly last March, Mr Joseph Baldachino said; "It was wrong to condemn people who found their marriage had broken up, to a life of unhappiness. The existence of broken marriages", he went on to say, "is a matter to be regretted but it cannot be prevented by forcing those who are unable to make a success of their marriage to stay together in the eyes of the law rather than giving them the opportunity to find happiness elsewhere". From this short paragraph one gathers that the issue of divorce was raised at the Party Assembly of the Honourable Member's Party in March, Mr Speaker. What a pity that Mr Baldachino or whoever raised the matter, did not bring the issue at the Party Assembly held in late January to select candidates for the general election to be held on the 6th of February. That would have been a very honest step to adopt. The issue should have been posed there with a view to including it in the manifesto and it is not in this manifesto but what there is in this manifesto, Mr Speaker, in paragraph 9, in Spanish, is something about "apertura democratica", which I translate as open democracy. With the leave of the House and your leave, Mr Speaker, I want to translate into English that particular paragraph and if I do not do so accurately enough perhaps the Honourable Mover might chip in and correct my translation. "There is a need to democratise the system by which Government takes decisions in order that it might be known more deeply that the reasons for these decisions should be known more deeply or more fundamentally. And there is a need for those sectors of the community which are affected by one decision or another to participate in this process". I hope I have translated that fairly accurately. This is what the issue is all about. This is why I am voting against the motion because I do not think that those laudable sentiments as to an open system of Government of which the Honourable

Mover is the apostle, those sentiments and those principles have not been abided by the Honourable Mover only his Party in presenting this motion to the House. I do not say, Mr Speaker, that as elected Members we do not have a duty to consider in between one general election and another and to debate in this House and consider seriously issues of great public interest as and when they arise, we have a duty to do that. In 1970, under the administration of the Honourable Major Peliza, a very fundamental step was taken regarding national service even though that had not been an issue in the 1969 elections. But there must be clear evidence that it is an issue and I refuse to believe that in a Gibraltar in which people are so politically aware and where people are so ready to put pen to paper we have seen with Parson's Lodge, with a controversy over recreational areas being put aside for coach parking, I refuse to believe that in the same way as people feel so strongly about these issues and organise themselves and rush to put pen to paper and send letters to our newspapers, that the same thing would not have happened with divorce if there was a real feeling within the community and a strong point of view that it was urgent that the divorce laws should be changed. Against the background of such agitation I think the House would have a duty to debate the matter but I do not think that these conditions have been met in this case. I understand, Mr Speaker, that on the soundings that have been carried out, the likelihood is that the motion as it stands will get a small majority of 8 to 6 and I want to question, Mr Speaker, whether 14 elected Members of the House have a right to decide as a matter of conscience, without having sought a mandate from the electorate five months ago, have a right to decide without an attempt being made to test, to verify, to assess what does the rest of the community feel about it. Fourteen individuals voting in keeping with their conscience have a right to tell 25,000 individuals for the majority of whom divorce may also be a matter of conscience how they should behave without obtaining the views of those people. I do not think that that is the case. I do not think that although we have a duty to give leadership because we have the opportunity to give such leadership five months ago, I do not think that we have a right to do that. Today it is divorce, tomorrow what is it going to be? Could it be that someone is going to be elected to this House on a very moderate manifesto and then because secretly he is a staunch believer of the liberalisation of the laws on abortion he is going to introduce a motion in the House at five days' notice and perhaps get a majority? I don't think, Mr Speaker, that that is democracy, that that is good Government. I do not think that that is the British approach to politics and I think that what it does is to seriously undermine the principles of democratic elected representation. It had not occurred to me, Mr Speaker, in fact, that there is only a need for five days' notice to be given because in fact, the Honourable Member gave greater notice. Notice was given on the 1st of July so let us say

we had a fortnight and because of that it had not occurred to me that in fact it is only five days notice that needs to be given. I want to underline that it is because of the manner in which the Honourable Member has gone about it that I feel at this stage that I cannot support his motion. If a general election were to be held and the matter was made an issue at that election and a Member who had come out clearly in support of a reform in the divorce laws were to move a motion here then, perhaps, I might adopt a different point of view and I might actually debate the merits of the issue. But there is, I think, Mr Speaker, a need to test the views of the electorate on this matter and perhaps that can be done without necessarily having to wait for a future general election, I think an attempt can be made to put the matter to the test and to see what is the evidence one way or the other. Apart from the numerous letters that have appeared in the press on this matter, Mr Speaker, the statements that have been issued, I am sure that a number of Members must have received letters from the general public. I have received a letter myself from a very prominent citizen who because of the position that he occupies in the community is not able to write on these matters to the press but I think it is only fair that I should acquaint this House with the stand that this prominent citizen takes and his views happen to coincide with mine to a very great extent. He says: "I also believe that the method which has been adopted in order to raise this matter is wrong. This is clearly a highly controversial issue on which people feel strongly and it cannot in my view be right that a motion with such far-reaching social consequences should be decided upon on five days' notice - as I said before in this case of course more notice was given - and without the proper opportunity for members of the public to express their views and for Hon Members to consider these and to study all the complex implications. There has been talk of a possible referendum as well as suggestions that the matter should be made an issue at the next general election". May I intervene here myself to say what my own view is about the question of a referendum. I think that if a referendum is to be held on a fundamental issue there is a need also to tell the electorate beforehand that such a referendum is going to be held and this is what the Labour Party did during the 1974 general election in the United Kingdom. They told the electorate that if they were returned to Government they would put to the test through a referendum the issue of whether Britain should continue in the EEC or not. Notice they were not elected and decided 6 months later to hold a referendum, they actually told the electorate they would do that and I would commend that approach taken by a Party which I know the Honourable Member supports wholeheartedly and a Party the right wing of which I support wholeheartedly as well. I would commend that approach to him. That is what I feel about holding a referendum of this issue that I think there is a need to tell the electorate

again beforehand that such a step is going to be taken. I continue with the letter. Referring to the general election the writer goes on to say: "The latter seems to me to be the most reasonable and democratic way of proceeding". He then suggests "that the motion should be amended in order to provide that the question of amending the divorce law should be referred to a Select Committee of the House which would be charged with the task of assessing the weight of informed public opinion on the question and reporting back to the House. Such a procedure, if agreed, would enable the major social and religious implications of this issue to be considered with the time and attention they deserve. It would also enable the public to express their views directly to Honourable Members. Because there is no mandate it seems to me that they have a democratic right to do this and that they should not be deprived of that right". And the concluding paragraph. "I am confident that because Gibraltar is an essentially and fully democratic society, the above suggestions will receive the most careful and favourable consideration. The deliberations of the Select Committee would enable Honourable Members to formulate a policy based on their own judgement but also on the mature consideration of reasoned arguments and views presented by all those who are concerned about this matter, whether for or against". Mr Speaker, I am not going to move an amendment to the motion to provide either for a referendum or to provide for the matter to be put to a Select Committee and I am not doing that because I am against the motion and I do not wish to give the impression that because it appears that the motion would otherwise carry a majority that I who am against the motion am attempting to pre-empt the vote being taken in this manner but I hope that the views that I have expressed will merit the serious consideration of Members generally and in particular of those who have not participated in the debate and if I have succeeded in convincing perhaps any of those who were going to vote in favour of the motion that an amendment, perhaps, referring the matter to a Select Committee should be put to the motion, I would find myself able to support such an amendment and as I say I really hope, having regard to the views that I have expressed and to the manner in which I have put those views across, I very much hope that Honourable Members will think deeply about these issues and I would be very happy if I have succeeded in convincing any of those who would support the motion that perhaps an amendment is warranted.

HON A T. L. OF DO:

Mr Speaker, I have known Mr Rossano for a good number of years and I must say that today is the first time that I am almost completely in agreement with him from which you will gather that I will be voting for the motion as it stands and and at the same time I realise I have probably signed away 1,000 votes myself. There are two important things, Mr Speaker, we must not lose sight of. One is that we already

have divorce in Gibraltar and the church does not accept that. Fair enough, that is how it should be, and the other thing that we must not forget is that we are a multi-religious society. In my address on television when I stood for election I thanked the Lord that we were a democracy and that we did have a vote by secret ballot so that once we were elected you were a servant of the public and you never knew, you could never possibly know how people had voted. Just after the election results were announced I was stopped and congratulated on having been elected by so many people who said that they had voted for me that at one point I began to wonder how Sir Joshua had topped the poll again and not myself and the truth of the matter is that I was stopped and congratulated by members of the different religious persuasions in Gibraltar. I have no wish for a confrontation with the church but similarly I do not wish to hide behind the skirts of Holy Mother the Church and if in this House we are not going to take decisions on controversial matters precisely because they are controversial, I don't know what we are doing here. I don't think that is why we were voted in. One thing which is established in British law is divorce between Church and State and I think that is how it should be, so there we have another case of divorce which we accept and we have in Gibraltar. I do not want to get into a theological argument because I am not theologian but purely from a layman's point of view, it appears to me that the Catholic Church to which I belong, allows its faithful to correct any mistake that they make with the exception of one, and that is a mistaken marriage. We have cases of people in holy orders who after a number of years realise that their vocation wasn't as strong as it was when in their youthful exuberance they decided to take vows which are binding forever. The church in its wisdom in this case allows these persons to leave the order and to marry and I think that is an enlightened approach. Paradoxically the church complains that there are too many young people living together who are not married.

MR SPEAKER:

May I bring to the notice of the Hon Member holding the floor that we are not talking other than as to whether the law of divorce should or should not be changed. We are not debating the merits of the church's stand on the issue of divorce. We must not depart from the subject of the motion.

HON A T LODDO:

Thank you, Mr Speaker, as I was saying, if I may finish the last sentence, it is frowned upon but at the same time if they marry then they can never get divorced. On the question of the stability of the family which has been brought up, I agree but let us not forget that the Jewish people have probably a stable family system as good or better than anybody else and they have divorce and they have gone through

persecution and torture as we all know. This happy, stable family can only be in a happy family. If you have an unhappy family, an unhappy situation, quarrels, beatings, drunkenness, you cannot have a happy stable family and I would say that one splits the family into two happy units rather than have one unhappy family. Again the idea that because the law would be widened there would be a mad panic rush for people to get divorced, I think that is pure conjecture. The only people who would rush to get divorced are those who are already doomed to separation. By all means the church should condemn divorce and should dissuade people against it and they should encourage reconciliation but by the same token they should also show compassion and tolerance and humanity and humility. It has been suggested that this question of divorce should be put to a referendum. I, personally, am opposed to this. A referendum, as the Labour Party promised in the case of entering into the EEC, is quite acceptable. That would have been something which would have affected everybody. This is something which might affect everybody but I doubt that everybody in Gibraltar will want to get divorced. This is like the law of duty free. Just because you are entitled to take a bottle of whisky and a bottle of wine and 200 cigarettes, if you are a non-drinker and a non-smoker you will not avail yourself of the duty free. As I said, I am in almost complete agreement with Mr Bossano, but the only thing, possibly, where he has slipped up is that he has only given 14 days notice to the Government.

MR SPEAKER:

Notice of motions are not given to Government they are sent to the Clerk of the House who submits them to the Speaker.

HON A T LODDO:

I beg your pardon. I stand corrected. Possibly, if he had said that he would be raising this in October it would have given more time for us to gauge public reaction but it has not happened, we have got it here and we are faced with it. As it stands, as I said, I will be voting for it. I did say at some earlier stage that there are things that separated an honest man from a fraud and to me if you are vote catching you are a fraud. I have given away 1,000 votes today, I think, and I think I can be called anything but a fraud. So, Mr Speaker, as the motion stands I will be voting in favour.

HON J B PEREZ:

Mr Speaker, Sir, I would like to begin my contribution on this motion by making a comment on the contribution which was made by the Honourable the Leader of the Opposition. I think it was unfair for the Leader of the Opposition to attribute to Mr Bossano the intention that he was asking

the House to vote in favour of the motion on the basis that he wanted divorce laws to be changed on mutual consent. I think, Mr Speaker, that that was not, in fact, what was said by the Honourable Mover of the motion. I made a very careful note of two of the things which Mr Bossano said. The first one was when he said: "I am asking the House to recognise the inadequacy of our present law and not the degree of reform", and he went on to say at the end of his contribution that what he was asking the House to do was to consider taking a second look at the present state of the Matrimonial Causes Ordinance. Having said that, Mr Speaker, I have asked myself the question; what is it that we are being asked to vote for in this motion? Clearly, we are not being asked to vote on the principle of divorce, whether we agree with divorce or whether we don't, and I say so, Mr Speaker, for one simple reason, that divorce is recognised within our legislation. The only thing is that divorce is only available in the case of a wife to petition on the husband's adultery or the unnatural offences such as rape, sodomy and bestiality, whilst in the case of a husband petitioning for divorce against the wife, our laws only permits him to petition for divorce on the grounds of adultery. So, Mr Speaker, what is the Hon Mr Bossano asking us to consider and what is he asking us to vote in favour of? I think it is convenient at this stage to consider very carefully the actual wording of the motion before the House. First of all let me say that I do not agree with the word "urgent" being in the motion for one simple reason. Either we agree there is a need to amend our laws or we agree that there is no need to amend our laws. So I fail to see why the word "urgent" has been inserted there. Having said that, Mr Speaker, I think I ought to give my own personal views on the question of divorce, on the question of possible amendment to the Matrimonial Causes Ordinance. Let me say straight away, Mr Speaker, that I see no moral or logical or any justification for not including desertion and cruelty as a ground for divorce in our Matrimonial Causes Ordinance. In my view, I do not see the difference between a woman, for example, who is beaten up continuously by her husband who comes in drunk at night, beats up the wife and beats up the children, and this has been going on for years, and she cannot petition for divorce, she has to put up with the husband, and the case where if that man were to be caught out by the wife for committing adultery on one isolated occasion, on one fling then that woman is entitled to petition for divorce. To me it is an absurd situation. But I go even further. I also mention the case of desertion which I do not think has been mentioned by the Honourable Mover. Let us take, Mr Speaker, for example, of a husband who deserts his wife and his children and leaves Gibraltar. The wife doesn't know where the husband is and he has been away for 5 or 10 years. That woman cannot petition for divorce either and that woman may have young children, that woman may be in love with another man. That, in my view, Mr Speaker, is unjustifiable, in other words, I do not see any difference between a

woman petitioning for divorce on the grounds of adultery and for not including desertion and cruelty. With that, I agree, entirely and there is no doubt in my mind but if I can get back to the wording of the motion. There is one aspect of it which I cannot agree to and that is the second part after it says: "an urgent need to amend the Matrimonial Causes Ordinance", with which I agree for the reasons I have stated but the motion also says; "to bring the law in Gibraltar closer into line with that of the United Kingdom". My view, Mr Speaker, is that it is unfortunate that the Mover chose those words in this motion and I say so for one simple reason. That in the United Kingdom they have moved away, in my view, from the matrimonial offence. It is not a question of guilt, is the husband at fault, is the wife at fault? In England there is only one ground for divorce and that is to show irretrievable breakdown of the marriage and that is the only ground and there are several ways in which the Courts must be satisfied that the marriage has broken down irretrievably. But if that is the case, then in my own conscience, Mr Speaker, I feel I must agree with the comments that my Honourable Friend, Mr Canepa, made to this House because if we are being asked to vote in favour, let us say, of a reform to bring it in line with the United Kingdom, in my view that is a major reform which we are being asked and as my Hon Friend on my right said, nobody has a mandate on this, whether we are entitled to have a major upheaval of the Matrimonial Causes Ordinance. Having said that, Mr Speaker, let me add that although I agree entirely with the spirit behind the motion because I do not agree with Mr Isola's interpretation of the Mover's motion, nevertheless I cannot go with the actual wording of the motion. My reservations are twofold. One is, to what extent are we being asked to change the laws? Mr Bossano said that he is not asking us to actually say what we would prefer, what changes we want. I don't think I can go along with that, I think one cannot just say; "Yes, we agree to look at it", and not look at the reform, we must look at both things together.

HON J BOSSANO:

Mr Speaker, surely the Hon Member will agree that the passing of the motion leaves the divorce laws totally unchanged at this stage, all it produces is a commitment on the part of the House to change it and consequently it would be when the amending legislation was brought to the House, which presumably would be after a lot of consultation amongst all Members, that the specific measures would have to be introduced. At this stage we are not amending the divorce laws, the motion doesn't amend the law at all, all it does is it produces a commitment to do so.

HON J B PEREZ:

I am glad for the comments of the Hon Member, Mr Speaker, because the amendment which I will subsequently be moving to this motion I think will cover adequately precisely what he has just said. Coming back to the point I was making on the question of reform, let us assume that the present motion before the House as it stands is passed by a majority of say eight to six which is my forecast, what can the Government do after that, where you may have the situation whereby within the Government we don't agree on the actual reform? I have stated my position quite clearly, I would like to see desertion as a ground and cruelty, there is no doubt about that in my mind but I would be even prepared to consider any other possible grounds that anybody else may want to put forward but I can see a severe problem within the Government in which we won't be able to agree. Somebody may say; "I don't agree with desertion" and another one may say; "I agree with cruelty", and somebody else may say, like Mr Isola would probably say; "I don't agree with anything". The point I am trying to make is that the motion as it stands and in my own mind wanting to see a reform of the Matrimonial Causes Ordinance. I do not see any point in having this motion passed because I don't think it will achieve anything in practice because it would be an impossibility to present a Bill to the House. What does one do, look at the grounds or go towards as the motion asks 'in closer line with the United Kingdom', that is, doing away with the matrimonial offence and just having one ground? It is a very real and practical problem if this motion is passed on this basis and that is why I will subsequently, as I said, be proposing an amendment to it which I hope the Hon Mover and other Members of the House will be able to support. My second reservation on the motion, Mr Speaker, is the one mentioned by the Hon Mr Canepa on the question of a mandate because it is my view that if one wanted to change our Matrimonial Causes Ordinance and bring it in line with the laws in the United Kingdom, we would not be entitled to do that. So I feel, Mr Speaker, there are three ways of tackling this problem, three alternative ways. The first one would be to propose that a referendum be held now but I think, Mr Speaker, that that begs the question, a referendum for what? What are the people going to be asked in a referendum? To vote in favour of including desertion and cruelty? To vote in favour of just having desertion? To vote in favour of just having cruelty? To vote in favour of bringing our legislation in line with the United Kingdom? I can see tremendous problems of having or proposing a referendum at this stage today. The second solution could be to say; "Well, we have no mandate whatsoever to bring any reforms whatsoever, let it be an election issue at the next General Election whenever they will be". I cannot go along with that, Mr Speaker, because I would like to see our Matrimonial Causes changed to include desertion and cruelty so I would not support that. My third alternative, which is the one I will propose to the House is that we set up a Select Committee of the House to

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look at the need, if any, to amend the Matrimonial Causes Ordinance. I think, Mr Speaker, that that would be the most dignified and the best way out for the House to proceed in this matter. By forming a Select Committee to consider the need, if any, I think it could be supported by people like myself who are in favour of a change in the Matrimonial Causes Ordinance, it could be supported by Members who share the view of Mr Canepa who feels we have no political mandate, that can be considered as well, and it can also be supported by people like Mr Isola who are not in favour because Mr Isola did say that he had an open mind.

MR SPEAKER:

I think he corrected himself.

HON J B PEREZ:

The point is, Mr Speaker, that I think that the Select Committee would be composed of Members of the House, it would go in depth into the actual Ordinance, into the actual law, it would consult people, it would consult representative bodies, it would consult the Church, it would consult Trade Unions, get the view of a cross-section of the community, look at whether it is advisable to include desertion, cruelty or any other grounds, look at the possibility of the United Kingdom law being applied here and at the same time the Select Committee could consider the three ways of going about it, that is, bring a Bill to the House, (2) having a referendum after we have identified what should be done, what we think is right to be done and I think that would be the best way. So, Mr Speaker, I therefore propose an amendment to the motion, and the amendment, Mr Speaker, would be; "To delete all the words appearing after the word 'considers' in the first line thereof and the substitution thereof by the following words: "that a Select Committee of the House should be appointed to inquire as to the need, if any, to amend the Matrimonial Causes Ordinance". I move accordingly.

Mr Speaker proposed the question in the terms of the Hon J B Perez's amendment.

HON J BOSSANO:

Mr Speaker, I cannot support the amendment of the Hon Member. I cannot because in fact I have no doubt about the need and I don't think we need a Select Committee to establish if there is any need because, in fact, if that were the case I wouldn't have said there was an urgent need to reform the law nor does the Hon Mover of the amendment himself have any doubt that there is a need because he's fully committed to extending the grounds for divorce to things like cruelty and desertion. I take the point that he was making about where does one go from passing a motion that the subject is that there is a need to reform the law, what is the next step? And the next step, as far as

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I am concerned, would be quite acceptable that there should be a Select Committee in view of the fact that this is a very personal issue where within the parties there are different points of view, it would be clearly better to have a cross-party body to try and obtain a view as to, to what extent the need that there is to update our legislation has got to be met, to establish the degree of the need, this I would accept would be a matter of follow-up. Having decided that we need to have a look at our law and to reform it, then the degree of the reform can be the subject of the Select Committee and then that Select Committee after taking everybody's views into consideration can come up with a recommendation as to what extent the law should be reformed but I would not accept that the Select Committee within its terms of reference should have to decide, basically, whether the law as it is now is perfectly satisfactory or not because I am totally convinced that the law as it stands now is not perfectly satisfactory and that that it is so patently obvious that one doesn't need a Select Committee to decide that point. The point, of course, is that if the Hon Mover of the amendment says that the Hon and Learned Leader of the Opposition would be able to support that amendment because he would be able to go along with the "if any" qualification on the assumption that there is not any need to reform the law, that is, that the law is satisfactory, but in fact the Hon Member's opposition to divorce must of necessity include existing divorce so he should want to amend it in the opposite direction. He is completely convinced as well that there is a need for reform as I am, the only thing is that he wants to reform it back and I want to reform it forwards. So I don't think we need to have the words "if any" there at all. We have all agreed in this House, even those who oppose divorce on fundamental grounds that there is a need for it, though those who oppose it on fundamental grounds would obviously wish to abide by the teachings of the Church in this matter, that it is a sacred institution and an unbreakable bond and an unbreakable bond is an unbreakable bond, there is no way of compromising with that point of view and I respect entirely the point of view of the people who believe like that themselves for themselves. What I believe they don't have the right to tell me is that my marriage is an unbreakable bond, that I don't believe and I don't believe that even 99.9% of the electorate

MR SPEAKER:

No, that you will be able to say when you reply to the motion.

HON J BOSSANO:

Well, Mr Speaker, I am making that reference because, in fact, the Hon Member said, in moving the amendment, that one of the things that the Select Committee could look at would be the question of a referendum.

MR SPEAKER:

He said that on the general motion.

HON J BOSSANO:

Yes, but in moving the amendment he said that it could be decided whether the findings of the Select Committee could be put to referendum or not be put to referendum.

MR SPEAKER:

Precisely, but let us not discuss what the findings are going to be.

HON J BOSSANO:

No, I am discussing the principles of the referendum in a matter like this which I think in terms of practical legislation I would go entirely along with the idea of a Select Committee of the House to make proposals in an area where technically I think other Members of the House are better qualified than I am. My view is a very simple one and a very simplistic one which perhaps cannot be codified in law effectively. I think that people should live together because they want to live together and not because the majority of the community thinks they should, it is as simple as that, and I think that a stable, happy, married life is based on the exercise of free will and not on coercion by anybody else and I cannot go along with the idea that a Select Committee should try and establish whether a need exists or not because I am convinced that there is a need the only thing is that I accept that the degree to which that need may be met may not be a view held by everybody to the same extent that it is by me and that it is better to get half a cake than none and consequently I am prepared to make compromises in the exercise of how we feel about meeting that need. I would support an amendment on those lines, Mr Speaker.

HON J B PEREZ:

Does he not realise, Mr Speaker, that he himself could be a Member of the Select Committee and make his own views known?

MR SPEAKER:

That is pre-judging the issue and, anyway, you will have the right to reply.

HON J BOSSANO:

Presumably if there is a Select Committee the House will decide who goes into it and I would presumably be asked in view of the fact that the matter has been brought to the House by me, Mr Speaker, but what I am saying is that as a

way of changing the decision, in principle, to reform the law into a practical pragmatic step to carry that decision out, I would say that then there should be a Select Committee, perhaps, an addition to the motion, not a total replacement of the motion, that went on to say that it considers that there is a need to reform the Matrimonial Causes Ordinance to bring the law closer into line with the United Kingdom and that a Select Committee should be set up to investigate how best this need can be met, or words to that effect, I would accept that, that was something that we do if we are agreed that we need to do what the motion said we need to do but I cannot accept that the decision basically that I am asking the House to make its mind up on should be instead devolved onto a Select Committee. It seems to me the amendment to the motion effectively says that it should be the Select Committee that takes the decision in principle on the motion that I am asking Members of the House to take because if we vote that there is a need, we have decided that there is a need by a majority in this House and then we can select Members of the House who should look in depth at the matter to establish just how great that need is and to what extent it can be fulfilled but I would not accept that we should set up a Select Committee to tell us whether there is a need or not particularly when there is such a close balance and the balance in that Select Committee might be a different one from the balance in the House.

MR. SPEAKER:

May I ask the Hon Member whether he wishes to speak on the amendment or on the motion?

HON. MAJOR F. J. DELLIPIANI:

I wish to speak on the amendment. Mr Speaker, the Hon Mr Bossano is on an easy wicket when he talks about divorce because as we all well know, and I respect his views, he is an atheist. I am a Catholic and I have to think of my Catholic teachings but at the same time respect the views of others. It is far more difficult for me in my mind to divorce myself from my catholic teaching and the beliefs and wishes of other people. Divorce exists in Gibraltar, whether it is the right kind of divorce or not, it is a fact of life, divorce does exist in Gibraltar but we are talking here of the need to see whether these grounds for divorce should be reformed or should stay the same. The Hon Mr Bossano claims that he sees the need already, he did not see that need in February or in 1976, the need has suddenly materialised in July and to me that is a contradiction in terms. I see that there is a need to change the divorce laws even though I am a catholic and I would abide by the teachings of my religion. I do see that there is a need to inquire whether the divorce laws should be changed and I will support the amendment. It is a fundamental issue, it is not an ordinary law about which people do not feel strongly. We are living in a catholic majority even

though our Chief Minister is Jewish, and we must respect the wishes of the majority of the people and we do not know what the wishes of the majority of the people are on this issue and we must sound that majority view. We cannot do it by the original motion as presented by the Hon Mr Bossano because he should have taken it as a matter of policy in his manifesto, he should have said it in his electoral address over television or by radio. I have never heard it or seen it written, I think he mentioned it somewhere in Varyl Begg because somebody asked a question. On this question of divorce I cannot ignore the fact that there are a lot of people suffering, I know that there are people suffering but what I am saying is we must sound the opinion of the people of Gibraltar as a whole. We were not given a mandate to create this urgency over the divorce laws at this very moment.

HON P J ISOLA:

Purely speaking on the amendment, I think there should be a much more cordial relationship between the Hon Mr Bossano and myself and I think he ought to come and see me before he puts a motion because he seems to be a very unfortunate man, every time he puts a motion down there is an amendment that deletes everything that follows the word 'considers' and I feel he must be labouring under sense of grievance on this especially today when the forecasters speaking in the House have been saying that his motion is going to be passed eight to six and then he is suddenly told just at the last minute that there is going to be a little amendment and victory is taken away from his grasp. I do feel a lot for him especially after the very spirited support he got from my Hon Colleague on my right who will now be disciplined, I hope. Mr Speaker, I did not agree with a lot that the Hon and Learned Mr Perez said but I cannot answer him now. I will only say that I notice that in his intervention on the amendment the Hon Mr Bossano did seem to pursue his point of divorce by mutual consent because really that is the logical conclusion to the divorce procedures as they have developed in the civilised countries. Therefore because of the insertion of the words "if any" in the amendment, I feel I can support this amendment so long as the ambit of the inquiry is to the extent and in the way that the Hon Mover has suggested. In other words, sound any opinion that wishes to be sounded and let the Select Committee do its work. Let me assure the Hon Mr Bossano that if the forecasters are right in the majority in this House of eight to six and we may never know it, but if they are right, I certainly would consider it right and proper that the pro-divorce protagonists should have a majority on the Select Committee; obviously. I would not like to see a Select Committee composed of Members that do not reflect the attitudes that have been reflected in this House. I agree this is much less than what the Hon Member was asking the House to decide because if the Hon Member's motion is passed I suppose there is a commitment in the House to change the law. How or in what way no one is quite

clear and I agree with what he says, but on the other hand I think that the Hon and Learned Mover's amendment, after a speech in which I feel that I was unfairly dealt with by him but nevertheless the Hon and Learned Mover's suggested amendment I think does provide a way in which all the conflicting views that have been put and will be put later on in the debate on this subject of divorce, can be brought together, can start the procedure of democratic inquiry and let us see what that brings. Mr Speaker, despite my views on this subject, I do feel I am able to vote for that amendment. I hope the fact that I am able to vote for that amendment will not make others say then this is the amendment that must not go in. I do say that I am able to vote for this amendment because it does seem to want to start off a responsible inquiry by a Select Committee of the House into the matters raised in the motion.

HON CHIEF MINISTER:

Mr Speaker, I want to speak very briefly on the amendment because it seems to me that we might find ourselves, if some kind of amendment is not carried, in an impasse. I did not want to hide behind the difficulties I am going to mention now in order not to give support to the original motion in general terms as I did because I feel that the matter should be looked into and that there is need for an element of amendment to the divorce laws, of that I have no doubt in my mind and in my own conscience. But it seems to me, as Leader of the House, that if the motion were passed just as it is and nothing else, we might find ourselves in a state of suspended animation because the Government would not, and I may have to take advice on this, be able to bring forward any draft Bill unless it were one with all sorts of options for the House and it would perhaps require then the appointment of a Select Committee to decide what was decided if the amendment is carried out as it is now because it really gives no directive of the kind of thing that the House is asked to do.

MR. SPEAKER:

The motion as it stands now would only express an opinion.

HON CHIEF MINISTER:

That is right, but then if motions are meant to have more effect than those of the United Nations, we would hope that that should be seen in more active application of them. I do not want if the motion is passed as it is that the finger should be pointed at the Government, that the Government has not done what the House of Assembly has decided, that is the difficulty, because the Government if it is directed to do something, it would be incumbent upon the Government to carry out the wishes of the House but the wishes of the House as the motion stands are just nebulous in the sense that it would leave it in a way that the Government would not know which way to turn. That is why, whatever

happens, whether it is by accepting this amendment and carrying on to proceed to a Select Committee or not, if this motion is passed as it is there will have to be another motion some time in which it will be decided how to deal with this. So why have to do that if there is such an urgency after, his 8 or 10 years in public life suddenly for Mr Bossano to bring about this motion, it is going to be further delayed by having to have another session and having to decide how to go about it. I do not feel, and I am thinking purely from my practical parliamentary point of view, I do not see if the motion is passed as it is that the Government would be compelled to produce, what? That is the difficulty, unless of course this would be followed by another motion from the Hon Mover with a draft Bill of what he wanted which would require, first of all, leave to introduce and then to go through all the motions one of which would be the appointment of a Select Committee on the Second Reading. That is the difficulty I find myself in. I did not want to say this at the beginning as I did not want it to be thought a subterfuge not to decide as far as I was concerned of how I felt about the motion but that is a point that Members should consider. That is why I support an amendment that a Select Committee be appointed.

HON MAJOR R J PELIZA:

Mr Speaker, I think the proposer of the amendment spoke a lot of sense and I support the amendment but I think he should give a time limit because this can go on forever. I think he should add to that "report to the House by a certain date" because otherwise this will never finish. I do not want to create more division than there is already but it seems to me that we shall see little progress if there is no target date set. I think we are dealing with a very serious and delicate matter which really touches the soul of most individuals, certainly those who are married and also the first party that we tend to forget which are the offspring of that marriage, of which we have said very little here. These are very serious considerations which the House has got to take and which I agree is a matter for a Select Committee to look carefully as to the need for reform one way or the other for our community because as has been stated this has had no real public debate in Gibraltar perhaps for the reason that it is such a delicate matter that can really raise a hornets nest if it happened that politicians will find it extremely difficult to speak their mind in public for fear of losing votes. At one stage, perhaps before an election, this is very much in mind. But what we have got to think is that there is definitely a number of people affected of which we hear very little in public but who suffer very silently and I do not believe that it is fair for any society to allow that to continue for personal or religious reasons or whatever political reasons that that should continue in the way that perhaps it is going on today here in Gibraltar. This is why it is necessary that this matter should be brought to the public notice in the way that it has now arisen in this

House but what we must not do one way or the other is to sweep the matter under the carpet because then we would not be fulfilling our duty as elected Members of this House. I have my own views on divorce which, perhaps, are neither here nor there. I have my own personal convictions and my own religious beliefs but I try to rise above them and look down to the people for whom I am responsible and see the picture objectively rather than subjectively to my own personal point of view. My own circumstances, happily, are such that perhaps I do not see the need as strongly as if my circumstances had been different.

MR SPEAKER:

I take it that you are speaking on the motion.

HON MAJOR R J PELIZA:

I am speaking generally to the motion and I do not propose to speak again. I think that we have got to see from four aspects. We have the matter of conscience which is the religious side and as we know there are different religious denominations in Gibraltar and people in some instances have very, very strong views on this matter and no amount of talking will ever convince them differently because religiously they have faith in their own religion and faith is above every other argument and therefore, Mr Speaker, it is beyond convincing. Then we have the social aspect where we see it from the point of view of whether it is good for society or not and this again is a very difficult assessment to make because it is a fact that in some instances, and I know cases where people who have divorces have been able to find another partner and live very happily after that and it has been good for the children as well so it is not all one way. On the other hand there are cases where there have been divorces and second attempts have been a failure, another divorce and so on and so forth. So it is not black and white, there is a lot of grey and it is very difficult for any individual to try and say it is right or it is wrong from the social aspect, I am not talking about religion which is a different matter. That is beyond any other logical argument that you wish to bring into it but even from the social aspect it would be unfair for anybody in this House to make one decision one way or the other. I will tell you what I am driving at in a moment. From the democratic point of view I do not believe it is an election issue to start with. It isn't an election issue because when you are talking at election time you are just not talking about divorce, you are talking about many other things and the people who vote for that party are not just going to vote for that party or against that party because of divorce because there are other bigger issues that affect individuals directly, this doesn't affect individuals directly, this affects a number of individuals in our society and we must respect those few who unfortunately find themselves in that situation so I don't

believe that this is really an election issue and I would not like to see it is that way. I think this is a matter of which people have views, silent views, views that they will express when you speak to them in the street but it is not something by which they personally are going to have a gain so it is very unlikely that they are going to start moving heaven and earth to have the law changed except, of course, for a few as I said before who have very strong convictions and then, of course, they can be very loud when the issue arises publicly as has happened now and this is why you have many letters in the press, people taking very entrenched positions and I think we have got to see it in a completely different light. We have got to be fair and just to every man and woman in Gibraltar and children because the children must also be taken into account when we make the decision. Therefore, I think, Mr Speaker, if we want to act really and truly democratically and also if we look at it from the political aspect, as I said before, because this is an issue amongst many, then, in my view, Mr Speaker, this must be done by a referendum. This is the way in which public opinion will be tested directly, every man and woman here who is entitled, I think, to participate in the decisions of the community will be able to decide whether he or she believes that it is in the interest of the whole community to say yes or nay to any changes that we may wish to make. And this is why I say any changes because we already have divorce in Gibraltar. There are people who are even against that kind of divorce that we have in Gibraltar and we must not forget them either. So, what we should do is have a Select Committee, by all means, and that Select Committee should not say if there is any need, I believe that there is really a need to look into the matter, there is definitely a need, to look into the matter in my view and I am not going to change it because this is better than nothing and even a crumb I think is better than no cake. I think that there is a need, the need is there. The Select Committee should look into what the people, generally, are thinking and from there, I think, should be drafted what should be put to this referendum. If I had my way I would have put the question that a referendum should be held on the issue, that a Select Committee should be appointed to look into how the referendum was going to be put to the people, this is what I would have drafted myself. I know it is not going to carry support so there is no point in wasting my time. This, it would appear to me, because it is so wishy-washy, let's put it that way, is going to have support and one move even if it is a slight move, is better than no move at all. So, this unifying process, I hope, will continue and progress and so lead to what I think Gibraltar needs on this issue. We just must not forget about it, this is what I am trying to get at. The need to put the question to the test to every man and woman in Gibraltar, through a referendum, in clear terms. Before the referendum is held, anybody who wants to speak on this issue will be able to do so in exactly the same way as was done prior to the 1967 Referendum where, as we all know,

the matter was publicly debated, people will hear about it, people then will be in a position to make up their mind intelligently, which I think is very important, not emotionally, but intelligently. I think, certainly the politicians will stand up and speak, societies which are interested one way or another, the different churches will be able to do that and so I think eventually the Gibraltarian will have a very informed opinion of how he should react to this proposition. To me this is the logical, sensible way of proceeding with this issue but let us hope that this is not just a way of forgetting about the whole matter, of shelving it, because that, I think, would be unfair, certainly unfair to a number of individuals who perhaps are going through a very hard period and I think it is only proper that this House should proceed. I will certainly vote for this amendment, I have expressed my view, Mr Speaker, but in the circumstances I do hope, Mr Speaker, that the House will accept the amendment.

The House recessed at 1.10 pm.

The House resumed at 3.30 pm.

MR SPEAKER:

I would remind Hon Members that we are now on the motion moved by the Hon Mr Bossano on the Matrimonial Causes Ordinance and that we were considering the amendment to the motion as moved by the Hon Mr Perez. Does any other Hon Member wish to speak on the amendment?

HON MR R G VALARINO:

Mr Speaker, I welcome the motion of the Hon Mr Bossano on the urgent need to amend the Matrimonial Causes Ordinance. I doubt whether there is an urgent need and I am sure that any urgent need can be delayed over some time to allow all Gibraltar or most of Gibraltar to be asked for their views. I stand up basically because I shall be voting against the amendment proposed by my Hon Colleague and I shall be voting for the motion as proposed by the Hon Mr Bossano. There is no doubt, as Mr Bossano has said, that divorce exists in Gibraltar. Unfortunately, some people do not know the often devious tactics that clients and lawyers have had to go through in order to obtain a divorce. It therefore shames me to find out that lawyers when they find progress coming to the House, they prefer to vote against the motion rather than in favour of it but this may well be for other reasons and not for real reasons. Therefore the few words I want to utter today are really this. Personally, I will vote for the motion of the Hon Mr Bossano and I shall vote against the proposed amendment of the Hon Mr Perez.

HON A J HAYNES:

Mr Speaker, I don't think enough has been said on the merits for and against divorce and I would like to start by addressing myself to that particular aspect of the motion as proposed. In the first place, as a lawyer, I have often encountered cases of people who wish to obtain a divorce and I as I think any other lawyer and any other person, one feels sympathy and apart from sympathy for those who wish to divorce, who are undoubtedly going through a severe trial, one also senses that the law is inadequate and as such one would hope that the law could provide more thorough and convincing remedies and further it is my submission that change in the law of divorce on the lines proposed by the Hon Mr Bossano will only be to the benefit of those presently married in society and that as such as a civil remedy for those it is something which is desirable because although the Church has strong views on the matter one can elect to follow those as one's conscience dictates. Having said that, I would like to state that my personal views on the matter are that there should be no change in the law of divorce the reason being that though a change in the law of divorce will be to the benefit of those who are already married, it poses a serious threat for those who have not yet taken that step and I take issue with the Hon Mr Bossano on his point that the family units would be very unstable and would be a farce if on the introduction of the law of divorce everybody went off to get married. That is not the way I see it, I accept that for those already married it can only bring some form of help but I, as my Leader, believe that the family unit is the keystone of our society and that nothing should be done to threaten that keystone. If I can go further, the family unit is the mainstay of any democracy and where any motion, any legislation is mooted and eventually passed whereby that institution is threatened, then that motion or that law must be strenuously attacked and I believe that in a society where divorce can be obtained at will, that in that society marriage will be taken as an institution of not great worth and that as such people will marry without taking into consideration the real importance of that institution. Of course, logically, if one extends it one would ask for legislation to make marriage more difficult but that I think would be a non-starter and as such what one must have is some form of penalty clearly in the minds of those who are to embark into marriage so they are fully aware of the step they are taking. I think one of the ways of doing that is by having legislative problems for when it comes to undoing a marriage. I think people see the hardship that is caused by separation, because it is not the divorce law that causes the hardship, the hardship is caused by a couple who wish to separate and the divorce laws are what bring it to the public eye. If the people are made aware, as they have been till now, of the considerable unhappiness that they will have to undergo when their marriage falls through, then perhaps they will take the step of marriage more seriously and that as such the family unit will remain the keystone of our society

and as such democracy will continue and since Mr Bossano I don't think has either contemplated this issue or answered it or given any statistics to contradict what I am saying, that he has not put a case of considerable or substantial merit for his motion to be approved. The merits of divorce are apparent for those who are already married and the disadvantages are in the future. As such, a decision on the matter really weighs up the present with the future and it is clear that a short-term policy, a policy which all are readily aware of, will carry a lot of weight especially with the political animal who is conscious of his political stature and wishes to remain in politics. I would suggest, however, that the braver decision is the long-term decision, the decision which encompasses the future and protects the youth of Gibraltar. Again, I question the seriousness with which this motion has been put forward when the Hon Member had his facts as to the law wrong. It is not fact that the law we are presently influenced by is that of 1857, we find ourselves in the pre-Herbert 1937 Act and these miscalculations, lack of information as to our legal status, must reflect on the considerations that were given to this motion when drafted by the Hon Member. Again, one has heard a lot of debate on the importance of a mandate in order to be able to put through legislation of this type and I think it is accepted in this House that there has been no mandate and, furthermore, it has been abundantly made clear that Mr Bossano could well have made this an election issue and that he failed to do so and if he failed to do so one should logically come to the conclusion that he didn't do so because he would have lost votes and as he lost votes it is because the people don't want divorce. This takes us into the amendment which proposes that a Select Committee be formed. I remember the Hon Minister for Economic Development saying that it is pitiful that only 14 people should decide this. I wonder if the Select Committee will mean instead of being 14 it is 7 or 5 or whatever. Nevertheless, if the Select Committee will, as one of its aims, seek to formulate a suitable questionnaire for a referendum then I will adopt that amendment. Unfortunately I am not sure that the amendment is clear on that. One of the reference points for the Select Committee which takes it outside the ambit of the morality of the pros and cons of divorce, is something which the Hon the Chief Minister touched on which is that pre-Herbert stage the law was becoming a farce and again the Hon Dr Valarino touched on that. There may, perhaps, be a need to change or modify the divorce laws to protect the law from itself because it is an even more serious issue when the law becomes a farce and then that could threaten again democracy but not in the far distant future but in the near future. We must not allow our law to become a mockery and if the Committee also seeks to find and research into the attitude the courts are taking at the moment with regard to divorce then, perhaps, they will feel that it is in the interests of Gibraltar that the law be protected from itself from becoming a farce. That is all I have to say and I hope the amendment will result in a referendum and that the Select Committee will formulate a proper questionnaire.

HON H J ZAMMUTT:

Mr Speaker, Sir, the more that I listen to arguments both for and against, I am all the more confused. When I first saw this motion I thought that it would be a straight forward issue with obviously contributions from both sides of the House, knowing that there would be no party whip, but quite honestly I think we have deviated from the point at issue. I do not think we are discussing the merits or demerits of divorce and I was quite taken aback, with respect to the Hon and Learned the Leader of the Opposition, who made a contribution basically on religious grounds because I think none of us here are elected on religious grounds and the proof of the pudding is simply to see the overwhelming majority that Sir Joshua, who is a non-Catholic, obtained and I am sure that possibly a very large proportion of his votes had of necessity to be drawn from the Christian population. I think it is very wrong that we should allow, as politicians, our religious formation to guide this particular issue. If one looks at the laws of Gibraltar on matrimonial causes there is little doubt that it is lopsided, that the man has the upper hand in most cases, that the reasons given for divorce of adultery, sodomy and bestiality are of course, to some degree immoral because as we all know that these things can, although the law calls for particular care by the courts to elicit the truth, it is quite simple to fake these requirements and obtain a divorce but whether it is bestiality, sodomy, adultery or call it what you like, those of us that are Roman Catholic must, of course, agree that the church will never accept divorce. It does not matter what we speak about or talk about, in the laws of Gibraltar as they stand the Church will not accept divorce and, in fact, the Church does not accept divorce even as the law stands today. I very much doubt if the laws were to be amended that the Church would accept a reform of the divorce laws. It is true, as the Hon Mr Haynes pointed out, but I cannot agree with him, that he sympathises as a lawyer with those cases that come before him but, quite honestly, as a lawyer sympathy really gets people nowhere. Therefore, unless that sympathy can be transformed into a direct way of alleviating that particular problem, all the sympathy in the world still does not get anybody anywhere. There is little doubt, certainly in my mind, that our laws on this issue are antiquated. As has been mentioned here this morning it may not be that we require the total extent of complete parity with the United Kingdom but I do feel, and bitter experience has shown, that we possibly do require a reappraisal of this particular Ordinance. Mr Speaker, having said that I am no doubt leading you all to the belief that I support the motion. I am afraid, Sir, that I do not support the motion but I do not support it not because of what I have said, because what I have said obviously is in agreement for the Ordinance to be looked into. I do not, and my colleagues know this, I cannot support the motion because I do not feel that none of us here as individuals, as we are talking today, or collectively within our own respective parties, have had the courage of our own convictions in gambling our political career by putting this in our manifesto.

Whether the Hon Mr Bossano obtained nearly 5,000 votes on the GSLP ticket or on a personal ticket, one does not really know, and one does not really know if Mr Bossano, had he mentioned it in his electoral manifesto would have obtained another 3,000 votes or lost 4,000 votes but I do think that in being honest with ourselves, those of us who have been in politics for some years and one can honestly say that the Leader of the DPBG has had sufficient experience and the Leader of the GSLP has had sufficient experience and, of course, my own Party has had sufficient experience, is that possibly we all fear to put this in our manifesto because of the political consequences, not the religious consequences, and that is why I differ so bitterly with the Hon the Leader of the Opposition. It is to me alarming, as was mentioned by my Hon Friend Mr Canepa, that the urgency seems to have sprung up in July and where I cannot find justification for the Hon Mr Bossano in bringing this motion in as a crash exercise is because although no major party made this a political issue, there certainly was one member who stood as an independent who has on two occasions brought this to the forefront. One could argue that possibly in 1976 his main political argument was repugnant to the immense majority of Gibraltarians, in 1980 he was quite mellow and came out with an economic political approach but still mentioning divorce whereas in the other main parties contesting the election if any of us talk about housing the other party talks about housing, bettering that manifesto promise. but no party had the courage to pick out from this particular candidate's electoral promises the question of divorce and I think it is immoral of us, of any Member here, to bring in an issue which was made and had been made on two separate occasions a political issue at General Elections and which failed, to try and make it a political issue without the mandate of the community. It would have been the best possible exercise because I feel personally that even if there is a Select Committee the people that are affected, through shyness, through embarrassment or what-have-you, may not want to come forward and give evidence but behind that little curtain, when somebody is told "we voted for you," as possibly it was with the case of Mr Loddo, you accept it at face value. No one can say who voted for you. He can say it but it may mean nothing because possibly he did not vote for you and that is where one would see the true desire of the Gibraltarian community in wanting or not wanting an amendment to the laws. Personally, I feel there should be a re-appraisal of the Divorce Laws of Gibraltar but the only way of establishing this with background force and vigour is by making it an electoral issue. Then one would have the mandate to come here and saying the divorce laws ought to be amended. There is no excuse, Mr Speaker, with respect to my friend the Hon Mr Bossano, to bring this along because an issue was raised in March in his Party Assembly. I think it is not proper, I think a thing so emotive as divorce requires much, much more consideration and I think, on this side of the House, ~~collectively,~~ you have been informed that we had received an approach from the housewives way back in 1977 and the matter had to be considered carefully and I do not think that in an address from the Hon Mr Bossano, a five-minute address, and

even the contribution of independent members should really impose upon the people of Gibraltar something they may, and I sincerely hope they do, but equally something they do not want to have and that is what we have to be careful about. But we cannot, under any circumstances, criticise one sector of the community or another, or His Lordship the Bishop. I think His Lordship the Bishop is completely entitled to lead his own flock. I think that we would be doing disservice to the community if we exceeded the powers that we have been given by the people in trying to impose upon them something they have not asked us to do. There has been very little reaction to this motion and I have had people from both sides criticising the move and some, on the other hand, have praised it, but we have to be very careful, Mr Speaker, and not do things or say things just to be popular, just to make sure that we will not make 1,000 votes or lose 1,000 votes. That should not be our concern now, our concern should be to legislate for the better government of Gibraltar and this issue is one that deserves very serious consideration and one on which we should tread with caution and not take it tongue in cheek. I therefore urge members, Mr Speaker, to accept a Select Committee, to accept the amendment to this motion and, possibly, the Select Committee might come up with the idea that it is too hot a potato as the major parties possibly considered it was so at the time of the elections.

HON W. SCOTT:

Mr Speaker, since most contributors to the debate have made the House familiar with their own particular religious beliefs I think it would be less than fair if I were not to also make the House familiar with my particular religious beliefs. I am a believer in the Anglican communion and a member of the Church of England. The Anglican Church does not recognise divorce and is, in fact, stricter on this issue although members might not be aware and indeed the general public might not be necessarily aware of this but it is in fact stricter than most other churches. What the Anglican Church does do, Mr Speaker, is that it recognises the existence of people to whom divorce might be acceptable on certain grounds and on that issue, which I subscribe to, I hopefully would try to divorce the church and the state. Because, quite frankly, we are not here to talk of religious matters, with respect to Hon Members. We are only here to talk on social and humanitarian grounds. On those grounds and on these grounds alone, Mr Speaker, I am of the opinion that there is a need to amend the divorce laws in Gibraltar. It is unfortunate, perhaps, that the Hon Mover has chosen to use the adjective "urgent" whereas perhaps another adjective would have been more acceptable, at least to me. There is certainly, Mr Speaker, an anomaly within the divorce laws in Gibraltar because as the Hon Mover suggested earlier on this morning civil marriages are recognised in Gibraltar where two consenting adults are allowed to marry having previously been divorced outside Gibraltar on grounds that are not acceptable within the divorce laws of Gibraltar. So there is certainly,

Mr Speaker, a certain anomaly there. It would appear to be only available certainly to resident Gibraltarians who either have the circumstances, inclination, resources and the opportunity to displace themselves from Gibraltar, acquire the right of residence, perhaps, in the United Kingdom, use those grounds which are at the moment not acceptable in Gibraltar, obtain their divorce, return to Gibraltar and subsequently remarry. Let me hasten to add, Mr Speaker, there are quite a number of people who have already gone through this process and we are all aware of at least some of them. This, Mr Speaker, I find most undemocratic. As to the issue of the mandate from the electorate, I do not think quite honestly that the issue of divorce will ever be presented in an election manifesto by a substantive political party precisely for the reasons that have already been said here this morning and this afternoon. We are elected not only for what is contained within our manifesto but because we are deemed to be responsible men acting within our own conscience and commitment and when issues of this nature arise, as indeed with other issues, we are expected to act within those parameters and my conscience with this particular issue requires me to support the motion as I firmly believe that there is a requirement to amend the divorce laws in Gibraltar. I will now move, Mr Speaker, to perhaps even a thornier subject. It seems to me that the argument, both inside and outside the House, has been not whether the divorce laws should be amended but whether, indeed, there should be a divorce law at all. This, in my opinion, would be retrogressive in our hopefully progressive society that we all hope Gibraltar is and will become. I really cannot see my way to supporting the amendment of the Hon Mr Perez as having recognised the need for an amendment to the Ordinance, I cannot agree to the inclusion of the words "if any". There has been also talk, Mr Speaker, of a possible referendum and I question whether that would be a wise step to take in the sense that it could lead to a very dangerous precedent. There is the obvious one of the difficulty in the subsequent framing of the wording of the referendum and also, perhaps, its subsequent legislation. But if there is going to be a referendum it would be less than fair, honest and democratic if a question were not to be put to the electorate to include whether there should be a divorce law at all. I feel, Mr Speaker, there has been ample opportunity over the last few years if this should be the case for this House to have considered repealing those laws and it has not taken that step. I really cannot understand this, but, however, Mr Speaker, I cannot see my way to supporting the amendment but I do agree with the Motion.

HON M K FEATHERSTONE:

I would not like to support the amendment. I would prefer that the original motion were defeated but it seems obvious that the original motion will get sufficient support to go through if it were allowed to and therefore I will support the amendment as the lesser of two evils. I am going to give a biased view and I do not apologise for that in the

slightest. The Hon Mr Bossano says that I am going back to 1857, I think I would go back to 1200 or 1500 when the Council of Trent first made its pronouncements on the indissolubility of marriage. After all, Gibraltar basically is a Catholic community and I feel that our laws on fundamental principles should be geared to the faith of the majority of the people. The Church has to stand firm on this and all credit to them for doing so. I know that all sorts of claims are made - this modern world, we have to be progressive, etc. - and we get enthusiasts for all sorts of ideas these days. They claim that they are consonant, even necessities in the modern world - contraception, abortion, euthanasia, divorce. Perhaps we will see the time when the euthanasia enthusiasts come forward and suggest that this should be a good thing for Gibraltar, a step in the right direction. We may even get to the stage that people at 60, I am afraid poor Sir Joshua would already be on the list, and I would be pretty close to it, would go up the chimney and be used for phosphate recovery as we saw in Brave New World. If we accept the basic tenets of the Church, and if we are real Catholics we must accept them, then there is no way we can reconcile this new thinking with the accepted and fundamental principles of our faith. Either one accepts all the rules and regulations or one should opt out. One cannot say "I am a supporter of the Church this far and not that far". You do all or nothing. You cannot have all the pleasures and all the benefits of a church wedding, something which I know the ladies in particular are very keen on and which means whether they realise it or not, although they are pretty well advised beforehand, the sacramental exchange of vows in which they accept that it is for better or for worse, in sickness or in health, till death do us part, and then as soon as things get a little tough to turn round and say "Let us get a divorce". In fact, some of the youngsters today say "We'll get married and if it doesn't work out in a couple of years we will get divorced and try somebody new". I think it would be better to have what is called a "junterita decente" than do that. Do we want the American society, where you read that so-and-so has married such-and-such, it is his sixth wife and her fifth husband? Do you want a brood of half and quarter siblings none almost knowing from day-to-day who is their parent and shifted around from one place to the other never knowing exactly where they stand, is that progress? Is that the aim of our future family life? As the Hon Mr Peter Isola said family life is one of the basic and most essential features of Gibraltar, something which up to now we have been proud of and something that we must sustain in every way in the future. I know some people writing in the papers recently claim that in Spain if you have sufficient influence and money the Catholic Church will give you an annulment. In Spain the Catholic Church, I have heard it said, is a law unto itself like most things Spanish. And even if this annulment were possible in my view it is wrong and I do not think if such a wrong does exist it can be used as a justification to make a flouting of the rule and pretend that it is right! As has been said by most of the speakers, we have quite recently had a General Election and only one person put forward to any extent the question of

divorce as part of his political programme and he was resoundingly defeated at the polls. If it had been such a big issue he would surely have made a far better showing. Nobody here can say that he has a mandate from the electorate for divorce. One thing that I would urge is that we do not always slavishly follow English legislation. It does not mean to say that because the legislation is there in England it is good for Gibraltar and I would comment there are instances when English legislation is based on their religious tenets. I believe it has recently been a question in Parliament that the Prince of Wales should not marry a Catholic and remain heir to the throne based purely on English religious grounds. As I have said, Sir, this may be a biased view but I do not apologise for it. I would prefer that the motion was defeated but as I have said it does seem to have, unfortunately, a measure of support from certain people who I would have thought might have considered otherwise and therefore I will take, as I say, the lesser of two evils, I will accept that there should be a Select Committee who, I hope, will find in the long run that they will have to throw out the whole of the idea or at least that they should go to a referendum so that the actual voice of the people in this most important and essential subject should be clearly known.

HON G T RESTANO:

Mr Speaker, other than the issue of foreign affairs, I think this is the most controversial and emotive subject which has come up in the House whilst I have been in the House. The fundamental difference is that whereas in foreign affairs there is virtual unanimity in Gibraltar, on the question of divorce I think Gibraltar is split down the middle. The depth of feeling from both factions is really immeasurable. On the one hand we have those who argue in favour of divorce and who put forward the social arguments, the humanitarian arguments. On the other hand we have those who put forward the religious arguments and their religious convictions. On the one hand, we have those who say that any easing of the divorce laws of Gibraltar would lead to a destruction of the family life as we know it and there are others who believe that the divorce laws could re-establish normal and happy life for those who have not found it so in their first marriage. I think that there is something to be said for both sides of the argument. It is not a matter of black or white. One can take the good side and the bad side of both examples, of a good divorce or a bad divorce, of a good, happy married life or an unhappy married life and the effect that this has on the children of those marriages. You can have, for example, a couple who do not get well together, unfortunately, with children, they argue all the time, they have fights and very often they can take it out on their children. It is the innocent ones who very often take the can for what is happening in that particular case. On the other hand, of course, you can have instances where a divorce can lead to the children being equally unhappy with their new step-parents. But you can also get instances where

a new life for the children, where before they had been unhappily treated, perhaps a new marriage could see them well cared for and loved. Really, there are arguments for both sides, for the side of not having the divorce laws amended and there are arguments for having the divorce laws amended. My own belief is that divorce should be something between the individual and his conscience and his religious beliefs. Where it comes to the question of divorce there has to be an examination of conscience between those people who are contemplating such a step. I do not think that any amendment of the divorce laws necessarily means that religious views as such are contravened. A religious person who does not believe in divorce is entitled to have those beliefs and is entitled not to make use of any possible amendment in the divorce law. I do feel that there could well be a division between the religious law and the law of the country. It does not mean to say that because there is a law allowing divorce that those people who feel that they should not do so because of their religious convictions should take advantage of those laws, that is why I said that I feel it is something basically and fundamentally between the individual, his conscience and his religious beliefs.

The last speaker did speak about the question of annulment and he did say that, in his opinion, annulments were wrong, too, as well as divorce. But the fact is that the Catholic Church does allow annulments after it has joined in matrimony those people who married within the church. Whilst I take his point that as far as he is concerned two wrongs don't make a right, I think that two wrongs don't make a right perhaps in the other way. If there are grounds within the Catholic Church to recognise annulment in a marriage, there must be reasons for those annulments and I do not really see where the distinction is really made. Mr Speaker, this motion as has been brought to the House by the Hon Mr Bossano and I do want to make the point that his Party never mentioned this at the election and had they really had the courage of that particular conviction that they wanted divorce then they should have brought it up at the election. I do not think, as others have said before, that anybody in this House has a mandate to impose upon the whole of the people of Gibraltar either an amendment or not to have an amendment of the divorce laws because none of us, not one single one of us who stood for election, ever brought up the subject during our election campaign and for that reason I could never have supported the motion as it stood. I do not think it is right or just for the Members of this House to take a decision when not only we ourselves in this House are split but there is even a bigger split within Gibraltar as a whole. If one walks down Main Street and talks to one person or talks to another person one gets a tremendous feed-back and always the points of view are very strongly held. As far as the amendment is concerned, Mr Speaker, I do not really think that the amendment goes quite far enough as far as I am concerned. I brought to the House with me this morning another amendment which I will not be putting to the House but I would like to inform the House about it so that the House does know how I

certainly feel personally and my amendment was that there should be a referendum because it is up to the people to take a decision and also that a Select Committee be appointed but that a Select Committee be appointed to decide upon the wording and the way in which the referendum would be put to the people of Gibraltar. I would put it to the Select Committee, whenever it is appointed, that they should bear this very much in mind. The way that the amendment has been drafted makes it a rather watery amendment, that a Select Committee of the House be appointed to enquire as to the need, if any, to amend the Matrimonial Causes Ordinance, I think it should have been more specific. However, there is no need to add to any controversy and I will support that amendment. I would suggest that that Select Committee directs its attention to the type of reform that may or may not be required and to the wording of the referendum to be put to the people. It is important that there should not be at the end of the day instant divorce. I think divorce should not be made an easy thing to obtain, it should not be something which should be made too difficult to obtain, it should be there but it should not be made too easy with the obvious consequences. I must say that in today's debate one name has come up time and again, that of Mr Ellul. His name has been quoted more today than anyone else I have ever heard in any single debate. I do not think it is fair to say that he was not elected because of the divorce issue. That point was made and I think there are other circumstances involved. I do not believe that divorce should be made a case for a general election, I think it is definitely something which must be made in a referendum. In a General Election the major parties represent big chunks of the community and those chunks of the community are split right down the middle and it would be completely unfair and unjust for any political party to press for divorce in its election campaign because half its members may be against divorce and the other half for divorce. I put it very strongly to the Select Committee to be, not to recommend that it should be a General Election issue. I noted, Mr Speaker, that when the mover of the amendment moved his amendment he did suggest that Mr Joe Bossano should be in that Select Committee and Mr Joe Bossano did react with alacrity and said he would expect to be in that Committee and I hope he will be in that Committee but the way in which Mr Bossano elects to join one committee or another seems to me to be lacking in a certain amount of continuity. For example, when after the election he was asked by the Hon Leader of the Opposition which seats that the Opposition held in Select Committees of the House he would like to serve in he did not choose the one for which he himself has always said that he is the expert in this House, which is Public Accounts. Mr Speaker, I feel that a referendum is essential on this issue and I think that most important it has to be the people of Gibraltar to decide what they want in Gibraltar, whether they want to have the laws amended or whether they do not want to have the laws amended and I put that very strongly to the Select Committee.

HON J B PEREZ:

Mr Speaker, Sir, in view of the lengthy debate that we have had I will limit myself entirely to answering some of the points which have been raised in particular by the Hon Mover of the actual motion, Mr Bossano. The Hon Mr Bossano said that the main reason why he was going to vote against the amendment which I moved was due to the fact that it had the word "if any" because it was the Hon Mr Bossano's view that as far as he was concerned there is a need to amend our present laws on divorce and therefore he felt he could not support the amendment. The Hon Mr Bossano should also recall that in my contribution and in my moving the amendment to his Motion I said that I was also in favour of extending the grounds for petitioning for divorce and I think I went even further than the mover because I actually stated desertion and cruelty and I still believe that it should be made grounds for divorce here in Gibraltar. But I am rather disappointed with the Hon Mr Bossano because by actually doing away with the words "if any", by actually attempting to rush the motion through the House saying that there is a need to change the laws, what we are really doing is not giving the people of Gibraltar a chance to say whether they want divorce or not, we are ramming that down their throats and I think that is wrong. That is why, Mr Speaker, I made my position clear. I said I believe in divorce and I believe the grounds ought to be extended but, ultimately, it must be the people who have to decide. It is wrong for 14 members of the House to actually decide that there is a need to change the laws of divorce in Gibraltar and I think, Mr Speaker, it has been a complete departure to a principle which I thought the Hon Mr Bossano held sacred and that was the principle of open government, the principle of consulting the people of Gibraltar on matters of this importance. There has been a clear departure by the Hon Member on this particular principle but there is another point also on this that I have to make quite clear and that is, if in the amendment we do not have the words "if any", if it just reads "there is a need to change the law..." and therefore the Select Committee should just consider what changes to bring forward, that is wrong because we would be limiting the actual consideration of the Select Committee because I honestly believe that the way the Select Committee should function is to sound out a cross-section of the public to see what their views are on this particular point but if we just limit the Select Committee to looking up what changes they want, then we are excluding the views of people like the Hon Mr Featherstone and the Hon Peter Isola and I think that is entirely wrong although I would repeat again that I am in favour of a change in our divorce laws. Mr Speaker, I move the amendment to the motion.

Mr Speaker then put the question in the terms of the Hon J B Perez's amendment and on a division being taken the following Hon Members voted in favour:

The Hon A J Canepa
The Hon Major F J Dellipiani

The Hon M K Featherstone
The Hon A J Haynes
The Hon P J Isola
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon H J Zammitt

The following Hon Members voted against:

The Hon J Bossano
The Hon Sir Joshua Hassan
The Hon A T Lodde
The Hon W T Scott
The Hon Dr R G Valarino

The following Hon Members abstained:

The Hon F E Pizzarello
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The amendment was accordingly passed.

HON DR R G VALARINO:

Mr Speaker, Sir, I think the amendment fell short of the desired feelings of the House and since there are only two speakers left, The Hon Major Dellipiani and myself, I feel that in honour bound it is my duty to put another amendment before the House and this is to delete all the words appearing after the word "that" and add the following words in substitution thereof "the provisions of the Matrimonial Causes Ordinance are inadequate and that a Select Committee of the House should be appointed to inquire to what extent these should be changed and make recommendations to the House within a reasonable period of time". I think this is the amendment we have all been looking for but like a needle in a haystack it is sometimes difficult to find. This amendment emphasises a recognition on the part of the House that there is need for reform and it bears in mind the original motion of the Hon Mr Bossano whilst leaving it to the Select Committee to look into it in greater depth and coming up with the relevant answers. I shall give time to Members to have a look at the amendment but I feel and I do not know whether the Hon Mr Bossano will feel the same, I feel that this is the practical amendment that is needed and I hope that the House will think likewise.

MR SPEAKER:

Before I propose the question to the House, I would like to make it clear that the question of acceptance of amendments

is at the discretion of the Chair and one has to bear in mind certain established principles otherwise the debate could turn into a farce. I will say that in accordance with the practice in the House of Commons an amendment is out of order if it is inconsistent with an amendment already agreed to or if it is substantially the same as an amendment to the same motion which has already been negatived. I have had doubts whether it is not inconsistent with the amendment which has already been passed to the extent that they are both agreed to the appointment of a Select Committee, I feel that perhaps, in the circumstances, one should allow it but may I say that I will not countenance any repetition on the contribution that any member wishes to make on this particular amendment.

Mr Speaker then proposed the question in the terms of the Hon Dr R G Valarino's amendment.

HON J BOSSANO:

Mr Speaker, having opposed the previous amendment, I stand in support of the amendment now proposed by the Hon Dr Valarino - which I drafted - because I feel that fundamentally, in bringing the motion to the House, I was asking the House to recognise that there was a need for reform and the passage of the previous amendment was possible by the support of those who are against reform - the Hon Mr Featherstone. I think the Hon Mr Featherstone made it quite clear that he was supporting the amendment of the Hon and Learned Mr Perez precisely as the lesser of two evils because it is seen by him as an advantage to be able to delay a commitment on reform because he obviously feels very strongly that if one were to reform the law one should do it by doing away with the permitted causes for divorce today instead of by adding to them. In asking the House to support the amendment now in front of us we are asking the House to recognise the need that exists, and let me say that I found it very difficult to follow the arguments of the Hon Mr Haynes who made a very good case for saying that the law was inadequate and then went on to say that he would not support changing it so, presumably, he wishes to continue the inadequate provisions of our law. He said that if we reform the law it could only do good for those who are already married but be a bad thing for those who are not married who are not, of course, in a position to get divorced and I do not think that people would get married any more easily by virtue of the fact that they knew they could get divorced easily. In fact, if people place very little value on marriage they would not get married, they would just live together, and then they would not need any divorce laws, they would just separate when they were fed up with each other. I do not think that there was consistency in his argument and I would put to him that if he himself is perhaps professionally aware of the inadequacy of the laws, then he can support this amendment which recognises that fact whilst still not being committed at this stage to the degree of reform that we require because that will be a matter looked into in greater depth by the Select

Committee who would be charged with making recommendations to the House within a reasonable period of time thereby taking up the point made by my Hon. and Gallant Friend Major Peliza about having some sort of time-scale within which we expect movement on this issue otherwise we run the risk of the Select Committee getting bogged down on whether there is a need or there isn't a need and never doing anything practical to bring up proposed amendments to the legislation. Let me say, in passing, that I do not think it is a question of a referendum or a question of an election campaign on this issue because I do not think that is the sort of atmosphere where a subject like this can be treated objectively and rationally without emotions and without religious bias. I found that in a way the debate on this issue has been one of the healthiest that we have had in the House because we have seen contributions from all members violently opposed to each other which is, of course, a great step forward since usually they are all violently opposed just to me. I found myself with all sorts of unexpected allies and all sorts of unexpected opponents on this motion, Mr Speaker. Therefore, in a way what we have done today is not a negation of the mandate we have from the people but, in fact, possibly one of the few occasions when we have debated something with feeling, with conviction and with honesty and not with an eye to vote-catching or an eye to what is more prudent or imprudent to do. I hope there will be a majority in support of this amendment because this will enable us to give practical, positive help to meeting this need and let me say that in the absence of any practical move towards amending the law I will be in no difficulty in persuading the House of the unsatisfied need because I shall just put an advert in the paper and ask every person who wants a divorce to approach me and bring a Private Member's Bill for each individual and then the House will see just how great the need is.

HON A J CANEPA:

Mr Speaker, I cannot support this amendment because in the first part of it, namely where it states that the provisions of the Matrimonial Causes Ordinance are inadequate, the House is being asked to make a judgement and that is what I consistently was against this morning and therefore I will not make a judgement on this issue - if it had come to a vote on the original motion I would have voted against it - and that is why I will also vote against this one. Without any attempt to prejudice any issues, what is required is that a detailed and honest investigation of the whole matter should be made. I think I would probably be able to support a further amendment in which the words "are inadequate" were left out and something along the lines of "the provisions of the Matrimonial Causes Ordinance need investigating and that..." but that is what of course the amended motion really seeks to do, so I think it amounts to the same thing. To that extent in that the House is being asked to exercise a judgement, I feel I cannot support that amendment.

HON P J ISOLA:

Mr Speaker, if this amendment is defeated then we are back to the previous one which is the one that I think is the right one because, and I agree with what the Hon Mr Canepa has just said, the previous amendment I think was a genuine attempt to have an inquiry into the Matrimonial Causes Ordinance to let people who feel about the situation, who feel on the question of divorce, to come and make representations to the Select Committee of the House, that is why the Hon Mover, Mr Perez, said and talked about a full inquiry leading possibly to a referendum. I know some people here are in favour, some people are against, we would leave it to the Select Committee to work all that out. This particular amendment tries to get a statement of fact rammed down the throats of those here who cannot accept the situation and also again puts into the arena of this House entirely the responsibility for amending the divorce laws in respect of which not a single member of this House has any mandate from anybody in Gibraltar whatever. It seems that the vote of members of this House, depending on whether they believe in divorce or they don't, is going to be used to run a piece of legislation down the people of Gibraltar's throats whether they like it or not. The previous amendment could have resulted in that, I agree, but at least it was done in elegant fashion and at least it left the matter open and the House supported it. I think the Chair had a difficult job in deciding whether this contravenes practice on debate but I say that as a matter of fact this new amendment seeks to overturn the decision we have just taken. That is a basic reason why I am going to vote against it. I think that the previous amendment as was passed, and I respect the people who voted against it, and they voted against it because they thought it was a bit too wishy-washy, but this is also wishy-washy. When you say "within a reasonable period of time", Mr Speaker, what is a reasonable period of time? If we talk, for example, without in any way anticipating another motion before this House, what is a reasonable time with the Varyl Begg Estate? This amendment tries to ram down our throats that the provisions are inadequate and the Select Committee must come back and amend that law and that is what we cannot stand because the House has just said by a majority of 9 to 5; "Look into the law of divorce, inquire into it, see if any changes are required and inquire into it in a way that you give everybody an opportunity to make representations and not bulldoze it through the House because there happen to be individual members in this House who feel strongly one way or the other and therefore the public will get it whether they want it or not and forget about election issues, forget about election mandates, forget about referendum, it does not suit us here. Let us calm down and let us have this issue inquired into in a proper and responsible manner and then let us have our fights at the end of the day when the recommendations come through and then we divide up whichever way we have to divide up because everybody has their own feelings on the matter but at least let us divide and fight each other or fight for whatever principles we think are right in these circumstances after we have had the benefit of a full and proper inquiry by a Select Committee of this House."

That is why I oppose this amendment in order that we may get back to what I consider to be a more reasoned amendment, one that will bring about the sort of enquiry that nine elected members of this House have thought should be done and which this seeks to overturn.

HON CHIEF MINISTER:

Mr Speaker, having voted against the first amendment, I have got to ask myself whether there is anything here that warrants my supporting it or not. It seems to me that this amendment deals with two matters which have been criticised in the course of the debate on the general motion, one which I mentioned and the other one I did not mention but other members mentioned. One was mentioned by many people about there being an urgent need. That is disposed of in the sense that the motion no longer says that there is an urgent need. The other one which I referred to in my original contribution was the question that I did not think that it should be in line with that of the United Kingdom as at today because I think the United Kingdom legislation, prior to 1969, is more in line with what might be required in Gibraltar. If I am to be consistent, these two matters, which were the only two matters that have been really in my mind, the second one in particular, but I said that I did not want to hide behind that objection in order not to show my support for the motion in general terms because the way it was presented it did say that that was really only one way of looking at it but he was prepared to look at the whole spectrum of the possibilities of change. They are dealt with by this amendment and therefore I will support the amendment.

HON MAJOR R J PELIZA:

I am going to vote in favour of the amendment although I voted in favour of the other amendment but I think that explains itself by what I said earlier that I did feel that the previous amendment was wishy-washy and I am glad to see that now we are getting nearer the crunch. We have to face the situation, it is no use avoiding it by postponing the issue. The issue is here with us and we have to tackle it. We, the politicians, are the people who are elected to resolve these issues and we are failing in our duty if we do not use our skill and ability as politicians to find a way which will satisfy the people of Gibraltar in this very much controversial issue. This is the part that we have to play in this problem. I said before I would have liked to see a date to the previous amendment. Now we are getting nearer. It does say that recommendations should be made to the House within a reasonable period of time. Secondly, it does give the indication that there is a need and no one can possibly say that there isn't, that there is a need to look into this Ordinance. Whether the representations that are made, and I cannot see why representations should not be made to the Select Committee, as it was intended it should be made

earlier, I cannot see why the parties interested should not come to the Committee and make their representations. I cannot see why someone cannot come to the Committee and say; "Not only do I think that the law is inadequate but it should be scrapped off our books!" There is no reason why anyone should not make representations. Therefore, in that respect I do not see any great difference between one and the other in that sense and the views that I expressed earlier on the other which I would follow are still preserved by this amendment. My views fit within the scope of this amendment. Therefore, Mr Speaker, as I said before, I will be consistent in this and I will vote in favour. There is just one point and I do not suppose there is going to be another amendment but I will differ with the proposer of the amendment on the question of how this should be decided and not because I agree with the amendment do I agree with the other points that the mover of the amendment made earlier when talking on the amendment. That is that I do not believe that any of us here have a mandate to make the final decision as to whether the law should be amended and therefore whatever the recommendations may be, whatever the drafting, eventually, when the recommendations are made this House will have to decide whether they are going to be the actual recommendations as they are made, whether those recommendations will be amended as to the wishes of the Members of the House and, finally, how the House is going to decide to legislate, whether it will be put to the people by referendum or whether it will go straight ahead and legislate. This is the point I am trying to make. At this point and my views are very definite on that I do not believe that we should go ahead with legislation before putting it to the people to find out because we don't know, this is a fact, we don't know whether the majority is in favour or if they are against the amendment. I am making that reservation but not because I am supporting the amendment do I necessarily agree with the way the Hon Mr Bossano wishes to continue after the recommendations and therefore my view that it should be put to the people by referendum still stands.

HON H J ZAMMITT:

Mr Speaker Sir, I am all the more baffled and I apologise because I just cannot see how the Hon Member can ask the House, collectively, to agree that the Matrimonial Causes Ordinance is inadequate and ask for a Select Committee to look into it. If the Matrimonial Causes Ordinance is inadequate then we as political leaders should have the courage to change the law if we are absolutely certain and there should be no need for a Select Committee and we should not hide behind the Select Committee's findings and therefore this in actual fact is a reversal to the original motion which was defeated and the only way.

MR SPEAKER:

The original motion was not defeated.

HON H J ZAMMITT:

You are quite right, Mr Speaker. And I think that if we are all absolutely convinced or a majority of the Hon Members of the House are convinced that it is inadequate but without referendum to the people, surely, Sir, the original amendment would be the one where one would have the views that the House is seeking but I do not think it is right that we should have an amendment which prejudges. The House should not prejudice this issue because we are not here to do the work of the Select Committee. Mr Speaker, I really cannot see the consistency certainly of the last speaker in having voted for one and now changing and voting for the other. I cannot see the consistency at all. I am absolutely baffled, Mr Speaker, and we can be here all day and probably more than one day if we carry on with this attitude.

HON A T LODDO:

Mr Speaker, what is certainly obvious is that Gibraltar is divided. Division is seen plainly in this House so therefore there is a need for an updating and it is not a question of the courage of one's convictions because here every Member has spoken quite openly, it is the practicality and therefore I think that the amended motion as it now stands, it is a very satisfactory compromise motion because the problem does exist and by shutting one's eyes to this problem it just will not disappear. The matter certainly is controversial but we cannot, as elected leaders of this community, shirk our responsibility and sweep it all under the carpet. Mr Speaker, I will be supporting the amendment.

HON M K FEATHERSTONE:

As the Hon Mr Canepa has said, it is not, for us in this House to judge whether the Matrimonial Causes Ordinance is adequate or inadequate. I agree it may require investigation but I do not think the Select Committee should have, as it were, hanging over its head the decision of this House that it is already inadequate when it starts its deliberations. I think therefore the only reasonable way to treat the present amendment is to vote against it.

HON G T RESTANO:

One of the things which the previous amendment which was passed by the House sought was that the Select Committee should inquire from people, generally, about their view on our divorce laws. We are not talking here about our own personal views. The Select Committee was to inquire and investigate from entities, from individuals, how they felt about the Matrimonial Causes Ordinance and then give their opinion. This new amendment is not at all in the spirit of that first one and it certainly does not seek for the Select Committee to really ask people what their views are.

It is prejudging the issue and I think the Select Committee should go into it with an open mind. We all have our own views on this but the Select Committee should be reflecting the views of people, generally, leading, I hope, to a referendum and, therefore, I see no need for this new amendment and I will not support it.

HON MAJOR F J DELLIPIANI:

It is getting awfully confusing. I feel there is an element of truth in saying that if we say in this amendment "inadequate", we are prejudging the issue already. I had experience of Select Committees of the House in the Declaration of Members' Interests and, in fact, the Public Accounts Committee and it is true that we get things done quickly and we move and work quite well. I have every confidence in Select Committees of this House of Assembly and I think that the wording of the first amendment is adequate. I have complete confidence in the system of Select Committees of this House and I am sure we will get on to it and we will get down to doing things properly. There will not be any question of shirking responsibilities.

HON DR R G VALARINO:

There is not much to say on this amendment except that it will obviously prove to be a much better amendment than the previous one because at the end of the day, a tie will undoubtedly result and therefore we shall in all probability lose the amendment. Nevertheless, I feel I have done the House a worthwhile service by putting this amendment forward and trying to at least better that amendment which was proposed by my Hon Friend Mr Perez.

Mr Speaker then put the question in the terms of the Hon Dr R G Valarino's amendment and on a division being taken the following Hon Members voted in favour:

The Hon J Bossano
The Hon Sir Joshua Hassan
The Hon A T Loddo
The Hon Major R J Peliza
The Hon W T Scott
The Hon R G Valarino

The following Hon Members voted against:

The Hon A J Canepa
The Hon M K Featherstone
The Hon A J Haynes
The Hon P J Isola
The Hon J B Perez
The Hon G T Restano
The Hon H J Zammit

The following Hon Members abstained:

The Hon Major F J Dellipiani
The Hon F E Pizzarello
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The amendment was accordingly defeated.

HON J BOSSANO:

Mr Speaker, I would like to make use of the right of reply although the motion that stands before the House in my estimation fails to achieve what the original motion was intended to achieve. I regret that the amendment was moved in the terms that it was because it seems to me that this amendment has been carried primarily by the support of those who were against the original motion and had that not been the case there was a good chance of the original motion being carried or certainly an even better chance of the amendment we have just defeated. The only reason why I want to make this point is because it is, of course, only through a certain amount of incompetence on my part in that I did not realise that having spoken to the Hon and Learned Mr Perez' amendment initially you were then going to rule that I could not move this amendment myself. I thought that I could move an amendment and I was wrong but I would like to make the point because the Hon and Learned Mr Isola charged into me as if this was a Machiavellian plot to reverse the considered view of the nine members of the House when in fact what was most obvious about the considered view of the members of the House is the total confusion which was prevalent throughout the contributions of many members who made a speech which clearly indicated to everyone that they were going to vote in favour only to end up by saying that were going to vote against. Those of us who are more obviously committed to reform will now have to make do with the little we have managed to salvage from my original motion and try and make that work. It is clear that the views expressed in the House are such that this is not an issue which really a political party can take up honestly on behalf of its entire membership and of all its supporters and I am surprised that members in this House who recognise that nevertheless did not fail to take the opportunity of accusing me of having done something wrong in not having made this an election issue on behalf of my party whilst at the same time recognising that in every Party, including the GSLP, there are people who do not agree with this. We have gone further than any other political party in that we took a policy decision recently which is now part of our programme and we are now committed to this unless a future general meeting reverses that policy. Within our own ranks, as within the ranks of other parties, there are people who give much greater weight to religious views, who have much greater misgivings about the wisdom of

reforming the law. Even those members, Mr Speaker, who have most vehemently opposed the reform of the law, have nonetheless recognised that the present one is unsatisfactory, that the present one does not preserve stable family life, that the present one leads to people inventing infidelity where it does not exist as the only way of achieving it and that is a bad law, that is an inadequate law, so how can any member having recognised that need a Select Committee to tell him that that is inadequate. The trouble is, of course, that one cannot speak often enough in this House, I would like to stand up every time somebody else says something to put my ear in but I cannot so I have to wait till the end when it is too late. I may succeed now in persuading everyone but now the vote has been taken. The vote now will be, of course, merely a ratification of the amended motion as it stands. Certainly, the Select Committee, in my view, must be seen as working primarily towards reform because it is obvious that reform is required and it is obvious even to those who feel misgivings about the reform for other reasons. The Hon Mr Zammit has not said that he doesn't think the law needs reforming, he says he does not think he has a mandate to reform it. Therefore, the fact that the Select Committee may come up and tell him that it needs reforming does not give him a mandate. Having supported the motion to inquire into whether there is a need, which he is convinced already that there is, he now will find himself if that need is in fact substantiated, as incapable of doing anything about it as he is today unless he changes his mind about his right to reform the law without having to hold a referendum or without having to go to an election. It is important, Mr Speaker, that now that the Motion has been brought to the House, and I think it is better that it should have been brought to the House in the earlier part of the House rather than towards the end of the House where electoral pressures might have been greater at work, and we certainly do not want to find ourselves in the sort of situation there was in Malta with the Catholic Church issuing pastoral letters as to how to vote. I am making the point that it is better that it should be now rather than towards the end of the House of Assembly where making it an election issue could include a possibility of the Church trying to influence, because of the strongly-held religious views on this matter, the behaviour of the electorate which I do not think would be a good thing for democracy in Gibraltar, that the Church should say to people; "Do not vote for so-and-so."

MR SPEAKER:

I must bring you to order. This is a new issue which has not been raised in the debate. You are exercising your right to reply.

HON J BOSSANO:

The issue that has been raised in the debate has been the issue of whether this should have been fought out in the last

election campaign and I am making the point in reply that not only do I not believe it should have been fought in the last election campaign, I do not think it should be fought in the next election campaign and that therefore the timing in bringing this motion is correct in bringing it towards the beginning of the House of Assembly when we have got plenty of time to debate it without putting ourselves in a situation whether other considerations and other allegiances can cut across political loyalties and political considerations. That is the point I am making, Mr Speaker, and it is a point that requires to be made because I am not making any apologies for the timing of the motion. I think the timing is right and I hope that now that we have started on this we will treat the matter with urgency and serious consideration and, hopefully, notwithstanding the conservative elements in the House that would like to put us back to the year dot that we do move into the twentieth century.

Mr Speaker then put the question in the terms of the Hon J Bossano's motion, as amended, which read as follows:

"this House considers that a Select Committee of the House should be appointed to inquire as to the need, if any, to amend the Matrimonial Causes Ordinance".

On a division being taken the following Hon Members voted in favour:

The Hon J Bossano
The Hon A J Canepa
The Hon Major F J Dellipiarì
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Members abstained:

The Hon F E Pizzarello
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Aecasis

The motion was accordingly carried.

The House recessed at 5.25 p.m.

The House resumed at 6.00 p.m.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that the system for granting scholarships should be reviewed with effect from this year in order to establish the same right to statutory grants as exist in UK for those who obtain a place in further education on the minimum educational requirements accepted in UK."

Mr Speaker, this is a matter that I have raised on previous occasions in the House of Assembly though not in the form of a motion. I have raised it in at Estimates time when we have been discussing the provisions of funds for scholarships and I have raised it at Question time more than once. I would remind the House that when we have discussed this on previous occasions we have been told sometimes that in attempting to widen the availability of scholarships we would be providing public funds for people who might not be able to benefit fully from the opportunity. I recall one specific case one year where the Hon Mr Featherstone, then Minister for Education, told us that we were scraping the bottom of the barrel in seeking to provide additional grants for people who failed to meet the minimum pointage and subsequently some of those students, one student in particular that I recall, did so well that he finished up with post graduate grants in the United Kingdom doing a doctorate and has now got a teaching job in a UK university. The importance is that one should have an understanding of just how imperfect examination results are as a means of testing ability. This is why one of the clearest trends in education today is the move away from taking decisions purely on the results of an exam taken at a point in time and towards continuous assessment which is a much more adequate method for measuring ability. We have to recognise that the obtaining of grades at a particular exam is in itself also an imperfect system. Not only do we have a situation where somebody can be doing excellent work all the year round and then get examination nerves but even the grading system tends, generally speaking, at GCE levels, tends to reflect to a certain extent the calibre of that particular year. One gets a situation where the pass mark is fixed at a percentage of the total candidates taking the exam and consequently the performance of that exam can be determined as much by who else is taking the exam at that point in time as by the objective standard of the candidate himself or herself. Given all these factors, it is obvious that a pointage system that is determined by grades is far from being an accurate measure of the potential of that child to benefit from an opportunity in further education. In seeking to commit the House to move away from the system we have operated for a number of years in Gibraltar to the one that there is in the United Kingdom, where a statutory grant is provided to anybody obtaining a place in further education on the minimum entrance requirements laid down by the Department of Education and Science, I am not only reminding the House of the inefficiency of attaching too much importance to examination results at one point in time, but also bringing home what I consider is a necessary political commitment to

give our future generations in Gibraltar the same opportunities as they would have enjoyed if they had been born and lived in the United Kingdom. I think a child that would have got a place in a UK university and a grant to go to that university, if he had been born in UK, should not be deprived of that opportunity because he is born in Gibraltar. In fact, he is only deprived of that opportunity under the present system if his parents lack the means because any child, generally speaking, in Gibraltar, given the importance that is attached to education here by most families at all income levels, any child who gets a place in UK will have his family making enormous sacrifices, if necessary, to meet the cost of his education in UK if the Government is not providing a grant and there are people in that situation in Gibraltar and there have been throughout the period when our scholarships have been operating. It is something that we should rectify. Effectively, it means spending more money because we are talking about providing money to those who fail to obtain it but I think that we have got a fundamental obligation given the importance that we attach in Gibraltar in the development of our welfare state to modelling ourselves on that of UK, clearly it is a philosophy we shall need to suspend for the time being, for the short period that Mrs Thatcher is in Government, since she is in the process of dismantling the welfare state, so I would ask the House that we carry on with progressive improvements to our own system until that happy day when the Labour Government is returned to power in the United Kingdom and they can restore the situation and try to catch up with our standards.

Mr Speaker then proposed the question in the terms of the Hon J. Bossano's motion.

HON MAJOR F J DELLIPIANI:

Mr Speaker, if I were sitting on that side of the House this would be the kind of popular motion I would bring to the House but I am not sitting on that side of the House, I am on this side of the House, and I have certain responsibilities as a Member of the Government and as Minister for Education. I do not think the Hon Mr Bossano, who is an economist, quite realises the extent of the financial implications that this would involve. I do not think he quite realises that in a town of our size there is at any given moment something between 100 to 130 students in the United Kingdom under scholarships. I do not think you could find a town of the size of Gibraltar in England with that kind of contribution towards education. I would remind the Hon Mr Bossano that we have already done something about increasing scholarships in that not so long ago we lowered the pointage system from 14 to 12 points. What the Hon Mr Bossano is suggesting is tantamount to saying that anyone who can get a place in a university will automatically get a scholarship from Gibraltar. It is quite well known that in England the system of education with regard to universities is that they work on grants according to the number of students they have. It is very easy for some universities in order to maintain them-

selves as universities, to take in just about any student that they like in order that they can say: "We have 2,000 students, we require so much money in grants from local authorities".

HON J BOSSANO:

If the Hon Member will give way. I have got in the Motion a reference to minimum educational requirements. I am not talking about a university accepting anybody who just applies. I am talking about universities being required to consider in UK anybody who has got the minimum of two 'A' Levels and the fact that the Government in the United Kingdom will provide a grant to anybody who gets in with the minimum requirements but not to anybody who gets in without them.

HON MAJOR F J DELLIPIANI:

I still maintain that the minimum requirements in the United Kingdom in some cases are very low indeed, it just depends on which university you want to go to. For example, if you want to go to Cambridge University or Oxford University they require at least two A's at B level or three A's at A level. They require very high standards while other universities and polytechnics are not so demanding. I think that a country the size of Gibraltar with the money that we have already spent on Education cannot afford to open the flood-gates of scholarships to that extent. The Government has moved already in that direction, from 14 to 12 points, we have to keep a sense of proportion on what the economy of Gibraltar can afford and we have to keep wastage rates in mind. At the present moment the wastage rate in the United Kingdom fluctuates between 22% and 25% of the student population giving up or failing. In Gibraltar, despite the high grades that we demand, according to the Hon Mr Bossano, our wastage rate is 13%. Can we afford to have a wastage rate of 25%? I do not think we can. I think that the money that we can use can be used in Gibraltar in other spheres. I think there is enough money already voted for the scholarships in the United Kingdom. I did quote a figure of 100 to 130 students and this is a remarkable achievement on the part of a town the size of Gibraltar. It would be ideal for me to say "Yes", I would become very popular but I am not here to be popular, I am here to be pragmatic about things and we have to face reality. We just cannot afford to give scholarships where there is quite a bit of doubt as to whether that scholar are going to be successful in UK. We have to get value for money and if we are having now a 13% wastage with the high standard that we demand from our scholars, what kind of wastage rate are we going to have when we open the flood-gates? Can Gibraltar afford to waste that kind of money? I do not think we can. Certainly, as a matter of policy at this juncture I would vote against it. If the situation changes in the future and we become so rich that we can afford to maintain the standards that the Hon Mr Bossano is asking for now I might change my mind but I have a duty not only to my

ministry, as Minister for Education, but I also have a general duty to the people of Gibraltar, to the taxpayers. I have to be responsible in the way that money is spent in Gibraltar. I am here to look after the way my money is spent in the ministry for the benefit of all taxpayers and for the benefit of the children and I do not think it would be to the advantage of children as a whole if I mis-spent the money on students who do not have the capability to go through and benefit through an open system like the one the Hon Mr Bossano is advocating. We should be very worried at the way things are going in UK. I am convinced that the situation in the UK is going to change very quickly in the grant system to universities and I do not think that we in Gibraltar can afford it.

HON A T LODDO:

Mr Speaker, today must really be a red letter day because once again I find myself agreeing with the Hon Mr Bossano. I did ask a question earlier on which has a bearing on this and I do believe that within financial restraints but certainly no one should be deprived of further education through lack of means. I cannot agree with the Hon Minister for Education that we have reached the limit. This year we will be saving over £40,000 in tuition fees and not only that but the Education

HON MAJOR F J DELLIPANI:

If the Hon Member will give way. He seems to forget that the grant of scholarships has been increased this year and there is no question of £40,000 being raised this year.

HON A T LODDO:

But still the Education vote has gone down by £12,000 so in this day and age of inflation we are not maintaining our standards. To maintain the standard you have got to increase the vote by the same amount that inflation eats away, we have decreased the amount so we are making a saving. But it is not just University that students can aspire to but also to Colleges of Advanced Technology and if we are lowering our points surely that is for university and not for colleges of advanced technology.

Mr Speaker, I think I have spoken enough today, I will be supporting Mr Bossano.

HON M K FEATHERSTONE:

Mr Speaker, I think the Hon Mr Bossano's ideas, if we lived in Utopia, would be very worthy of commendation. I quite agree that if we had unlimited resources it might not be a bad thing that everybody who aspired to further education could go for it. We might even get Members of the House,

they might aspire to further education and they might get perhaps a sabbatical so that they could go and study economics and come back and be, perhaps not as good, but more capable of dealing with our economists than we are at the moment. We have to live in the world that we are in today and we have to appreciate that our economy is not unlimited. The Hon Mr Loddo claims that we are spending less on education this year than last year, I am not sure whether that is correct, but I think I can say we are spending as much or even more on the people we are sending overseas on scholarship courses, as last year. I think this Government has a pretty good record on scholarships. Back in 1972 when we first came into power, some half a dozen people were being sent each year and this is now well beyond the thirty figure. Basically, it cannot be levelled against us that we have not done a pretty good amount of work in sending as many people as we possibly can and who we think are justified in being sent. When I took over in education, we did a points system in which in the 'A' levels one had to obtain fourteen points and you got a mandatory scholarship. This worked very well but since we are a progressive Government we looked into this and we reduced the pointage from fourteen to twelve. I am not saying that it might not be possible in the future to even make an improvement on that, but the Hon Mr Bossano wants to follow a system which appears to be the system in the United Kingdom, although there are certain facets in it by which that pointage would be reduced to two because there are instances in the United Kingdom where people pass two 'A' levels at Grade E and D, manage, for various reasons, to get into a University or a Polytechnic or some other place of Higher Education, perhaps the University of Netherwackwash which has never been heard of until recently, it is built of red brick, it has got to maintain its staff and obviously it has got to provide sufficient numbers of students to justify the staff and the grants that it gets from the Central Government. Therefore, we find, in many instances, and youngsters of Gibraltar have fallen into this trap, that when they first apply there are no vacancies whatsoever but as the time for the term commencing gets closer suddenly vacancies appear simply because they have not been able to fill up their classes with the higher grade students and they are willing to take a lower and lower grade. We have had in Gibraltar youngsters approaching me, who have done very poorly in their 'A' levels, perhaps with a D and an E, which would be equivalent to three points, saying: "I have got a place in a University, why cannot I be sent?" There is another facet that should be considered. Are we to spend the taxpayers' money simply to give further education for the sake of further education or are we justified in saying that whatever money we devote from the taxpayers' pocket into further education should, as far as is possible, be of some benefit to the general community of Gibraltar. If we have people going away for further education very often in disciplines which are of little use to Gibraltar, I think one of the favourite disciplines today is Sociology, can Gibraltar stand a surfeit of sociologists? Or are we going to have, and I do not say it with any depreciation of the job, the dustman with a degree so that perhaps he will no longer be called a dustman

or refuse collector but a garbologist? If that is the aim eventually so be it, but I do not think at the moment we can justify that the taxpayers' money should be almost frivolously spent for people who wish to do one, two or three years of further education which to the ultimate will provide very little to the benefit of Gibraltar as a whole. We have also had knowledge of the rather high failure rate of people in Britain who do manage to get into universities with very low pass marks, unable to keep up the standard that is required and after perhaps one year or eighteen months it is counselled to them that they should retire. This is basically a sheer waste of money and is something which I do not think we in Gibraltar could easily condone. I agree with the Hon Mr Bossano that examinations are an imperfect system. I believe that great humourist Mr Parkinson said there were two systems of examination, the civil service system which is testing people on a set number of items, or the Chinese system in which you are shut up into a room with as much paper as you wish and you have to write three poems of forty lines and two poems of twenty lines and anyway the job is given to the relative of a friend of the person who is doing the interview.

It is, I think, not unreasonable that persons who, because of examination nerves, do not do quite as well in their 'A' levels as one would hope, they are still given opportunities, as far as the Gibraltar Government is concerned, we have had a number of instances in the past where people who have gone before the Selection Board and have been quite impressive and yet have not done as well in the 'A' levels as one would have hoped and they have been given scholarships. Of course we do give scholarships, even today, to people on the technical side where it is not a question of 'A' levels but a question of how they have done partly in their exams and partly through the year's or two years' work prior to the exams as assessed by their teachers and headmasters, we give them scholarships so they can go forward and improve their technical career and I am very happy to say that in most instances the sending of these youngsters to the United Kingdom is not only justified but has given very good results and in fact in my own Department I have quite a number of youngsters who have done extremely well and I have just heard of one youngster who has just passed his degree with First Class Honours and I hope he will come back and be somebody that Gibraltar can be proud of. As I say, if we lived in Utopia perhaps it might be the thing to say anybody who wishes any further education should have it. But we do not live in Utopia, we have to live in a world where the amount of money that is available is limited and we have to temper within these limitations the number of people we can send. I think we are sending at the moment a pretty fair quantity for the size of Gibraltar and I do not think that we can justifiably go very much further than we are doing at the moment. I cannot, therefore, support the Motion.

HON J BOSSANO:

Mr Speaker, I would like to express my gratitude to my Hon Friend, Mr Lodo, who spoke in support of the Motion. It reminds me of our revolutionary days when we were both in the Public Health Department. Mr Speaker, the Government has in fact produced the same inadequate reasons for not accepting this proposal as they have done in the past. It is not a question of Utopia, although a number of points that have been made by the Hon Mr Featherstone rather than by the Hon Major Bellipiani reflect a political philosophy in what education is about. It is not a question of political popularity because if in order to provide the money to pay for better educational opportunities one had to tie it up with an unpopular tax I would be prepared publicly to support both measures and one counteracts the unpopularity of one with the popularity of the other because I think that political direction in society requires, and this is essentially what we do in this House of Assembly, we administer public funds which effectively means we are taking money out of the pocket of consumers in order to provide them with things that perhaps they would not provide for themselves if they were left with the choice to decide for themselves. It might be that if we decided that we have got a responsibility to look after the public money so well then perhaps we should say to people let each family whether they want a bigger television set or a better education for their children, but we don't do that, we put a tax on their television set and provide them with the education for their children whether they like it or not. The consistency of that philosophy carried to its logical conclusion requires that we attach importance to education for its own sake and not simply as a means to an end. Indirectly it is a means to an end because an educated population, in my judgement, would produce a better and more stable society, one perhaps where one might not have so much difficulty in persuading other people of the need to reform the law on divorce. The Hon Member mentioned sociology as if when people study sociology they were doing a course of vocational training which at the end of the course produced sociologists that had to be employed on doing sociology as opposed to doing garbage collection. That is not the case, sociology essentially is the study of society and in my judgement it is a vitally important part of education because it teaches man something about himself and something about the way society functions, it enables more mature political decision-making to take place and, generally speaking, it produces a swing to the left which is a bonus that one gets for nothing. We have to distinguish between vocational training and education and I believe it is worth investing in education even if one does not get immediate material returns in terms of technical qualifications that can be put to immediate use and therefore the philosophy of the Government must be to provide the necessary funds to allow the widest possible opportunity of higher education to be made available to Gibraltarians. In our Party we have got a commitment which we included in the Manifesto to provide for every school leaver a place in further education because we think society should plan for what happens to children

when they leave school and not just say: "You are now on the competitive market and you fend for yourself." Apart from that, I would ask the Hon Member and the Government whether they are not being inconsistent in saying that there is a ceiling to the money we can spend on sending students to United Kingdom when presumably the whole role of the Education Department is to raise the standard all the time and to increase the number of students capable of going on to further education. On the one hand the Minister for Education is charged with the responsibility of creating an educational system in Gibraltar that produces more and more students and on the other hand it is charged with the responsibility of not sending them anywhere once they are produced because otherwise he would come across this tax feeling that he thinks he has got a responsibility to the electorate on the public purse. What would he do if as a result of improved teaching in Gibraltar he found himself with 200 people with 12 points, then presumably he would find the money to send the people with the 12 points.

HON MAJOR F J DELLIPIANI:

I would certainly try to find the money because then I would know that the wastage rate would not be so great.

HON J BOSSANO:

Mr Speaker, with all due respect to the Hon Member, whether the student gets 12 points or not is not correlated with the wastage rate and I would suggest that if he cares to obtain some statistics from his own department he will tend to find that the wastage rate is more correlated with the course that people go on than with the qualifications that they started off with. What quite often happens is that there is insufficient preparation prior to going to university to establish the attitude of the person for a particular course or, alternately, the degree to which a person going on a course will actually enjoy what he is studying. People who drop out of courses, generally speaking, do so because they find that it is not what they expected it to be and he will find that there is a greater correlation between the choice of subjects rather than the pointage system. In any case, in terms of choice of career, clearly the question of having an arbitrary pointage figure and the other argument about Gibraltar's needs in terms of the jobs that are available in Gibraltar would seem to run counter to each other. It seems to me that whereas all I have been trying to do with this motion is essentially to seek a political commitment that we say to ourselves that we do not wish our own youngsters to be less endowed in terms of educational opportunities than they would be in the United Kingdom, that is all I am saying, that is the essential political commitment that I am asking the House to make, that as far as we are concerned, as people, we want to give our children that same opportunity, and I make the point again that it is only those who lack the means who are deprived when they are denied the grant, apart from

that, certainly I would go along with an in-depth study of the whole question of the direction in which we channel our educational system, of the desirability of certain subjects being given greater priority than others in terms of giving people more that is limited because those are all things that are valid and are worth looking at but they are not arguments against supporting the motion and therefore, Mr Speaker, I would put it to Hon Members on that side, that the economic commitment that they would be taking on would not be to the extent that they imagine that it would be but that if it was necessary all that we would be doing would be giving the same opportunities in Gibraltar as exist in the United Kingdom and that is a worthwhile political commitment to take on even if it costs more money. The Hon Mr Featherstone is as out-dated in his approach to education as he showed himself to be in the previous motion before the House. He talks about a red brick university which is today used as a means of praise for universities in United Kingdom, he uses it in the sense in which it used to be used in pre-war days as a term of denigration, that the red brick is not quite as good as Oxbridge but, in fact, red bricks are producing some of the best brains in the United Kingdom and in Gibraltar. Mr Speaker, perhaps the Hon Member might well himself benefit from a sabbatical year which would enable him to catch with where 20th Century society has gone since he last had a last look at it.

I commend the Motion to the House, Mr Speaker, and having demolished the arguments on the Government side I hope they will now be able to support it.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J E Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon F E Pizzarello
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The motion was accordingly defeated.

The House recessed at 6.35 p.m.

MONDAY 21ST JULY, 1980

The House resumed at 10.15 a.m.

The Hon J J Caetano, acting Financial & Development Secretary, joined the meeting at this stage of the proceedings.

HON CHIEF MINISTER:

Mr Speaker, Sir: it is with exceptional pleasure that I rise to move the motion standing in my name. Before doing so, however, I wish to extend, on behalf of this House and of the people of Gibraltar as a whole, our warmest welcome to our guests from the European Parliament. The link which has been established with that Parliament, the visit of the six Members whom we are honoured to have here with us today and the object of the motion on the Order paper are all, I am sure, matters of momentous significance for Gibraltar and its people. I welcome Lord Bethell, the Leader of the Group, whose interest, foresightedness and initiative have brought this about; Mr Brian Key, the Vice-Chairman of the Group; Miss Gloria Hooper; and Mr Alfred Lomas. It is unfortunate that Mr Kenneth Collins and Mr Adam Fergusson have been unable to visit us on this occasion but we look forward to welcoming them to Gibraltar as soon as they are able to come. In the meantime I have the greatest pleasure in welcoming Mr Michael Gallagher and Mr Paul Howell who, though not formally Members of the Group, are also interested in our affairs and will, I am sure, build a firm and lasting friendship with the people of Gibraltar.

I trust that the stay of our visitors in our City will be a pleasant one for them. We regret having to add more travel to their lives but hope that, at least, they will find the change agreeable. We regret also having to add to their labours, for we know how busy they are, and for having prepared such a full programme for their visit. I am sure, however, that they will understand our feelings on this. We felt it important that they should meet as many people as possible of their adopted City and we thank them for the burden they have assumed.

Sir, I now move the motion standing in my name that:

"This House -

- (1) resolves that the following British Members of the European Parliament, having expressed their willingness to represent the interests of the people of Gibraltar in the Parliament, are formally recognised by this House, on behalf of the people of Gibraltar, as representing their interests:

Lord Bethell
Mr Brian Key
Mr Kenneth Collins
Mr Adam Fergusson
Miss Gloria Hooper
Mr Alfred Lomas;

- (2) wishes to express the thanks and appreciation of the people of Gibraltar to the aforesaid Members of the European Parliament for their interest, for their goodwill and for their initiative in ensuring that Gibraltar is represented in the European Parliament, as an interim arrangement, in an indirect way;
- (3) warmly welcomes the Gibraltar in Europe Representation Group on its first visit to Gibraltar".

Well Mr Speaker before the direct elections to the European Parliament were held last year, representations were made to the British Government by the people of Gibraltar who, as nationals of the European Community, felt strongly that they had a right to be represented in the European Parliament. These representations were not successful. There were, and still are, it is true, certain difficulties. On the one hand, it is not easy to claim that an electorate of some 16,000 persons should be represented directly in the Parliament by a Member from Gibraltar; most European Parliament constituencies in Britain have something like half a million voters; on the other hand, there might also be difficulties in making the Gibraltar electorate a part of a United Kingdom constituency, though this difficulty is perhaps not insuperable.

Whatever the difficulties, one thing is clear to all of us in Gibraltar, irrespective of Party affiliation; we are nationals of the European Community and it would be undemocratic, as well as unjust, to deprive us from having a voice in the European Parliament, by whatever method might be devised to achieve this.

The Leader of the Opposition and I had the great privilege of visiting the European Parliament in April this year. I must pay tribute, and express the gratitude of the people of Gibraltar as a whole, in particular to Lord Bethell. It was his initiative that led to that visit. We are deeply grateful to him for this. We are also deeply grateful to Madame Veil, the President of the European Parliament, to its various Vice-Presidents and, indeed, to the Members of the Political Groups in the Parliament who, in spite of the other very pressing issues that lay before the Parliament at the time of our visit, still found the time to listen to the views we expressed on behalf of Gibraltar.

It is interesting and significant to compare the way in which we were heard, on the one hand, by the United Nations during the course of our various appearances there, and, on the other hand, by the European Parliament. Let me just say that,

in the European Parliament, we were listened to by Members of all shades of opinion represented in the Parliament. They naturally had different views on different points in our exposition of our case; but one thing was common to them all: they work in a democratic institution and they are concerned, above all, with people. They have been elected directly by the people of Europe; they are not, as in the United Nations, subject to the instructions of a national Government; and they appreciated, as that other international body did not, the aspirations of the people of Gibraltar to live their lives according to their democratically - and freely-expressed political choice and in friendship with their neighbours. This was a breath of fresh air. We were delighted to be in such company.

In Strasbourg - and I refer to our visit in April and not to our visit in November 1977 - we found for the first time, outside the British Government, an audience that understood our aspirations. We did not ask that audience to adjudicate on the merits of the dispute between Britain and Spain over Gibraltar. Indeed, Monsieur Rey former President of the Commission amongst others, made it clear to someone else who attended, for a short while, our first meeting in Strasbourg, that this was not their function. Even today, we are not asking the Parliament to adjudicate on the merits of the dispute between Britain and Spain. What we are asking, and this is fundamental to the concept of the European Parliament, is that the rights of European Nationals, however small a community they may be, are worthy of protection. It is our belief that we have found worthy champions to protect us.

Our first meeting with the Political Affairs Committee of the European Parliament was held on 15 April. This was only 5 days after the Lisbon Agreement had been announced. Before that announcement was made, it had been our intention to address the European Parliament on 3 issues: the restrictions placed on Gibraltar by Spain, the right of the people to self-determination and the question of the representation of the people of Gibraltar in the European Parliament. In the event, we did not raise the question of the restrictions because the statement issued after the talks in Lisbon stated that the Spanish Government had decided to suspend the application of the measures in force against Gibraltar. We took that statement at its face value and decided, in good faith, that that particular, and very serious, issue should not be raised. It was, in fact, referred to incidentally, but only because a former Spanish Foreign Minister, who served under General Franco, and who was subsequently asked to leave the meeting, provoked us into doing so.

We accordingly concentrated on the other two issues. In so far as the right of self-determination of the people of Gibraltar is concerned, it must by now, surely, be clear to everyone not only that, in common with any other people in the world, we are entitled to this right, but also that no elected representatives of the people of Gibraltar have at any time suggested, in our particular circumstances, and because Britain, with its respect for international law,

continues to observe its commitment under the Treaty of Utrecht, that the right of self-determination of the people of Gibraltar goes beyond choosing between Spanish and British sovereignty. It is, unfortunately, part of the Spanish legalistic approach to this question that stands in the way of their recognition of our right to self-determination. It must by now be clear to everybody that Gibraltar - the territory - and its people - will never become Spanish unless the people of Gibraltar decide that it should. It must also be clear that the people of Gibraltar do not aspire to independence or to any other solution. There is no doubt where the self-determination of the people of Gibraltar today leads us to. It leads us to continuing association with Britain. It is, of course, possible that one day the people of Gibraltar might decide otherwise. There are at present no signs of this. This is hardly surprising. As some of the more enlightened Spanish politicians and journalists have recognised, and quite apart from the deeply-felt loyalty and affinity with Britain that is part of the Gibraltarian way of life, the Spanish Government can surely never expect the people of Gibraltar to alter their way of thinking when, in spite of the change to democracy in Spain, the Spanish Government continues to maintain a policy of total hostility, in spite of having publicly recognised the identity of the people of Gibraltar as such.

I have been saying for some years now that the difficulties between Gibraltar and Spain can only be resolved in a European context. It is with regret that I now say that there appears to be no Europeanism in the Spanish approach to Gibraltar. By this time, the restrictions should have been withdrawn, but they have not. Once again, the people of Gibraltar have been disillusioned, and it is hardly surprising if their feelings towards Spain, exacerbated by 17 years of hostility and repression, should now be less than warm. It is not even surprising that the people of Gibraltar should now be turning their backs on Spain and that many should not be in favour of the re-establishment of communications. I do not myself share this view in principle but fully understand how it is arrived at. I have said on many occasions that there can be no reconciliation between Spain and Gibraltar without genuine goodwill. We have offered ours but it will become increasingly difficult for us to continue doing so when there are no signs whatsoever of any response.

I appreciate that the Spanish Government may have its own internal problems on this issue - though I sometimes think they are over-stated - but this is not our problem, any more than the incompatibility between the CSCE Conference in Madrid in November and the requirements of the Treaty of Rome with the present situation in Gibraltar are our problems either.

To turn now to the third issue - that of representation in the European Parliament, - here, I am glad to say, there are ample grounds for satisfaction. Our representations on this issue before the European Parliament were received with great sympathy. The matter, as is now known, is to be considered

further by the Legal Affairs Committee of the Parliament prior to the next direct elections in 1984. In the meantime, and thanks to the initiative of the British Members of Parliament who are with us today, we now have a representation in the European Parliament. Although this is necessarily indirect and to some extent informal, we have no doubt that those Members of the European Parliament who, on their own initiative, have come forward to offer to represent our interests will do so in every possible way.

I do not think it would be possible for me to overstate, on behalf of the people of Gibraltar, our feelings on this matter. Their spontaneous offer to represent our interests clearly springs from their appreciation of our difficulties and of our right, as European Community nationals, to be represented in one form or another. We are deeply grateful to them. We welcome them to Gibraltar with all the warmth at our disposal. We hope that this will only be the first of many visits. We hope that, in time, they will feel that they belong to Gibraltar in the same way as, through their initiative, we now feel, more deeply than ever before, that we belong to Europe.

Mr Speaker, I move the motion standing in my name in the full confidence that it has the total support of every Member of this House and of every citizen of Gibraltar who, no less than any other citizen of any of the Member States, is also a citizen of Europe.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's Motion.

HON P J ISOLA:

Mr Speaker, I have much pleasure in supporting the motion moved by the Hon and Learned the Chief Minister. I must say that the reception to the motion today is likely to be far more hopeful for the Chief Minister than the reception or his words of support for the amendments that were moved on Friday to the motion by my Hon Friend Mr Bossano when the way he voted didn't seem to coincide with the way his Party felt and I fared little better, Mr Speaker, on this side of the House. We both seemed to be in the minority on the amendments that were moved in the House on the motion and my Hon Friend Mr Bossano seems to have a knack to be able to do these things. Mr Speaker, I am sure, however, that on this motion the Chief Minister will receive the full support of his Party and I am sure that I will also receive the full support of my Party in supporting the worthy objects of this motion and I am sure, dare I say, that even the Hon Mr Bossano will find himself happy to join with us on this happy occasion. Mr Speaker, the question of Gibraltarian representation in the European Parliament, you will recall, was something that was raised in this House a number of times before the European elections were held and I think it was my Hon predecessor, Maurice Xiberras, who put a motion in this House before the European elections asking the support of the

British Government for Gibraltarian enfranchisement in the European Parliament. In one of his unusually lengthy speeches, I think this one was unusually long, I think he set out fully the arguments for Gibraltarian enfranchisement in Europe and I think if any Hon Member would like to be refreshed on them may I suggest that he refers to the Hansard reports which I am sure will be easily available. It was, I think, unfortunate that we didn't get a vote in Europe. We know there were problems in this respect but we were members of the community and, as I said, perhaps not enough thought was given to the question of Gibraltarian representation and as a result we have no member of the European Parliament or even a bit of the member of the European Parliament, I think as far as Members of the House were concerned, I think that on this one we would have been happy to have used our 16,000 votes to try and swing the result of these 80,000 majorities that came about in the European elections in England. But that was not to be and I must say and I share what the Hon and Learned Chief Minister has said, that I myself was enormously impressed with the warm support that we received when we went to Strasbourg on this issue of representation of the people of Gibraltar. Warm support, of course, from British European Members but also, I am happy to say, from Members of Parliament of other nationalities who couldn't quite understand why Gibraltarians who are EEC nationals hadn't taken part in this bold enterprise of elected representation in the European Parliament. That was very comforting for us and it was much more comforting to see how quickly our British friends in Strasbourg came forward to suggest that we might like to have some sort of representation through British European Members of Parliament in Strasbourg and of course we eagerly grasped this opportunity of representation because once you say that you will represent us in Europe, let me say, Mr Speaker, they have let themselves in for quite a lot because if they are representing us, of course, they must do what we would like them to do, I am sure they will, of course, but they have to represent the feelings of the people of Gibraltar on the very important issues with which we are faced today and that is the problems of the Spanish claim to Gibraltar, the problems of the attempted or possible attempted absorption of Gibraltar into the Spanish state using the excuse of European unity which, of course, we all subscribe to on this side of the House and on the other side, obviously, but European unity with Gibraltar forming part of the British part of Europe, let me put it that way, and this I am sure, will pose a lot of problems and cause a lot of difficulties but I am quite sure that the Members of the European Parliament who have happily agreed to take on this burden, I am quite sure they will know how to discharge it in accordance with the wishes and the interests of the people of Gibraltar. As far as my Party is concerned, Mr Speaker, I just have to ask them to bear in mind object No.1 of my Party which is to keep the people of Gibraltar and the territory British in accordance with their wishes. The message from my Party is a comparatively simple one but like everything simple it has its complications and one of the complications, of course, is Spain and I am glad the Hon and Learned Chief Minister has referred in his address to the

apparent inability of the Spanish Government to comply with their side of the bargain of the Lisbon Agreement under which they committed themselves to lift the restrictions without any conditions, to lift the restrictions in the spirit of friendship and in the spirit, I believe, of the Treaty of Rome, which says that there must be no frontiers between people and countries. It is appropriate that the Members of the European Parliament who have heard from us at first hand in Strasbourg the question of the Lisbon Agreement and who heard from us at first hand that by June 1st the restrictions would be lifted in accordance with the Lisbon Agreement, I am glad that they are here to see that we are now on July the 21st and the frontier gates are still firmly shut and show no sign of opening although they have shown signs of rejuvenation, I believe coats of paint have been applied and things like that. I think it has to be made very clear from this side of the House as much as it has been made clear by the Chief Minister from that side of the House that the Gibraltar people feel very strongly on their right to determine their own future and on their right to decide for themselves what that should be and we were very glad to see in Gibraltar that following the Lisbon Agreement, the Lord Privy Seal in the House of Commons stated very firmly the British Government's position when he said that British sovereignty over Gibraltar would not be altered without the expressly and democratically stated wish of Gibraltarians. That he said surely was as clear as it could be and therefore as far as we are concerned and as far as the people of Gibraltar are concerned their confidence in Her Majesty's Government to uphold their pledges is in no way diminished by recent events and now our confidence in British elected representatives grows too stronger with the acceptance of this onerous burden by the British European Members of Parliament to represent us in Europe. I know, Mr Speaker, that the Gibraltar Branch of the European Movement of which I have the honour to be a Vice-Chairman, will particularly welcome this motion as they themselves also took a significant part in trying to get representation for Gibraltar in Europe. We think this is a very good second best and we are hopeful that we should be able to keep the British Members of the European Parliament fully au courant with what is happening here and fully documented, I will put it that way, with our wishes and how everybody stands on Gibraltar. We are particularly glad to see that the burden has been taken equally by Conservatives and Socialists and this sort of bipartisan support to Gibraltar both in Strasbourg and in London is very comforting for us in Gibraltar where we do have I think, generally speaking, a bipartisan approach to the important issue of Gibraltar and the future of its people. Mr Speaker, I don't think there is much more that I should say on this, I would like to join very much the Chief Minister with his warm words of welcome and may I hope that the visiting Members of the European Parliament plus the two who are not representing us but who I am sure will now also, I hope, support us in the European Parliament in any way they can, I hope they will have a very pleasant stay with us, I hope that it won't be too hot, they seemed to have hit one of our hot patches, and I hope that they will during these two days learn a lot about us and our people and feel much more competent to represent us having seen us, having lived with us

and having seen how we all feel on the issues that are of vital importance to Gibraltar. Mr Speaker, I welcome the motion.

HON J BOSSANO:

Mr Speaker, as the Hon and Learned Leader of the Opposition said, it is one of the rare occasions when I am able to agree with most of the things both he and the Hon and Learned Chief Minister have said. Let me say that I associate myself fully with the motion and the welcome that has been extended to our new representatives in the European Parliament, in fact, I think if we think about it carefully perhaps we shouldn't be so concerned to spell out that it is an interim arrangement because if one takes the figures of the Hon and Learned Chief Minister of one European Member for every 1m we seem to have exchanged 1/20th of one MP for 6 MP's, so we might be doing rather better off this way than if we had direct elections and I think the concept of direct elections really which we all supporter was more for its symbolic value, giving us a direct say in the European Parliament and not because we ever thought really that the 1/20th of one MP would make a major impact on decision making processes in Brussels or Strasbourg. I think that the willingness of the Members to act on behalf of the people of Gibraltar is something that reflects, in fact, the goodwill that we know we enjoy in the House of Commons and in the British Parliament I have got a personal knowledge of one of the Members, Mr Alfred Lomas, who has been a very good friend of Gibraltar for very many years, a staunch defender of the labour movement in Gibraltar and the Trade Union movement in Gibraltar and certainly I can vouch 100% for his commitment to our people and to working class interests here and, of course, one of the most encouraging things about the nature of our representation is that I see that the balance of power as between Socialists and Conservatives is at last moving in the right direction at least in our representation in the European Parliament if not in the House of Assembly. I should just like to say two things, Mr Speaker, about the points made by the Chief Minister because although my main objective in standing up is to show that there is absolutely no division on this issue, there are two points that the Hon and Learned Member made with which I cannot entirely agree and therefore I would like to record our own position in this matter. He did say that no one has ever suggested that the right of self determination goes beyond choosing between Spanish and British sovereignty. I don't think one can qualify the right of self determination and therefore I have said on many occasions that if Gibraltar ever reached the stage of not being associated with Britain it would not necessarily follow we would have to be associated with Spain. I would agree with him that there is no indication of anybody ever having wanted to be associated with anyone else but I cannot accept that the choice is between the two. Secondly, he mentioned that there was no doubt that the exercise of self determination would lead to continuing association with Britain. Well, I have no doubt at all about that either but I think that should not be mis-

understood to meaning a continuing colonial association with Britain because I have no knowledge myself of any colony having exercised its right of self determination to continue as a colony and therefore given the clarification as far as I am concerned on those points, Mr Speaker, which I think really is not entirely relevant to the motion but were remarks that were made, I would like to say how warmly I welcome the representation that we are having in the European Parliament and I am sure that Gibraltar's interest, particularly the interest of its working people, will be adequately protected.

MR SPEAKER:

Do you wish to speak, Major Peliza?

HON MAJOR R J PELIZA:

Yes, Mr Speaker, because I am so much interested in this matter I think that I would like to say a few words. First of all, I associate myself entirely with the words expressed so far in this House. Secondly, I think it is an opportunity to thank the Chief Minister and the Leader of the Opposition for the miracle they produced in their visit to Strasbourg of which we are already beginning to see the results. I think it is also an opportunity to thank those who worked so hard from the beginning which extends I think first of all to Sir Peter Kirk who at the time when I approached him in London was very keen and responsible for the European movement and did not hesitate to move heaven and earth, you might say, to ensure that the branch of the European movement in Britain was extended hereto Gibraltar. In that way I think we were contaminated to an extent that I would have thought that the Europeaness of the Gibraltarian today is very great in practically every quarter in Gibraltar. Also I think Lord Thomson who came together with Peter Kirk here to open the branch and said the famous words that it would be inconceivable for Spain to be able to join the Common Market without first lifting the restrictions. We must also thank all the branches of the European movement who at a Congress in London in 1977 passed the following resolution unanimously. Mr Speaker, I think it should be recorded in the Hansard.

MR SPEAKER:

Anything that is said in this House is recorded in the Hansard.

HON MAJOR R J PELIZA:

Yes, I know but the reason why I mentioned that, Mr Speaker, is because I am going to read it. At the annual congress of the European Movement held in London on the 26th November,

1977 at which all United Kingdom branches were represented, the following motion was approved unanimously by acclamation. It reads as follows: "Recognising that Gibraltar and its citizens are within the European community under Article 227(4) of the Treaty of Rome, and in view of the proposed enlargement of the community and the forthcoming elections to the European Parliament, the European Movement in Britain resolves (1) to press Her Majesty's Government and other European Community Governments to recognise that Spain would be in breach of Community rules if admitted to membership whilst continuing to blockade Gibraltar, and (2) to campaign for the enfranchisement of Gibraltarians in the election to the European Government on lines similar to those applied to overseas territories of other member states." I think, Mr Speaker, that in this connection it might be of interest to this House to know that there are, in fact, French colonies spread all over the globe some of them with a small population of 4,000, who do have representation in the European Parliament and it seems very strange that here we are, Europeans, almost full members of the EEC with the exception of matters which I shall read later explained by Mr Roy Jenkins to whom I have written on a number of occasions on this matter, Mr Speaker, and unfortunately so far we have not had the opportunity of being represented. I do vote for a member of the European Parliament and by a happy coincidence he happens to be the leader of this delegation as I happen to be in his constituency. I live in England, yes, I live in Europe as well Mr Speaker.

MR SPEAKER:

We are departing from the terms of the motion.

HON MAJOR R J PELIZA:

Mr Speaker, I think it was an interesting aside in that at least one member of this House does vote in the European elections. I felt at one point, and I think it should be read, Mr Speaker, that the commission for whom in some way we look to as we do look to any other institution of the EEC to bear the case of Gibraltar in mind. Again we have been very lucky to have as President of the Commission Mr Roy Jenkins and I must say that every time that I have approached him he had been most interested in our affairs and I think has promptly dealt with the questions put to him notwithstanding obviously the many other difficult problems that he must be facing. Now on the 10th of October, 1977, I wrote to him in connection with three points. One was the question of the lifting of the restrictions.

MR SPEAKER:

We must not go into that.

HON MAJOR R J PELIZA:

Could I then, Mr Speaker, just refer to the answer that he gave which I think might be of interest to the House and also to the members here present from the European Parliament. The answer, Mr Speaker, reads as follows: "Under Article 227(4) of the Treaty of Rome, only certain of its provisions regarding the free movement of goods, apart from other certain agricultural products, persons, services and capital, apply to Gibraltar. That Gibraltar is not an integral part of the community in the sense in which you use the term, ie, in the same way as in the United Kingdom or Metropolitan France. As a result, the act on direct elections signed by the member states, include in its Annex 2, a statement specifying that its provision will for the United Kingdom apply only in respect of Great Britain and Northern Ireland. Gibraltar is thus excluded from the ambit of direct elections to the European Parliament." Another point which might be of interest to the House is EEC passports which has not been touched upon here. "With regard to the EEC passports discussions are still in progress within the Council of the community on this question. However, once agreement is reached on the form of the passport, the issue of this document will continue to be governed by the domestic legislation of the different member states. The eligibility of Gibraltarians for the passport will therefore depend on the relevant provisions of the United Kingdom legislation in introducing the passport change. The provision of the treaty on free movement of goods, persons, services and capital will apply to Gibraltar and Spain if and when Spain becomes a member of the European Community." Mr Speaker, that is, I think, a rather concise but very much to the point answer which I think certainly we have to bear in mind in this Parliament. And now I think that we do have representation in two Parliaments or at least members willing to represent us in two Parliaments, the lobby in the House of Commons and now another lobby in the European Parliament. I think it is our duty here as elected members to do everything we can privately and, I also believe, publicly, because it is important that the public should know here and in the United Kingdom of the need of this movement towards greater integration of the people of Gibraltar and of the community in the form of representation and in every other form that it is possible within the needs of special protection for Gibraltar because of our special situation, one of them geographically and I think on the question of international politics at the moment. It would be also I think important, Mr Speaker, before ending, to pay tribute to the members of the European Movement in Gibraltar who have kept the torch alight right from the beginning and who have worked so hard and will continue to work so hard in the future. I think there should be a word of warning though. It is possible that in the same way that now we have got a lobby in the European Parliament, the Spanish Government will also try to have a lobby of their own there. Because of that I think we have got to be all that more active in keeping the members who have so kindly and willingly come forward to represent us, fully informed of the situation by

passing on information and encouraging them to stand up on our behalf. Mr Speaker, this is a great historical day for Gibraltar. It has produced a continuation of our very loyal links with Britain, a continuation of that link into Europe, a Europe that I think most Gibraltarians would like to see united and in peace as it is at present, within our own territory making progress, advancing our quality of life and not just within us but also playing an influence in the rest of the world so that the freedom, the democracy, the standards that we enjoy can spread all over the world and bring greater peace. I know we are very small to make that contribution but I think that as our past has shown, small as we are we do appreciate certain values and we are prepared to stand up in defence of them. We have endured 11 years of siege, Mr Speaker, and we are still battling.

HON CHIEF MINISTER:

Mr Speaker, there is very little that I would like to say in exercising my right of reply. First of all I would like to thank all members for the support of the motion. I stand slightly corrected by the Honourable Mr Bossano but I share with him the view that he expressed. Because Britain's legalistic attitude to the Treaty of Utrecht continues to observe its commitments, it is impossible to go beyond choosing between Spanish and British sovereignty. I, with him, do not think that that will be for ever but in fact for as long as the status of Gibraltar Britain claims rightly to some extent to come under the Treaty of Utrecht, perhaps it should be under the charter of the United Nations on the basis of self determination, these limitations are imposed, they are not freely accepted but imposed by sheer necessity. Other than that, Mr Speaker, I would just like to reiterate our warm welcome to our friends and hope that this will be the beginning of many happy sessions.

Mr Speaker then put the question which was unanimously resolved in the affirmative and the motion was accordingly passed.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that Her Majesty's Government should ensure that special arrangements are concluded with the EEC, in the context of the negotiations leading up to Spanish entry, to give full protection to the economy of Gibraltar and in particular its labour force." Mr Speaker, now that we have a Gibraltar Europe Representation Group perhaps it is very appropriate that we should in fact be looking at the adequacy of the arrangements as a result of which we are, in a way, members of the European Community with certain limitations. I think, Mr Speaker, that the passage that was quoted from a letter by the Honourable and Gallant Member, Major Peliza, perhaps would be more relevant to this motion than to the other because it points there to the way, effectively, in which our

present membership of the Common Market is almost totally dependent on the interpretation that the United Kingdom puts on that membership, whether we are talking about passports or anything else, and therefore my motion points towards Her Majesty's Government as the responsible administering authority for the territory of Gibraltar, in having an obligation to protect Gibraltar's interests in the context of the negotiations leading to Spanish entry like other European nations are in fact laying down the conditions that they consider necessary, the safeguards that they consider necessary, to protect their national interests. Let me say, Mr Speaker, that in supporting the existence of the European Community, one does not necessarily have to be in favour of a Europe moving towards a totally integrated unitary state with a central government and a central bureaucracy and that the policy of my party in this respect is in fact in line with that of the British Labour Party who, in its draft manifesto for 1980, have called for a move towards a looser federation of European states retaining national sovereignty. Let me say also, Mr Speaker, that the motion is not an anti-Spanish motion, it is a pro-Gibraltar motion and that the only reason why it points the finger at the necessity of doing something in the context of Spanish entry to the Common Market and in the context of a possible open frontier with Spain, is because although in 1973 we granted the theoretical right to 300 million Europeans to establish themselves in Gibraltar, we all knew very well at the time and Hansard of that date recorded, in fact, the point being made in the House of Assembly, we all knew very well that it was a purely theoretical right, that there was no immediate prospect of us finding 300 million Europeans suddenly landing on our doorstep. But, in fact, whether we are talking about equal right to employment or equal right to trade, if we are talking about granting that to only 32 million European nationals who happen to have access to Gibraltar directly, never mind the other 300 million, we are talking about a different situation altogether and it is important that we protect Gibraltar, that we protect its identity, that we work towards its survival as a community and we cannot do that unless we are conscious of the risk that we run if we allow Gibraltar to be treated, when it suits other people as an equal partner in the Common Market when we find that this is not the case in other respects. We cannot have a situation, Mr Speaker, and this is a point which is of relevance to the other motion standing in my name on equality of rights, we cannot have a situation where one talks about being treated as an equal when one is a community of 20,000, and therefore in the context of a European Community we must understand that with a situation like there is of an island economy today but which is bound to disappear prior to Spanish entry or coincident with Spanish entry, with a situation of an island economy we have physical limitations which effectively put a ceiling on the extent to which the theoretical right of establishment in Gibraltar can be taken up, in a situation where Gibraltar has got total access to its natural economic hinterland in the Campo Area, if we do not take the necessary measures now before it is too late, Mr Speaker, to protect Gibraltar's economy and to protect jobs in Gibraltar and to protect trade in Gibraltar, we could find that Gibraltar ceases

to be under the control of the Gibraltarians and then questions of discussing sovereignty or not will cease to have any relevance. We will have lost any question of sovereignty over Gibraltar because we will have lost control over the economy of Gibraltar and, effectively, political decision-making in the long run tends to reflect the balance of economic power. I would point out to the Hon and Learned the Chief Minister that the remark that he made in a newspaper interview recently when he was asked about protecting Gibraltarians business interests and jobs in this context of an open frontier and the right of others to come in, when he said that small business in Gibraltar had an advantage because we were already here in competition with outsiders, I think this is a totally incorrect analysis, Mr Speaker. In fact, every national industry in Europe today is seeking the protection of its Government against the American multi-nationals. It is only a difference of scale but there is no question about it the British Motor industry, for example, the inherent weakness of British Leyland is precisely the fact that it is a UK-based industry with a UK-based market and it has difficulty in competing with multi-nationals like the American multi-nationals or the Japanese multi-nationals that have got a very widespread chain of factories and markets all over the world. The magnitude of the problem, reduced to Gibraltar's scale, may be simply one small shop in Gibraltar competing with an enterprise that has got shops throughout the Iberian peninsula but, nevertheless, the essence of the disadvantage, the disadvantage of size, is there and one of the arguments that are used by national industries today, even when on the one side people are talking about an integrated Europe and European unity, the argument is still used that we still are in a situation of national interest and it is still in the national interest to have control of major segments of your own economy because if that is not the case if in fact all the private sector of Gibraltar were controlled by subsidiaries of outside companies then, effectively, we would find in Gibraltar that those subsidiaries would tend to have to do what they were directed to do by their head offices and those head offices might be subjected to pressures from other quarters whereas if in fact the business is Gibraltar-based, it has no choice but to pursue the line that the Government of Gibraltar wishes to pursue because by being in power the Government can persuade people to do the things it wants to do simply by pointing out that if they fail to be persuaded they can be coerced and the Government has got the right to give direction to the economy of Gibraltar, indeed I would say it has the obligation to give directions to the economy of Gibraltar and I have spent many years trying to persuade it of the necessity to do this but I would put to the Government that, effectively, the one thing that could weaken any attempt to run a planned economy in Gibraltar for the benefit of the whole community would be that both labour and commerce, both the investor and the producer, should be subjected to pressures or controls over which we would have no say and therefore it is important that we move on this and that we move on it quickly, Mr Speaker. We have to be conscious of the fact that it may not be an immediate danger but it is an increasing danger and that it is an irreversible process.

If we do not do anything to stop this taking place once it has happened it cannot be undone.

I commend the motion to the House.

Mr Speaker then put the question in the terms of the Hon J Bóssano's motion.

HON CHIEF MINISTER:

Mr Speaker, it is very difficult not to agree with the general terms of the motion but unfortunately we cannot really solve problems by making exhortations of general interest without being able to prove our case. It is the first indication or they were when Spain first applied to enter Europe, of the conflicts that have to be overcome between what we would call our national interests, which is Gibraltar interests, and our Community duties. We have been exhorting earlier on this morning our right to be represented in the European Parliament and if that is so it is precisely because we have European Community obligations to honour so that to state the problem in the general terms really begs the whole question because nobody would quarrel with the fact that we should protect ourselves as much as possible. First of all, let me say that the Gibraltar Government has, of course, considered the implications of Gibraltar's interests of Spain's application to join the EEC and has expressed its views to the British Government. I ought to say, of course, that this was done in March, before the Lisbon Agreement. I think, in essence, it really does make very little difference that shortly after that the Lisbon Agreement was signed because that is intended to do something else but it only makes it the more urgent because of the possibility that the Lisbon Agreement may be honoured and therefore that the forces that would come about as a result of Spain's entry and the inconceivability of a closed frontier with Spain's entry would come about earlier by reason of the Lisbon Agreement if and when it is implemented. At this stage I do not think it would be in the general interest to say what the case of Gibraltar was in March but, of course, it can be readily appreciated that it was in order to safeguard the interests of the Gibraltarians as much as possible in the context of the Community obligations. But I can say that all the important aspects of the implications of Spain's entry into Europe were included in the representations which were made including, of course, economy and labour being the two most important aspects of the matter.

Therefore I have been wanting from the remarks of the Hon Member to identify the main areas which worry him to see whether they coincide with those that worry us and though he has put it in a different way I think I could describe them mainly as the economy, trade and employment. He describes it in another context as labour and commerce but I think the economy is particularly important. It would be no use passing these resolutions and the motion as it is now and sending it up to London for implementation unless of course we accompany it with a case because we have to make a case

to get whatever changes are required in the terms of the Treaty of Accession to which Gibraltar was a party and in order to do that it would be difficult in any case but it would be much more difficult if we do not make a reasoned case both on the economic side and on the human physical side. The answers that I gave was a very general answer given at the time for a very quick interview which was really geared to something else, it was an attempt to show that we were not informing the people and it was a general answer which was covered by an additional note saying that of course one was open as a Government to any ideas that people have and I am glad to say that people are taking an interest in this matter. Already I have received a letter from a former member of this House which precisely supports the point that we must make an analysis and a study before we can make representations if they are going to be successful. That is why I say that the vagueness of the motion in its terms cannot get our support though I am sure that I will be able to make at the end of my contribution an amendment that I am sure will be acceptable to the Mover because, as I said before, we have to identify the problems, analyse them and suggest solutions. Nobody will look for solutions to our problems, we have to find it and we are old enough to be able to do so and the burden is to convince other people that these are the right solutions and that they carry the weight not only of the people here but of their support because of the justice of them, that is where we have to lay stress. It may even be necessary to start a Working Party on this matter and the offer made by the Hon Mover in respect of his contribution to identifying items of the economy might be a possible way of dealing with the matter. Of course, if the proposals that I am making are acceptable then it would follow that it would have to be an attempt to have an in-depth study locally first to prepare the sort of brief for people who can then help us in the presentation of it in the context not only of the obligations that we have under the Treaty but of the variations that have been made for various countries. For example, I understand that in respect of Luxembourg there are limitations to the obligation that she has, and she is a founder member and a very important member, there are limitations with regard to the question of the entry of labour simply because in the middle of Europe, Luxembourg cannot absorb all the people that are employed in the surrounding countries. Mr Speaker, if in fact I have identified clearly the main problems which are the economy, trade and employment, it seems to me to be the main items raised by the Hon Member, I have left the items until I saw how his presentation went and that is why I am adding them now in that order. In that case, Mr Speaker, I would move in these terms: that the motion be amended by the deletion of all the words after the words "this House considers that" and the substitution thereof by the following: (1) A study should be made of the following matters in the context of the negotiations leading up to the Spanish entry into the European Community: The economy, trade and employment; (2) If the result of such a study warrants it, Her Majesty's Government should be requested to seek to conclude special arrangements with the EEC in order to protect Gibraltar's interests."

Mr Speaker, I have the honour to move this amendment.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's amendment.

HON CHIEF MINISTER:

Mr Speaker, I would just like to reiterate what I said earlier that the Government have made representations on all these aspects in March, after a full study and cooperation from various departments and I would not like it to be thought that this is completely new. I appreciate that the situation has now changed somewhat and that in any case this House should support the further study of this matter to pursue the matter. I would not like it to be thought that this is the first time the representations have been made but I agree that a continuing one and with general approval of the House is bound to be much more helpful.

HON P J ISOLA:

Mr Speaker, let me just say that on this side of the House we would support the motion in the way it is being moved. Let me also say that we support the amendment provided it is further amended to include "in the context of negotiations leading up to Spanish entry." In the first part it says; "a study should be made of the following matters in the context of negotiations," and then we say "to seek special arrangements with the EEC." I think we should add after that "in the context of the negotiation leading up to Spanish entry." This is what I think should go in. But as I said if that goes in I think more or less the motion is saying the same thing. Let me say straight away that the context of Spanish entry to the EEC has in fact worried my Party considerably because we agree with what the mover has said that at the moment we have potentially 300 million who can come in but they have to catch a plane or they have to find a house and since there are about 1,500 Gibraltarians who do not seem to be able to do so it is not going to be that much easier for people from outside. Therefore, one is not particularly worried so long as Spain is not in the European Community but once Spain comes into the European Community then I agree with the Honourable Mover that a very different situation arises. Let me say, however, straight away that I have myself represented to the Governor on behalf of my Party that this matter has to be looked into very carefully in the context of Spanish entry into Europe. I think Gibraltar obviously has a case to have some special arrangement made but, equally, this will be no easy matter because when I was in Strasbourg I certainly found a very strong spirit in Strasbourg that Europe should be one, that every one should conform to the rules and that there should be no exceptions, so it is going to be no easy task. The question of free movement of labour, free movement of trade, the right to establishment within Europe, those principles are very firmly held in Strasbourg by Members of Parliament right across the European spectrum. However, having said that, it

does seem to me that there are countries in Europe, part of Europe, who seem to be able to get round these rules because I am told, for example, that it is no easy matter for any European to set up business in Italy or to get a work permit and Italy is a full member of Europe and I am told, equally, it is no easy matter in France to do the same thing. Somehow or other they have become experts in dealing with this. Mr Speaker, what I think is necessary is to get some consultants. This is a field where we should get some consultants into, some Community consultants, some people who are very conversant with the way the Commission works in Brussels, who are very conversant with the way the Council of Ministers work, who are very conversant with the different rules and regulations and with the arrangements in different parts of Europe especially the smaller countries. The Honourable and Learned the Chief Minister has mentioned Luxembourg, there may be other countries in Europe whose vital interests have been recognised and safeguarded by the Commission and by the European countries. I think it is important to have a study made but not just a study in Gibraltar such as getting advice, for example, from the Foreign Office necessarily or anybody else - although they are always I know very helpful - but I think there is a need for somebody who knows his way around Europe, someone who knows what the position is, to start making a study and to start advising to what is the sort of line the Gibraltar Government should take. I agree entirely with the Chief Minister when he said that a motion like this is passed and it will have no effect at all unless Gibraltar makes a case because if we are talking of concluding arrangements with the EEC, the EEC are pretty hard bargainers as a community and I think that a case would have to be made and it would have to be made in the face, presumably, of Spanish opposition and in the face of other opposition from other countries whom it may suit to oppose a special case for Gibraltar because of their own arrangement, because they do not want to make a special case for larger countries who do not desire a precedent to be created in relation to fundamental principles of the Treaty of Rome. This is no easy matter and I don't think anything can be done quickly. I took a note of what the Honourable Mover was saying that we must move on it quickly but if what he means by moving on it quickly is that we should start negotiating special arrangements with the EEC, I think that is a waste of time at the present moment because they haven't even made up their minds as to whether they are going to admit Spain or on what conditions or what the transition period should be as regards Spain. If he means by moving on quickly, however, that a study should be undertaken, that we should get consultants in, that we should get some really expert advice from somebody who moves around Europe, consultants who may specialise in this, I don't know whether there are any who do, then I would agree with him. I think this is a problem that Gibraltar is going to have to face and it is a serious problem because when we are talking of the economy, trade and employment, we are talking in an area where European principles appear to be freedom of trade, freedom of employment, freedom of establishment, and when we are talking of the economy trade and employment we are flying really in the face of the European ideals and in the face of European principles. So just a motion passed in the House, either in the form

that the Honourable Mr Bossano has put it or in the way amended by the Honourable and Learned the Chief Minister, will get us nowhere unless a real tangible case can be prepared on Gibraltar and we may even have to consider, I hope it never happens because the European ideal is a great ideal and I think in the long run must be of benefit to Gibraltar, but we may be faced with the question of: "Well, if you want all this protection for Gibraltar, it is impossible, you will have to look for it outside Europe." I hope we are never faced with that decision but if we are not going to be faced with a decision of that nature then I think it is vital that the Gibraltar case is assessed very carefully and that a case is made out that can find favour with the European Community bearing in mind their own problems, bearing in mind how the individual countries feel on the question of making exceptions. The trend nowadays seems to be not to make exceptions, if you are in the club you have to follow and abide by the rules. But I think that the Honourable and Learned the Chief Minister has mentioned Luxembourg where their case has been seen and some exception has been made, obviously on Gibraltar it does seem to me that with Spain in, there is an extremely strong case for some derogation being made to the Treaty as far as Gibraltar is concerned to enable Gibraltar to continue to function as an identifiable community with its own citizens protected as reasonably or as legitimately as they can be. Mr Speaker, I don't think I have to actually amend, I do not want to get involved in amendments, I don't think I have to seek to amend it as long as it is understood that the Government agrees with it, that it is in the context of negotiations leading up to Spanish entry that we have to move. Let me assure the mover of the motion that certainly my Party is fully alive to the problems connected with Spanish entry. We are also fully alive with the problems connected with the Lisbon agreement, we are fully alive to all the problems that seem to surround Gibraltar where Spain and the EEC are concerned and, certainly, we would welcome, we would certainly welcome a study being made of our problems and we would certainly vote in favour of funds to enable expert consultancy advice to be obtained by the Government of what goes on in Brussels and on all the particular derogations there have been in the Treaty of Rome in relation to all the different countries in Europe because we may find that although they are not relevant to our problem, they are relevant for establishing the precedent. Mr Speaker, as I said before, we are in the happy position of being able to vote for the amendment and also for the motion as proposed by the Honourable Member because we support all the sentiments expressed in the amendment and in the motion subject to the additions that I have asked to be considered because we think this is a serious problem and I think it is one that has to be dealt with and has to be studied and prepared for now although, as all Honourable Members must realise, the question of Spanish entry into the EEC appears to be something that is going to take a little time but, of course, we should be prepared I am glad to see the Government has already made representations on it, I certainly have and I think we would all welcome the expertise of the Honourable Member, Mr Bossano, in saying in what way the Gibraltar position can be protected

bearing in mind, as he must surely do, the principles of the Treaty of Rome, the obligations that we have already undertaken in our legislation, bearing all these things in mind, I think it would be a useful exercise again on this, something that affects vitally the interests of everybody in Gibraltar, it would be a very useful exercise if our efforts in this matter could be fully coordinated and I certainly would welcome very much working with the Honourable Mr Bossano as indeed with the Chief Minister and his Party and my Party in trying to solve what is likely to be one of the biggest problems that will face us once Spain begins in earnest her negotiations for entry into Europe. Thank you, Mr Speaker.

HON A J CANEPA:

Mr Speaker, on the Government side I think we accept without any reservation the intention of the Honourable the Leader of the Opposition that the second part of the motion namely, were the British Government to be approached with a view to seeking to conclude special arrangements with the EEC, that that approach must be seen in the context of the negotiations leading up to Spanish entry into the European Community. We can say that without reservation because Hon Members who were here in 1973 will recall that at the time that we joined the community we were afraid that the very many millions of EEC nationals were going to flood into Gibraltar and disturb our labour market and disturb our economy. That, in fact, has not materialised because as Mr Isola rightly said it was a case of flying over to Gibraltar or coming by other means but in the context of an open frontier with Spain, whenever that happens, the threat is of course a much more real one and a much more serious one. I think Members of the House should welcome the timing of this motion, generally, not because no thought has been given by either the Government or the Opposition to these problems but because I think it is important that the public, the people of Gibraltar, should know at this very crucial juncture in our affairs that Members of the House are all at one that we should have this opportunity to manifest by the manner in which we vote that we are completely united in the need to first of all recognise and identify the problems that Gibraltar has to face and, secondly, that the House is determined to try and find ways and means of protecting these essential interests. Now, Sir, with regard to the problems of trade and commerce, I would like to say that we recognise the fact that the small trader in Gibraltar is going to be unable, perhaps, to cope or to meet a situation in the manner in which large chains of shops are able to handle goods to their advantage, a point which I think the Honourable Mover made. There is a danger that we could lose control over our economy and, perhaps, the danger has been overstated in that I do not accept for one moment that traders in Gibraltar, having regard to events since 1964, are solely motivated by the profit motive in so far as Spanish interests are concerned. I think that there is sufficient recognition in Gibraltar, of other considerations not chauvinistic considerations but a realisation of the need to protect the Gibraltarian identity and I am very hopeful and optimistic that traders will not

allow themselves to be put wholesale into a situation where the Gibraltar economy would be put at serious risk. I think people recognise the fact that we have got to avoid in an open frontier situation allowing the Spaniards to achieve what they have not been able to achieve over 11 years of economic siege in a closed frontier situation. But nevertheless the study has to be made, the problem areas in particular have to be identified. Shortly after it was announced Mr Speaker, that Spain had decided to lift the restrictions, something which we are all waiting for, the Chamber of Commerce immediately made representations to the Government, they had meetings with myself and I say myself because I was acting Chief Minister at the time when Sir Joshua was away in Strasbourg, and then subsequently when the Chief Minister returned there was a joint meeting at which they put their point of view across but at the time they were not finding solutions, the Chamber could see problems but it was apparent that they were not clear, they did not know what the possible solutions were, they spoke in terms of it being made a legal requirement that, for instance, any business wishing to set up in Gibraltar that there should be a controlling interest 51% of shares should be owned by a Gibraltarian. In the first place it might be impossible or very difficult to enact such legislation that the Community would accept and in any case as in the days of the Trade Restrictions Ordinance it would still be possible for any Gibraltarian who wished to lend his name to setting up a front to do so and there would be in effect no genuine protection in the fact that a Gibraltarian would own 51% of the share because he would not be genuinely the owner. As Mr Isola rightly said, it is not going to be an easy task in the field of trade and commerce in particular. I think Members of the House who were on the Select Committee on the Trade Licensing Ordinance will recall that the Foreign and Commonwealth Office took some convincing about the need to have the kind of legislation that we had in 1973 and which was then amended in 1978, I think it was, there were doubts as to whether they would go along with us on that and it was not an easy struggle to convince the Legal Advisers of the Foreign and Commonwealth Office that we were within our rights and, indeed, within the provisions of the Treaty of Rome in seeking to enact such legislation. A study has been made, Mr Speaker, already about the impact that the implementation of VAT would have in Gibraltar, about the effect of coming within the Common Agricultural Policy and also within the Customs Tariff. I think such a study was made in the days of the IWPB administration and advice was given about the arrangement that Gibraltar should seek to have negotiated with the community. But we have made a further study in great detail as to the effect of all the various regimes and it is clear that the impact on the Gibraltar economy would be catastrophic, the cost of living would go up by anything up to 30% as a result of coming under CAP and implementing VAT and it has been a very valuable exercise because we have in the process been able to carry Her Majesty's Government along with us on this road in that they recognise as well that the impact on our economy would be very, very serious indeed and therefore they are supporting us in the stand that we have taken in the context of the implications for Gibraltar of Spanish entry into the EEC that we should stay outside these areas. What we have got

to endeavour to do now, Mr Speaker, as a result of whatever study is undertaken is the same, to present the solutions to the British Government, don't expect them to do the work for us, it is not easy for the Foreign and Commonwealth Office to find solutions for us, we must be the ones that must indicate what the possible solutions are and we must be the ones that must take as firm a stand as we can in convincing them that within the provisions of the Treaty of Rome, as far as possible, that special consideration must be given to Gibraltar. I thought I should mention, Mr Speaker, that perhaps the consultants that are carrying out the Port Feasibility Study, since they are dealing with some aspects of the EEC such as the setting up of free trade zones could be asked to look at this but I recognise the point and I agreed with the Honourable Mr Isola that really we do require, perhaps, generally, a different type of consultancy, what we really want perhaps is more of a legal consultancy, people who are fully familiar with EEC regulations and are able to try and see whether there are any loopholes or any case can be made to find our way around these regulations. I feel, Mr Speaker, that I can give the House a great deal of more information on the labour side of the problem and, perhaps in this context there is not such a need for a study to be undertaken, I think the study should concentrate more on trade, commerce, on the economic considerations. As far as the labour situation is concerned I have no doubt that in the Department of Labour and Social Security we already know, we have identified what the problems are, and we can already point to possible solutions that we know what it is that is required for Gibraltar to safeguard our interests. With your leave, Mr Speaker, I would like to dwell on this, perhaps, at some length and use copious notes in quoting from various EEC regulations and, in doing so, accurately. Under EEC regulation 1612/68 Article 20 already a member state may inform the EEC commission and through them, other member states, when it suffers or foresees a disturbance of its labour market which might endanger the living standards and employment in a region, supplying all appropriate particulars and it may request the Commission to state that in order to restore the situation to normal, the system which is operated for is termed "vacancy clearance" should be partially or totally suspended. Although this, Mr Speaker, would not prevent the many thousands of unemployed Spaniards in the neighbouring region of Spain or those who, indeed, may be employed but may want to take better or more remunerative employment in Gibraltar, they would not be prevented from exercising their rights as EEC nationals in due course to come freely to Gibraltar and compete for jobs with Gibraltarians or even to come to Gibraltar with jobs already arranged with a prospective employer, that we should make such a case to the EEC would not prevent that. The Spaniards would be able as EEC nationals to come and exercise such rights in due course but at least there would be control in the sense that by foreseeing a disturbance of the situation in Gibraltar, by pointing out these dangers to our living standards, there are other ways and means such as with regard to problems such as housing where we can get exceptional treatment and an exception can, indeed, be made for Gibraltar. It is clear already, Mr Speaker, that on Spain's accession to

the EEC there are going to be transitional measures for achieving freedom of movement of workers between Spain and the Community in stages and particularly with regard to access to employment. Such measures, it is clear, are likely to be of sufficiently long duration to avoid, generally speaking, disorganisations of manpower and serious tension in the EEC labour market. There are indications that these arrangements could be for periods of up to 10 years but I think, perhaps, Mr Speaker, Gibraltar needs to have a safeguard that depending on the situation which develops within Gibraltar over such a transitional period of 8 to 10 years, that we should be allowed if necessary and if possible to extend that period perhaps even permanently. The dangers to Gibraltar in the labour field I think are obvious, Mr Speaker, and there is perhaps no other case in Europe of a situation where there are two adjoining territories to a small community of which one, Gibraltar, is a densely overpopulated territory of about 29,000 people and with a labour force of 12,000 and within that community unemployment is virtually negligible, as against another region, a very large one, where you have a nation of 40 million, with a very serious problem in unemployment, indeed I think it is at a level of about 10% of its labour force and, indeed, of whom about 60% of those who are unemployed are in the under-24 age group including as well a very high proportion of first job seekers, people who would be quite prepared to uproot themselves from that community in order to get a job, so desperate are they in fact. Of course these problems that I have mentioned, generally, about Spain are even more acute in the neighbouring region. In such a situation it is vital that Gibraltar should be able to maintain statutory control over the number of foreigners who come to work to Gibraltar. I think it is vital, Mr Speaker, to be exempted from all or most of the provisions of this Regulation 1612/68, especially Part I of that regulation which is the one that deals with access to employment and the right of workers' family who take up residence if they find suitable accommodation. I would like to turn now, Mr Speaker, to what has been mentioned with respect to Luxembourg. Because of the special population problems of Luxembourg, a protocol dated the 25th March, 1970, a protocol to the Treaty of Rome which empowered the EEC Commission when forming regulations of freedom of movement of workers, was included in the Treaty to take account of this special demographic situation in Luxembourg and it was Regulation 1251/70 which duly provided that the Commission could lay down at the request of Luxembourg different conditions from those normally provided for in respect of the right of workers to remain the territory of Luxembourg. This regulation was made after Luxembourg had been a member of the EEC for some time but before the accession of the four new member states in 1972. The regulation was made in 1970 as a result of representations made by Luxembourg under the Protocol of 1967 and with the view to the enlargement of the Community in 1972. Let me say, Mr Speaker, that as far as the public sector of employment in Gibraltar is concerned, we will continue to have full statutory control under any situation because the article 49 of the Treaty of Rome on free movement of labour does not apply to employment in the

public administration, in this case in the Crown, the public sector, so we will always be able to retain control over about 60% of our labour force even with respect to EEC nationals. It will be a requirement that if any of the official employers wishes to employ an EEC national, it will be a requirement after Spanish entry as it is now that they require a work permit in order to employ an EEC national. That gives us a very considerable measure of control and it is of course the private sector that we need to worry about. Some Members of the House, Mr Speaker, I think will recall that in January, 1979, I attended a conference at Wilston Park on the EEC and its external relations and I had an opportunity there not only to put the case for Gibraltar but also to hold discussions with Mr John Biffen, a Member of Parliament who was then in the Conservative shadow cabinet and who is now the Financial Secretary to the Treasury, in other words, the No 2 Man in the Treasury under the Chancellor of the Exchequer and I was able to point out to him the problems that Gibraltar would have to face on Spain's entry. I pointed out that there were more Spaniards unemployed in the neighbouring province of Cadiz than in fact there are workers in Gibraltar and I said that Gibraltar would probably be asking Britain to approach the community to negotiate special arrangements for Gibraltar, at least transitionally and, hopefully, permanently and that we wanted to see Gibraltar being exempted from the provisions of the Treaty of Rome in so far as the free movement of Spanish workers is concerned. I should underline, I think, that it is not intended to prevent Spanish workers from being employed in Gibraltar, perhaps that would be undoubtedly discriminatory, already, in fact, there are and have been for many years well over 200 Spanish workers in Gibraltar. But only what is necessary is that we should be able to continue to apply the provisions of the Control of Employment Ordinance to them. Another problem that we might have to face, Mr Speaker, if we cannot get permanent arrangements is that even if there are transitional arrangements for Spanish workers, the EEC may require, in the interim period, in the transitional period, that Spanish workers should be given priority in access to employment over non-member State nationals and I think that that would be a very serious problem for Gibraltar. Not only would it not solve the problems that I have indicated and which we can already envisage, but it could create very serious difficulties vis-a-vis our Moroccan workers who constitute about 25% of the labour force and who have served Gibraltar for many years. I think we would be placed then in the position of having to be fully dependent on Spain to fill virtually all our requirements of labour from abroad were experience over the years has rightly shown that it is in Gibraltar's interest to diversify, as far as possible, the sources of labour. Other very important and related aspects of Spain's accession to the EEC, apart from trade, commerce, the economy and labour are social security obligations, housing, education, health care for workers and their families. I do not propose at this stage to go into all these but merely to point out that there are also factors which, although coming under the social services side, there are also factors which affect our economy very very closely because they constitute very serious drains

on our revenue. With Spain's entry there is a danger that we will be at the receiving end of all these arrangements. We have had to comply with EEC social security regulations and I mentioned to the House on Thursday evening, in connection with the equality of treatment for women, that we were having to repeal previous legislation in order to comply with the EEC. We have amended legislation over the years and it has not been a very serious disturbance to Gibraltar but once Spain were to be in I think that we would be at the receiving end and the benefits, the so-called benefits, that might accrue on the basis of reciprocity and nothing like for Gibraltarians to what they would be for Spaniards. One does not envisage any substantial number of Gibraltarians taking up employment in Spain, if they did, politically, I think, that would be to our detriment in any case. My own view, Mr Speaker, is that we must do everything in our power to preserve the Gibraltar that we know and we cherish and not allow ourselves on Spain's accession, to be crushed by the obligations which will fall upon us and which, by having very few, if any, benefits in return, will spell disaster for Gibraltar. There must be therefore ways by which a territory within the EEC, because of its size or other consideration, can be prevented from being inundated and virtually taken over by another much larger country or territory. I have indicated in the field of labour the possible avenues that there are for us to explore, we have apprehended these, we were aware of these well before Spain made an application for Spanish entry, in fact, shortly after France died it became clear that Spain was seriously thinking of joining the Community and in the Department of Labour and Social Security we turned our minds to these problems and we have been able to formulate the kind of views and proposals that I have put to the House. It is in the field of trade and commerce where I am particularly rather more worried. I feel that I do not have anywhere near the knowledge that I have on the labour side, perhaps, the Government itself doesn't have the expertise and it is there where I feel that the study which is envisaged in the Chief Minister's amendment can be particularly beneficial to enable Gibraltar to put a case to Her Majesty's Government for special arrangements to be concluded with the EEC. Mr Speaker, I wholeheartedly support the amendment.

HON MAJOR R J PELIZA:

Mr Speaker, the Minister for Economic Development and Labour and Social Security deserves praise from every Member of this House for the amount of work that he and his Department have carried out with considerable foresight. It is indeed a pity that the other problems which are so obvious have not received the same careful attention from the Government. I think it is obvious that it does not require a lot of study to identify what the problems are. I, on my own, because I am personally interested not only as a Party but also as an individual, way back in December last year wrote to Mr Jenkins who may be getting tired of receiving so many letters from me by now, precisely asking that on the assumption that Spain is conforming with the Treaty of Rome has to lift the

restrictions and re-open the frontier, how can a small community protect itself from being usurped. Would we be permitted to (a) control immigration (b) control employment and (c) control investments. I think it is obvious that those are the danger areas and therefore I think that we are more than entitled to seek some protection especially as we know the intentions of Spain are, and they don't mince their words about this, in fact it is very clearly stated in the Lisbon communique, that they stand by the position that Gibraltar has to be integrated into Spain. It is not just a question of protecting ourselves from vicissitudes that follow the consequences of belonging to communities which are trying to integrate with one another but the mere fact that there is, in fact, a nation which according to Lord Bethel who was here today, in an article he wrote on Gibraltar, defined as a planned, demographic and political invasion of Gibraltar. Those, Sir, I think are very striking words that we in this House should take seriously into account. What reply did I get from Mr Jenkins? I am afraid it is not very encouraging because the difficulties are pointed there very clearly. He said: "I know that the various points you mention in your letter are very real and important problems to the people of Gibraltar and I hope that the following information will be useful to you. First, it may be useful to recall that the existing position of Gibraltar - Article 227(4) of the EEC Treaty - makes it clear that the Treaty applies, except where otherwise provided for, to Gibraltar, as a European territory for whose external relations the United Kingdom is responsible. Among the provisions of the Treaty which apply without exception to Gibraltar, are those concerning the movement of workers - Article 48, and following. These provisions accord to nationals of other members states the right to enter and move freely within the territory of Gibraltar in order to apply for employment without discrimination and also the right to freedom of establishment. As regards capital movement it is the Council Directive of 11th May, 1960, as subsequently modified that applies. Second, there is the question of Gibraltar's position after Spain's accession to the community. Subject to any transitional arrangements which may be fixed in Spain's succession Treaty, the provisions which I have mentioned will apply in Gibraltar in favour of Spain and will apply equally in Spain in favour of Gibraltar. As regards transitional arrangements for other sides at the present state of the negotiations it is not yet possible to give you any definite indication." I emphasise, at the present state of the negotiations. I say this because we should bear in mind that negotiations are going on and that we must not in any way delay, in my view, our representations. I think it is obviously very important, as my Honourable Friend has stated, that we should present a case and, equally as the Chief Minister has said, we have got to present a case otherwise I think the paper will not be worth the ink it is written on but I believe that we mustn't waste any time about it and that in the same manner as the Minister for Labour seems to have now quite a good case to put forward and it seems very reasonable that it should have support in many quarters, I believe that we should go full steam ahead now looking into the other two points which is the question of immigration and

the question of trade in Gibraltar. To carry on with the letter, Mr Speaker, Mr Jenkins says: "It follows that subject to any possible transitional measures, Gibraltar will be able to control immigration, employment and investment in conformity with the relevant community provisions. For example, freedom of movement for workers can only be restricted case by case on grounds of public policy, public security and public health." It is very difficult, I think, to know what is meant by this, as a layman so I decided to ring up the representative of the Commission in London and I put it to him. He thought it was very difficult, perhaps with the exception of public health, to control movement of labour into Gibraltar. He said that any person who is refused employment or feels aggrieved, can always apply to the Courts and try and get some kind of satisfaction. Spain's accession will not in itself affect the question of Gibraltar's eligibility for aid because I also asked about aid from the European Regional Development Fund which is governed by Council Regulation 724/75. "This, however, is a question which the Gibraltar authorities will no doubt wish to discuss also with the British Government in view of the responsibility for defining the areas eligible for regional aid. I hope you will understand by those remarks that the Commission have the situation of Gibraltar very much in mind and appreciate the importance of this question during the period of negotiation for Spanish accession. We hope that the present difficulties between Spain and Gibraltar will be satisfactorily resolved before Spain becomes a member and that conditions can thus create the harmonious development of relations within the enlarged community." We know from the experience that we are already going through that there doesn't seem to be a quick solution to our problem even now after the Lisbon Agreement. We know that somehow we have got to find some form of protection if we are going to survive as a community once Spain joins the EEC community. It will, of course, I think, bring problems. If we insist on certain protections Spain may well put a case that there is no reason why she should lift restrictions under those circumstances. The mood in Gibraltar of course as we know it today do not make the lifting of restrictions to be all that end all in this world so I believe that we are in a strong position to ask for our very legitimate rights; Mr Speaker. I believe that the Government, knowing that they have the full support of this House, should move without any hesitation into producing a case for the protection that our small community requires. Small, Mr Speaker, is beautiful, I think that the Community is very much aware of that. All this harmonisation of the laws are seen in the context of the bigger communities which did not in the process be extinguished from Europe, Mr Speaker. Ours is a very special case and I think it deserves very special treatment. It is up to us, Mr Speaker, to make the case and press hard and try and influence all those people who can be sympathetic to our case. We have seen it today that we have members of the European Parliament who support us and I am sure that we also have members in the British Parliament where, perhaps, this is even more important because the representations will not be made in the European Parliament Mr Speaker, representations will have to be made on our behalf by the British

Government who is responsible for our foreign affairs as this letter and the previous one I quoted very clearly state. Therefore, Mr Speaker, I think we should now move without delay so that whatever the wording of the amendment to the motion moved by my Honourable Friend Mr Bossano will receive the urgency that it merits. As my Honourable Friend here very clearly stated he will support the motion, he will support the amendment and I think for the sake of unanimity I will follow the same trend, Mr Speaker, I obviously support the motion but I also support the amendment to show unanimity and therefore give strength to the idea.

HON J BOSSANO:

Mr Speaker, all my motions in the House seem to suffer the same fate. Everybody says that they are in agreement with it and then they go on to remove all the words after the words "considers". I imagine that if they were against it they would remove the first three words in the motion as well. Let me say, Mr Speaker, first of all, that there is a fundamental element in the amendment of the Honourable and Learned the Chief Minister that I cannot accept and that is, to my mind, the element which is of the same order of the element in the motion on Friday, in the amendment moved by the Honourable Mr Perez, which I find so difficult to accept. The House will recall that whereas I was prepared to accept in that other motion that the Select Committee should look at the changes that were needed, I wanted the House to accept the principle that it had already been established that changes were needed. This amendment in the second part says that if the results of the study warrant it, Her Majesty's Government should be requested, notwithstanding that every Member of the House is already convinced that it is warranted otherwise they should have had a study already before they made any representations. The Government has already made representations and the Honourable and Learned Leader of the Opposition has already made that representations and I have certainly already mentioned it to the Governor so we are all convinced that it is warranted and therefore if we are already convinced of that it might be a more practical way, it may be that the drafting of my motions leave a lot to be desired, Mr Speaker, but the point is that there should not be any question of having to wait until we have the result of the study before we put Her Majesty's Government on notice that there has to be special arrangements concluded for Gibraltar because it is inconceivable that the study could prove that there is no need when all of us are already totally convinced and it is so obvious that there is a need. It is a thing that is simple common sense that in our situation in Gibraltar the question of the freedom of movement of labour, and I think it has been very useful to have the Honourable and Gallant Major Peliza quoting to us the text of that letter where the aims of the Treaty of Rome as the Honourable and Learned the Leader of the Opposition pointed out earlier, the fundamental aims of the freedom of movement of labour, in that letter it says that it is a question of giving people the freedom to enter and move freely in the territory of Gibraltar. Of course, if the 1½ million

unemployed in Spain decide to enter nobody is going to move freely in the territory of Gibraltar, we won't be able to move at all. Let us consider what it is that we are talking about when we are talking about giving them equal rights as EEC nationals. What we are saying is effectively that we have got an economy in Gibraltar, we talk about labour which as Members will appreciate is a thing that I tend to emphasise most because of my own ideological position, we are talking about an economy which has got 10,000 jobs and we have got an indigenous labour force, a Gibraltarian labour force, of 6,000. That is a very fortunate position to be in today in Europe, there isn't any other national economy that has got an excess of 50% in jobs which have to be filled in by non-natives. And we are talking about giving our immediate neighbours, that is, the 1½ million unemployed, the right to compete with the 6,000 for the 10,000 jobs in exchange of which our 6,000 can join their 1½ million long unemployment queue. I don't think we need any study to establish whether there is something there that warrants stopping, it springs to mind straight away. I agree entirely with the Chief Minister that the case that has to be made, has to be made so well that it cannot be faulted.

HON CHIEF MINISTER:

If the Hon Member will give way. I will certainly get a colleague of mine to move an amendment but I want to make sure that if another amendment is moved it is going to be accepted. I entirely take the point made. It was unintentional but I think perhaps the second part could read and I am not moving it because I have already moved, that when the results of such a study are completed, Her Majesty's Government should be requested to seek to conclude special arrangements.

HON J BOSSANO:

Mr Speaker, that would meet the point I made completely.

HON CHIEF MINISTER:

That can be moved by someone else.

HON J BOSSANO:

Mr Speaker, I appreciate the effort of the Honourable and Learned the Chief Minister to meet this point, in fact, it would meet it completely if we made that change. The only other thing that I would like to say is that it seems to me, from what the Honourable Minister for Labour has said, that there is already a lot of ground work that has been done and therefore we may be in the fortunate position of not having to start from scratch but to build on the substantial work that is already there. One other thing is that in terms of

our approach to this, I think, effectively, the only counter argument that we might have to face in presenting the study is that we might be accused of wanting to have our cake and eat it and that would be a legitimate counter argument. If, in fact, we were told; "Well, if you feel that there is such a danger in allowing freedom of movement into Gibraltar then of course the only way you can get freedom of movement in Gibraltar is by accepting curtailment of freedom of movement out of Gibraltar." It may well be that today there are, perhaps, a dozen or 20 Gibraltarians who as a result of our membership of the EEC are able to go and seek employment without work permits elsewhere in Europe although in practice, as the Honourable and Learned Leader of the Opposition said, there seem to be all sorts of bureaucratic delays which national Governments have got in other places in Europe where they are paying lip service to their community obligations but one needs to go through such a lot of red tape that, in fact, they sort of tire people out before they get the necessary documentation so there is a gap between what is supposed to be happening and what is really happening. But if, in fact, we have to deprive some of our own citizens of that theoretical right, then that might be a necessary sacrifice in the interests of the bulk of the population who have no intention of leaving Gibraltar and intend to stay here.

HON MAJOR R J PELIZA:

If the Hon Member will give way. It is interesting, Mr Speaker, that with regard to the Isle of Man and the Channel Islands in fact that exists, "The right enjoyed by Channel Islanders of Manxmen in the United Kingdom shall not be affected by the act of accession. However, such persons shall not benefit from the Community provisions relating to free movement of persons themselves."

HON CHIEF MINISTER:

Mr Speaker, the point is that neither the Channel Islands nor the Isle of Man are members but they are growers of tomatoes and other important things.

HON J BOSSANO:

The only point I wanted to make, Mr Speaker, was in terms of the difficulties that there may be in persuading Her Majesty's Government, then I would envisage that the difficulty would be of the order of being told: "You cannot have everything you have got now if you want to give up some of the things you have given."

HON M K FEATHERSTONE:

Mr Speaker, I beg to move that the Chief Minister's amendment be amended by the deletion of the word "if" in the first line

or (2) and the substitution thereof by the word "when", and by the deletion of the words "warrant it" in the first line of (2) and the substitution thereof by the words "are completed".

Mr Speaker put the question in the terms of the Hon M K Featherstone's amendment to the amendment which was resolved in the affirmative and the amendment to the amendment was accordingly passed.

MR SPEAKER:

We now have the amendment before the House, as already amended and if no one else wishes to exercise his right to speak on the amendment I will call on the Hon and Learned the Chief Minister to reply.

HON CHIEF MINISTER:

Thank you very much, Mr Speaker. I think this further amendment is quite satisfactory. The Hon Mover was making the point precisely at the end of his last intervention which I made at the beginning and that is that it is no use asking for privileges if we haven't got a reasoned case to make that there are grounds for such privileges or for such special treatment, perhaps privilege is the wrong word, because of the particular circumstances of Gibraltar. I would have thought that from what we have heard from the Minister of Labour, the labour aspect in respect of the EEC, we have another aspect of it which we will be dealing with later in another motion, is reasonably contained in two respects. First of all, in respect of the fact that the employment in the Crown which is a good proportion is really protected already. Secondly, the private sector has limitations, physical limitations, in terms of employment, jobs and so on but nevertheless I think the point that was made in general terms and which was identified by my colleague about Luxembourg is a very appropriate example of the things that happen and this is why if we are to have any special treatment it is no use saying; "Well, if you don't want anything of it you better leave it," we can't leave it because for as long as Britain is in Europe we must be in Europe otherwise we would be out on a limb completely and therefore it is necessary that any encroachments that are made into the general principles which are set out in Mr Roy Jenkin's letter should be fully justified and I entirely agree with the Leader of the Opposition that what we need is not only a consultancy on the manner of doing but in a study of the Treaty a study of the numerous regulations that have been made exempting people from different things. There are hundreds of regulations, one sees them in the laws that come through in the various supplements we get in the profession and it is necessary to have the expertise, the European expertise, and, of course, we must primarily, as the Hon and Gallant Member has said, we must primarily convince the British Government that we have a good case so that they can take it to Brussels and fight the case for us. It is no use our going on our own, although we would probably get help from Members if there was

unjustified obstruction. I therefore feel that this amendment, as already amended, meets the point and I did not emphasise that we appreciate the fact that urgency is important because even though the treat may take a long time, different parts of the negotiations by Spain to go into the Common Market are set for different dates and they have an overall aim at finishing by 1983 but even then a lot of things can happen in various matters which could be said to have been dealt with much earlier than that if there are no other major difficulties encountered in the sense of the postponement, generally, of the new membership.

Mr Speaker then put the question which was resolved in the affirmative and the amendment of the Hon the Chief Minister, as amended was accordingly passed.

MR SPEAKER:

We now have the original motion, as amended, and if no one wishes to speak on the original motion I will now call on the Mover to reply.

HON J BOSSANO:

Mr Speaker, I won't be saying much in reply. I think most of the points have already been made by the various speakers. The one point I would like to emphasise is the one made by the Hon and Learned Leader of the Opposition about a total united front on the question in the House of Assembly. I think it is of vital importance that when we come to protecting the interests of the whole of Gibraltar we move together and when those are protected we then start quarrelling amongst ourselves again and then we can retain the enjoyment that we get out of having differences in the House as well as the enjoyment of being unanimous. It is, I think, important that this motion, no doubt it will be brought to the notice of Her Majesty's Government, that they should be aware that this thing is in train and that we intend to proceed with this as soon as it is possible to get the thing going so that they know that it is in the pipeline, as it were, that they are on notice that they shall be receiving these representations on behalf of the whole House of Assembly.

MR SPEAKER:

I will put the question which is that: "This House considers that -

- (1) A study should be made of the following matters in the context of the negotiations leading up to Spanish entry into the European Community; The economy, trade and employment.
- (2) When the results of such a study are completed, Her Majesty's Government should be requested to seek to conclude special arrangements with the EEC in order to protect Gibraltar's interests."

The question was resolved in the affirmative and the motion was accordingly passed.

HON J BOSSANO:

Mr. Speaker, I beg to move that; "This House cannot accept that Spanish Nationals can be given full equality of rights with Gibraltarians in Gibraltar." Mr. Speaker, the motion is effectively a quotation of a phrase that appears in the Lisbon Agreement which has caused, perhaps, more concern than anything else because it has never been defined. The matter was raised by Mr. Patrick Wall in the House of Commons who attempted to get from Her Majesty's Government a definition of what full equality of rights meant. Mr. Patrick Wall gave a number of examples and asked Sir Ian Gilmour to say if the examples that he had given were not in fact what the phrase meant then what did it signify, and he failed to get an answer because all that he got in exchange for that was that the matter would be implemented in the course of the negotiations but we still don't know what it is that is going to be implemented. I can tell the House that I myself asked the Foreign Office representative in Gibraltar whether this meant full equality of rights with Gibraltarians in Gibraltar or full equality of rights in the sense that whatever rights we asked for in Spain we would be expected to give in Gibraltar which is in fact the question of reciprocity which the motion makes no reference to but which in the Lisbon Agreement is linked with the question of full equality of rights. Let me say that I believe that there is a fundamental difference between reciprocity and full equality of rights. I think it is difficult to argue against reciprocity although even there I think one can qualify reciprocity but that would be since the implementation of any reciprocal agreement would have to be a matter for negotiation, the qualifications on what reciprocity means would have to be treated case by case. Clearly, in talking about reciprocal treatment, one must look at the size of the economy of Gibraltar and its potential, and its geography, at the extent of land that is available in Gibraltar, and it isn't the same, of course in any of those areas. When one talks of reciprocity we do not have the opportunity to give others the same rights in Gibraltar as they could give us in their own land and, clearly, if one thinks merely of the possible congestion of traffic in Gibraltar, something as simple as that, unlimited access to traffic from Spain into Gibraltar is not the same thing as unlimited access to traffic from Gibraltar into Spain and therefore when one talks about reciprocity I think if the Spanish Government insisted that allowing every Gibraltar registered car to circulate in Spain on the basis of reciprocity would mean allowing every Spanish registered car to circulate in Gibraltar it would make an utter nonsense of the thing but in any attempt to implement reciprocal bilateral agreements this point would have to be made and if it is impossible to reach agreement then, clearly, it would not be applied to any area where we felt that we were being asked to take on too big a burden for the size of our economy. I am disposing of that element, Mr. Speaker, although it does not

form part of the motion, I am disposing of that element because, in fact, my motion is not concerned with that because I am pointing to the part of the Lisbon Agreement that goes on to talk about full equality of rights and I am specifically adding "with Gibraltarians in Gibraltar" because for me the danger in the interpretation of full equality of rights is precisely that, it is giving a Spanish national in Gibraltar exactly the same rights as a Gibraltarian has. It is a difficult thing, really, when one talks about liberal progressive moves in Europe to harmonize legislation and to create equal opportunities for every European and on the other hand the genuine need that people in Europe have to preserve their identity as a people in the different nation states. Nowhere in Western Europe is the danger greater than in Gibraltar because nowhere in Western Europe does the disparity between two neighbours exist to the extent that it exists between Gibraltar and Spain and nowhere does any European community, any European people, have a giant on its doorstep whose avowed aim it is to absorb them and have them disappearing as a separate entity with their own separate national character. We have had 270 years of British colonialism and they have not made any serious attempt to anglicize us, perhaps because they don't particularly like anglicising their colonials, but I don't think we would last two years of Spanish colonialism without being transformed whether we like it or not into good, law-abiding Spanish citizens. I think, Mr. Speaker, that this goes to the very heart of the fight of the Gibraltarian people to emerge as a people in their own right and I honestly feel that at no time in our history has our sense of identity been under greater threat than it is at this moment and therefore it is vital, I believe, that we should place this top of our scale of priorities and accept that if we differ, we differ sometimes, perhaps, in the methodology of how to solve the problem but not in what we want the ultimate solution to be. I don't believe any Member of this House, and I believe very few people outside this House, want to see a Spanish Gibraltar or want to see the disappearance of the Gibraltarian. Therefore, Mr. Speaker, let us in giving consideration to this motion, and I hope Members will be able to look favourably on this one and not want to amend everything after "This House", let us, Mr. Speaker, understand that all I am trying to do is to, shall we say, shut the door before the horse has bolted and not after. I commend the motion to the House.

Mr. Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON CHIEF MINISTER:

Mr. Speaker, for as long as the Hon Mover continues to be the enfant terrible of this House and throw out motions all of which are very popular but the study of which requires very serious consideration because of the possible repercussions, he will find that the words after "this House" will be amended by something else which, hopefully, he will accept the same as he accepted the previous one because his approach is

a very simplistic one and if I were in his position perhaps I would take the same view but when unfortunately or fortunately, I think fortunately in this case, one has very serious responsibilities in connection with the study of matters and so on, one cannot take the matter in the simplistic way in which the Hon Member has approached it but I can understand his good motives and I can understand why he does it. He does it because he has the feelings which we all share but perhaps some of us are not as afraid of the consequences as he may be in the context of a particular situation. We made our position clear before on this question of reciprocity and full equality of rights and I think this should be a very good opportunity to re-state our position in more detail. There has been some criticism and I think understandable in Gibraltar and indeed in Spain, funnily enough, of the fact that not much information has been divulged about contacts between the British and the Spanish Government in the communique which was issued in Lisbon last April. As has been explained previously these contacts are of a confidential nature and it is very difficult to divulge the knowledge that one gets on a confidential basis of the exchanges but as I have said so many times the fact that we are consulted even on a basis of confidentiality, gives us the strength to be able to bring Gibraltar's case at every stage when it is being considered and the Gibraltar point of view and on this the Leader of the Opposition and I are ad idem on this matter and have approached this matter on that basis and also after consultations that we always have and then we refer back to our own colleagues. But on the other hand though these contacts are of a confidential nature and therefore it is not for us to breach that confidentiality, when anyone, certainly in Spain, particularly anybody in authority in Spain, makes a comment or the press carries a report which relates to these exchanges, I certainly comment immediately. Thus it was that when the Spanish Foreign Minister was reported in The Times of the 16th of June as insisting that reciprocal treatment must be granted to Spaniards on the Rock and Gibraltarians in Spain at the same time as the gates were opened, I then expressed my own views on the matter and they appear as well as the views of other Members, the Leader of the Opposition and the Mover, in the Chronicle at that time. Similarly, when Mr Tito Benady accused me in a letter to The Times on the 23rd of June of having made certain statements I immediately wrote to The Times re-stating my position and the position of my colleagues which reads as follows: "Paragraph 3 of the Joint Anglo-Spanish Communique, issued in Lisbon contains the simple statement that the Spanish government has decided to suspend the application of the measures at present in force." This statement is not qualified in any way, no conditions of any sort are attached to it. A decision was taken to lift the restrictions and it was envisaged that preparations for doing so would be completed not later than 1st June. That there have been administrative problems and difficulties one can, of course, understand. If, for instance, everybody in Spain were to be arguing where coaches should be parked in La Linea it is quite likely that the Frontier would never open but, seriously, we accept that problem of administration and co-ordination of the different Ministries must have presented a much greater difficulty for Spain than it is for us. It was,

however, disappointing to learn, as reported in the press, that the Spanish Foreign Minister had linked up the opening of the frontier with the question of equality of rights and that on the 5th of July the Spanish officials charged with coordination of the work of Spanish Ministries concerned with the re-establishment of communications should similarly be reported as having linked the two. I have already pointed out that the decision to suspend the restrictions is not qualified or conditional. I now turn to those parts of the Lisbon communique directly referred to reciprocity and full equality of rights. The relevant statement reads: 'Both Governments have agreed that future cooperation should be on the basis of reciprocity and full equality of rights, they look forward to the further steps which will be taken on both sides which they believe will open the way to closer understanding between those directly concerned in the area.' Now this statement speaks quite clearly of future cooperation. It cannot therefore have any bearing on whatever may have happened in the past and I refer specifically to the 1969 Decree of the Franco Government dated 11th of July, 1969, which just over a month after the final and total cutting out of all communications between Spain and Gibraltar, offered Gibraltarians the opportunity to become Spanish citizens and to enjoy a number of rights in Spain. These opportunities had not been sought by the people of Gibraltar who, except for a mere handful, took no notice. The timing of that decree, the nature of the Government which promulgated it and the motives which led to it, make it as irrelevant now as it was then. It is, in fact, totally irrelevant, specifically in terms of the Lisbon Agreement, because this speaks of future cooperation, it speaks of further steps, that is, in addition to those already decided in Lisbon, the agreement to start negotiations and the decision to suspend the restrictions in order to open the way to closer understanding between those directly concerned in the area. It is with these thoughts and objectives in mind that the two Governments then committed themselves to being prepared to consider - and I quote directly once again from the Lisbon communique - "any proposals which the other may wish to make recognising the need to develop practical cooperation on a mutually beneficial basis." The cooperation referred to can only be clearly the future cooperation referred to earlier. I also particularly want to stress the phrase 'mutually beneficial basis'. This phrase obviously excludes any agreement which might be prejudicial to the rights of interest of either side or even simply not beneficial to one side or the other. There can therefore be no area in which reciprocity or equal rights can be agreed to, and this seems to me to be elementary common sense, which might run contrary to the vital interests of any of those concerned. The question may be asked; "Who is to determine whether an agreement to reciprocity or equality of rights in a particular area will or will not be prejudicial to the rights and interests of the people of Gibraltar or their benefit?" To my mind there can only be one answer to this. Only the people of Gibraltar themselves, through their elected representatives, can determine this. The Foreign Secretary himself stated in the House of Lords on the 14th of April that "any negotiations with the Spanish Government will include

representatives from Gibraltar". The British Government position as to the rights, wishes and interest of the people of Gibraltar has been consistent throughout the years since the question of Gibraltar was first discussed in the United Nations in the early 60's. The British Government have throughout insisted that the rights and wishes of the people must be respected. The British Government does not say; "We think this is good for the people of Gibraltar so they must have it". I have no doubt therefore that when the negotiations commence, if they commence, proposals for any cooperation on the basis of reciprocity and full equality of rights will be discussed freely. They will also be agreed upon freely and on a mutually beneficial basis and with the way to closer understanding between those directly concerned. As Lord Carrington has said; "Gibraltarian representatives will be present at the negotiations." I will remind the House that in answer to a question in the House of Commons which sought a detailed explanation, as the Honourable Member has said, of the statement in the Lisbon communique on the subject of future cooperation on the basis of reciprocity and full equality of rights, the Lord Privy Seal said; "This part of the statement must be read in context. It was agreed that negotiations would start and direct communications be re-established. The detailed application of reciprocity and full equality of rights on which future cooperation will be made, will be determined in the negotiations." This is, I think, putting the matter very succinctly and very clearly and I have complete confidence that always we shall have the full support of the British Government and Parliament in protecting, if this should be necessary, the rights and wishes and interests of the people of Gibraltar. Therefore, I can well understand the fears and misgivings that have given rise to the motion before us. I think that our position in this matter could be worded in a different way but in a way which will fully safeguard and protect our rights and our interests. It will be recalled that when the Lisbon communique was published in Gibraltar on 11th April, on 12th April the Leader of the Opposition and I issued a joint communique in which, inter alia, we stated that our aims were to protect and safeguard our British sovereignty, our identity as a people and our practical interests, in particular matters such as housing, employment and full security and proper immigration control. We have maintained these aims and will continue to do so. I do not know what proposals may be put forward by the Spanish Government when the negotiations commence for future cooperation; they don't seem to be in much of a hurry about it, what is quite clear, as far as we are concerned, is that any such proposals must be considered in the manner laid down in the different communiqes to which I have given in what I have said today the only possible interpretation that it can have. I am, therefore, proposing an amendment which will incorporate the essential elements as I see them. I hope that the Honourable Mover will agree that the motion which I will put rewording his views will equally safeguard the possibility of unanimity. It would read as follows: that the question be amended by the deletion of all the words after the words "This House" and the substitution thereof by the following words: "considers that, following the Lisbon Agreement in

April 1980, and once direct communications have been re-established, consideration of any proposals for future cooperation on the basis of reciprocity and full equality of rights must be on a mutually beneficial basis and, in so far as such proposals relate to the rights and interests of the people of Gibraltar, should not be acceded to without the agreement of their elected representatives who will safeguard the legitimate rights of all sections of Gibraltar and the identity of its people." I think that the mover will approach this amendment in a sympathetic way because the mover himself on the 18th of June, when asked to comment on the statement by Sr Oreja in the Chronicle to which I referred previously, he is reported as follows: "Mr Bossano said that there were two possible interpretations of paragraph 3 of the Lisbon accord, one was that the Spaniards had the same rights as Gibraltarians on the Rock - which the GSLP rejected entirely and so do we - and the other was that Gibraltar should give the Spaniards some rights on the Rock in exchange for similar rights in Spain. The latter, Mr Bossano said, was a possibility but it had to take into account the relative size of Gibraltar and Spain." I agree entirely that relative size must be taken into account but I am sure that the Mover will agree that the other factors I have mentioned which are incorporated into the amending motion must also be taken into account.

HON J BOSSANO:

If the Honourable Member will give way, I would like to make a point. In fact, what he has quoted from the Chronicle was something that I said in moving the motion and in drawing the distinction between what reciprocity meant and what full equality of rights meant. This is why I cannot go along with any question of giving Spanish nationals full equality of rights because as far as I am concerned the question of giving them some limited rights in exchange for other limited rights is amply covered by the question of reciprocity.

HON CHIEF MINISTER:

I can understand the Honourable Member saying: "I do not agree to this being argued," but the point is that we have to live with the Lisbon Agreement, you may not wish to live with it but we who have the responsibility to advise the British Government, must agree with it and make the best of it, not the worst of it and in that respect I entirely agree that relative size must be taken into account. Reciprocity means precisely that and there cannot be reciprocity, there cannot be fair reciprocity or acceptable reciprocity which would give 33 million people the same rights in 2 1/2 square miles of territory than 23,000 people in the whole nation which has 40 million people. I hope the Hon Member will agree that other factors that I have mentioned which are incorporated into the amending motion must be taken into account. The amending motion safeguards our position completely but it also leaves the door open to the possibility which the Honourable Member envisaged last month. Therefore, Mr Speaker, this motion,

which has been the subject of consultation with the Honourable and Learned Leader of the Opposition, we propose as being the broadest way in which we can safeguard the interests which are specifically mentioned here and, indeed, is a directive from this House as to what the main parameters should be of any representations that may be made in connection with these matters. I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's amendment.

The House recessed at 1.00 p.m.

The House resumed at 4.30 p.m.

MR SPEAKER:

I would remind the House that we are debating the amendment to Mr Bossano's motion.

HON P J ISOLA:

Mr Speaker, I think there is a danger that motions are put forward in the House putting forward an interpretation of an Agreement which is not one that is acceptable, the interpretation is not acceptable. The motion, and the Hon Mover when he was moving it, seem to imply that Spanish nationals, under the Lisbon Agreement, are entitled to be given full equality of rights with Gibraltarians in Gibraltar. Therefore, we move that they should not be given it and therefore if you are not in favour of that then you are agreeing that the Spaniards will be given full equality of rights with Gibraltarians in Gibraltar. That is not what Lisbon says and I think it is dangerous to give the impression in Gibraltar that that is what Lisbon says so that at some future date somebody can say, "But you people knew, if that is what Lisbon said and you accepted it, that is why you passed a Motion in the House saying they must not have it and therefore you were against the Lisbon Agreement because you agreed that it said that." I think the Lisbon Agreement, if I may say so, has to be read, as far as the Gibraltar position is concerned, by what the British Government said in that statement. It was a joint Anglo/Spanish statement that clearly put the point of view of each Government and I think the overriding statement in the Lisbon Agreement is that the British Government will fully maintain its commitment to honour the freely and democratically expressed wishes of the people of Gibraltar as set out in the preamble to the Constitution. Therefore, anything that fundamentally affects the status of Gibraltar must be subject to the freely and democratically expressed wishes of the people of Gibraltar. That is, to my mind, what we must put forward as our own point of view, the fundamental thing in the Lisbon Agreement and anything that is put forward that is a contradiction of that must fall. This question of the wording of the communique again I think it is quite clear that the Spanish Government agreed to suspend the application of the measures at present in force.

That is the next obvious fact and then, coming from that the frontier having been opened, the restrictions having been lifted etc., both Governments agreed, as a matter of policy, that there should be some cooperation in the future in the area which of course is not unnatural. If the relations are friendly and everybody has settled down to a period of normality it is not unnatural that we should not provoke one another more than is absolutely necessary. Therefore, they agreed that future cooperation should be on the basis of reciprocity and full equality of rights and I take that phrase as one phrase, not as two distinct phrases. There should be reciprocity and full equality of rights when one side is giving something to the other by agreement. I cannot think of many concessions that we would want but supposing we wanted freedom to establish in Spain for Gibraltarians, the Spaniards would be entitled under this communique to say that there must also be freedom for Spaniards to establish themselves in Gibraltar and then we would say, presumably, "That is all very well, we are 20,000 or 30,000, you will not notice our establishing there but if you all decide to come to Gibraltar we would not be able to fit you in," and there must be a certain amount of give-and-take. Then, I suppose, also, the Spanish workers who come and work in Gibraltar, as I think inevitably they will do, they should be entitled to join a Gibraltar Trade Union just as much as a Gibraltarian worker or a Moroccan worker can join a Trade Union. When we start interpreting this sort of agreement we must be careful not to interpret it in a way that is not what it says. I think that the next paragraph talks of practical cooperation. Again, Mr Speaker, there it is, it talks about a mutually beneficial basis so if any particular aspect of the matter is not beneficial to Spain then they will not agree to it, I suppose, and if it is not beneficial to us we will not agree to it and this is the way, I think, we must go about interpreting this agreement if there is going to be any measure of goodwill or any measure of normality to be returned to this situation. We are not going to have anything thrust down our throats the same way as we are not going to be able to thrust down anything down the Spaniards' throats. This is going to be an open frontier situation, we presume, in which normal frontier good neighbourliness, call it what you like, will presumably exist and there will be no compulsion between one side and the other. I think to look at the Lisbon Agreement as the opening of a new era of compulsion is to misinterpret it and to misunderstand it. If what is going to happen is that we are going to have to accept everything that we are told to accept, then there is no new spirit, no new friendship and this is why it is important to realise and to grasp that as far as we are concerned, and I think it is true to say as far as the British Government is concerned, the lifting of restrictions on the border has to be done as a matter of good faith and as a matter of honour, it has to be done with no pre-conditions of any kind and if we are getting into the situation where we are being asked for pre-conditions and conditions are being placed, then the Lisbon Agreement is not being honoured and then, presumably, in that sort of spirit the frontier may not open and if it does not, so be it. What we have agreed on the Gibraltar side, as I understand it

is, to accept the Spanish gesture of lifting restrictions and having direct communications once more and then in that sort of spirit to discuss all matters on which we have disagreed in the past. I think it must be abundantly clear to the Spanish Government that this is not going to be a way in which things are going to be rammed down our throats and that is clearly set out, that is on the basis that we had accepted the Lisbon Agreement and is set out on the British Government's commitment to the people of Gibraltar. Having said all that, I do not think that we should be party to a motion that itself seems to misinterpret the Lisbon Agreement. If normality comes back to the situation, if the Spanish Government show genuine appreciation and understanding of the rights and feelings of the people of Gibraltar, then it is possible in that atmosphere that a modus vivendi may come along and so forth. It is on that basis, on that sort of understanding, once direct communications have been re-established, that any proposals that are put forward for future cooperation on the basis of reciprocity and full equality of rights, must be on a mutually - beneficial basis and obviously any proposals that relate to the rights and identity of the people of Gibraltar and the interests of the people of Gibraltar, are proposals that cannot be acceded to without the agreement of the elected representatives of the people of Gibraltar and this is something obviously that we must all fight for. We are not going to, after having spent 15 years standing up for our rights, we are not going to merely because direct communication have been re-established, we are not going to give up one single bit of our heritage and for what we have fought for. Of course we are not. If in so far as any proposals that come along for future cooperation appear to be contrary to what we conceive to be our interests and our wishes then, of course, they will not be agreed. They cannot be agreed because they will not be mutually-beneficial and we must be the judge as to what is beneficial to us or not. The amendment that has been proposed by the Hon and Learned the Chief Minister on which he has consulted me I think is an amendment on which we can all vote especially in so far as it goes towards clarifying, if that is necessary, our own attitude and our own interpretation to the Lisbon Agreement which we must stand for. We cannot go saying that the Lisbon Agreement means that a Spaniard can come to Gibraltar, set up and vote in Gibraltar because the Spanish statute of 1969 which a Gibraltarian could take and take all his worldly goods to Spain, would allow that Gibraltarian to vote in Spain etc. They cannot come to us and say; "We gave you the "Decreto" in 1969 now you give us your "Decreto" in 1980 drafted in similar phraseology so that any Spaniard who wishes to come to establish in Gibraltar can sell his worldly possessions in Spain or bring them to Gibraltar without paying import duty. etc. Then he can come and vote in our elections and have all the civil rights that a Gibraltarian has. This will be said, I have no doubt about it, I have no doubt the Spanish Government will say the Gibraltarians have a right to come to Spain, of course they will say that, I have no doubt they will, but we will say "Yes, so what? We did not ask Castiella to invite us all to leave our homeland and go and set up in Spain. We did not ask him to give that invitation to us, he did it freely

under no compulsion." We are not disposed to do the same thing, of course we are not, because by doing that we are in effect asking for Gibraltar to be absorbed into the Spanish state and that is what we have been fighting for for the last 15 years. These facts, Mr Speaker, are so obvious to my way of thinking that to put them into question in a motion, to make suggestions that elected members to this House are less loyal to the principles for which we have fought for for the last 15 years just isn't fair. We recognise or at least a lot of Members of the House recognise that Spain exists and we recognise that is a fact of life that we must live with. Others are more reluctant to recognise it and so be it. I think it must be made plain and every time a motion of this nature is proposed we have to make it plain by amendment, if necessary, where we all stand in this. As I said before, in agreeing to the Lisbon Agreement, although with reluctance, we will say and we said it, we did not agree to negotiations taking place, we accepted it and we accept it on the basis of the fundamental safeguards contained in that agreement. As long as we are elected representatives of the people of Gibraltar I cannot see any British Government seeking to push down our throats any sort of status or any suggestion that in effect affects the legitimate rights of all sections of the people, be it trade, be it the worker, be it Trade Unions, all these institutions that we value so highly or be it the identity of the people of Gibraltar. But if it is necessary to say it, we say it, that anything in the amended motion that relates to the rights and interests of the people of Gibraltar cannot be or should not be acceded to without the agreement of the elected representatives who will obviously safeguard the legitimate rights of all sections of Gibraltar and the identity of its people. I hope that the Hon Mover will realise that in moving this amendment the House itself is clarifying its position and the positions of the collected representatives on what may well be a thorny point in the Lisbon Agreement but it will be one that we will have to fight with once the situation arises, once the direct communications have been re-established without pre-conditions and without any derogation from the spirit of the Lisbon Agreement which was meant to be, as we understand it, and I think as the Spaniards tried to put it forward, as the opening of a new era where force was not to be the governing factor, siege was not going to be the weapon that was going to be used against the people of Gibraltar. We like to think it was that, if subsequent action would appear to indicate the contrary or would appear that the Spaniards are still intent on trying to get Gibraltar by siege or by harassment, if that is the case, then we shall just have to carry on the way we have done for the last 15 years and this will just be another landmark in the historic struggle that the people of Gibraltar have been waging.

Mr Speaker, we will support the amendment to the motion and I hope the Mover will also support it so that we can have another nice unanimous resolution as we had in the last motion.

HON J BOSSANC:

Mr Speaker, I am very grateful to the Hon and Learned Member for his contribution because he has helped to convince me completely that I should oppose the amendment. The Hon and Learned Member seems to have an innate knack for insinuating that there is some ulterior motive in almost every motion that I bring to the House and I take particular objection to his remarks that there is presumably a suggestion that some elected members in this House are less loyal than others and he said that this is not fair. I assume that he was referring to me having made such a suggestion and I would ask where, in the opening remarks that I made in support of my motion or in the content of the motion itself, I at any time suggested or put in doubt the loyalty of other members of this House. I am entitled to question their judgement but I was quite at pains to distinguish between common objectives and differences in methods where I might be at odds with other members as to which is the best road to pursue in order to arrive at the place we all want to arrive. I take the strongest possible objection to any insinuation that I have put in question the loyalty of any member of this House and let me say, Mr Speaker, that if I ever want to do that I shall not mince any words in doing it, I shall say so quite categorically and not insinuate it. He has also pointed out the danger in putting an incorrect interpretation to the Lisbon Agreement. Well, I haven't put any interpretation to the Lisbon Agreement, Mr Speaker, what I have said is that I am unable to obtain an interpretation of the Lisbon Agreement from the people who signed the Lisbon Agreement and if the Honourable and Learned member is better informed that I am then, perhaps, he would do me and the rest of Gibraltar the courtesy of telling us exactly what it means because I do not know what the Lisbon Agreement means, I don't know what the words 'full equality of rights' means. I know one thing, I know that Sir Ian Gilmour refused to spell it out for Mr Patrick Wall in the House of Commons, that I do know, and I know the Foreign Office refused to give me an answer, that I do know. So I am not saying to the people of Gibraltar or to the House of Assembly; "I know what full equality of rights means, I know the commitment that we have entered into," I am saying that I don't know and because I don't know I would rather block one possible negative interpretation which may not be there but I would rather eliminate the danger even if it doesn't exist, and err on the side of caution, than contradict myself the way the Honourable and Learned Member has done in his contribution just now by saying, first of all, that we shouldn't do what he insinuated I was doing and then going on to do it himself. It may be that when the time comes and that clause is going to be put into effect, we may have to fight once the situation arises but then if we say we may have to fight once the situation arises but then if we say we may have to fight is he not saying that may be that is what it means, otherwise what is there to fight about? If he is saying that in fact there is full protection already in that the Lisbon Agreement is subject to the approval of the people of Gibraltar, then why the amendment; why do we need further protection in having any implementation having to be subject to the agreement of the elected representatives if we already are fully protected,

as he says? If we are already fully protected then the position of the Honourable and Learned Member and of the other Members of the Opposition should be that my motion is superfluous and that there is no need to introduce another motion in its place because in fact like every other amendment that I am subjected to this is another motion, this is not an amendment to my motion and let me say that although I shall not be supporting this amendment because I draw a distinction between the implications of the word "reciprocity" and the implications of the words "full equality of rights," I draw a distinction and I am entitled to do so in the absence of an answer from the British Government as to what it means to them, and they are the ones who signed it. If the British Government said to me: "We signed this agreement with Spain and we have made it absolutely clear to Spain what it means." But if the answer that I get from the British Government is "What that means will become apparent in the course of our negotiations", then I am afraid I am not prepared to leave it in the air and the other 14 members of the House may wish to do so and it may be that they are right to be more trusting than I am. That does not mean that they are less loyal than I am, they have got every right to be more trusting and then if my mistrust is misguided then nothing will have been lost but if their trust is misguided then they will have to answer for it but not me, Mr Speaker, because I am not prepared to go along that road. I am not prepared to say that I will accept the Lisbon Agreement with reluctance, either I accept it or I reject it and I reject it and my Party rejects it because either we enter into it because we want it and because we believe it is a good thing or if we have got mixed feelings about it we make it absolutely clear that it has nothing to do with us. If the British Government wants to go ahead, fine, that is the British Government's responsibility but we are not prepared to be half in and half out. I think that our position may be simplistic, as the Honourable and Learned the Chief Minister says of the motions that I bring to this House. I prefer to think it is simple, as simple as the feelings of the man in the street. Perhaps, because our policies are closer to what the man in the street wants and the motions that I bring to this House reflect what people think and feel in Gibraltar. I believe that to have passed the motion in its original wording would have been simply to state categorically unambiguously what 99.9% of Gibraltarians feel. There is no set of circumstances that can be envisaged where we would want to give Spanish Nationals full equality of rights with Gibraltarians. I have not said that the Lisbon Agreement says that. I am saying we are saying that we are not prepared to grant such a concession to Spain. I haven't said that we disagree with the Lisbon Agreement because I know that the others would not be able to support such a motion. I haven't said we should break the Lisbon Agreement because I know that that is impossible for Honourable Members who have already committed themselves and if in fact the Lisbon Agreement in its clause which has reference to full equality of rights, does not mean what my motion means then that is fine one is not in conflict with the other so what is the objection to supporting it? I was at pains, Mr Speaker, in introducing the motion to identify the fact that the words "equality of right" did appear in the Lisbon Agreement but that I had added to those

words "with Gibraltarians in Gibraltar" because when I have asked for clarification of that phrase I said to the Foreign Office: "to me there are two possible ways of understanding equality of rights. Do you mean that in the context of reciprocity whatever rights Spain gives a Gibraltarian, Gibraltar gives a Spaniard, or do you mean that the Spaniards will be in all respects equal to a Gibraltarian in Gibraltar?" And I was told that they didn't want to speculate. Well, I have never known anybody to sign an agreement and then not want to speculate about what he signed. There is no need to speculate, you sign something and you know what you sign. And if people ask you and you have got nothing to hide, you tell them. Perhaps, Mr Speaker, if this thing was being handled the way I would have liked to have seen it handled, with far more information coming out in public, there would be no need to speculate. I am not an advocate of speculation but in the absence of information, speculation cannot be stopped. And when one gets one version by ringing up the Embassy in Madrid or the Ministry of Foreign Affairs in Madrid and another version in London. Mr Speaker, there are two parties to an agreement and one party says they are not prepared to say anything and the other party is prepared to give some information, then some information is better than none and if the information that the Spaniards are giving out is incorrect and deliberately twisting facts, then where does that leave the Honourable and Learned Member who is reluctantly accepting an agreement with a party that is deliberately twisting everything that agreement says? How can he be so confident that there is already sufficient and full protection in that agreement and then why do we need to make it subject to further approval by Members of the House? He has said that the spirit of the Lisbon Agreement is that we are entering a new era where we will not have to accept whatever the Spaniards want but that in fact they would be removing all the restrictions without pre-conditions and then we have agreed to discuss all the matters which we have disagreed on in the past. Yes, Mr Speaker, not just the matters we have disagreed on in the past, the matters we have refused to discuss in the past as well and I haven't agreed to do that. Other Honourable Members may have agreed to discuss anything that the Spaniards want to put on the table but I haven't agreed it and the Honourable Member was very intense about whether one had a mandate to amend divorce laws on Friday but he does not seem to be equally intense about whether we have a mandate to agree because Lord Carrington and Sr Oreja decided so in Lisbon that once the restrictions are removed Gibraltar's sovereignty can be discussed between Britain and Spain notwithstanding the fact that we have got a motion that has been passed unanimously in the House of Assembly saying that sovereignty is not a matter for discussion between Britain and Spain. I am sorry that I have had to take the line that I am taking now, Mr Speaker, but I feel I have been drawn into it because I have not until now given an indication in this motion anyway of precisely how fundamental my disagreement is with our acceptance of the Lisbon Agreement as a fait accompli and I have not done that because I have chosen to make my own point and give other Members the benefit of the doubt confident that in fact their loyalty to Gibraltar

and its people and its future is as unquestionable as mine is but I cannot go along with them in their willingness to agree to things reluctantly which they know in their hearts that their feelings on this issue really are as strong as mine. The fact is that quite often one finds that people are prepared to express things during the tea break which they are not prepared to express once it goes down in Hansard. Mr Speaker, I can only say one thing all the time and I don't beat about the bush so I am afraid I will not be supporting the amendment of the Honourable and Learned Chief Minister although I must say that if, in fact, it helps to make the situation safer and tied up better than it did in the Lisbon Agreement, which I am not sure whether it does or not because on the one hand the Honourable and Learned Leader of the Opposition says it does but on the other it doesn't, if it does make things better by making it subject to the acceptance of the elected representatives, then I am glad because it seems to be a step in the direction that I want to move. If it is no greater step than is already there in the Lisbon Agreement then in fact I think the time of the House of Assembly is being wasted in passing a motion that is superfluous because we are already fully protected as we have been told by undertaking in the context of the Lisbon Agreement that whatever is agreed will be subject to the approval of the people of Gibraltar. I would certainly prefer that anything that is agreed, if ever anything is agreed and if ever the restrictions are removed, will then be subject to debate in this House and to a motion in this House and at least even if it is passed it may well be passed by 14 to 1 like many other things, Mr Speaker.

HON MAJOR R J PELIZA:

I think, Mr Speaker, that I am usually very critical on matters of the nature that are being discussed today and I feel very strongly the same as my Honourable Friend here on my left, about the safeguards that we should have. I have listened with great attention, Mr Speaker, with what has been said and I got a letter published in The Times not so long ago in which I drew attention to the question of the reciprocity that we are discussing today. I think we should take into consideration the fact that we are not directly responsible for foreign affairs and that when our leaders approach the problem of Gibraltar vis-a-vis Spain, whatever consideration the British Government take into the matter we simply have to somehow try and be as accommodating as possible because otherwise I think our position would be in an extremely difficult situation with regard to Her Majesty's Government. One has, I think, to realise that foreign affairs at the best of times is walking over a very tight rope and it requires an enormous amount of skill and diplomacy to be able to get across the wire. I personally am very pleased with the position which the Chief Minister and the Leader of the Opposition have taken here today. I think it has been as strong and firm as I could possibly expect it to be and I think the Chief Minister and the Leader of the Opposition both know that I am usually very critical on these matters. It

takes a lot I think to satisfy me on these matters. I think we had a motion on the question of the negotiation on sovereignty and it was fully established that it was objectionable to the elected members and the motion was passed. The only possible loophole that I could see in the Lisbon Agreement that could undermine our position, there may be others, was the question of equality of rights. Having listened to the arguments used today by the Chief Minister and the Leader of the Opposition, I can see that they are very determined to see that there is no undermining of our position in Gibraltar in any possible way. The extension that my Friend, Mr Peter Isola, made with regard to the preamble of the Constitution in which in fact I can see being stated here in the motion when it refers to "in so far as such proposals relate to the rights and interests of the people of Gibraltar", I think that makes in my view very strong indeed the position that the Chief Minister and the Leader of the Opposition have taken in this matter. I was very concerned myself about the interpretation of that particular sentence. I think Gibraltar was very concerned with that particular sentence. I am much more relaxed today after having heard the position that the Chief Minister and the Leader of the Opposition have taken. I don't think we can ask for more. What more can we ask that if they are in difficulties they should come back to this House to see how best we should tackle it. I am not suggesting for a moment that we are going to be in difficulties but if there is doubt in the town, I think it is good that the matter should be cleared in the way that it has been cleared in the House here today. As far as I am concerned I fully support the amendment.

MR SPEAKER:

If there are no other contributors I will call on the Chief Minister to reply to the amendment.

HON CHIEF MINISTER:

Mr Speaker, I am glad of the remarks on the last speaker particularly on this question of responsibility for foreign affairs. The mover speaks as if we were running the world from this little House of Assembly and that we are fully responsible for everything that happens between Spain and Britain over Gibraltar. I think we have reached a stage where our voice and our advice is increasingly valuable and increasingly listened to and we have reached the stage where the Foreign Secretary has undertaken to have representatives of Gibraltar at any talks in the future and as I say it is not our presence at any talks, in my view, just to make sure that the assurances in the Lisbon Agreement are carried out by the British representatives but in order to be able to bring home to the other side what the people of Gibraltar feel. I think it is almost a masochistic exercise to try and devise every possible phrase that can be misinterpreted and putting it into words. There are hundreds of things

that we are not prepared to do but we do not have to spread them all out here. The things that we are prepared to do may be much more limited and these are the ones that we have to be careful about. I really do not understand the difference of approach by the Hon Mover to what the Hon Mr Isola said because though we have only had a brief discussion on this it looked to me very much that though taking it from a completely different line we were both following exactly the same thinking which I think is what is important, that our thinking on this matter should be ad idem. Therefore, I do not know why he has reacted much more violently to the remarks of the Hon and Learned Leader of the Opposition than to mine. The amendment seeks to obviate something that should not be taken for granted and should also not be such as to have to bring it to the House to do away with it because the matter has not yet arisen. There are many matters that will arise and it is only by our representing the feelings which we know so well and which we carry so well in our hearts in this matter that we can make progress. I think what the Hon and Gallant Major Peliza had said before is true. There are 28 lines in the Lisbon Agreement at an average of eight words per line, about 225 words in the Agreement and we could think from now until doomsday of all the permutations that you can give to those words, but it is the spirit in which we have to approach this matter and the undertakings that exist in the Agreement which has been entered into by the British Government fully aware of what they mean and that, I think, is the greatest safeguard. For as long as we have to rely, and I think it would be a sad day if we did not have to rely on Britain to look after our foreign affairs because I think that the only alternative for the time being would be that somebody else would look after our foreign affairs, but as long as the foreign affairs of Gibraltar are looked after by the British Government and for as long as they give us the undertaking that safeguards the people of Gibraltar, we have to also walk the tight rope of diplomacy.

Mr Speaker then put the question in the terms of the Hon the Chief Minister's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Member voted against:

The Hon J Bossano

The following Hon Members abstained:

The Hon F E Pizzarello
The Hon J J Caetano

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The amendment was accordingly passed.

MR SPEAKER:

If there are no other contributors I will call on the Hon the Mover to reply to the motion, as amended.

HON J BOSSANO:

Mr Speaker, I do not intend to say much more. I shall just want to put on record that I shall be abstaining on the final vote having made the point on the amendment, because it is obvious that the wishes of the House are as contained in this motion and I do not question the loyalty or the goodwill of any Member of the House, I just question their judgement.

MR SPEAKER:

I will then put the question which is that: "This House considers that, following the Lisbon Agreement in April 1980, and once direct communications have been re-established, consideration of any proposal for future cooperation on the basis of reciprocity and full equality of rights must be on a mutually beneficial basis and in so far as such proposals relate to the rights and interests of the people of Gibraltar, should not be acceded to without the agreement of their elected representatives who will safeguard the legitimate rights of all sections of Gibraltar and the identity of its people."

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

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Members abstained:

The Hon J Bossano
The Hon F E Pizzarello
The Hon J J Caetano

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The motion was accordingly passed.

HON P J ISOLA:

Mr Speaker, I have the honour to move: "That the Hon Peter J Isola do have the leave of the House pursuant to Standing Order No 26 to introduce a Bill for an Ordinance to provide that the holders of certain public offices shall not be disqualified for election, that the holders of other public offices may stand for election and for matters incidental thereto."

It will be recalled that in the Constitutional Conference of 1968 it was agreed that the question of who could or could not stand for election to the House of Assembly was a matter for the elected representatives of the people of Gibraltar. This is what was agreed at the Constitutional Conference. However, when that agreement was translated into legislation, the Constitution said: "if the legislature shall so determine."

The word used was the "Legislature" and I was reminded that Legislature means the Governor and the Executive and the Elected Members of the House. As a result of that, the whole question of eligibility seems to have been going backwards and forwards for some eight years. At the ceremonial opening of the House I did say that this question of eligibility for standing for election was something on which we felt strongly and that I would be taking the unusual step, unusual in this House, I do not think it is unusual in Westminster, of introducing a Bill or getting leave to introduce a Bill on this point which, I said, would suggest amendments to the law on which I hope the House could take a decision. Mr Speaker, the Bill that I am seeking leave to introduce is based on our existing House of Assembly (Public Offices) Ordinance, 1976 the format is the same but, of course, I have expanded on what is in the existing law. I think it would be a good exercise for this Bill to be discussed in detail in this House at a later stage, if leave is granted, when it comes for Second Reading and, possibly, to a Select Committee of the House. I say this because I believe that it is in accordance with the spirit of the Constitution of 1969, following the constitutional discussions that were held in 1968, that the question of who should be able to stand or not to stand to the House of Assembly was an internal matter for the elected representatives of the people of Gibraltar, it was an internal matter for the people of Gibraltar, subject, of course, to the overriding respon-

sibility of the British Government. I think we have got to deal with this once and for all and I think that the appropriate place is in this House early in the life of the Legislature, rather than at the end of a Legislature when people can say: "You want this changed because of this or that." It is better if we do it now because there are 3½ years to go to the next Election and we should clear the position. Mr Speaker, what the Bill seeks to do that I am introducing briefly is to extend the number of people who can stand, first of all in the Ministry of Defence Departments. Just before the elections I tried to get the Governor to use his powers under the existing Ordinance to enable a particular grade in the Ministry of Defence to be prescribed as a grade equivalent to or below the grade of Clerical Officer. I was unsuccessful on the technicality that it was not an equivalent grade even though the man concerned was just getting £5 more a year than the grade that was allowed. That is all past history but in the course of my discussion a note was given, which I was given, as to this particular office and I was told it was the office or the grade of Accommodation Services Accountant and the advice that the Governor got, and I was given the piece of paper, was that the Accommodation Services Accountant is not in first-line management, which was one of the prohibiting criteria when establishing the rule as to who could or could not stand, he was not in first line management and the impression I got from the discussions I held then was that that was the law and the Governor could not make this promulgation because Accommodation Services Accountant was not a grade equivalent to or below the grade of Clerical Officer. I detected a feeling amongst the Ministry of Defence people that I had dealings with on this that they were not particularly worried about Ministry of Defence Civil Servants standing for election as long as they were not in first-line management and a few other grades dealing with confidential matters.

In the Bill I have said, in the First Schedule, that any office of emolument under a department of the United Kingdom which is non-industrial employment except such offices of emolument of a grade which the Governor may by order prescribe to be managerial. Mr Speaker, on that I should say that when the Bill is published I am going to insert a word in front of managerial, "middle" managerial, because I understand that there is low-managerial, middle-managerial and high-managerial and I understand that an EO is low managerial and then HEO is middle managerial and I do feel that EO's should be able to stand in the Ministry of Defence and therefore I am modestly going a little further forward to middle managerial, anything under HEO in the Ministry of Defence should be able to stand for election in accordance with the rules of the Ministry of Defence. In this connection it is interesting to see that there are regulations in the Ministry of Defence for people who stand for election and get elected from which we could take a lead. There is provision for reinstatement. Within three months of ceasing to be a member, anybody who resigns after standing for election, there is provision for paid leave for industrials or non-industrials who get elected and are not in Government and then there is provision for reinstatement for a person who becomes a Minister although they do not oblige him to resign

but if he does resign there is provision for reinstatement. The Bill will suggest that we apply an entirely different test to Ministry of Defence employees than to Gibraltar Government employees because Ministry of Defence employees do not work for the Government of Gibraltar, they work for the British Government and I am suggesting that anybody under middle managerial grade should be able to stand for election in the Ministry of Defence. The Second Schedule of the Bill which deals with the persons who can stand in the Gibraltar Government, seeks to amend the present position which is that only people in industrial employment in the Gibraltar Government are allowed to stand. This Bill brings in non-industrials, allows them to stand for election. In fact, in the intervention of the Chief Minister at the time of the motion of the Hon Mr Bossano in the December session just before the election, there were proposals which he said he was prepared to discuss which did include non-industrial grades being able to stand for election. Hon Members will remember my own intervention on that and what I have done here, again I have not been anything like as radical as I am sure my Hon Friend Mr Bossano would have liked me to have been in this Bill, I am seeking to go forward slowly and experimentally and what we are seeking here is that any Clerical Officer prescribed by the Governor or any officer as being a grade equivalent to or below the grade of clerical officer should be able to stand, that is taking the step as exists in the law as far as the Ministry of Defence and then I am asking the House to put in two specific types of Government employees, one is the Government teacher and the other is the Government nurse who are not employed in the administrative grades and, again, I should say that in the published Bill that comes out there is going to be again a slight alteration here in case there should be any misunderstanding of what I mean. I will say that any office of emolument under the Government of Gibraltar which is of the grade of qualified teacher, in the published Bill it will be qualified or graduate teacher in case it should be misinterpreted that a graduate is not a qualified teacher, the intention is any qualified or graduate teacher other than head teacher and deputy head teacher or of a teacher grade prescribed by order of the Governor as being a grade equivalent to or below the grade of qualified or graduate teacher. So we are asking for teachers to be allowed to stand for election. Mr Speaker, I recognise in the Bill that there may be a case for people holding responsibility posts not to be allowed, I don't think there is, but that is something that is left ad referendum and I would suggest that a Select Committee of the House could look at the detail of that but the principle that teachers should be allowed to stand is enshrined in the Bill that I am asking the House for leave to introduce. The next one is the nurse and there what I have put is the grade of nurse other than nursing sisters or charge nurses, in other words, nurses who are in charge of sections or whatever in the hospital. I would be quite happy to have them in the Bill but again what I am trying to do in this Bill is to move modestly forward but to move on this issue of eligibility which has been the subject matter of election speeches, it has been the subject matter

of controversy for many, many years and I want to put a Bill before the House that the House considers and they either accept the principle that civil servants in certain areas may stand or they do not but let us have it out and let us have it out clearly. The Bill that I am seeking leave to introduce is a modest, and I stress it, a modest advance, I think, which should not really harm or upset too much the sensibilities of those who feel that civil servants should not be able to stand. Of course, under the Bill all these people will have to sign the undertaking that they will resign if elected to the House of Assembly and then they will resign as civil servants so that all this Bill will do, really, is to enable people to be nominated, stand for election at least, and make them resign only when they succeed. If they do not succeed they go back to their jobs, that is all it is seeking to do. I want to be clear because there are a lot of other permutations that could be worked out in a Bill. I would hope, Mr Speaker, that the Gibraltar Government would make the same sort of rules about reinstatement as the Ministry of Defence has done in its efforts to make it that much easier for people who wish to stand for election and wish to contribute to public debate. Mr Speaker, at this stage I am only asking for leave to introduce this Bill, I am not suggesting that Members who vote in favour of giving me leave to introduce the Bill are then bound to vote in favour of the Bill once it comes to Second Reading in the House but I do think that I certainly owe it to those who elected the DPBG in the last election and I think everybody who has talked about this, and the Government has from time to time talked about allowing certain persons or certain grades in the civil service to stand, I think that the Bill should be allowed to proceed in this House and that, eventually, on Second Reading, I would be quite happy if it was passed in its present form but again knowing the sensibilities of the Government and, indeed, the Honourable Mr Bossano, on this matter perhaps the House might agree to put it to a Select Committee to look at it, a Select Committee representing all sides of the House, to try and come to some liberalisation, if possible, by agreement, but I think that we have to face the problem of eligibility and I think we should face it long before an election, not six weeks or six months before one. Mr Speaker, I commend the motion to the House and I hope the House, in accordance with the democratic traditions that exist in Gibraltar, will give me leave to introduce the Bill.

Mr Speaker proposed the question in the terms of the Hon P J Isola's motion.

HON J BOSSANO:

Mr Speaker, I shall be supporting the motion that the Honourable Peter J Isola do have leave of the House but I shall not be supporting the Bill that he will be introducing if he does get leave of the House because, in fact, it is a matter that we have discussed before and indeed I think that the timid steps that he himself admits he has taken are so small in rectifying the situation that all that they would succeed in achieving would be to put off the much deeper

reform that is required. I support the motion because I support his right to introduce a Private Members' Bill, I think it is a good thing for the House that there should be attempts at legislation from the Opposition benches as well as from the Government benches and, of course, I welcome an opportunity to air my own views on the subject which discussing the Bill will give me. I think, perhaps, his final suggestion that as an alternative there might be a Select Committee to come up with proposals acceptable to all parties provided, of course, that the Select Committee was able to work on the subject fairly quickly and I myself am sceptical because I have only served on one Select Committee and that one had to have its work cut short because the House of Assembly had finished its four years and the Select Committee had not finished its work. Because of that experience I tend to be somewhat sceptical about Select Committees but it doesn't have to be repeated, may be I was just unfortunate on the one I served, Mr Speaker, but I will be supporting the motion.

HON CHIEF MINISTER:

Mr Speaker, I think the Honourable mover has gone into areas precisely to persuade Members to accept it but I am not going to deal with the merits of the matter that he has raised because I don't think this is the time to do so. This matter was last discussed in the House of Assembly on the 5th and 6th December, 1979, when the Honourable Mr Bossano proposed a motion which was defeated, it was not even amended. During the course of the debate, I pointed out the difficulties inherent in the problem and the principles on which the GLP/AACR had approached this matter and I went on to describe that approach and summarised the proposals. I referred to the list of grades which the Government was prepared to include but the motion was defeated. The matter was subsequently discussed with the Leader of the Opposition outside the House but agreement could not be reached on the list of grades which I provided. The House of Assembly was dissolved shortly afterwards and the matter has not been raised until now. I do not want to deal with the merits of the matter because I think that should not be dealt with at this stage but this often quoted agreement of the 1968 Constitutional Talks is something that there will be a time when we will want to see the minutes of whatever was agreed because in my recollection this was something that was raised outside the conference proper by the then IWBP. As the Honourable Mover has said, the interpretation given is something with which I have had nothing to do. Ministers are prepared to vote in favour of the motion for leave to introduce the Bill. This is because we wish the matter to be discussed and not because we agree with the terms of the Bill in its present form. For one thing I have asked that the Ministry of Defence should be asked formally what their views are and not just rely on the particular person who may be in a particular job at a particular time. In that respect I have no qualm whatever the Ministry of Defence agrees in so far as their employees are concerned. Our principle is based

on something different, it is not in limiting the people but in the principle of master and servant. Therefore, whatever comes out of the consultations with the United Kingdom, good luck to the promoters of the Bill because there is no problem as far as we are concerned. In fact, we did make what was considered then a breakthrough when the original consent was given at the time of Mr Alan Lennox-Boyd, when he was Secretary of State, it must have been somewhere around 1958 or 1960, when consent was given to people of the clerical officer grade or equivalent and that was a great step forward, Clerk Grade 1 in those days, and then later on, after many many consultations with Maurice Xiberras, we did make some progress in some areas, cut the areas of difference, but there are still areas of difference but we do want this matter to be discussed, we do not want to discuss the matter at this stage, we want it discussed and we want to air our views and explain our views because it is not an anachronistic view it is I think a realistic one based on principles. At the time of the debate, the matter was not proceeded with because the Opposition were not prepared to accept the Government's list of grades but wanted to add others. This issue will be discussed in the Second Reading of the Bill debate and not during the debate on the motion for leave to proceed, that is why I do not propose to deal in detail with a number of matters raised by the Leader of the Opposition. I think I would be less than fair if I gave any impression that Ministers are in agreement with the Bill. Therefore it should be made clear at this stage and I hope that before the Bill is published the Leader of the Opposition will look at it more carefully because apart from the mechanics of it I think some of the elements of the Bill are really bad because it goes back and throws a lot into the executive to decide and really puts back the ball from where it has been brought out from leaving it to the Government to decide particular grades in particular circumstances.

Anyhow, that is a matter for the mover. Finally, the Governor has signified that the Bill relates to a non-defined domestic matter and the Bill itself therefore as well as any amendment thereto require the consent of the Governor under section 35(2) of the Constitution. Section 35(2) of the Constitution says: "Except with the consent of the Governor, acting in his discretion, signified by the Attorney-General or by the Financial and Development Secretary, the Assembly shall not proceed upon any Bill (including any amendment to a Bill) that, in the opinion of the Governor, acting in his discretion, signified as aforesaid, relates to or closely concerns a matter that is not a defined domestic matter."

MR SPEAKER:

We would most certainly need the leave of the Governor for the purposes of considering the Bill.

HON CHIEF MINISTER:

I am not saying that we are debating this Bill because the Governor has given us permission to do so. What I am saying is that the Governor has signified his clear intention from the beginning, because there should be no misunderstanding, that the Bill will be considered to be a Bill in respect of a non-defined domestic matter and his consent will, of course, be necessary.

HON J BOSSANO:

If the Hon Member will give way. Mr Speaker, I would have thought that in the light of what the Honourable and Learned the Chief Minister has said, that it would be desirable that the Honourable the Leader of the Opposition should find out whether that consent would be forthcoming otherwise, surely, the House would be left in a very embarrassing position of having approved a motion giving leave and then find that the

HON CHIEF MINISTER:

If the Honourable Member will allow me to finish.

MR SPEAKER:

Perhaps the Honourable Chief Minister will finish and the matter will be made clear.

HON CHIEF MINISTER:

The position is that the Governor has been informed that Ministers do not agree that the Bill as drafted should be passed and I have given an undertaking to this effect and to the effect that amendments that may be proposed will be first discussed in Gibraltar Council. In the light of this undertaking the Governor has signified he will allow the Bill to go through for discussion. I think, perhaps, we ought to clarify that the Governor is acting on the advice, so far, on the advice of Ministers who have advised the Governor that we do not accept some terms of the Bill. The Bill must be discussed in Gibraltar Council where matters of a non-defined domestic nature are discussed and, of course, whatever decision is taken there with the advice of Ministers, will be reflected in the way in which we proceed because we ourselves have indicated that we do not like to bring it if it were a defined domestic matter. The position is that the Governor, having regard to the views that we have expressed, will act on the advice of Ministers in this respect.

MR SPEAKER:

May I, in furtherance of what the Chief Minister has said say that I have received a letter from the Hon the Attorney-General dated 15 July 1980, which reads as follows:

"Dear Mr Speaker, His Excellency the Acting Governor is of the opinion that the motion proposed by the Hon P J Isola to introduce a Bill for an Ordinance to provide that the holders of certain public offices shall not be disqualified for election, that the holders of other public offices may stand for election and for matters incidental thereto, relates to a matter which is not a defined domestic matter. His Excellency consents in exercising his discretion to the Assembly proceeding upon it." May I say that when I received this letter from the Hon the Attorney-General I felt that what the Attorney-General was signifying was the Acting Governor's consent to proceed with the motion. I, of course, wrote to the Attorney-General saying that, with respect, under the Gibraltar Constitution the House of Assembly does not require the consent of His Excellency the Governor to proceed on any motion whatsoever. Should the House grant Mr Isola his consent to proceed with this Bill in the light of His Excellency the acting Governor's opinion that the Bill relates to a matter that is not a defined domestic matter the House will most certainly require His Excellency's consent before he can proceed with the Bill. The position, as far as the Constitution is concerned, is exclusively as to whether the matter which is going to be introduced in the Bill is a non-defined domestic matter because if it is, in the opinion of the Governor, then he must give his consent and we cannot proceed without his consent.

HON J BOSSANO:

It seems to me that I accept that the Hon and Learned the Chief Minister has told us, basically, that it does require His Excellency the Governor's consent and that His Excellency has indicated that he will give his consent because he knows that the Bill as it stands will be defeated. We may have a thoroughly enjoyable time here discussing something the end result of which is already pre-determined. However, I would have thought that the power of the House to grant leave to the Hon and Learned Leader of the Opposition which I was prepared to support is an empty power if that is then subject to further conditions and I am not really sure that I want to associate myself in that context with supporting a motion to give leave to introduce a Bill which is only able to be discussed on the understanding that it is not going to be passed in its present form.

HON CHIEF MINISTER:

~~May I clear up the~~ matter and let me say that I am not the spokesman of anybody except myself. The Governor has got power under the Constitution to decide what is a defined or what is not a defined domestic matter. If I may say so,

this is not something that has been considered since notice of the Bill was given by the Leader of the Opposition. This is a matter which has been considered since the elections because it was part of the proposals on the other side to come to this stage and naturally when it is a sensitive area Government and the advisers of the Governor naturally look into this matter with all detail. This has been the subject of consultation with the Attorney-General over a long period. Even if it were a defined domestic matter and leave was being asked for it and we would consent to leave being asked for it, I would in all honesty say; "You are getting leave in order that the matter be discussed, but we are against it." What is happening now is that precisely because I think it is in the public interest that the matter should be discussed that I have advised that the matter should be proceeded with, not at this stage, at this stage we are agreeing to it being proceeded with on our own because it is nobody else's business. It would be just the same if it were to alter the Birds and Animals Rules, if it were purely a defined domestic matter, but it would be remiss of me not to say now that it has been described, particularly having regard to the remarks made by the Hon Member at the beginning of his introduction about the agreement at the Constitutional Conference, that it is declared, and on that the Governor takes legal advice and nothing more that it is a non-defined domestic matter when it comes. As far as I am concerned, irrespective of whether this is a defined domestic matter or not, we have objections to the Bill. Whether the objections are as far as the Governor would want to go or not is another matter to be seen in detail. We have not discussed this matter in Gibraltar Council but if the objections to the Bill are the same objections as the Governor has in respect of aspects of it, then it proceeds with his consent as a non-defined domestic matter because the Government's view and the Governor's view appear to be the same.

Having said all that what we say now is that we want the matter debated, we want the elected Government view expressed in debate and the matter thrashed out. If I did not refer to this now and referred to it later because it was not necessary now, then you could have said: "Why weren't we told at the time?" And if you say so too soon they say: "Why are we told now, it is not required." It is better that the matter should be known now because the Constitution has certain limitations and the fact that they have not been highlighted in the past is because there have been no occasions when this could happen. This is nothing new because the IWP Government were attempting to do this for two years and ten months and they were not able to do it.

HON J BOSSANO:

I was not aware of this, Mr Speaker, and when I spoke initially in stating the position that is very similar to the Government in saying that I would not be supporting the Bill as it stands but nevertheless supporting the motion because of the opportunity it will give the House to debate

it. I am grateful for the Hon and Learned Chief Minister's contribution because it brought a piece of information to light that I was not aware of but which is something I have to take account of in reconsidering my original position when I spoke in support of the motion because there is at least theoretically if a Member of the Opposition brings a Bill to the House, even if knows that the Government is not supporting it, theoretically the reason why members of the opposition can stand up and make speeches is in an effort to persuade the Government and if we know that it is impossible to persuade the Government

MR SPEAKER:

Let us leave it at that and see what happens.

HON MAJOR R J PELIZA:

Mr Speaker, first of all I think I should start by clearing up the point at the Constitutional Conference, and from there all the other arguments will flow. I remember distinctly and I am sure my Hon Friend on my right will remember distinctly and if we wanted some public evidence we could get Mr Solomon Seruya, as he was present too. At that time Lord Shepherd very clearly stated, after we had been pressing for at least teachers to be able to participate, the argument then used by the AACR was that in Gibraltar the Government remunerated the teachers whilst in the United Kingdom that was done by a local authority and a distinction was drawn which I think is purely technical. I think the functions of the teacher here and the functions of the teacher under the public authority are identical and therefore since the AACR for the purpose of reducing the chances of other parties getting into power

MR SPEAKER:

I must call you to order.

HON MAJOR R J PELIZA:

Anyway, the AACR did not agree with that situation and Lord Shepherd who was obviously very willing to concede the point said: "It is up to you to decide," those were his words. I do not know whether they were recorded in the minutes, if they were you will see that is what he said. Since then the IWBSP tried very hard when we were in Government to try and get the Opposition to agree - the then Opposition was the AACR, - to the people within the Government and outside the Gibraltar Government, working for UK Departments, of arriving at who and who could not stand for election. That was a very long-drawn process because we wanted unanimity. Unfortunately, it then caught up with us and we were unable due to the General Elections to pursue the matter in consultation with

the Opposition. We were trying to be as fair as possible. Unfortunately, time was against us so that is the reason why the IWBSP did not go ahead with the review of who could and who could not stand for election. What I cannot understand today, Mr Speaker is the opposition that has come from two quarters, the Government and my Hon Friend Mr Bossano, who appears to me that for different reasons is adamant in not seeing the further democratisation of the candidature in Gibraltar. I think it is logical that if you cannot have the whole a whole loaf you will settle for half a loaf if your intention is really sincere in that direction. I suspect that at least Mr Bossano, with whom I agree on many occasions, must have some other reason as to why he is not supporting the Bill since, obviously, a step in that direction would certainly help him to go further. It is not because we do not want to go further, I think we are obviously very keen in going further than we have said, but even that is not acceptable by the Government and even that is coming across all sorts of constitutional barriers which are being set up now purely and simply to defeat democratic progress in Gibraltar. I cannot understand how a Governor of Gibraltar, anticipating the decision of this House, says that he will not give his consent.

MR SPEAKER:

He has not said that, he has given his consent. Perhaps the Hon Member has not been listening to what I said. I was very explicit and I do not think that I have left any Member in doubt as to what has happened. Her Majesty's Attorney-General wrote to me to say that His Excellency the Acting Governor was of the opinion that the motion to be brought by the Hon Mr Peter Isola for the introduction of the Bill was a non-defined domestic matter and that therefore under the Constitution he gave his consent for the motion to be proceeded with. My only distinction is the fact that the House of Assembly does not require the consent of His Excellency the Governor to consider any matter by way of motion but His Excellency the Governor on advice, thinking that that was so, has actually given his consent for the motion to go ahead. Therefore, it is incorrect to say that His Excellency the Governor has not given his consent as you have just said.

HON MAJOR R J PELIZA:

I have not said that, Mr Speaker, with respect.

MR SPEAKER:

Order. With due respect to you, you have said so and Hansard will show it.

HON. MAJOR R J PELIZA:

I said that he had signified to the Chief Minister that he would not give his consent if that Bill went through, that is what I said. What the Chief Minister said was very complicated but that is the way I understood it, that he had given his consent because he knew that the Ministers were not going to agree with the Bill. That is the position, Mr Speaker, and if you look at the Hansard I am sure that is what I said.

MR SPEAKER:

As far as the constitutional position stands now, His Excellency the Governor is of the opinion that this is a non-defined domestic matter and has given his consent for it to be dealt with by the House of Assembly. Let there be no doubt about that.

HON MAJOR R J PELIZA:

In fact, this is the reason why my Hon Friend Mr Bossano stood up and said he thought that it was a farce to bring the Bill into the House and that he would not support even the motion because it would be a farce. Whether it is a farce or not I hope that my Hon Friend the Leader of the Opposition will go ahead with the Bill. This is, perhaps, the way that constitutional progress can be made in Gibraltar, Mr Speaker, not by immediately withdrawing because we are going to find some organised opposition of the Executive and the elected members of the Government and the only way that we should make some progress even against the wishes of the Association for the Advancement of Civil Rights which I think is a misnomer in this context. I do hope, Mr Speaker, that this will become a public issue in which the people of Gibraltar will really get to know what is going on with regard to democracy in Gibraltar. When the time comes, Mr Speaker, we shall have plenty of opportunities to discuss the Bill that see the merits but to go ahead even of reaching that point and the Government obstructing it by saying just now that it is really no use to bring it.

HON CHIEF MINISTER:

If the Hon Member will give way. Will he stop speaking absolute rubbish, absolute ministerpretation, absolute hysterical nonsense. I said nothing of the kind. I want a good debate and I want to see how much we can agree or where we differ. What I am not prepared to do is for the Hon Member to come from London to tell me how I should run the Government to which I have been elected and to which I have a majority.

HON MAJOR R J PELIZA:

Every time I disagree with the Chief Minister he does not

look at the logic, he calls it rubbish, that is the only argument he has.

MR SPEAKER:

Let us go back to the debate.

HON MAJOR R J PELIZA:

Mr Speaker, the merits of the Bill should be seen and discussed at a later stage. I would have thought that the truly democratic way of proceeding is to listen to what the Bill has got to offer but not to say even before, even to the Governor, that the Ministers are against it and therefore the Bill will not get through. Therefore, we can now surmise and infer from that that the Governor will not have to give his consent. That is the position, Mr Speaker.

MR SPEAKER:

I am afraid the Hon Member is misinterpreting. Whatever the Chief Minister might have said to His Excellency the Governor, His Excellency the Governor has given his consent.

HON MAJOR R J PELIZA:

His consent, Mr Speaker, to present the Bill but it is obvious that the Bill will not go through.

MR SPEAKER:

All the Chief Minister has said is that in so far as the Government is concerned they have given advice to the Governor as to what they feel should or should not be done, no more or less.

HON P J ISOLA:

I understood the Chief Minister to say that the Governor was giving his consent to the Bill against an undertaking from Ministers that they would be voting against the Bill. To me that is shocking.

HON MAJOR R J PELIZA:

Mr Speaker, I may have put it more strongly but that is in fact what happened.

HON CHIEF MINISTER:

Mr Speaker, in respect of something the Hon Leader of the Opposition said now I think I should say that what I said was that we had advised that the Bill, as drafted, was not acceptable to Ministers. That means, of course, that we are entitled to have a view on any Bill that is brought to this House.

HON A J CANEPA:

Mr Speaker, I do not know whether the situation is not similar with regard to the Government expressing its views on a measure that comes before the House to what goes on at Committee Stage where amendments are proposed by members of the Opposition to a Bill. It may become abundantly clear in the course of the Second Reading of the Bill that the Government will not accept certain amendments from the Opposition. Knowledge of that does not prevent the Opposition from moving an amendment at the time when we reach a particular clause and arguing the issue with the Government. The opposition may not succeed in convincing the Government but it does not alter the fact that they are exercising their democratic rights in this House to put and to press for acceptance of a particular point of view. Surely, the Hon Member of the Opposition know, having regard to the debate on this House in December, that the Government is not in agreement to teachers and nurses, for the reasons that were given at the time here, being given the exceptional treatment which the bill which the Hon Leader of the Opposition seeks to introduce would afford them, they know that. The Government has taken a very firm stand on that matter and therefore it would be hypocritical of the Chief Minister if he were not to make it clear that to the extent that the Government votes in favour of the motion it is doing so because it wants to see free debate in this House. If we voted against the motion and the Hon Leader of the Opposition was not given the leave to introduce the Bill it would be said that we were fettering him, that he was not being allowed to exercise his democratic rights. We are warning them that it is the view of Ministers as a whole that the proposals are not acceptable as drafted and that we would vote against them. The other thing that the Chief Minister was very concerned to do was to explain what the constitutional position is. I think that the situation is fair, the Government is being honest with Hon Members opposite and surely on that basis they can have no quarrel.

HON MAJOR F J DELLIPIANI:

I think it would be dishonest of me not to say that I am completely opposed to the Bill as drafted and I would have been inclined to vote against it but because we live in a democracy I am not going to vote against it. I am going to abstain and my abstention is purely to demonstrate how strongly I feel against the Bill as drafted.

HON P J ISOLA:

I am surprised that the Minister for Education is the only one on the Government side that is going to abstain because I know from a periodical of the Gibraltar Teachers' Association "News and Views" about a meeting and writing to the Chief Minister on the question of eligibility to stand for election. The issue was referred to the Chief Minister about teachers standing for election which was duly acknowledged and results were pending. Why couldn't the Chief Minister or the Minister for Education when they meet with teachers trying to sort out their problems, why don't they tell them straight: "You are never going to stand for election." They don't because it suits them on particular occasions to bring them along with them and keep them sweet and when they bring a thing like this up they are told: "We are thinking about it." Why doesn't the Chief Minister or the Minister tell them that they will never allow teachers to stand. Now the Hon Minister for Education can clarify, if he wishes.

HON MAJOR F J DELLIPIANI:

It gives me great pleasure to tell the Leader of the Opposition that at a meeting I held with the Gibraltar Teachers' Association to discuss a whole number of issues and they brought this very issue to me, I said very bluntly to them that I would oppose it. I didn't care what the Government said but my own view was that I was dead against it and it is recorded in the minutes. I told them and I will tell them again and I told them before these elections and after these elections and I will continue to tell them for as long as I am a Member of this House.

HON P J ISOLA:

The Hon Minister must have told them because they wrote to the Chief Minister and they are waiting for his reply. I only mentioned that on passant. I will try and be very restrained and I will first deal with the substance of the motion which has been clouded over by what I will call the alarming revelation as to the use of the Governor's powers in the Constitution. Let me repeat what I said. This is a Bill that seeks modest advances for civil and public servants to stand for election. The Hon Mr Bossano, who always tries to be very logical, is at his illogical best when he has to support a motion brought by the DPBG. He supports it and then he says he is going to vote against the Bill because, he says, we are not radical enough. He must have the whole lot he must give the Governor, the Deputy Governor, the Attorney-General and the Financial and Development Secretary, they must be allowed to stand for election and keep their offices otherwise it is not good enough for him. That is what he said in his motion in December.

HON CHIEF MINISTER:

If the Hon Member will give way. In a different way the Hon Mr Bossano is doing exactly what Mr Maurice Xiberras was doing for the last five years which is rather than give way in small bits he wanted the whole cake.

HON P J ISOLA:

I would not agree with that statement at all because I have discussed this matter with Mr Maurice Xiberras. But Mr Bossano will not go some way, he wants the whole lot which he knows absolutely crystal clear that he will never get. What I am seeking to do is to allow more people to come forward in public life to stand for election because it was quite obvious to me from the last elections that the only people who are able to stand as candidates were people who were in private employment, not private employment even, people of almost independent means and professional people because others could not. This is obvious to me, it is obvious to the great majority of the people of Gibraltar and it must be obvious to the Government who will soon, I am sure, amend the law as their older brethren have to retire from public life because that is a fact of life in Gibraltar. I am just seeking a modest amendment. I know that the Government do not want teachers to stand because they happen to be the most highly qualified people in Gibraltar and people like the Hon Mr Canepa and my predecessor, the Hon Mr Xiberras, whom I have said many times has contributed enormously to public life in Gibraltar, there are to be no more of those unless they are prepared to take the gamble, resign before the election and if they do not get elected then to hell with their family and to hell with everything else. That is wrong and it is wrong for the people of Gibraltar to put those conditions on teachers to stand for election, stay teachers for 21 days, and then if they are elected they resign. What are we talking about, objections of principle on the part of the Government to this? It is not objections of principle at all, it is objections of expediency but, as I say, this is just a motion for leave to introduce and what I did say in my opening statement was that I would hope that the Bill would be committed to a Select Committee of the House. I agree that, specially in civil service grades, there is probably a need to identify those who can stand or cannot stand for election. In fact, I have toyed with the idea of leaving it to resolutions of the House to decide who could or could not stand. But I went away from that because I thought that if we do that the argument was going to be that every time you have a problem somebody is going to come with a resolution and this is not so, what about the Governor, he has got a say in this, which I say he has not, I don't mind telling the House, I say he has not. It is clear if the Constitutional Conference is going to be upheld I say he has not and I ask him to read the minutes of that Conference and I shall try and dig them up if I have got them somewhere because that is not what Lord Shepherd, who the British Government Minister at the

Conference, said and the legitimate fears of the civil service were provided for, were taken into account in the Constitution itself. In Section 28(4) it says "If it is so prescribed by the legislature...." not the Governor or the Gibraltar Council acting executively, no "If it is prescribed by the legislature" - (a) a person shall not be disqualified for election as an Elected Member of the Assembly by virtue of his holding or acting in a public office specified by the legislature." Then it says: "a person may stand as a candidate for election as such notwithstanding that he holds or is acting in any public office specified by the Legislature if he undertakes to relinquish or, as the case may be, to cease to act in that office if he is elected as an Elected Member of the House." So what the Constitution prescribes and what nobody can change, not even the Governor, only the Constitution can change it, and this was a compromise at the Constitutional Conference. "If you chaps want people to be able to stand we will let you decide that point," that is what they said, but that person must resign from his Civil Service job. What are we all arguing about? We are arguing about 21 days, Mr Speaker. The day when the House is resolved to the writ for a General Election or a Bye-Election from the Governor. That is what we are talking about, that is why Lord Shepherd, in the Constitutional Conference, left it to us to decide. If the Financial Secretary wants to stand for election he has to resign. If the Legislature feels that the Financial and Development Secretary should be able to stand, or even the Governor himself, he would have to resign if he is elected. That is the safeguard to the British Government, that is the safeguard to the civil servants, the people who really govern us. Let these chaps decide, if they want anybody to stand, let them stand but they have to resign and that is what is in the Constitution. I object strongly, Mr Speaker, to the Governor's attitude in this matter. I am not sure but I will, of course, whilst the Speaker is in the Chair and whilst the Speaker decides these matters as he inevitably does.

MR SPEAKER:

With due respect, the Speaker does not decide in these particular circumstances what is and what is not a non-defined domestic matter, it is the Governor who decides and if you look at Section 35(2) it says "Except with the consent of the Governor, acting in his discretion, signified by the Attorney-General or by the Financial and Development Secretary, the Assembly shall not proceed upon any Bill (including any amendment to a Bill) that, in the opinion of the Governor, acting in his discretion, signified as aforesaid, relates to or closely concerns a matter that is not a defined domestic matter." It is up to the Governor's judgement as to whether any particular matter is or is not a defined domestic matter.

HON P J ISOLA:

Mr Speaker, you are, of course, absolutely right. What I am saying is that I do not believe that the Governor is acting properly within his discretion when he decides that a Bill of this nature is a non-defined domestic matter and this is something that we can, of course, take up with the Secretary of State because I think it is a matter of great principle to the elected representatives of the people of Gibraltar, this particular point. When a Constitutional Conference comes along and says the elected members are going to decide and some civil servant or other somewhere along the line says no, because the Governor is now going to decide this is a non-defined domestic matter when the protection for the Crown and for the civil service is actually in the Constitution.

It is the legislature who has to decide, not the Governor, who shall stand for election. I must say at this stage that I disagreed entirely with my Hon Friend as he will remember when he was Chief Minister in trying to do this through Gibraltar Council. I said it is for the legislature to decide, that is my strongly held view. The Governor has decided it is not a defined domestic matter. May I say that I express my surprise at that decision having regard to the clear wording of the Constitution on this matter - Section 28(4) - I am most surprised by the Governor coming to that conclusion having regard to the Constitutional Conference and I would ask the Governor to refer to the minutes of that Conference and to the record of that Conference. But, anyway, it seems that the Governor has given his consent because he believes the Bill will be defeated, well, time will only tell whether that is so or not but I hope that the Hon Members on the other side, even if they disagree with teachers standing or even if they disagree with some of the things that we have put forward will, at least, agree with me that it is for this House to decide who should stand for election to the House of Assembly and not the Governor of Gibraltar. As the public debate continues on this issue, as it will continue, we shall see what the attitude of the Government is to any particular issue. I have suggested a Select Committee, Mr Speaker, because I think that this should go to a Select Committee. I think a Select Committee should ask the Admiral or whoever it is who is in charge of the Ministry of Defence to come to the Select Committee and put down their reasons for not allowing somebody to stand for election.

MR SPEAKER:

You are exercising your right of reply and I do not think that anyone has referred to the Select Committee.

HON P J ISOLA:

No, but the Hon and Learned Chief Minister has said that he has already asked for the views of the Ministry of Defence as the largest employer.

HON CHIEF MINISTER:

I did not say that I asked for the views, I said that in order that we should know our approach we want to know what the Ministry of Defence think about it and I should imagine they are entitled to have a say in it even if it is a matter for the Legislature as to what happens to some of their executives.

HON P J ISOLA:

Mr Speaker, absolutely, I don't doubt for one minute that their views of course, are entitled to be taken into consideration and they have got the ultimate function, of course, as employers, they have the ultimate function to tell their employees: "If you wish to stand, then that will be it," but when it comes to standing for public office and resignation, when it comes to that, then it is the Legislature who must decide and the reason why I said a Select Committee is that I think that a Select Committee should take the views of the Ministry of Defence on the matter and if the Ministry of Defence views are views that convince I am quite sure the Select Committee will adopt them. I am not suggesting that this House should embark on a useless exercise, Mr Speaker, under which the Government has promised the Governor that they will vote against the Bill. I wouldn't like to enlarge on that and I would not like the Government to give me leave to move this Bill on the basis that they are just going to throw it out at the Second Reading. I am going to suggest at Second Reading that it is committed to a Select Committee of the House and precisely because and principally because it is my strongly held view and strongly held conviction that it is the elected Members of the House who must decide who stands and who does not stand for election and I think it is to that Select Committee that representations should be made by Unions, traders, Ministry of Defence, Civil Service of Gibraltar, it is to that Select Committee because it is my firm recollection of the Constitutional Conference that the British Government commitment at that Conference was that the elected representatives, the people of Gibraltar, should decide who stands and who does not stand for election and they provided for it in the Constitution but subject to certain conditions, one of them, of course, being that they must resign and that is why I hope that my Bill may not end up in the form that it has been drafted, it may require amendment, I agree, there will be fights of principle on the question of teachers, I agree, let us have them out in the open, but at the end of the day let us have a Select Committee of the House deciding this, not in the secrecy of the Governor-in-Council or particular civil servants who have particular views on the matter, let a Select Committee of the House take their views and then make their own decisions. Mr Speaker, I am glad the motion is going to be supported, I only hope that support will continue despite everything that has been said.

HON A J CANEPA:

Mr Speaker, if we wreck the tables by so much banging we may not have sufficient funds next year for air conditioning.

MR SPEAKER:

We had better not bang the table then.

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

The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon J B Perez
The Hon G T Restano
The Hon W T Scott
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon F E Pizzarello
The Hon J J Caetano

The following Hon Member abstained:

The Hon Major F J Dellipiani

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano

The motion was accordingly passed.

The House recessed at 6.30 pm.

The House resumed at 6.50 pm.

MR SPEAKER:

I understand that we are now going to proceed with the Committee Stage and Third Reading of the Income Tax (Amendment) Ordinance. You will recall this Ordinance was not considered in Committee when we did the other Bills because the Opposition needed time to consider its contents.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that this House should resolve itself into Committee to consider the Income Tax

(Amendment) Ordinance, 1980, clause by clause.

THE INCOME TAX (AMENDMENT) BILL, 1980

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

Clause 2.

HON FINANCIAL & DEVELOPMENT SECRETARY:

I have the honour to move that paragraph (tt) in Clause 2 (2) be amended by the addition of the words "except an individual to whom Section 23 (3) applies" after the word "person" in subparagraph (i) thereof.

MR SPEAKER:

Will this amendment mean that there will be an increase in tax rates?

HON P J ISOLA:

No, Mr Speaker, this amendment is a similar amendment that I moved when I asked for the taxable allowances to be doubled. We are not charging the revenues of any payment, we are reducing the revenues, loss of revenue but not charging the revenue. This is an Income Tax (Amendment) Bill that is before the House and it is a comparatively simple matter to move an amendment and we wish to take the opportunity that there is an Income Tax Bill before the House to move an amendment and do away with the taxation of income received under the Elderly Persons (Non-Contributory) Pensions Ordinance. Mr Speaker, I am not going to speak for a long time. I think that all political parties before the elections received representations not only before the elections but for some considerable time before the elections. There are a number of pensioners who are not in receipt of Social Insurance Pensions for a lot of reasons that we have discussed here who feel, and I think rightly so, that the Elderly Persons Pension received under this Ordinance should be tax free for a very simple reason that under the Social Insurance Ordinance any pension received under that Ordinance is tax free whether the recipient is a person of means or not. The basis on which it is sought to justify it is that people have contributed towards it. Well, people have contributed to a lot of things which they still have to pay tax on but that is not the reason. The reason, I suppose is, that under the Social Insurance Ordinance they want to give the full benefit to the recipient and not cream off anything for the state which they do with other pensions, Ministry of Defence pensions or Gibraltar Government pensions, but the Elderly Persons Pension, Mr Speaker, is a small amount that is given, a lot of people who receive it do not qualify, it is true, for supplementary benefits because they are just on the bread line. Others who receive it are well off, this admitted, but

the principle is that if a Social Insurance Pension is free of tax then the Elderly Persons Pension which was brought in to a certain extent to help those who were not in receipt of pensions, should also be tax free. This was the commitment of my Party, we actually committed ourselves in the manifesto, in our election manifesto, and so we have a duty to seek an amendment of the law once we have a Bill before us into which this amendment can be included. We have had debates as to whether the Hon and Learned Chief Minister, on behalf of his political party, gave undertakings during the elections on Elderly Persons Pensions. We have a recording in which he gave encouragement to the thought, let me put it at that, that his Government, if elected, would do something about taking tax away from Elderly Persons Pensions. I know I have not given the Government much time to take a view on this and, therefore, I suppose they will vote against it but I would ask them to consult and to consider whether with regard to the whole history of social insurance pensions, the problems that have arisen in relation to them and having regard to the elderly persons a lot of whom receive pensions and who feel strongly, and I think rightly so, that they should be treated no differently as far as tax is concerned from those in receipt of Social Insurance Pensions, to consider whether it would not be fair having, regard to the size of the pension in the hands of the recipient, that this should be received free of tax. We think, in principle, that Government should not charge tax because Social Insurance Pensions are also free of tax Government pensions are earned pensions but they pay tax, Ministry of Defence pensions are earned pensions but they pay tax, Social Insurance Pension does not pay tax and we think and we strongly believe that elderly persons should not be made to pay tax on their pensions. I would go further, if the Government feels that there may be some very wealthy people receiving Elderly Persons Pensions it is wrong in principle because no distinction should be made but if the Government feels that anybody who is paying tax about whatever it is should pay on his Elderly Persons Pensions so be it but we say that as a matter of principle no tax should be payable on the Elderly Persons Pensions and if it is going to be made payable it should only be made payable for people in receipt of income from other sources well above the breadline. I commend the amendment to the House.

Mr Speaker then proposed the question in the terms of the Hon P J Isola's amendment.

HON A J CANEPA:

Mr Speaker, I had thought that this matter was going to come tomorrow morning and I had intended to bring along with me the Hansard of the meeting of the House in January, 1974, so that I could quote from the debate that took place then when I introduced the Bill setting up the Elderly Persons Pension but I have a fairly good memory and if any Members doubt what I am going to say, I am prepared to produce the Hansard and show them the authority of what I am going to say. The Hon the Leader of the Opposition, however, need not worry about the

Government having had or not having had time to reach a view on the matter. This is a matter that was considered by the Government during the Budget in the context of the general review of allowances that was held when, prior to our introducing amendments to the Income Tax Ordinance, and in particular with reference to the greater income tax relief that we gave to the over 65's. The Government did consider the matter in March and April and it has not caught us by surprise. In January, 1974, Mr Speaker, when I introduced the original Bill to the House, I remember distinctly the then Leader of the Opposition, Mr Xiberras, speaking on behalf of the members of the Opposition, stating whether what the Government was proposing to do did not amount to allowing certain wealthy citizens in Gibraltar to go, as he said, in a Rolls Royce to College Lane, to the offices of the Department of Labour and Social Security to collect their Elderly Persons Pensions and that that was inequitable, that that was socially unjust. At the time, we had not reached a conclusion as to whether the Pension should be taxable or not, and I say that because it would have been during the Budget session in March of 1974 when, if amendments were going to be considered to the Income Tax Ordinance, that we had to take the decision as to whether this pension should or should not be tax-free. Therefore, in the interim period the pension was in fact tax free and it was in May, 1974, in the light of the debate in the House, when it was abundantly clear and already there were Members of the Government who did not consider at the time that the pension should be tax free, but in the light of the debate in the House, that the Government reached the conclusion then that the pension should be made taxable. This, as I say, was done in an amendment to the Income Tax Ordinance in 1974. In fact, the tax on the pension then was a very severe tax because a clawback mechanism was introduced along the lines of the clawback mechanism that applied to family allowances which had been introduced in the time of the administration of the Hon Member opposite. Something along those lines was introduced for Elderly Persons Pensions so that people precisely above a certain level, what the Hon Leader of the Opposition suggested should be done, should pay the whole of that pension back so that it would not be worthwhile for them to drive up to College Lane in a Rolls Royce to collect the pension. For the last 18 months or so the Government has been under pressure to go back by some members of the Opposition who obviously subscribed and supported the Leader of the Opposition at the time. I think it is important, Mr Speaker, that we should know why the social insurance, old age pension and widows' pension are tax free. As far as I know, Gibraltar is the only territory in Western Europe where not only is the Social Insurance Pension tax free but where we also give relief for income tax purposes in respect of the contributions paid into the Social Insurance Scheme. The practice normally is that if you do one thing, you do not do the other. If the pensions are tax free the contributions do not count for relief. If the contributions count for income tax relief then the pension is taxable and, in fact, I remember that we had an adviser on the fiscal system who in a very lengthy document advising the Government in respect of various matters to do with our fiscal system,

advised that we should have one or the other, but not both, and we rejected that advice. The Social Insurance Scheme was introduced in 1958, pensions were first paid in 1960 and then Old Age Pensions in 1965 and at the time the actual pension paid from the fund was £1 a week and another £1.10p supplementation was paid from the Consolidated Fund. So because the actual value of the element from the Social Insurance Fund was so low, the Government of the day decided to make it tax-free. Over the years the pension has increased enormously and, perhaps, one ought to consider whether it should or should not be tax-free. My own view is that it would be a retrograde step to make the Social Insurance Pension taxable. But, of course, having the old age pension tax free means that the Government is under pressure, because this concession exists, to make other pensions tax-free. We have not just had representations in respect of the Elderly Persons Pensions over the years, we have representations for other pensions to be made tax-free on the grounds that they have been earned and the argument that we have used against that is that already people aged over 65 earn greater tax relief than the under 65 in additional tax relief, that is in recognition of the fact that they have reached retirement age, and if the pension which ought properly to be regarded as income if it were to be made tax-free you are giving a tremendous advantage to people who are pensioners and who may not in any case be over 65, because my Hon Friend on my left is a Police pensioner. Should his pension be made tax-free and if all Government pensions are to be tax-free then you cannot make any exception to the rule, you then have a situation where a relatively young man has this enormous advantage for tax purposes or even an elderly married couple are going to be vastly better off than working people with similar income and with family responsibilities and that, in my view, is not equitable because what then happens is that your working people and people with family responsibilities are having to bear a greater burden in taxation to make up for the loss of revenue in respect of people who are classified as pensioners. If the Government makes a concession of the Elderly Persons Pensions which I am not in favour should be done in principle because it derives from Government revenue, it is non-contributory, it does not come from the Social Insurance Fund, it is derived from taxpayers' money and therefore the same as the pensions received by civil servants, they derive from taxpayers' money, from the Consolidated Fund, and therefore they have to be treated in the same way, if we were to make a concession on the Elderly Persons Pensions on the grounds that we are treating it in the same way as the Social Insurance pension, the next thing where pensioners would come back on the charge will be: "Well, why not the pension which we receive as ex-Government employees for which admittedly we have not contributed because the scheme is non-contributory in Gibraltar, but there has been some account taken of that," and that is the fact with the advent of parity where pensions are not contributory like with teachers and nurses in the United Kingdom where they pay superannuation, here they do not but they have 3% abatement from their salary. They could advance the argument that in a way they had contributed towards their pension because they have had 3% abatement made and therefore

if they have made some contribution towards the pension that they get from their employers why should they not be given the concession that the Elderly Persons pensioner is getting who has made no contribution whatsoever so the ability of the Government to withstand this kind of pressure would I submit be seriously undermined progressively and that is why the Government has decided to take a firm stand on the question of the Elderly Persons Pension and not treat it as a Social Insurance Pension which I accept that we are treating those people very advantageously whilst they are contributors and then when they become pensioners. In my view, we have had no choice really but to do that and the consequences otherwise would be very serious, the whole basis on which pensions are based could be thrown seriously out of gear. What the Government therefore faced with that, what we considered to be a problematical area decided at Budget time was to give further relief to persons over 65 by increasing their allowances. Let me tell Hon Members that at the time, when the Estimates of my Department were drawn up, the overall financial picture was not as rosy as it was borne out to be later on when we came to the House with the Budget. At that time we had made no provisions for any increases in Elderly Persons Pensions in January 1981 because we did not consider that we could afford that. Having had regard to the better budgetary position, I committed myself to further increases and we have been reviewing the level of Elderly Persons Pension year after year we always increase the pension and we have tried to keep allowances under the Income Tax system at a realistic level as far as the over 65's are concerned. Really that, Mr Speaker, for the reasons that I have given, is as far as the Government is prepared to go and we cannot support the amendment as a matter of principle.

HON P J ISOLA:

Mr Speaker, talking about Rolls Royces, I think the Hon Minister did not go far enough back. When the Elderly Persons Pensions was introduced, the Minister said very proudly that this was the first universal pension to be paid in Gibraltar, universality of pensions, and I think it was £2 a week but I think the point that my Hon predecessor took and which I as well at the time was, why not introduce Elderly Persons Pensions for people up to a certain income and give them more. Why give more to people who can drive to collect their pension in a Rolls Royce, why give them this pension? That was the basic objection to the original Elderly Persons Pensions from people on this side of the House. We thought that because it was going to be universal, the amount to be given was too low and we said there should be a distinction. It is true that the Government having done it then decided, after pressure and criticism to introduce the clawback system to take it away from those who drove the Rolls Royces and then they decided to leave it with the ordinary income tax. I think that is the history, something to be said for each side. I think a lot of people have relied on the Elderly Persons Pensions to live a little more comfortably than before and I think that a lot of people who could perhaps live a bit more

comfortably find themselves with a pension tax whilst the chap next door is drawing his social insurance pension tax-free. I think it is wrong to equate the Elderly Persons Pensions with Civil Service pensions, pensions paid by private employers pensions paid by the Ministry of Defence. I think Elderly Persons Pensions have to be equated with the social insurance pension. I agree and I concede that if the Government agrees to make the Elderly Persons Pensions tax-free, possibly pressure will increase to make other pensions tax-free but it is a self evident fact that to give all pensions tax-free would put on the economy a burden it cannot support although there may be something to be said for it if the present generation wants to look after the older generation but I do not think it would not be possible to do it in one clean sweep. I do not suppose any responsible Government would do that but we are not talking of that. I do not believe that if the Government makes the Elderly Persons Pensions tax-free, that that brings with it the consequences that the Minister for Labour has spoken about. I think it will be a constant sort of injustice and complaint to those who receive Elderly Persons Pensions to see their brothers receiving the Social Insurance Pension, both old age pensions of the state, as it were, free of tax and they paying tax on what is much more meagre pension. We think that the Minister has not made a case for not agreeing to the amendment because we do feel that there is a case even though we are aware that some people, if you like, would take some benefit in this but we wouldn't agree to deprive people who could do with those pensions being tax free because some wealthy people are going to get the money tax free. I would rather the Government introduced clawback for the wealthy people if that is what is stopping them but I think it is wrong that people in receipt of Elderly Persons who do not live very comfortably, should find that they are paying £1 or £2 a week on their pension whilst their brothers in receipt of Social Insurance Pension get a much larger pension tax free. I hope the Government, at least if not agreeing to this amendment today, will themselves introduce it in the not too distant future.

HON A J CANEPA:

I think the Government has another consideration in mind. I would not pretend that we are a Socialist Government a la Mr Joe Bossano, I do not consider myself to be a socialist in the same way as he is, but one thing that we do in this Government is to weigh very seriously how we use the money that is available for social services and for social benefits and to what extent we can benefit the greatest number of people who need to be helped by whatever limited funds become available. Within the Government we haven't had a very accurate estimate, because it would be an extremely difficult task to look through income tax assessments, to find out what would be the loss of revenue in respect of making the Elderly Persons Pensions tax free but having regard to the fact that there are over 900 pensioners and having regard to the fact that we are spending over £1m in making provision for the Elderly Persons Pension, I would say that, on a conservative estimate, if

people pay tax on that at 10% only, it must be £50,000 or in excess of that. When you give away £50,000 in tax relief which means that you don't have it available to use in increased expenditure which could be by way of increased benefits, one must ask oneself is this the best way of giving away £50,000? Aren't you giving away £50,000 to a number of people in receipt, obviously not to the 900, a number of people in receipt of Elderly Persons Pension who less need this income because the fact that they pay tax on it must be that they are better off than those who do not pay tax on it. The majority of people in receipt of Elderly Persons Pension do not pay tax on it, they do not pay tax because they have £1,500 of relief which everybody has, an additional £450 by virtue of the fact that they are over 65 and the other thing is that the lowest rate of tax is £500 at 20%, so they don't pay an appreciable amount, if at all, tax on their Elderly Persons Pensions. A minority of people in receipt of Elderly Persons Pension pay tax on it and fairly heavily at that, so you are really giving relief to people who, because they must have substantial income other than their Elderly Persons Pensions, are paying tax on both, so you are really giving away the money to those that are better off and this is another consideration that the Government, I think, has a duty to weigh up. If we are going to give away £50,000, what should we use that money on? Should we try to give something more to everybody? Should we earmark it for people on supplementary benefits? But here we know that we are giving it to those who are better off and they are complaining because they are paying tax but they are paying tax because they are in the higher income bracket. That is another consideration and, as I say, I am not a left wing socialist by any means but I do try to guide myself in my approach to these matters by what I consider to be, whether I am right or wrong, certain basic principles of social justice.

MR SPEAKER:

I have assumed that you gave way to Mr Canepa.

HON P J ISOLA:

What a give way, Mr Speaker. I think that the Minister has now tried to introduce the argument which I forestalled but, notwithstanding, he has introduced it. I have suggested to the Government that people of means could be stopped from receiving the benefits of the Elderly Persons Pensions by having a clawback system, I have volunteered that to the Government. I am not talking of those, I am talking of people, not on the bread line because I think some old people have a right to live better than just being on the bread line like a lot of people in receipt of social insurance pensions tax free makes them live a bearable life. They are paying some income tax as well and what I am asking for is that elderly persons should be treated in the same way. I will not be fobbed off, Mr Speaker, with the argument the Minister has just made because I told him "Have a clawback system for the wealthy recipients of Elderly Persons Pensions." I am not

concerned with that, what I am concerned is on the social justice aspect of somebody with social insurance pension receiving a pension twice as high as the one of the Elderly Persons Pensions and a person of similar means of that social insurance pension recipient, paying tax, not because he is making a lot of money but because nearly everybody pays tax in Gibraltar, that is the argument. I don't think it is fair for the Minister to adduce in a last desperate effort to justify the position of the Government, to adduce the argument of the wealthy because I have said that I think, in principle, social insurance should be equated with elderly persons pension but I have said, if what is troubling the Government is the question of those people with ample means then I would say introduce the clawback, that is all I say.

HON A J CANEPA:

Just on the clawback and I promise not to say anything else. We are in Committee, Mr Speaker.

MR SPEAKER:

Yes, but he has exercised his right of reply. On the clear understanding that Mr Isola will have the last word, most certainly.

HON A J CANEPA:

The clawback is never a good mechanism to use in an income tax system and I will explain why. These people do not pay tax on the PAYE unless they happen to be in employment also. If they are completely retired they are assessed in the old way. At the end of the year they make a declaration of income and they are assessed and they get an income tax return and they have to pay £x in tax. Where the income tax clawback was working very unfairly in a way, well not unfairly, but where the impact of it was very serious was that because these people used to go along to the offices of the Director of Labour and Social Security and collect their weekly pension. In anticipation, they did not know how much of that pension, what proportion of it, was in fact going to be taxed at the end of the tax year and they could be collecting £4, £5, £6 a week over the year, spending that money, using it and then when they were assessed the income tax clawback mechanism worked on their pension a very high proportion, 40%, 50%, 60%, 70%, 80% of the amount of money received in pension had to be paid back in tax and they would have an income tax bill of £150, £200, £350 to pay over the next 6 months or so and the impact of that was very bad and I used to have people making all sorts of representations to me because they could not afford to pay that very high tax bill because they had not made provision for it. That is why we did away with the income tax clawback mechanism because it was really having this drastic effect and the Government saw that it was better to do away with it and give an opportunity to people to adjust

throughout the year and not to be faced with his hefty tax bill.

HON P J ISOLA:

Mr Speaker, if they couldn't pay then they were obviously people who couldn't afford it, I don't know. I am talking of people of means, people who get their income tax bill and can pay, if they can't pay they are not people of means, I suppose, I may be wrong. I don't think that is an argument either, it need not necessarily be a clawback system, the Government could say: "Anybody in receipt of Elderly Persons Pensions whose assessable income is above so much shall pay tax in the ordinary way, or anybody whose assessable income is below so much shall receive his Elderly Persons Pensions tax free." There are simple ways of doing it if the will is there. We say there is a need to alleviate the situation of a great number of pensioners who are in receipt of Elderly Persons Pensions who are not on the bread line but who do not enjoy the same standard of living or reasonable standard of living as their counterpart in receipt of social insurance pensions. I am not talking of the rich or the poor, I am talking of people who are not in a comfortable position, let me put it like that, and this is why I am moving the amendment.

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

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammitt
The Hon F E Pizzarello
The Hon J J Caetano

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano

The amendment was accordingly defeated.

Clause 2, as amended, stood part of the Bill.

Clauses 3 and 4 were agreed to and stood part of the Bill.

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

THIRD READING

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to report that the Income Tax (Amendment) Bill, 1980, has been considered in Committee agreed to, with 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 and the Bill was read a third time and passed.

The House recessed at 7.30 pm.

TUESDAY 22ND JULY, 1980

The House resumed at 10.45 a.m.

PRIVATE MEMBERS' MOTIONS

HON P J ISOLA:

Mr Speaker, I have the honour to move the motion standing in my name, that: "This House has no confidence in the manner in which the Government of Gibraltar has dealt with the problems arising from the construction of flats on the Varyl Begg Estate". Mr Speaker, we are bringing this motion

of no confidence in an attempt to bring to a head what can only be described as the disaster of the Varyl Begg disputes, if I may call them that. This problem has been with the House now for 4 years but the problem has been with the Government of Gibraltar since leaking roofs were detected late in December, 1974, which is almost 6 years. The first letter written by the Government on the matter to the consultants, if I remember rightly, was on the 25th January, 1975, that is 5½ years ago. During that period of time some 120 flats, 130 I think it was, were left unoccupied for a period of some 4 years, I believe, close on 5 years. Apart from the dramatic effect that this had on people on the housing waiting list, people forced to wait for houses that were actually built and ready to occupy if only the problems were resolved, apart from that, there must have been, in my estimation, a colossal loss of revenue to the Government from not collecting rent on these empty flats for a period of 5 years and, perhaps, somebody on the Government side could say what has been, in fact, the loss of rent. The matter has been discussed in this House at almost every meeting. I say almost every meeting, not every meeting, since 1976, so it cannot be said that the Opposition over the years have not expressed concern about the matter, it cannot be said that the Government has been allowed to put the thought of the Varyl Begg Estate out of their minds during any period of time. Despite all this pressure, despite the pressure of the Opposition on the Government to find a solution, despite the pressures of the housing list to find a solution, people who are homeless to find a solution, despite all the political pressures, the nearest we got, I suppose, to some action, some real action, some decisive action being taken by the Government was in December, 1979, just before the elections or perhaps June, 1979, round that time when the Government decided that they could allocate these flats that had been empty for some 4 years because they were told by the consultants whom they appointed, a year after they had made their report almost, that they could proceed to allocate these flats and it was then discovered that most of these 130 flats except for the top floor flats, most of these 130 flats could be allocated with just minor works being done to them, patching up, painting and so forth. So we discovered then that flats that could have been allocated 3 years before and could have been allocated three years before, had been left empty, vacant, despite the pressures of the housing list for close on 3 years. The facts that I am giving out now, Mr Speaker, describe the history of the Varyl Begg fiasco over the last 5 years, a fiasco that need never have taken place if Government had acted promptly and in accordance with the advice suggested on this side of the House. We are saying, as far back as 1977/78, that the Government should not wait to resolve its disputes with the contractors and the con-

sultants which it has not yet to this day resolved. We were saying in 1976 that they should not wait to resolve these disputes by negotiating procedures because they had talked for long enough and we said that they should proceed to carry out the repairs of the roofs and then take the contractors and the consultants to court and let the courts decide who was responsible or who should pay for the cost of repairs. As a result of the Government not accepting what we said back in early 1978, the cost of the repair job is bound to have increased so much that we believe that the possibility of a settlement is possibly today further away than it was in 1977 because of the high cost now involved both the contractors and the consultants will be less likely to come to a compromise arrangement. The result will be and may be loss to the public revenues of Gibraltar. The result may be that the Government will have to accept to pay part of the cost involved. That is how I see it going although I have no information to confirm that opinion but that is the way it seems to be going. The pressures on the Government built up so much before the elections that the Government stated that they would carry on and proceed to do the remedial works. That was just before the Elections. In January, immediately before the elections, there was a short announcement in the press about the Varyl Begg Estate and the consultants were coming the next month that was in February to put into effect the remedial measures. Later on, in the Ceremonial opening of the House almost six months ago now, the Chief Minister referred to the Varyl Begg Estate having regard, I suppose, to the very great play that had been made of the Varyl Begg situation by my Party during the election and having regard to the impact it had obviously had, he said: "In late January the Government considered and accepted, in principle," and I am quoting from the Hansard report of the Ceremonial Opening: "the Government considered and accepted, in principle, specific proposals for the construction of pitched roofs at the Estate and steps are now being taken for the implementation of these proposals and they are proceeding substantially in accordance with the time-table envisaged by the Government. At this stage it is expected that work in the Estate will commence in the Spring. The Government is also taking necessary steps to deal with the other matters requiring attention at this Estate and it is confident that substantial progress be made towards the comprehensive resolution of this difficult matter during the coming months." That was in February. In the March business meeting of this House, we asked questions, seeing to our way of thinking that Spring in Gibraltar more or less ends about May, we asked what was happening. What are you doing about it? When is work going to commence? We got an answer from the Hon and Learned the Attorney-General that work was expected to commence in the Spring. He conceded there had been some slippage, but the Government fully expected work to commence in June. On June 11, my Party put out a press release on this, called the attention of the public and of the Government to the fact that work had not yet commenced and it was already June 11th.

We ended up our communique by saying "The DPBG is concerned that the works on the roofs at Varyl Begg have not yet commenced and consider that a timely reminder to Government is necessary to avoid further slippage." Our concern is that the work should be commenced and that the work should be done, that is our concern. We think that after six years it is more than reasonable to have expected any Government, however lethargic, to have solved the question of whether there is a flat roof or a pitched roof in the Varyl Begg Estate. Six years is a very long time. I cannot conceive and think of any single private enterprise, any single undertaking that after six years would come to this House or would come to the public and say: "We are still discussing the question of liability between the contractors and the consultants." To me it is inconceivable. The answers that we got in the House on Thursday when we were told that all the plans were ready now - and about time too, if I may say so - but we are told still further discussions are taking place with the consultants and the contractors. The work has not gone out to tender. It is sensible that the contractor should do the work but are the contractors going to embark on the work when the Government has withheld money belonging to the contractors for some three years? I understand it is over £1m. Are they going to start doing the work without having assurances about payment if they do not accept liability? Who is the other party that can accept liability, the consultants. Are they going to pay these massive amounts of money if they are held responsible? And still, Mr Speaker, six years after this, no writ has been issued. Will the claim become statute barred, I would ask the Attorney-General? Are we in danger of not being able to claim because of the time that has elapsed? Can we go to arbitration still? Or is the Government hoping that some fairy godmother will wave the magic wand and there will be a settlement? And will that settlement cost the taxpayers a single penny? Or the British Government? Is it right that it should cost them a single penny? If we have to pay some money is it going to be because we have dithered and dithered year in and year out? When we are told about the contractors' responsibility, can the Government confirm in the course of this debate that the Government sought arbitration in August, 1977 with the contractors and then within a week they got a reply from the contractors accepting arbitration? Can Government explain why they didn't go on to arbitration to decide the issues of responsibility? Mr Speaker, if one looks at the questions and answers over the years, one can see the utter confusion in which the Government is in on this issue. The Government has gone from one point of view to another. The Government told us through the Hon and Learned the Attorney-General three years ago; "No, we cannot do any remedial works ourselves until the question of liability has been sorted out." Which to my way of thinking and to the way of thinking of any reasonable person was not exactly sense because then everybody could hold back building contracts by saying there is a dispute, no more work goes on, the owner of the property will have to wait till arbitration has been completed although proceedings have been completed five years before anything could be done to their property. That is nonsense, all you have to do is have the property surveyed, see what the cause is, get your experts in,

carry on and do the work and then claim the costs from the contractors and the consultants. But, anyway, that is what we were told three years' ago. A year ago we were told differently, the Government felt a year ago, with elections coming up, we were told "We are going to do the work, whatever happens the work is going to be done." There was a change of policy. But all these changes of policy and all these attitudes taken up by the Government have had one net result, that no remedial measures have been taken in the Varyl Begg Estate for six years and people have suffered, winter in, winter out, for six years. It is interesting to look at the first question asked in the House. In 1976, Mr Speaker, my Hon predecessor, Mr Xiberras asked: "Will Government confirm the existence of a dispute between the architects and the builders of the Varyl Begg Estate? (Question No 12 of 1976). In his answer, the Minister for Public Works said that the Government, early in 1979, pointed out to the consulting architects that the roofs leaked etc. Then he said: "A number of meetings between Government and both parties have taken place to try and resolve the situation." That was December, 1976, they had already had a number of meetings. We are now in July, 1980, four and a half years. Then at the end of the question I asked the last supplementary: "Mr Speaker, can the Government not consider, in view of the fact that the dispute seems to be between the architect and the builders, and the Government seems to be free from blame here, and the tenants are the innocent sufferers, can the Government not consider the possibility of initiating legal proceedings in the alternative against the architects and the builders to accelerate the solution of this matter?" The Hon Mr Featherstone: "That is probably the next step we shall have to take, Sir." What about my cynical predecessor, the Hon Mr Xiberras, he asked: "When, in another two years' time?" Three and a half years have passed and still nothing has happened. Then there was another question about the number of flats. Mr Speaker, the story goes on in 1977, again in December 1977. It may interest the Government to know that two of their present Ministers, who were then on this side of the House, also joined in in questions on the Varyl Begg Estate but I shall not hurt their sensibilities by referring to these questions but I would ask those two Ministers what have they done since they joined the Hon Members opposite, what have they done to accelerate the solution to this problem in Government, having regard to the concern that they expressed from the Opposition benches? In June 1979, I asked questions again on this matter and I said: "In respect of the Varyl Begg Estate (No 85 of 1979) will the Chief Minister give the date of the first intimation given to Government by either the consultants or the contractors or the Quantity Surveyors or the Government's own supervisors on the project, that major faults of defects were suspected in the project?" The answer was: "The first three blocks were handed to Government on 4 October 1974. Roof leaks were detected a few weeks' later and the matter was immediately reported both verbally and in writing by the Public Works Department to the consulting architects. The first recorded written representation from Public Works Department to Sir Hugh Wilson is dated 24 January 1975." Then I asked in the following question (No 86)

"When did Government first deny payment to either the consultants or the contractors associated with the Varyl Begg project?" The answer was by the Minister: "Payment to the main contractors were withheld on 3 August 1977." It is interesting, that date, Mr Speaker, because shortly after, about seven days' later, the Government stopped payment to the main contractor which obviously is a breach of contract on the face of it and in order to justify the stoppage of the payment, they wrote to the contractor on 12 August and asked for arbitration under their contract. The contractors replied immediately that they agreed. That is the last, I believe, that the contractors heard on that matter to this day. Mr Speaker, more recently, in December 1979 and January 1980, the Government said: "We are going to go on with the work, even though we said in 1977/78 that we were not able to do any work until the question of liability had been sorted out, we are going on with the work." We said in the House to the Attorney-General: "Does this mean that now you are prepared to do what we were telling you three years' ago to do? Now, you are prepared to go to arbitration? Now you are going to take legal proceedings?" We got the answer that now was the right time or words to that effect. But, Mr Speaker, that was December, eight months have gone by and still no news of arbitration, still no news of legal proceedings, still no news of a resolution of the problem, still no date for the commencement of work. Can it surprise the Government that this motion is moved? It cannot surprise them. We have to bring to the notice of the public the incompetent and negligent manner in which the Government has acted as regards Varyl Begg Estate for a period of 6 years. After all, the solution, apparently, is that instead of flat roofs it should be pitched roofs. Mr Speaker, they have been telling me about this particular solution for the last 3 years, one has heard it, not officially from the Government until December, 1979, but unofficially this is the solution that has been given out. What has delayed the resolution of this problem? Why hasn't Government gone to arbitration? Why hasn't the Government issued proceedings? Why hasn't the Government commenced work? Talk about the Gibraltar problem, Mr Speaker, this is getting to the same proportion as far as talking is concerned and as far as meetings is concerned. What is the Government's policy going to be in at the next round of talks in August, I suppose it will be no, there is no agreement between the consultants and the contractors as to who pays for the remedial works? What is the cost of the remedial works? I think in an answer we were told it was over £1m. Have discussions taken place that even give any indication of agreement? Have the contractors indicated that they are prepared to foot the bill of £1m? None of these questions have been answered by the Government. They have hidden behind the cloak that this is sort of sub judice. Well, it must be the longest case in my experience that has been sub judice of such importance to a community. There are cases that are not important, they can stay on the fill for 10 years as far as anybody is concerned, but this is public housing, not made available to the public, we have heard earlier in the House the small number of flats that are being produced this year, more, hopefully, next year and these are flats that have been empty for a long time -

130 - for a long time, they were allocated last year most of them, but still a number of flats on the top floor that are not allocated, that could have gone on the housing list if Government had acted promptly and with responsibility towards its people. So, Mr Speaker, we have no confidence in the manner in which the Government has dealt with the problems of the Varyl Begg Estate because we are not going to get answers today, I know. We are going to be told: "The plans are ready now, we are going to do them but we are having meetings again with the consultants and the contractors." But we are not going to be told: "and if those meetings do not meet with success in August and the whole question of responsibility is not sorted out on this basis, that the Government pays nothing, because the Government is free from blame on this, that the British Government pays nothing, because they are free from blame of this," if they are. We are not going to be told that but if we are going to be told that and on top of that they say: "and the deadline is August, 6 years, enough is enough and we will then go to arbitration," if they are still allowed too by their contracts - or: "we will issue proceedings." If we get that sort of answer, well, then we may be getting somewhere and the whole purpose of the motion will not have been defeated. But as the facts are no one can have any doubt at all that there is great merit in this motion. Obviously, I don't expect the Government to vote in favour of it but I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon P J Isola's motion.

HON ATTORNEY-GENERAL:

Mr Speaker, I trust you will permit me to refer to my notes. Mr Speaker, attention and debate over the problems of the Varyl Begg Estate have focussed, not unnaturally, on the roofing defects but at the outset I would remind the House that the successful resolution of the Varyl Begg project involves, as on all building contracts, the remedying of all defects which may arise from its construction. Mr Speaker, there are several aspects to consider, three main ones. First, of course is the question of the roof. The second, very important, the consequential damage which flows therefrom and, thirdly, other matters which seem to have been lost in the importance that has been given to the roofing problem which are other matters which also require remedy, such as, for instance, balconies, floor screeding and courtyard levels. Mr Speaker, the role of the Attorney-General is to provide legal advice and assistance to the Government in the comprehensive resolution of these matters. The Hon and Learned Leader of the Opposition has drawn attention to the fact that it was not until some time in 1979 that some houses which had been left vacant were then thrown into the allocation pool. Mr Speaker, Hon Members will be aware that it was only until May, 1979, that Government received the last of a series of reports which related to the roofing problem. These reports were, of course, given to our contractors and our consultants for study and of course, the Government itself studied this report with great care. It was then that on technical advice

that the Government took a decision that it would pursue the construction of pitched roofs at the Estate, there may have been a lot of talk before that about pitched roofs but it was not until 1979 that the Government actually took that decision. One result of the erection of these roofs, it was advised by the technical experts, would be to remedy the existing roofing defects. Of course, Members of this House will understand that that does not necessarily mean that pitched roofs are the only way to remedy the problem but the Government on advise, consider this to be the best way to proceed. In August, 1979, discussions were held with the consultants and the contractors and the consultants began to prepare preliminary plans for the construction of these roofs. These were submitted and approved by Government on technical advice in January, 1980. Government, after consultation with the consultants, decided on a programme of costing by the contractors and the erection of the roof together with the remedying of consequential and other defects by Government consultants in consultation with the contractors. There has been slippage. It was originally anticipated that the programme would be brought to the point where work would commence in the Spring. Detailed plans were duly complete but, unfortunately, the costing and the checking of the roofing and the plans took longer than what was originally contemplated. The Hon and Learned Leader of the Opposition has said that the matter is sub judice. Well, it has been treated as if it were a matter sub judice because negotiations are in progress, they are without prejudice and the matter is delicately poised. Since June, discussions have been in progress between the Government consultants and its contractors on costs and on a time-table. The House will be interested to know that the Attorney-General is at present in London conferring with the consultants on progress and preliminary steps have been taken to facilitate the early supply of materials. Naturally enough, schedules of consequential defects have also been prepared and are with the consultants for action with the contractors except in respect of a small number of flats to which it has not yet been possible to get access. There are other consequential aspects of the roofing problems which are under consideration by the Government and these will be referred to the Consultants in due course.

Since January, 1980, the consultants have been in discussion with the contractors to identify other defects and progress has been made on these matters in relation to courtyard levels, floor screeding and some piping work. The Hon and Learned Leader of the Opposition has talked of confusion, utter confusion, in the minds of Government. This is not so. There is a definite plan which Government is executing in order to come to a satisfactory settlement of the overall problems of the Varyl Begg Estate. The Government's decisions and objectives, through its consultants and contractors, is to comprehensively resolve the outstanding problems of the Estate. I have said, and I repeat again, that the work has slipped behind schedule but there has since August 1979, and I reiterate, been a definite plan to reach such a resolution and definite progress has been and is being made. It seems to me that it is not desirable to treat separately the execution

of the works on the roof and its cost, certainly at this stage. The Hon and Learned Leader of the Opposition has talked in terms of statute barred. He may rest assured the Attorney-General's Chambers are keeping a watchful eye on the time limitations and we are not statute barred. It does not follow from what I have said that there can be no firm prospect of a commencement date for actual work but I am afraid that I cannot give a date to this House. As Government's legal adviser, there is nothing further that I can really say to this House.

HON A J HAYNES:

Mr Speaker, I shall be looking down every now and then at my notes just so that I can warn the Chief Minister in case he wants to say bob up and down. First of all, in answer to Question 175 of 1980, we were told that the commencement date for the works at Varyl Begg given in March was an impossible date but that nevertheless it had been arrived at in good faith. There wasn't one date, there were two dates. First of all, there was a Spring date, which was given for the elections and then there was a 'by June' date given in March by the Attorney-General. This second date was given with an admission of slippage but was given in such an emphatic and assured manner that it was just a mere routine slippage, nothing special. But if, as we were led to believe in answer to the Question No 175 last Thursday that the June phase was, in hindsight, an impossible date, we should ask ourselves was there anyone familiar with the intricacies of the construction business as is the Minister could possibly make a blunder of such inordinate proportions innocently. I believe that the Spring date was given recklessly and that as such, such a date was both impossible in hindsight and in foresight and it is the foresight aspect which most concerns me. Surely, if the date is impossible now and it is not just a matter of mere slippage, surely if it was impossible it should have been foreseen and especially now when we have the situation where there is no date. How could they possibly give a reassuring date in January, February and March and then in July, when it should have already started, come up with no date at all? Surely, the time of giving that date must have been foreseeable? It must be foreseeable to somebody who deals with consultants and has given time for plans and not always are the consultants giving realistic time. Surely if you press them they can give you an indication that this is a sort of hopeful plan. In March things were apparently going according to plan, the plans had been done it was just the costing that was missing and now a month later, not just more slippage but now a month later, nothing at all, yet we know there are plans, we imagine the costing has been going on for some time and now there is nothing, not even a date. And I go back to the March meeting of this House. In that meeting we were not given any real indication on the state of the operation, certainly nothing as gloomy as we were informed on Thursday and we are being told now. Surely we are not being asked to believe that Government didn't know then that it was an impossible date, that it was farce? I believe that the

June date, and especially the Spring date, should have been qualified as a wild outside bet and that as such it should not have been proffered in January and February as an election promise when it was only an election carrot. I think, perhaps, Mr Speaker, in Varyl Begg we have the best example of the golden thread which underlines Government policy, the policy which we were informed of and which was propounded by the Hon Member, Mr Canepa, namely, that all that is desirable is not essential. We know that the tenants of the top of Varyl Begg can live there even if they are in appalling conditions, they do live there and perhaps that is what Government means when they say essential.

HON A J CANEPA:

Mr Speaker, if the Hon Member will give way. That policy applies to public expenditure, it doesn't cover other considerations. It was in the context of expenditure that I said that I was guided by what is essential and not by what is desirable and let the Hon Member not try and spread that across the whole board of Government policy,

HON A J HAYNES:

Mr Speaker, we have now the assurance of the Hon Member. I would submit that since that policy is directly applicable through the facts in question then one can argue that it is the policy which underlines all Government dealings and things are only essential (1) at election time and (2) when peoples lives are at risk because you can't get conditions worse than they are at Varyl Begg without declaring the place unfit for human habitation and throwing people out and yet up to the marginal element when they can just about live there they are left there for years. Mr Speaker, on travelling round Varyl Begg, one thing that distressed me most, perhaps, was the resignation of the tenants, those tenants particularly affected. Some, true, were angry but their bitterness as a whole was more pronounced than their desire for action on the matter. They were disillusioned, they had no serious hopes that anything would be done in the immediate future this disillusionment could have been helped by the Tenants' Association which I felt was lacking in its help there, and that is not Government's fault but I would like to make the point.

But, generally, for whatever reason, and, principally, I would argue for the reason that nothing has been done, the tenants are bitter, they are disillusioned, they do despair and as such one can say that they have no confidence and similarly I can say this House has no confidence that this matter will be resolved. That is all, Mr Speaker.

HON M K FEATHERSTONE:

Mr Speaker, we have heard a lot of comment from the Hon

Leader of the Opposition who obviously from that side can say many things which do not bear the absolute accuracy of the whole situation. He started off, and he has reiterated several occasions, that it has been six years and Government has done nothing. Many of the flats at Varyl Begg were not even completed until 1976/1977 so where he gets his six years from is basically the occurrence when some of the flats were completed in 1974 when moisture started appearing in the roofs. Government, immediately this moisture started to appear, took what I would think was the correct and obvious course of action. They said to the consultants: "Look here, moisture is appearing in the roofs. Will you please explain what this is?" The consultants came back and said: "It is nothing sinister, nothing to worry about to any great extent, it is the residual moisture in the concrete since this type of construction has a lot of concrete and in concrete construction you get what is called residual moisture. Government were told this by the consultants, consultants who I would once again state were not of Government's choosing, they were of the choosing of the previous Government or at least they were accepted by the previous Government even if they were chosen by ODA. But Government felt bound that they had to accept, in the first instance, the consultants' comments on what was causing this moisture. However, by 1976, it was obvious to Government, and Government had no hesitation in saying so at the time, that this was not, in spite of the consultants' continuing to insist that it was residual moisture, this was not the actual case, that there was some defect in the roof. Government, quite rightly, put it to its Legal Department and said: "What are we going to do?" I think a very sensible answer was given. Before you decide what you are going to do you must know what is wrong. Government said to the consultants: "Will you tell us what is wrong? Is the design of the roof faulty?" There were various theories put forward by various people. One theory was that the expansion and contraction of the roofs was such that it was creating strains, another theory was that perhaps the roof had not been done to specification. All sorts of theories were put forward and Government asked the consultants and the contractors what was wrong with these roofs. The consultants came back and commented that possibly some of the specifications of the roofs had not been complied with properly and the roofs should be looked at. This was put to the contractors and they at that time made a very important comment. They said that they accepted there might be some specifications that were not what they should be and they were willing to put it right but this would not solve the situation of water penetration through the roofs. Once again Government was put into the position of being told here is somebody saying we are willing to do a measure of work on the roofs but it is not going to be a solution. Government, obviously, could not say go ahead and do this if we were not going to get what was obviously necessary - a permanent solution to it. Government, on the advice of its Legal Department, decided that they would have to find out definitely what was wrong with the roofs so that a permanent solution could be looked for. So Government appointed an independent firm to look into what was wrong with the roofs and to make a thorough invest-

igation. This was done, initially, in April, 1978. A first survey was done, a second survey was done and the results of that survey were given to Government in July, 1978. This survey, which was conducted on three blocks, showed that there were certain specification faults and a suggestion was made by the consultants that the best remedy to the whole situation, not the only remedy but the best remedy, would be to construct pitched roofs. This was put to the contractors and they came back and argued that since only three blocks had been dealt with, this did not mean that it was generally the case and that they were willing to deal with the three blocks but they could not take the whole of the Estate as suffering from the same fault and so Government decided that a further investigation should be made by their independent consultants who then looked into fifteen blocks and came up with their investigation results which did show that the specification faults did show up in all fifteen blocks and that it would be not, in their opinion, unfair to assume that the whole of the eighteen blocks were suffering from the same fault since the same general specification faults were showing up in all the blocks that were being dealt with. They reiterated that in their view pitched roofs would be the best answer. I would like to make a little aside in this. I commented the other day that the work would be done by the contractor and I said "who originally did the work wrongly." Perhaps that was too wide an interpretation. It does appear from the evidence we have had that some work has been done wrongly but since this may eventually become a legal action, it may be classified if not de facto that it may become sub-judice and I would not like to be quoted as stating point blank that the work was done wrongly by the contractors although evidence does show that in some parts some specifications were not followed. When we got this reply from our consultants about pitched roofs, we again consulted with the consultants and we said: "Here you have all the investigations by the consultants, they suggest pitched roofs, it seems to us to be a good idea, what do you think of it?" The consultants immediately turned round and said: "Yes, we agree with you, pitched roofs should be the answer." We said: "Obviously, we feel that Government should be absolved of any costs in doing this," and the consultants said: "Well, we do not know what the whole answer to that is but for our part we are willing to design the new pitched roofs and put this in as part of our contribution towards the cost," and they did design the pitched roofs and the designs were sent to my department around October/November 1979. My Department looked at these designs and saw various modifications that we thought would be an improvement and we put them back to the consultants and they agreed that these improvements were reasonable and modified their design so that these improvements could be incorporated. The consultant said also that he felt that negotiations with the contractors should be conducted through himself and that he was in touch with the contractors and that they had come to a reasonably happy working relationship. The next stage was that costings would be worked out both by the consultants' Quantity Surveyors and by the contractors' Quantity Surveyors so that the costings would be known. At this time, which was in January/February, 1980, Public Works

Department and through Public Works Department, Government were told that it seemed that costings would be completed by April and that work should be able to start in the Spring and the Spring, as far as I understand, starts on 21 March and ends on 20 June. That is why since in all good faith Government were told by the consultants who were conducting all the negotiations, that work should be able to start in the Spring, so Government passed this information on when questioned in the House in March and reiterated, quite honestly and in the fullest of good faith, that it was hoped that work would start in the Spring. It is a sad fact of life that in all types of work to do with building slippage tends to creep in and in this instance slippage has crept in and we have not been able to start work in the Spring, in fact, the costings took longer than were anticipated and the initial costings were not ready until late June. But I would comment that slippage is not something which only happens in Gibraltar as, perhaps, people might think from the way the Hon Mr Isola speaks. We have heard the Isle of Grain generating station in the United Kingdom where the slippage at the moment is running two years and we had another generating station where the slippage ran into something like 7 years. Perhaps, it is not only Gibraltar that suffers slippage but the United Kingdom which, to some of the gentlemen opposite, is the be-all and end-all of everything. While we are discussing what happens in the United Kingdom, legal actions there can seem to go even with important public buildings for quite a long time. I think Roman Point took fourteen years so.....

HON P J ISOLA:

If the Hon Member will give way. This is why we are very concerned because even if proceedings were started today the likelihood is that it would go on for four or five years. That is why we say it should have started before.

Can I ask the Minister, he has talked about costings having been completed in June, is he going to let us know what the cost is likely to be?

HON M K FEATHERSTONE:

As I said Roman Point took fourteen years and the Hon Mr Isola did not mention Roman Point, he is willing to concede it now but at the time he said: "Nowhere do you hear of anything lasting as long as the six years of Gibraltar." I am commenting that in England some of these cases do take a very long time. Anyhow, as I said, the costings were produced in June but there was some difference in the calculations by the contractors' Quantity Surveyors and by the consultants' Quantity Surveyors and I understand that they are meeting to reconcile the somewhat different figures that have been obtained and I think that it would not be advisable to give those figures at the moment. I think they will come out in due course when the whole negotiations which, as the Hon Attorney-General has said, are actually going on at this

moment in London, when they have been finalised. I would mention that in the meantime we have already been given to understand that some of the preparatory work for the pitched roofs is going ahead. I believe that measurements are already being taken for the actual sheeting and that the design drawings of the sheeting are being prepared and that the sheeting itself is going to be cut fairly shortly. Work is going on and it is hoped that work will commence as expeditiously as possible. On the question of costs, it is not for me to say what is going to be the ultimate situation but a point has been put forward and must be taken into consideration, do the pitched roofs involve any element of betterment and if there is some element of betterment then should not that be paid for by the Gibraltar Government, I don't think the United Kingdom Government is going to pay for it, but this is something that will also have to be resolved and will take some little time. I would comment that there is no question, as the Hon Mr Isola said, that we are holding back large sums of payment to the contractors and therefore they may feel that they should go slow on any negotiations etc. It is correct that the contractors have a lot of ex gratia claims but these are not specific amounts that are owing they are simply ex gratia and they will be resolved in due course and, of course, it is not only the roofs that are under consideration but various other defects some of which have been mentioned by the Hon the Attorney-General and the ultimate situation when the pitched roofs have been put on, the rehabilitation of those houses that have been so severely damaged by the rain penetration. I don't think there is much more that I can say on this. Government is dealing as expeditiously as they possibly can with this, it is not 100% in Government's hands. You can telephone the contractor, as I know he has been telephoned almost daily by the Attorney-General, and one is to some extent in his hands if he feels he must go a little slower than, perhaps, Government would wish. To some extent Government is forced to go along with it unless one wishes to have a complete break with the consultants and the negotiations that he is conducting with the contractors, and go it alone, but at the moment our advice is not to do that, that things are moving towards a conclusion and we hope that in the next few months we will see that that situation is satisfactory clarified. I would just, before I finish, make one little comment. It is not a question that Government has done absolutely nothing for the tenants at Varyl Begg who, I agree with the Hon Mr Haynes, have shown a very great measure of resignation or cooperation in this matter, Government did flinkote two of the roofs of the worst affected buildings and I believe that had very good results since it was done, there was no or very little further penetration so Government on its own has done something to ameliorate the situation in the worst cases and Government, also, did do up as many houses as was reasonably possible to do up, it would be obviously invidious to do up a house where the penetration is extremely heavy but Government did do as much as possible and there are a few more houses which we are actually doing at the moment which will be available for allocation. But as I say, Government is treating this with a sense of urgency but it is not 100% in our hands and I am sure

the Hon Leader of the Opposition will know from his own legal practice that however much you want to hurry along certain things, they often have to take their time especially when they are very complicated and very technical. Thank you, Sir.

HON W T SCOTT:

Mr Speaker, Sir, I, basically, have only two points to bring up, fundamental as we see it from this side of the House, but before I commence on my brief contribution to this debate I think it is perhaps a requirement that I should declare an interest, being a director of a local company that originally entered into a joint venture partnership to undertake the electrical extent of the work at Varyl Begg and subsequently on the liquidation of the United Kingdom part of this joint venture, undertook the extent of the balance for the electrical work in its own right. But here again, Mr Speaker, we are not talking about the contractors or the consultants as we believe that fundamentally Varyl Begg Estate was built for the people of Gibraltar, for the future tenants of the Varyl Begg Estate, and I think that sight has been lost of this in trying to subscribe any blame that there might have been to the consultants or to the contractors and Government, I feel, has lacked the responsibility and the commitment that it has to its electorate, to the people that put it in Government; precisely for this responsibility and commitment. That was my first point, Mr Speaker. My second one, which has also been raised in this House before, is that if the Varyl Begg Estate had been a private development, a substantial number of those tenants who live in conditions which quite frankly are shocking, would have perhaps taken legal action against the landlord and which they are incapable of doing because the landlord itself through the Public Health Ordinance, the landlord itself is the Government and Government cannot take action against itself, in other words, a case of perhaps begging the question, is Government itself above its own laws? I cannot see this happening in a private development where the Public Health or the Environmental Health would have used existing legislation to have taken the landlord to court. The Hon Minister for Public Works raised the point on the flinkoting of two blocks. Subsequent to the flinkoting of these two blocks the Hon Mr Haynes and myself went in our capacity as Members of the Opposition and in fact we saw the top floor flats of these two blocks, I think they are Royal Sovereign and Valiant House. We saw that certainly on a number of occasions in a number of flats with certain rooms within the flats that condition had been perhaps bettered insofar as instead of two pints of water coming down particular ceiling of every room every hour during the course of a rain storm, it is now down to one pint or whatever, but the problem still exists, it is still there and in fact because of this flinkoting some flats at that level that had not sustained any substantial damage due to the ingress of rain water have it now and the Hon Mr Haynes and myself have seen this.

HON M K FEATHERSTONE:

If the Hon Member will give way. Even if the pitched roofs were put tomorrow a quantity of water that is already residual in the roof screed is going to come through for a considerable period of time.

HON W T SCOTT:

I agree with that, Mr Speaker, but surely it is a remarkable coincidence that this should happen where there has been no rainfall and then within half an hour of rain coming down the rain comes through, let alone the effect of the inherent humidity within the walls, let alone the ceilings. Those were basically my two points, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I have a few things to say if nobody else wants to speak. I would have thought that usually we have a sort of ping-pong game here but for some unknown reason it would appear the other side does not want to bat.

MR SPEAKER:

I have never been aware of that, not a ping-pong game anyway.

HON MAJOR R J PELIZA:

Mr Speaker, perhaps I should start by saying that, as my Hon Friend here on the right who had an interest to declare, I have no interest to declare except the interest of the tenants and the interest of the public purse and the interest of good administration and it is because of this that I stand here now to speak on behalf of my Party and I think also on behalf of the general feelings in town. As an old soldier Mr Speaker, after hearing the Minister responsible for what is going on, after all he is responsible at Varyl Begg, I felt like singing the old song: "Tell me the old, old story, tell me the old, old storey." (SUNG) This is what we were hearing, Mr Speaker, the old, old story that has been going on now for years. No doubt this will go in the Guinness Book of Records, Mr Speaker, if we keep going on at this pace.

MR SPEAKER:

I think what will go into the Guinness Book of Records is the fact that for the first time in the House of Assembly a Member has tried to sing.

HON MAJOR R J PELIZA:*

Since, Mr Speaker, the Government seems to have no reaction to the spoken word, perhaps they will to the sung word. I doubt whether we shall move them any way because judging by the cast iron case that my Hon Friend has made today with facts and figures, a couple of the facts there, Mr Speaker, that listened to by an independent jury, not by a biased one as, of course, Government are since they listen to their own case, but by an independent jury, I have no doubt that they would have been guilty of incompetence. This is what has been proved today here that the Government has been incompetent with respect to Varyl Begg Estate and there is no excuse, Mr Speaker. All the arguments that have been given today here by the Minister for Public Works do not in fact coincide with the answers that have been given in this House which are on record and can be read. I think that to hide behind legal advice is not in itself a good argument that this side of the House can accept. I think the relationship between legal adviser and client is well known. The advice was given, it is the client who ultimately has to make the decision. Furthermore, perhaps a client who sees the consequences of following that advice, however good the advice may be, firstly in private enterprise would think of consulting an expert on the matter and getting opinions. I think that would fully justify the action or the non-action of the Government in the present circumstances. The fact is, Mr Speaker, that already we are hearing an indication that the Government is going to pay for something, this is what I inferred when the Minister for Public Works said that if they had the pitched roofs there might be improvements for which perhaps the Government should contribute. Already the thin edge of the wedge is there, Mr Speaker, I can see it coming. I don't know how much we are going to pay but this I suppose will depend on the legal advice that was given to them by the Attorney-General. Then, of course, if that is the advice given that under the circumstances the Government should foot part of the Bill, the Government will feel itself fully justified to pay and we will hear them in this House making a case as to why they have to pay. Of course, since they have the majority, I suppose the public will pay. We, of course, right from the beginning, Mr Speaker, have been stating under the present situation, whatever technical advice, whatever legal advice, the practical steps to have been taken would have been to find out what is wrong, put it right and then see who has got to pay by taking them to court if necessary if no understanding could be arrived at between the parties involved. That to me would have been the common sense way of approaching the matter. Above all, bearing in mind that the cost would be increasing day by day due to the galloping inflation that the world as a whole is going through. It was certainly not a business like approach, Mr Speaker, it was certainly not the approach of practical men trying to resolve the problem, it was a sort of approach of utter confusion which is so clear in the answers that can be read in the Hansards over the years. The picture, Mr Speaker, is there to be seen. It is important, I think, that people should know more about it otherwise, Mr Speaker, they will be saddled

with the same kind of Government that has brought so many disasters to Gibraltar in the past few years of which I think the Varyl Begg is the outstanding one, it sticks out like a sore thumb. I think that no doubt the Government has been acting in good faith, no one is accusing them of bad faith, it would be terrible to suggest that the Government is deliberately trying to continue the situation in Varyl Begg as it is, that has not crossed anybody's mind, but I am absolutely convinced that there is confusion and that therefore, Mr Speaker, they themselves have no longer any confidence, have no confidence in themselves of how they have proceeded through the years that they have been facing this problem. They certainly have no confidence of how to proceed and this is why, Mr Speaker, we are more than entitled at this very late hour because it is really a very late hour now and I doubt whether the wrong can be put right, in the sense of pounds shillings and pence. I don't see how we are going to recover all that has been lost in rent. I don't see how we are going to make good all the inconveniences that the tenants have gone through and in some cases hardship because people have not even been able to occupy the house. I do not see how we are going to compensate for that but this I think is the best we can do, Mr Speaker, is to bring it to their notice, as it is the duty of the Opposition, that there is no confidence within themselves on how to proceed and that certainly we think we are entitled to that there is not confidence in the Government with regard to this problem. Therefore, Mr Speaker, I do not believe that this has been done without considerable thought on the part of the Leader of the Opposition and on the part of every Member of the Opposition because a vote of no confidence against the Government is a serious matter. The Government of Gibraltar is as much my Government as it is of anybody else in Gibraltar and I hold them in respect. That does not mean, of course, that I do not exercise my right as a Member of the Opposition to criticise them and to criticise them in a manner that they feel it as much as possible in the hope that they will be able to produce better results in the future. This is what I have been elected here for even if I am in London, Mr Speaker, and I am very glad to say that although I went as an independent living in London in the previous elections in 1972, and I got in, I went in in 1976 with more votes Mr Speaker, than on the previous occasion, so it would show that notwithstanding the criticisms that I've heard in this House on many occasions about my residing in London about which the people are well aware because the Chief Minister makes it a point that they never forget, they thought that the performance that I was carrying out as an elected Member of the House of Assembly was something that they obviously put their trust in me in that respect and following that trust that has been placed in me, Mr Speaker, following that, it is my duty today, Mr Speaker, to vote in favour of the vote of no confidence that has been put forward by my Hon Friend, the Leader of the Opposition.

HON CHIEF MINISTER:

Mr Speaker, I am glad of this opportunity of answering one of

the last remarks of the Hon Member who has spoken to the effect that I occasionally remind him, or people, that he lives in London. I know that he left the jurisdiction whilst he had been elected whilst living here and that subsequently despite the fact that he made it clear that he was going to carry on living in England he was elected, I accept that, but I equally have the right any time I think proper to remind the House and the people that there are certain things that living in London you cannot be in touch with. I know he will say that he lobbies the House of Commons and he does this for the other but is that enough?

HON MAJOR R J PELIZA:

If the Chief Minister will give way. For instance, Mr Speaker, because I live in London I was able to bring the European Movement here and because of that, I think, we were very happy yesterday to welcome the Members of the European Parliament. Perhaps if I hadn't lived in London that would not have happened.

HON CHIEF MINISTER:

Is it because of that that we went to Brussels and to Strasbourg. It is because of what Major Peliza has done that we owe everything to him because he lives in England, gets his allowance for living in England as a Member of the House of Assembly in the Opposition and comes occasionally when he can manage to get the fares in time. We have also had him come rushing here from the airport straight to the House. I think I am entitled to say as often as I like that he cannot be in touch and that is seen by his supplementaries, by the questions he puts from a distance but mainly now, of course, he deals from London with the lavatories. His main area of questioning is on the state of the lavatories in Gibraltar. In fact, a lot of people are greatly surprised that we have a Member here living in England but there it is, it's a fact of life, but it is equally a fact of life that I am entitled to say it as often as I like and I shall continue to do so. I will just put the Member on notice that he will not be surprised. He is out of touch, completely out of touch with everyday life because a Member, to serve the House properly, must be in touch with the people every day and in fact that it was all Members do except, of course, the Hon Major Peliza. That he has his responsibility but let him not think that because he was elected I am not going to refer to it. Members of Parliament in UK, of course, even though they live in London go weekly to have their surgeries in their constituencies, here it depends on the date of the House of Assembly whether we see Major Peliza in Gibraltar or not. Anyhow, that is only by the way but I am glad to be able to explain to him and to carry on telling him that I shall remind him. When he said the other day, "I don't know whether I am here or there", I had to say: "You think you are there but you are here." Mr Speaker, one or two points deserve attention. Of course, it is a very unfortunate situation in Varyl Begg and

no Government would like a situation such as we have had to deal with. I often say that apart from the Spanish question one of the biggest problems I have ever encountered in my public life has been the Varyl Begg Estate. I will not go into the merits on who planned it, etc. We have inherited a situation which we have to deal with but there was a remark made by the Hon Major Peliza that we should have taken the matter to court, carry on with the repairs whatever the cost and carry on. Against that there is the argument that we are going to have to pay for betterment. Who can go into an action on a construction contract which are particularly tedious and difficult, in fact, most of the technicalities are dealt with by assessors and so on, who would go into that blindfolded without knowing what the end product is going to be particularly for as long as you have advice that other courses are better? It is true that courses take some time longer than one would want them to take but that is a fact. It would have been as easy as anything to have started an action and give satisfaction to people that we were taking the people either one or the other or the two together to court and that would be satisfaction but that would not have given satisfaction ultimately to the taxpayers of Gibraltar and it would certainly have been very irresponsible to have taken action on the Estate and at the same time legal action covering up, possibly, areas which would have been of the utmost importance to decide on the liability. I will say one thing and that is that since we had the dependent consultant's report, the way to the solution of the problem has been much clearer than it had been before and I would like to pay tribute to the Hon and Learned the Attorney-General, Mr David Hull, who is now precisely at this moment carrying out consultations in England because he has given me, as the previous Attorney-General had not given, advice on this matter with very clear thinking on how to proceed in the best interests of the Government. We have had advice before but we were getting on without a timetable, without really knowing where our purposes went but now we have that. We have also dates for the starting of the works but what is the use of giving a bona fide date now if in fact it is not possible to effect it by that time and then to be told that we had set a date and it has slipped by and even to the extent of saying that it was unwarranted, irresponsible, etc. We have dates but we are not going to disclose them now because if they do not come up to expectations then they will say that we have misled the House. Let me say that we have an aim, we have a target in every area of the procedures and that we hope, as the Minister responsible has said, that this will get off in the reasonably near future. We are not going to be moved to make any particular fixing of dates that would later might or might not be possible to implement. Let us make it quite clear that we know the way the matter is going and we are satisfied and indeed the Attorney-General himself, who has been dealing with this matter, has offered to answer in the debate but I would it was better that he should be in London at a particular critical time in these negotiations to try and bring them to a successful conclusion.

Reference has been made to the tenants of Varyl Begg. The only point that one should make is that not all the tenants of Varyl Begg are suffering difficulties, there are quite a number of them, of course, and I should really pay tribute to their forbearance. They have been very patient and I think despite the occasional outburst that they have made that the matter is going to be solved for them and, indeed, they want to remain in their dwellings and they want to see their dwellings repaired and they do not want to leave the Estate. It is no use saying that we hide behind legal advice and that is not a good answer and we have given sufficient explanations without the legal advice and it would be highly irresponsible to act contrary to legal advice. I do not know whether one could be surcharged but one could have a big responsibility to act against legal advice and find yourself with a huge bill that we would have to meet when in fact you were advised otherwise. Therefore, it is no use Major Peliza talking about the relation of client and barrister or client and legal adviser. It is the legal advice that the Government receives that governs the approach as to how matters are to be done in the political field without losing sight of the legal liability that one would undergo if in fact one were to act against the considered advice given by people dealing with this matter and I would say in this case since the Andrews, Kent and Stone Report was received, done so with great determination and great foresight of the Attorney-General, Mr David Hull, but I am not going to cover myself behind him. I accept the political responsibility that lies in taking whatever advice is given because ultimately we have to answer and we are quite happy that the way things are going is the right way.

HON G T RESTANO:

It seems surprising to me that on a motion of no confidence and on such an important issue as the problem of the Varyl Begg Estate, that only two elected members of this House on the Government side should see fit to get up and talk on it. Secondly, I notice that the Chief Minister just a few moments ago spent almost as much time on Major Peliza than he did on the very serious problem of the Varyl Begg Estate. I do not know whether this is indicative of the seriousness that he attaches to the Varyl Begg Estate. However, he did say, and we have heard this so often before, he mentioned that the AACR Government had inherited the problems of the Varyl Begg Estate, something which the Minister for Public Works also said when he said that the consultants had been appointed by the previous administration and that they had been lumbered with those consultants. As he knows and as the Chief Minister knows, the Government has always put the blame on the previous administration knowing full well that the money for the construction of the Varyl Begg Estate was negotiated by the previous administration was obtained from the British Government who in their turn appointed the consultants. There is not much that any administration, even the Government of today, can do if they ask the British Government for funds for a particular project and the British Government agrees to those

funds being given but at the same time stipulates particular consultants. It is really a false story that the AACR Government keeps bringing up time and again. I think it is well known that when the AACR won the 1972 elections, not a single brick had been laid at the Varyl Begg Estate. The first bricks that were laid were laid during the administration of the present Government and it was they who immediately knew whenever there were faults at the Estate. The Minister for Public Works in his intervention said that in 1974 moisture started to appear. He gave the impression, Mr Speaker, that that moisture was something which was not at the time considered to be particularly serious. However, I would like to quote from a motion on the Varyl Begg Estate just over a year ago where the Hon Mr Featherstone said: "I stated that on 4 October the first three blocks were handed over to Government and a few weeks' later roof leaks were detected." He continued: "I never said that they were serious defects. I never said that they were widespread, I said that roof leaks were detected and immediately the Public Works Department informed the consultants that there were roof leaks. Through the winter of 1974 these roof leaks persisted and the Public Works Department persistently informed the consultants that there were such leaks." He also said that the Public Works Department person who was in charge started in 1974 with a stream of reports and we are told that this was just residual water.

HON M K FEATHERSTONE:

If the Hon Member will give way. Is the Hon Member challenging the fact that the consultants did say that this was residual water?

HON G T RESTANO:

No, Sir, I am saying how could it possibly have been residual water when there was streams of reports coming through. But, in fact, the consultants said that it was residual water and that the problem would resolve itself. The situation did not remedy itself but the Government seem to have taken that explanation in their usual ostrich type attitude. They hoped that the whole position would be rectified, that the water would just disappear and not only that but knowing that the blocks had problems of more than residual water they kept on accepting new blocks made in the same way as the previous blocks, without proper inspection and paying for them. Why did they not say at the time: "Wait, you have completed another block but we are not satisfied and we are going to get the same problems on these new blocks as we have had with all the others. Let us do some proper investigation." Did they do that? No, they just continued accepting the flats knowing full well, especially in 1977 when the Minister said that the last of the blocks were being handed over, especially in 1977 when it was clear that it was not residual water, it was clear that they were major faults but yet they accepted the blocks and paid for part of them. There have been a multitude of questions and several motions in this House on

the Varyl Begg Estate and these show how concerned the Opposition is about the state of that Estate but all the Chief Minister could come up and say once was that the situation had been debated ad nauseam, this was last year, ad nauseam, as if he was absolutely horrified and fed up because it was being discussed. Well, I know that perhaps he is fed up that it is discussed but it has to be discussed because it is a great problem but that shows the irresponsible way of the Government as a whole towards the Estate. We all know the state of the flats, we all know the living conditions, the dampness, the electricity ducts which are full of water, the curtailment of proper living conditions at that Estate and even danger to life because of the water running down the electricity ducts and if the conditions were serious 31 years ago they are more so today. In moving this motion, my Hon Friend the Hon and Learned Leader of the Opposition, asked a question he asked the Government what was it costing the Government in the non-payment of rents but, of course, that question the Government will not answer because they do not wish it to be known how much the tax payer and how much the revenue of Gibraltar is being curtailed because there has been no proper investigation into the Varyl Begg Estate at the time. Just under 2 years ago, the then Leader of the Opposition, fed up, too, of being continually accused of his administration having been responsible for the defects at Varyl Begg, asked in a motion for a public inquiry into the Varyl Begg situation. He asked for a public inquiry with a genuine desire to find out where and who and how the responsibilities lay for the defects of the Estate. So we are talking about a motion of nearly two years ago and nearly two years ago the Government defeated that motion and said that it did not want a public inquiry and I will give you the reasons that they gave at the time for not accepting a public inquiry. The Hon Mr Featherstone said at the time: "Government are determined to press for some legal action in this" - nearly two years ago - "because the situation has got to the stage that we really must put the responsibility fairly and squarely on the people who are responsible", He also said: "This is a matter which Government is determined is going to be proceeded with in the legal field and I do not think that a public inquiry at the present moment, if one is necessary in the future, perhaps that can be considered in the future, but I do not think a public inquiry at the moment is going to do any good, perhaps it may do a little harm in the needs to have a legal inquiry". That was the Minister speaking but what about the Attorney-General? The Attorney-General said in October, 1978: "The matter, of course, was the subject of long negotiations" as the Chief Minister has said, and now that the Government has got the report of its consultants on the damage done, there is no reason why a writ should not be issued soon" and he said this in October, 1978. What on earth is the Government doing? They say one thing one year, they contradict themselves the next year, really, it is absolutely extraordinary. I think it is almost a cynical attitude that the Government has taken towards the Varyl Begg Estate. Of course, had Government taken legal action in 1978, perhaps, there wouldn't have been any need to have a motion here today because things would have already gone under way

but no, they reneged and they had to eat their word after because having said in 1978, that there was no reason why a writ should not be issued, then in 1979 when the Hon and Learned Leader of the Opposition brought another motion to the House asking for legal proceedings to be taken, this was defeated. Now they are saying that they don't want to take legal action or rather that they couldn't take it before but, of course, the Minister for Public Works said that he didn't want to comment on one of the matters this morning because it might become a legal matter. How long are we going to wait for Mr Speaker? And certainly when all this is taken in the context of the chronic housing problem in Gibraltar, the Government's record is deplorable and when it is taken with the chronic reaccommodation problem that Gibraltar has, the Government's record is deplorable and when one takes it in the context of the conditions of the tenants at Varyl Begg, the Government's record is deplorable. In that particular debate of 1979 last year, the Government introduced an amendment, in fact, the Minister for Public Works brought in an amendment. If I can remind the House, the motion at the time said; "That this House is gravely concerned with the problems still affecting those dwellings on the Varyl Begg Estate that are already occupied and deplores the failure of the Government in achieving the satisfactory resolution of all other problems which prevent the completion of the project." The Government didn't like the second part of the motion so they brought in an amendment and the amendment was: "and urges the Government to achieve the satisfactory resolution of all other problems which prevents the completion of the project, as promptly as possible". That amendment would have been acceptable to the Opposition but what did the Government do? The moment that Members on this side started criticising as it is entirely their right, out of pique they withdrew their amendment so one moment they were urging themselves to do something about it and in another moment they were withdrawing what they had said and that I think, Mr Speaker, is the type of seriousness that this Government is giving to the problems of the Varyl Begg Estate. And what about cost, Mr Speaker? How much is there in loss of revenue to the Government through rents? Is it true that the project which might have cost 3 or 4 years ago about £400,000 is now going to cost nearly £1m because it was not done at the right time? Who is going to foot that bill? Who is going to pay? The Minister for Public Works said that as far as the consultants were concerned their share could be the design of the pitched roofs. Mr Speaker, the Minister is saying no, but I took it down at the time, that the consultants share would be the design for the new pitched roofs.

HON M K FEATHERSTONE:

I said part of the share.

HON G T RESTANO:

Well, I did not hear "part" perhaps I didn't hear it but certainly if it is part I hope it will be a very small part.

He also said as far as the pitched roofs were concerned and about how much the Government might or might not have to pay, that in having pitched roofs there would be an element of betterment and therefore there was, perhaps, reason for the Government to contribute.

HON M K FEATHERSTONE:

If the Hon Member will give way. I didn't say there would be betterment, I said there might be betterment.

HON G T RESTANO:

Well, that there might be betterment and because there might be betterment in having pitched roofs the tax payer would pay. The reason why we have to have pitched roofs is because the design was wrong in the first place and the specifications were not adhered to by the consultants and the contractors and because of that, because of somebody else's negligence, the Government has to put up pitched roofs and therefore it is considered to be or there might be a betterment. And how much does it cost the tenants in terms of morale? How many tenants have had to spend quite considerable amounts of money repainting because they wanted to spend Christmas with their families in decent surroundings, knowing full well that the cost of the paint and the time element was a completely wasted exercise because only a month later all the dampness would return and this had occurred time and again at the Varyl Begg Estate and yet nothing has been done about it. Now we get the enormous breakthrough, now everything is going to be solved, now everything is going to be fine. Well, this is what they were saying some two years ago, that everything was going to be fine because legal action was going to be taken but yet they do not commit themselves to say how much it is going to cost, when it is going to start, who is going to pay, how long the work is going to take. Even if they started as it was hopefully said, I think, by the Hon the Attorney-General, in the near future, or as soon as possible how long is it before the last of those blocks is going to be finished? Why doesn't the Government come up and give clear answers to all this? Because they don't know, because they don't want to say, because they feel that if they did have to give all these answers they will be showing how inefficient they have been over the years. Of course, I agree with the motion, Mr. Speaker, the House has no confidence in the manner in which the Government of Gibraltar has dealt with the problems arising from the construction of the flats at the Varyl Begg Estate. I support it wholeheartedly.

MR SPEAKER:

~~I will call on the mover to reply to the motion.~~

HON P J ISOLA:

Thank you, Mr Speaker, I think there can be no doubt that the Government is going round in circles. No satisfactory answer has been given to the facts and points that have been put forward on this side of the House. No explanation has been given. I must, however, Mr Speaker, refer to three items that have been mentioned which would seem to me to indicate Government thinking in the matter. Item No. 1, the Minister for Public Works, in the course of an address in which he said very little, slips in the element of betterment value in the pitched roofs. Quietly, there is an element of betterment value there, that, Mr Speaker, is to prepare the tax payers and prepare the British Government, or whoever is paying for it, prepare them to accept a chunk of the amount it is going to cost. I know what they are going to say. A flat roof you only have to repair or you have to maintain every five years, a pitched roof is ten years or fifteen years, you don't have to do anything to it, the betterment value. That came in very quietly. £1½m the Gibraltar Government or the British Government has agreed to pay. The consultants, their contribution is going to be plans for pitched roofs and then as said, I didn't hear it but I must state, obviously, I accept his correction or I accept his version of his own address, it is going to be part of their contribution, what other part, what cash is coming in from the consultants who, if we are to believe the Government when they said originally that it was a design fault, that the contractors told them; "We'll do the repairs, we'll remedy the defects", they told us this about 4 years ago, "but this won't put matters right." And because it is a design fault, the contribution of the consultants is to be new plans for pitched roofs, generous contribution, Mr Speaker, hence the betterment point because the Government know that they are going to have to pay substantially for the remedial measures in Varyl Begg Estate because it is such a matter of public scandal now, 4 or 4½ years, and that the situation is getting worse and worse because the water coming through the roofs as it has been coming for the last 4 years is causing more and more damage to the edifice, so the work has to be done, of course, it will be done but we are going to have to pay for it, that is coming through loud and clear. Then another indication. The Hon and Learned Chief Minister praises the advice he has received from the present Attorney-General, how clear it has all been, leaving the imputation that the previous Attorney-General did not give the Government clear legal advice. Excuse No. 2 for the work not being done yet, put in succinctly, quietly. The present Attorney-General, he has given us great advice but the last one I don't know, shove the blame on somebody else. Then he says: "I'm not hiding behind the skirts of the Attorney-General."

HON CHIEF MINISTER:

If the Hon Member will give way because I think this is very important. I did not say that. What I did say was that since the Andrews, Kent and Stone Report and the matter being taken

up by the Hon David Hull, there had been a sat plan of how to proceed which was not there before.

HON P J ISOLA:

Well, Mr Speaker, I won't labour that point, the Hansard will show what the Hon and Learned Chief Minister said today and what he said yesterday in relation to the other Bill which was reported on GBC last night exactly as we understood him to have said it but, anyway, that is neither here nor there. Then the Hon and Learned Chief Minister said: "We are not going to disclose dates, we are not going to give these things, aims and targets because then we are told we haven't kept to them." The Government was very eager to disclose dates in December and January just before the elections and after the shock they got in the elections they disclosed dates. The same Chief Minister disclosed dates in February that work would commence in the Spring and the Minister for Public Works reminds us that the Spring goes on right through to Midsummer's Day, which is correct.

HON M K FEATHERSTONE:

June 20th and Midsummer's Day is June 24th.

HON P J ISOLA:

I stand corrected, Mr Speaker.

MR SPEAKER:

Order.

HON P J ISOLA:

He is technically correct. Midsummer's Day is 24th June but Spring doesn't end till the 20th of June so, logically, you would expect summer to end on June 28th, but it doesn't, of course, it goes on. We were given Spring but that has gone by and this is a matter for serious public concern, that the Government does not make an announcement about commencement dates and I think I know why. I think the Government is shifting back again to the policy it was following before, that until liability was sorted out work would not commence because why else would the Attorney-General be in London today trying to work out the question of liability before the work commences? We are back at the same old game and this seems to run contrary to what the Hon and Learned Attorney-General told the House on 25 March of this year in answer to Question No 20 of 1980. He said: "Government decided, in principle, in January of this year to proceed with the erection of pitched roofs at the Varyl Begg Estate. Since then the preparation of detailed plans and specifications

and costing of this work has proceeded. It is anticipated that work will commence at the Estate on the roofs by June. Agreement has not been reached yet between the parties as to liability. In deciding to proceed with the work on the roofs the Government has reserved its legal rights. Discussions on the question of liability are likely to be held next month. It should be understood that there is other remedial work to be undertaken at the Estate." When we asked in supplementary questions and we said: "Does that mean that you are now changing your policy, does that mean that you are going to go on with the work and leave the question of liability to be decided?" he more or less answered yes. But now we find no dates are being given, negotiations are going on as to liability, the consultants have said: "There is my share," the Minister says there is betterment value, no straight answer is given and I ask these questions when I tabled the motion: "Is the work going to go on or not? Whether liability is agreed or not?" No straight answer, Mr Speaker. We cannot have confidence in a Government that said in, 1978, as my Hon Friend Mr Restano pointed out, that they were anxious to take legal action and that that was why they would not have a public inquiry. I cannot have any confidence in a Government like that and when two years later it is still trying to get liability agreed instead of carrying on. Of course, we know that cases take years to get decided. The reason why we have pressed for action in the last three years is to get proceedings going. We have said: "You can start proceedings and you can go on negotiating but get the thing moving." Let us not have the position, which I think is a position of weakness, that the Minister for Public Works has told us about the Hon and Learned Attorney-General ringing up the contractors every day. Why should the Hon and Learned Attorney-General be running after the Consultants or the Contractors every day? Has the Government done anything wrong? Have the people of Gibraltar done anything wrong? If consultants draw up the wrong plans and contractors do the wrong work, why should the Government be running after them to try and get agreement? They should be running after the Government when they are faced with legal proceedings in which the Court will hold them responsible, not just for the cost of putting the Varyl Begg Estate right but for the loss of revenue the Government has suffered from having 130 flats empty for 2, 3 or 4 years. That should be the attitude of the Government, but because the Government has dithered from time to time and continues to dither today none of that redress is going to occur and the public of Gibraltar or the Ministry of Overseas Development is going to be forced to pay a substantial amount under the guise of betterment value. The people would be hoodwinked and the people will accept it because they will be so desperate. That is the way we are going and it is quite obvious. I agree that the questions of building contracts are extremely complex and that is why I told Government in 1978 that they could not expect the Hon and Learned Attorney-General with all the best will of the world to have the expertise to deal with a situation like this legally which in England is reserved to leading Queens Counsel who only do building contracts and do that side of the work. You cannot expect an Attorney-General, who has to be a legislation man, who has

to deal with hundreds of different varieties of matters to be an expert in this field. This is what we told the Government in 1978 and I still say the present Attorney-General may give very clear advice but you cannot expect the present Attorney-General to have the expertise in this that leading Counsel have because, Mr Speaker, we are talking here of over £1m. £30,000 or £40,000 in legal advice is peanuts and we are talking of over £1m. and we still do not know in this House today what we are talking about because the Minister for Public Works has refused to inform the House of the cost of the remedial works. He hasn't said: "The consultants say £1m and the contractors say £2m." He has not given any figures at all. The Government is afraid of these facts being made public because everybody knows that the work could have been done for a third of the price if the Government of Gibraltar had acted with the alacrity and efficiency that the public are entitled to expect of them and done something about it in 1978. Well, Mr Speaker, I think we have laboured the point. I think we have put our case very clearly. I think it is obvious that the Government has not been able to reply. The arguments that we have heard are arguments that they have been putting for the last four years. What is going to happen, and there is a Spanish word for this, Mr Speaker, is a "pasteleo", that is what is going to happen. What we do not know is how much "pasta" is going to be put on the roofs and who is going to pay for it. I know what will happen is that the Government will say: "We did this as a settlement because if we did not agree to this it would have taken another five years before the courts had decided liability." I know, and any businessman must know, that a contractor that is owed over £1m. in retention money is not going to agree to do further work at his own expense just because the Government is trying to persuade them to do it, without any compulsion, especially a contractor who agreed to arbitration in 1977 and that same contractor is going to say to the Government: "If you had agreed I will pay what I would have been made to pay in 1977 when you asked for arbitration and I agreed. I am not going to pay today's costs if you choose to take four years in working things out with the consultants." I can see all these problems coming. The Government has had warning of them from the Opposition over four years. The Government has ignored them fully. The Government has gone its own sweet way all along and the result is a mess, Mr Speaker, and that is why we are moving this vote of no confidence on the Government: which in our view is thoroughly well deserved. Thank you, Mr Speaker.

Mr Speaker then put the question and ruled that the motion was a motion of no confidence in the Government and consequently the ex-officio Members of the House were precluded from voting in accordance with the proviso to Section 44(1) of the Gibraltar Constitution Order, 1969.

On a division being taken the following Hon Members voted in favour:

The Hon A J Haynes
The Hon P J Isola

The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon J Bossano

The motion was accordingly defeated.

MR SPEAKER:

It seems that the Hon J Bossano who has given notice that he wished to move a motion on the question of rent relief is not in the House. There is no reason why we should recess to a given time, he should be here when the motion is called. I will, therefore, call on the Chief Minister to move the adjournment.

HON CHIEF MINISTER:

Mr Speaker, I beg to move that this House do adjourn sine die.

Mr Speaker put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 1.00 pm on Tuesday the 22nd July, 1980.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

4 NOVEMBER 1980

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fourth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Tuesday the 4th November, 1980, at the hour of 10.30 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan, CBE, MVO, QC, JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development, Trade and Labour and Social Security
The Hon M K Featherstone - Minister for Public Works
The Hon I Abecasis - Minister for Tourism and Postal Services
The Hon H J Zammit - Minister for Housing and Sport
The Hon Major F J Dellipiani, ED - Minister for Education
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J b Perez - Minister for Medical and Health Services
The Hon D Hull QC - Attorney-General
The Hon R J Wallace, CMG, OBE - Financial and Development Secretary

OPPOSITION:

The Hon P J Isola, OBE - Leader of the Opposition
The Hon G T Restano
The Hon Major R J Peliza
The Hon W T Scott
The Hon A T Loddo
The Hon A J Haynes

The Hon J Bossano

IN ATTENDANCE:

P A Garbarino Esq, MBE, ED - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 17th July, 1980, having been previously circulated, were taken as read and confirmed.

MR SPEAKER:

Before we start the proceedings I think I am expressing the feelings of everyone in this House when I say to our Colleague, the Hon Mr Isaac Abecasis, how delighted we are to see him back amongst us and I am sure that in the near future he will be making a full contribution to the proceedings of this House.

HON I ABECASIS:

I am very grateful to you Mr Speaker, to Sir Joshua Hassan the Chief Minister, to Mr Isola the Leader of the Opposition and to every Hon Member on both sides of the House for your very kind words. Thank you very much.

DOCUMENTS LAID

The Hon the Chief Minister laid on the table the following documents:

- (1) Principal Auditor's Report on the Annual Accounts of the Gibraltar Broadcasting Corporation for the year ended 31st March, 1979.
- (2) The Elections (Variations of Dates) Order, 1980.
- (3) The Register of Electors (1980 Supplement) Order, 1980.

Ordered to lie.

The Hon the Minister for Economic Development, Trade and Labour and Social Security laid on the table the following documents:

- (1) The Colonial Prison Service Medal Regulations, 1980.
- (2) The Employment Injuries Insurance (Occupational Diseases) (Amendment) Regulations, 1980.
- (3) The Register of Members' Interests.
- (4) The Employment Survey Report - April, 1980.

Ordered to lie.

The Hon the Minister for Public Works laid on the table the following document:

The Gibraltar Quarry Company Limited Balance Sheet as at 29th February, 1980.

Ordered to lie.

The Hon the Minister for Housing and Sport laid on the table the following documents:

- (1) The Gibraltar Museum Accounts for the years ended 31st March, 1979, and 31st March, 1980.
- (2) The British Commonwealth and Foreign Parcel Post (Amendment) Regulations, 1980.
- (3) The British Commonwealth and Foreign Post (Amendment) Regulations, 1980.
- (4) The Local Post (Amendment) Regulations, 1980.
- (5) The Wireless Telegraphy (Amendment) Regulations, 1980.

Ordered to lie.

The Hon the Minister for Municipal Services laid on the table the following document:

The International Trunk Calls Charges Regulations, 1980.

Ordered to lie.

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

The Street Traders and Pedlars (Amendment) Rules, 1980.

Ordered to lie.

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

- (1) The Supreme Court (Barristers and Solicitors) Rules, 1980.
- (2) The Supreme Court (Amendment) (No. 2) Rules, 1980.
- (3) The Pensions (Amendment) Regulations, 1980.

Ordered to lie.

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

- (1) Supplementary Estimates Consolidated Fund (No 2 of 1980/81).
- (2) Supplementary Estimates Improvement and Development Fund (No 2 of 1980/81).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1980/81).

- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1980/81).
- (5) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 2 of 1980/81).

Ordered to lie.

REPORTS OF COMMITTEES

The For T Restano laid on the table the following document:

The First Report of the First Session (1980) of the Public Accounts Committee.

Ordered to lie.

ANSWERS TO QUESTIONS

MR SPEAKER:

Gentlemen, it is my duty to advise on the Standing Orders and practice. The position as to the questions which have been called and have not been asked is dealt with under Standing Order No. 16 which reads as follows: "A question shall be answered by laying a written answer on the table of the Assembly unless the Member asking the question shall in the notice of question state that he requires an oral answer. When the Member has so stated an oral answer shall be given". And then the second proviso is: "If any question remains unanswered when the Council adjourns on the last day of a meeting, a written answer shall be sent to the Member who put the question: Provided that where the question has been set down for oral answer the Member who put the question may within three days, exclusive of Sundays and public holidays, next after the adjournment of the Assembly require in writing that the question be postponed to a day at the next meeting of the Assembly. Where a request for postponement of the question is made a written answer shall not be sent as provided in the previous paragraph but such question shall be set down for oral answer at the next meeting of the Council". In other words, gentlemen, unless I receive within three days of the adjournment notice in writing for each particular question, the written answer will be given.

THE ORDER OF THE DAY:

MINISTERIAL STATEMENTS

MR SPEAKER:

The Hon the Chief Minister has given notice that he wishes to

make three different statements. The Hon the Minister for Economic Development, Trade and Labour and Social Security, the Hon the Minister for Public Works and the Hon the Attorney-General also wish to make statements. I will therefore now call on the Chief Minister to make his first statement.

HON CHIEF MINISTER:

Mr Speaker, in accordance with established practice, I rise to make a statement on the affairs of the Gibraltar Regiment. This statement covers two training years, from 1 April 1978 to 31 March 1980.

The establishment of the Volunteer Reserve is 14 Officers and 177 Other Ranks, making a total of 191 men. The Reserve was two below strength on 31 March 1979 and 3 below on 31 March this year.

In addition to the 8 training camps which were held in Gibraltar (4 in each training year) members of the Infantry Company, the Light Air Defence Troop and the Light Troop carried out annual camps in the United Kingdom. As is now customary for the Light Air Defence Troop and the Light Troop, training was carried out at Manorbier and Larkhill respectively. The Infantry Company trained at St Martin's Plain Camp, Cinque Ports Training area, in June 1978 and at Wrethams Camp, Stanford Training Area, in July 1979. For the first time, 13 Other Ranks from the Corps of Drums carried out their annual camp with the Queen's Regiment at Bassingbourne during September 1979. 2 Officers and 10 Other Ranks also undertook a fortnight's Adventure Training in Bavaria during August last year. Weekend and evening training continued to be held in the usual way and the Regiment organised its own recall and deployment exercises. A number of the Regular members of the Regiment and Volunteers successfully attended courses both locally and in the United Kingdom. The Corps of Drums continued to receive instructions from the Drum Major of the resident Battalion and performed in public on a number of occasions.

The Regiment performed the Ceremony of the Keys and carried out the ceremonial mounting of the Convent Guard. A number of Guards of Honour were provided as well as the usual ground holding party for the wreath laying ceremony by His Worship the Mayor at the lobby of the House of Assembly on Remembrance Sunday. On 16 June 1979 the Regiment trooped the Queen's Colours during Her Majesty's Birthday Parade for the first time ever in what I am sure was a most memorable event not only for the members of the Regiment but for Gibraltar as a whole. All Ceremonial Salutes were fired by the Regiment.

The House will be glad to note that the Regiment participated in most sports and continued to assist Youth Clubs and Youth Organisations, as well as participants in the Duke of Edinburgh Award Schemes. At this juncture, Mr Speaker, I am sure the House will wish to congratulate Mrs Marie Carmen Reyes for winning the .22 Small Bore British Individual Women's Championship a great achievement. I would also like, Mr Speaker, to

deny the rumours circulating that Mrs Reyes is to take on a permanent appointment as weapons instructor with the Regiment.

On a more serious note, Mr Speaker, a team from the Ministry of Defence visited the Regiment in 1978 and rates of pay for the Regiment were subsequently revised. A Job Evaluation Team from the Ministry of Defence also visited the Regiment during 1979 in order to assimilate the pay of the Gibraltar Regiment to that of the British Army.

Mr Speaker, should any member wish to have copies of the detailed Reports I will only be too pleased to make these available to him.

Although this statement relates to a period ending on 31 March this year, I would like to mention two other more recent items which will be of interest to the House. The first is that Lieutenant Francis Brancato is now back in Gibraltar after having participated in a land phase expedition under Operation Drake in Kenya. As Members are no doubt aware Operation Drake is a world-wide exploration expedition which has been going on for two years under the direction of Lt Col John Blashford-Snell, RE. The expedition's brigantine 'Eye of the Wind' is at present in Gibraltar undergoing maintenance before sailing on to Plymouth.

Secondly, the Gibraltar Regiment did particularly well this year in Small Bore Shooting in the United Kingdom. Major Britto came 11th in Class A Shots in the TAVR Long Range Small Bore individual championships. Among the Class B Shots, Captain Danino came 3rd and Staff Sergeant Garcia came 4th. Major Britto came 9th in the 'News of the World' match at the British National Small Bore Meeting.

In conclusion, Mr Speaker, I am sure all members of this House will wish to join me in expressing our best wishes to the Regiment for their continued success.

HON P J ISOLA:

Mr Speaker, we welcome that statement. This side of the House supports fully the Gibraltar Regiment. We are most interested with the report on the progress of the Regiment given to the House and, of course, we pledge our continued support to the ideals and good work done by the Gibraltar Regiment for the community.

HON MAJOR R J PELIZA:

Mr Speaker, would the Chief Minister kindly oblige by forwarding copy of the report that he mentioned.

HON CHIEF MINISTER:

Of the two reports, yes, Sir.

MR SPEAKER:

I will then call on the Chief Minister again.

HON CHIEF MINISTER:

Mr Speaker, at the last meeting of this House I announced that the Government had decided to institute a programme to investigate the level of efficiency in the execution of departmental responsibilities and that the largest-spending department - the Public Works Department - would be the first to be looked at. I also informed the House that Sir Howard Davis had kindly agreed to chair the Committee which would carry out this work and that the composition and terms of reference of the Committee were being considered.

His Excellency the Acting Governor has now formally appointed the Committee. It will consist of the Chairman, two members who will also be specialist advisers on the financial aspects of the Department's work and on the technical aspects, respectively, and Mr Albert Gareze, a former Accountant-General in the Gibraltar Government who will also act as Secretary to the Committee.

The members with specialist experience are Mr D Snell, the Finance Director of the Royal Mint, and Mr T A Heatley, the Chief Engineer of North Tyne-side Metropolitan Borough Council, whose services have kindly been made available by the Deputy Master of the Mint and the Chief Executive of the Borough Council respectively.

The terms of reference of the Committee are:

"To inquire into the role, structure and organisation of the Public Works Department and to advise on the most appropriate, efficient and economical arrangements for carrying out the functions at present laid on the Department."

The Chairman and Mr Gareze started on the preparatory work of the Committee this week and Messrs Snell and Heatley will be arriving in Gibraltar on Friday for a 10-day visit. Further visits will probably take place either later this year or early next year. As I indicated in my previous statement, the Committee will be inviting representations or views from all interested parties and the relevant Staff Associations will be consulted during the course of the Committee's work.

HON P J ISOLA:

Mr Speaker, can I ask the Hon and Learned Chief Minister the reasons for the appointment of a member from a Borough Council in the United Kingdom and somebody from the Bank of England, is there any particular reason for these appointments?

HON CHIEF MINISTER:

It wasn't the Bank of England, it was the Mint. The reason was that the Department is so far-reaching and wide-ranging that it was necessary to have advice on the technical and financial aspects of them for the commission to be able to work. The idea is that the Chairman who, of course, will be living in Gibraltar, will be carrying on with his work, that these two gentlemen will come for a few days, do work here, take away papers, have matters inquired into, prepare questionnaires and come back again. It was thought that it was necessary, if the inquiry was going to be effective, that we should have the best advice possible on the technical aspects of the matter on which the Chairman is hardly qualified, and on the financial aspects of the matter and which, thanks to the Financial and Development Secretary, we were able to get Mr Snell, the Finance Director of the Royal Mint. The Royal Mint carries out works of a nature comparable in size to the Public Works Department and that is one reason why we wanted somebody who dealt with finance of a similar size and who would be able to give us advice. We feel that if this in-depth inquiry is going to have the effect that we all want for the better working of the Department which, I should remind Members, has never had a very thorough investigation since the merger with the City Council in 1969 when it absorbed the old City Engineer's Department and it is necessary to have a real good look at the matter.

HON P J ISOLA:

Mr Speaker, I wish the Committee well in its task. The only problem, as I see it, is that if one is looking into the efficiency of a Department and how it should work, would not the Chief Minister agree that it might have been better to have had at least one technical expert from industry, from the private sector? It seems to me that these two gentlemen, I'm sure they are excellent gentlemen but they are both public servants and I would have thought that there would have been some merit in bringing somebody outside the public service into the investigative committee because that would have enabled them to have brought what I would call a breath of fresh air into the inquiry.

HON CHIEF MINISTER:

You could say that of any composition that there would always be somebody else that might help but the idea is that they are going to invite representations and no doubt the people who have been dealing with the Department can easily make representations. I am afraid that we have taken a considerable amount of time and trouble in ensuring the best possible and I hope that this will give the results desired.

MR SPEAKER:

I will then call on the Chief Minister to make his last statement.

HON CHIEF MINISTER:

Mr Speaker, Sir, much valuable work has been done in the past by the Government Departments concerned in keeping Gibraltar clean and embellishing and enhancing the general appearance of the City. The situation now calls for a further intensive effort to be made along these lines and the Government has concluded that the best approach would be to appoint a Committee consisting of representatives of all the Departments concerned - that is to say, Public Works, Education, Police, Tourism and Environmental Health - under the Chairmanship of Mr Aurelio Montegriffo, a former member of this House and a person with wide experience of Government administration over a long period, who has kindly agreed to take on this task.

The Committee's terms of reference are threefold. First of all, it will coordinate the work of, and foster the greatest possible cooperation among, all the Government Departments concerned; secondly, the Committee will consider what additional measures might be taken to improve the general cleanliness of Gibraltar; and thirdly, the Committee will explore what might be done to beautify the City. The Committee will implement administratively, through the appropriate department or departments represented on it, any measures which do not require a Government policy decision or the provision of additional funds. Other matters will be referred to the appropriate Minister or Ministers with the Committee's recommendations. The Committee will co-opt other Government officials and representatives of public bodies as may be necessary from time to time in order to achieve the maximum cooperation and coordination.

After a number of preliminary discussions between the Chairman and officials, the Committee met for the first time on 23 October and considered, in the first instance, a number of recommendations some of which were prepared by a previous Committee chaired by the Director of Medical and Health Services. These include the launching of a public relations campaign, improved methods of disposal and collection of domestic, trade and building refuse, improvements in the street flushing arrangements, proposals for new legislation with considerably increased fines and requiring greater control of pets by their owners, and a more stringent enforcement of the law.

I would stress that the Government has done, is doing and will continue to do everything it can to deal with this problem. Coordination of effort and law enforcement are two very important prerequisites of success. There is a third one. If everyone in Gibraltar, individuals and public bodies alike, were to make their own special effort and do everything possible to support and cooperate with the Committee, the results would soon become apparent and, furthermore, the need to devote public funds - at present running at over £200,000 per annum - for this purpose would not be as great. The Government hopes that the public at large will cooperate fully and that, in the very near future, we, and the tourists who visit us, shall see around us a cleaner and more attractive City.

HON P J ISOLA:

Mr Speaker, I am glad the Chief Minister in his statement has identified the departments that are responsible, I suppose, for the state of untidiness of Gibraltar. Is the Chief Minister satisfied that any Committee that is set up on an important matter such as this should be chaired by somebody outside this House and not by a Minister to ensure that appropriate action is taken? Is the appointment of this Committee an indication of the Chief Minister's dissatisfaction with the Department at the way that they have failed to get Gibraltar clean and tidy? I notice, Mr Speaker, there is little in the statement about law enforcement and is not some of the reasons or a substantial reason for the failure to keep Gibraltar tidy or our City to be kept clean, isn't it very substantially due to lack of law enforcement by the Police and the Environmental Health Department and how does the Chief Minister feel that this Committee, sitting together, is going to make any difference to the situation and let these departments ensure by normal, reasonable law enforcement that the laws relating to litter and untidiness and uncleanness are observed? There is provision in the law, why is this not being observed and why is there such little law enforcement of this aspect of Gibraltar life?

HON CHIEF MINISTER:

Mr Speaker, I think that the Hon Member's long diatribe is less than charitable to the attempts that are being made by everybody concerned. The efforts that are being made to collect refuse are tremendous and I happened to be driving behind the midday lorry that collects the refuse, not the house refuse but the refuse that is left at corners throughout the day, and the excellent work that they do but this happens at, say, between 2 and 4 and by half past five or 6 the place is full of rubbish. No department can every be said to be working fully satisfactorily. It is much more difficult when many departments are concerned, I do not think, with the greatest respect, that the Minister who administers the Department should chair the Committee to deal with this matter which requires continuation and a real enthusiastic effort to go into that and not related to all other considerations that the Minister has in his days work and if I may say so, with respect, I think Mr Montegriffo, if I know him well, will do the job properly and, in fact, I know that before that he has already been driving one of the refuse lorries to see where the problems are which have to be identified and I think that there has been all this call for concerted effort, we are trying to do that precisely to get a concerted effort and at the same time, above everything else, calling upon other people to help the people concerned because however much enforcement, however much machinery you have, if the people don't cooperate in a prosperous society which produces a lot of refuse, we will never be able to control it.

HON P J ISOLA:

Mr Speaker, the Hon and Learned Chief Minister has identified

the Public Works as the object of my diatribe and it was not that at all. I did not mention the Public Works and I agree that the Public Works Department does a very good job of collection, I've seen it and observed it. What I was identifying is when these rubbish piles build up again, it is known to the Environmental Health Department and it is known to the Police where they build up and what I am saying is that it may not need a Committee as much as simple law enforcement by the authorities who know the sources of areas where rubbish mounts up but do not appear to use the powers given to them by law to enforce it and it is not so much the Public Works Department and in fact not at all the Public Works Department, I haven't mentioned them at all because I do know they do a good job of clearing rubbish as far as their capability goes. It is with the support groups of the Environmental Health and the Police who don't seem to be terribly concerned with this aspect of their statutory duties vested in them by law.

MR SPEAKER:

I think I am being very liberal now but we must not debate the matter.

HON P J ISOLA:

Can I ask, will the new Chairman of the Committee have any executive powers at all since he is not an elected Member of the House or a Minister of the Government?

HON CHIEF MINISTER:

But it doesn't matter, what you want is somebody really active and prepared to work. He will have to that extent power in the fact that he can order the matters to be done to the Committee and if these are not done he will always have access to the Ministers concerned. I think it is a very good effort. Education is one Department that has never been brought into this directly but it will be brought in now and this is very important and also the Police and Tourism. The Government thinks that it is a good idea and we will put it to the test.

HON P J ISOLA:

The Committee will have then purely and simply advisory powers, it won't have any executive powers?

HON CHIEF MINISTER:

They will have the executive power that is in their power to carry out and to make sure that somebody makes them do it.

HON P J ISOLA:

May I ask, Mr Speaker, what is the executive power the Committee will have? Will the Committee be able to tell the Minister for Education or the Minister for Public Works or the Commissioner of Police; "You will do this because we think this is a good thing"?

HON CHIEF MINISTER:

The Commissioner of Police and the Director of Education will be in the Committee and if something is decided in the Committee that it is up to that Department to do, the Chairman will make sure that it does and if it doesn't he will report to the Minister concerned. This is the purpose and I'm sure that it will succeed.

HON G T RESTANO:

Mr Speaker, I do not think the question has been answered about law enforcement. What does the Chief Minister have to say on the law enforcement or perhaps the lack of it?

HON CHIEF MINISTER:

These are the things that the Committee will be doing. It will include the launching as I said of a public relations campaign. We have to give people a chance. It is no use neglecting law enforcement and suddenly coming down like a ton of bricks on it. We've got to give them time to make sure that there is going to be stricter law enforcement. Improved methods of disposal and collection we have already spoken about and improvement in street flushing. Proposals for new legislation will considerably increase fines and require greater control of pets by their owners. This will be reflected in advice that they will be giving which I have asked them to give as to what weaknesses there are in the law enforcement of the matter that require looking into.

HON A J HAYNES:

How will the powers of the Chairman of this Committee differ from those of a Minister?

HON CHIEF MINISTER:

The Chairman will be chairing a Committee and will be seeing that things are done with his influence and his knowledge and if they are not done he will have access to those who appointed him to say; "I am getting no cooperation from this Department. I am frustrated I'm getting no cooperation from the other Department", and if the Minister himself who is concerned with that Department or if there is no Minister as such, then it will be a matter for me or for the Council of Ministers to

decide. He is going to coordinate the effort and put into these departments this coordinated sense of urgency that everybody has been clamouring for.

MR SPEAKER:-

No more questions, we must not fall into the temptation of debating the statement. We can only have questions seeking clarification of anything which has not been understood within the statement.

HON A J HAYNES:

Mr Speaker, can the Minister therefore say that there is now a new Ministry for litter?

MR SPEAKER:

No. I will call the Minister for Economic Development, Trade and Labour and Social Security.

HON A J CANEPA:

Mr Speaker, Hon Members will recall that the Report of the Select Committee on the Declaration of Members' Interests was laid on the table at the Meeting of the House on the 31st October, 1979, and its recommendations approved at that same Meeting.

At the first working meeting of the new House on the 25th March this year, the House passed two motions.

- (1) "that a Permanent Select Committee on Members' Interests consisting of four Members, two from each side of the House, irrespective of the number of Members as between Government and Opposition, be appointed with the following terms of reference:

To examine the arrangements made for the compilation, maintenance and accessibility of the Register of Members' Interests, to consider any proposals made by Members as to the form and contents of the Register, to consider any specific complaints made in relation to the registering or declaring of interests; and to report on these and any other matters relating to Members' Interests", and

- (2) that the following Members should be nominated to the Permanent Select Committee on Members' Interests, Mr Abecasis, Mr Restano, Mr Scott and myself.

Sir, the Committee elected me to be their Chairman.

The Clerk of the House, who is the Registrar of Members' Interests, sent all Members a copy of the form, agreed by the House, for the register of interests and following the return of these forms by all Hon Members, he has prepared the Register, the format of which has been approved by the Committee. Earlier in these proceedings, this Register was laid on the table and it will now be kept in the House and shall be available for public inspection by appointment with the Registrar.

HON G T RESTANO:

Mr Speaker, I would just like to say that this report, of course, is a follow-up to the previous Committee and I would like to record from this side my thanks for the cooperation of all the previous Members of the Committee and this one too, Mr Montegriffo, Major Peliza, Major Dellipiani, Mr Canepa.

MR SPEAKER:

I will then call on the Minister for Public Works to make his statement.

HON M K FEATHERSTONE:

Sir, at the last meeting of the House, in reply to a question from the Honourable Gerald Restano, I referred to the Government's projected plans for solving the rainwater penetration problem at the Tower Blocks. I am now able to say that, following preliminary investigations, and in consultation with the Building Research Establishment both locally and in the United Kingdom, Messrs Hinton Consultancy Ltd, have been appointed by the Government to carry out an in-depth survey and to submit proposals towards the long-term and permanent solution of the problem. The Senior Architect and Engineer of the firm are expected to arrive on Thursday 6 November 1980 to commence investigations.

The exploratory investigation by the consultants should reveal the state of the fabric of the buildings and any deficiencies and contribute towards arriving at the best and most effective method of treating or cladding the Tower Blocks in order to eliminate the rain penetration problems being experienced at present.

After a clear picture of viable solutions has emerged, the second stage of the investigation will follow as soon as weather conditions permit. This second stage will consist of cladding or treating externally four flats in the two top floors of one of the Tower Blocks. The test areas are expected to be completed by September 1981, and full advantage will be taken between October 1981 and October 1982 to study

the effects of the remedial work on the test areas and ascertain its effectiveness.

In the event of the tests being successful, funds will be sought in order to carry out the full remedial work on both Tower Blocks.

Another of the problems presently affecting the Tower Blocks is the intermittent supply of salt water being experienced under certain conditions. The remedial action being taken is to replace the Solway valves by ordinary W.C. cisterns and to provide booster pumps which will operate in the event of low pressure in the salt water system. These booster pumps are now on order and are expected to be installed during 1981.

MR SPEAKER:

Gentlemen, there is one more statement to be made by the Hon the Attorney-General. Due to the fact that we have accelerated the business of the House, question time has not taken as long as it should have, he is not in a position to make the statement until 3 o'clock. In order not to alter the Order of the Day, I think we should recess now until 3.15 this afternoon when we will continue with statements.

The House recessed at 12.50 pm.

The House resumed at 3.35 pm.

HON CHIEF MINISTER:

Mr Speaker, referring to the earlier proceedings when there was a slight difference of approach between the government and the Opposition, there was a report on Radio that you had ruled something out of order. My recollection is that you made no such ruling and that the point was that you had reminded Members that if the Minister didn't want to answer the question that was up to him. I would like to say that the advice I gave, I don't want to go into the matter, was on the basis of the general rule against anticipation of which there is some of authority in the Encyclopedia of Parliament and in Brekine May, subject to anything that can be said, but that is not the point now, the point is that my understanding of the proceedings is that there was no ruling on the matter by you, Sir, in respect of the proceedings this morning other than to indicate the procedures that could be followed.

MR SPEAKER:

That is completely and utterly correct, I think all Members will accept that I have not made any ruling and there is no reason why I should have made a ruling this morning. I did explain the procedures as to the asking and the reply to questions and

the responsibilities of each side and the consequences.

HON CHIEF MINISTER:

It is very difficult to know what you hear at lunchtime, not because the radio is bad but because it is something that you hear and you may be mistaken.

MR SPEAKER:

I will most certainly make it my business to get a transcript of what was broadcast and if the proceedings of the House have been misquoted I will most certainly ask for a correction.

HON G T RESTANO:

Mr Speaker, I have a feeling that when the Minister got up to answer the question in point, he said he would answer this question during the debate and if my recollection is right you stated to him that that was out of order because he could have replied to questions in statements but not necessarily in motions.

MR SPEAKER:

I will most certainly make myself completely and utterly clear. I had no reason to rule anyone out of order because no one did anything he should not have done. I most certainly explained to the Minister that what he proposed to do was not in accordance with the rules of procedure.

HON P J ISOLA:

That he was out of order.

MR SPEAKER:

No, with due respect. Someone is ruled out of order if he is conducting himself in a manner which is not in accordance with the rules. What I said was that the rules of procedure required in the case of a matter such as was raised at question time that if he wished to answer the question he could do so but he could not hide behind the fact that a motion was being moved later on in the proceedings. I will listen to what was said over the radio and then I will come back to the House on this.

HON P J ISOLA:

Mr Speaker, listening to what you have just said and having heard myself the broadcast in question, I would not think that

what happened in the House has been misrepresented. The best way to clarify these matters, of course, is for the proceedings of the House to be broadcast.

MR SPEAKER:

Order.

HON P J ISOLA:

Mr Speaker, on the other point the Chief Minister has raised about the rules of anticipation, of course, that is irrelevant and a red herring.

MR SPEAKER:

Order, Mr Isola. The Chief Minister has said that there could have been a matter related to anticipation. If there had been I would have ruled on it. No one made an issue of it and therefore there is no need to make a ruling.

HON CHIEF MINISTER:

Mr Speaker, there has been a remark by you, Mr Speaker, that you have not ruled anybody out of order so that if that is what the report said, it is wrong. If by now saying; "Order" it is said that you have ruled the Leader of the Opposition out of order, that is wrong too.

HON P J ISOLA:

No, because I think on this particular point if what the Minister for Municipal Services said, which is what he said, really; "No, I will answer this question in the debate", I think you quite rightly told him that he could not do that because you can answer a question in a statement that you make but not, obviously, in a debate and therefore to that extent he was not acting in accordance with the rules of procedure.

MR SPEAKER:

No, Mr Isola, I will not counterence any argument on this. I am the person to decide whether I have ruled anyone out of order or not. All I have done at this particular juncture was to call the Minister's attention as to what the Standing Rules required him to do. We will leave the matter as it stands until I have had an opportunity to listen to the transcript of the GBC broadcast.

HON G T RESTANO:

Mr Speaker, may I just ask one question and that is, Members of the Opposition do put in questions, we are restricted to certain limitations of time and we do put

MR SPEAKER:

Not of time, of relevancy.

HON G T RESTANO:

Yes, and we do put these questions in, I think, with a certain amount of forethought. Is this the first time, perhaps in your Speakership, if I can put it that way, that any question has been refused to be answered by the Government?

MR SPEAKER:

No, it has happened very often.

HON G T RESTANO:

We get questions which we put where the answer is 'No, Sir', but this is the first time, certainly, that I have ever heard of any question in any Commonwealth Parliament being refused an answer.

If the Chief Minister wants to get up and speak he can wait until I have sat down but I am asking whether this is the first time, certainly in this House of Assembly, and whether it has ever happened before in other Commonwealth Parliaments?

MR SPEAKER:

There have been occasions during my eleven years as Speaker when Ministers have either hedged or have refused to give the answer that has been asked, most certainly.

HON P J ISOLA:

Mr Speaker, I think you will agree certainly it is the first time in my experience that a government Minister has refused to answer a question actually put down on the Order Paper.

MR SPEAKER:

In any event, whether it is the first time or whether it is the last time or whether it has ever happened before or is going to happen again, it is a Minister's prerogative to refuse to answer a question if he so wishes.

HON P J ISOLA:

I hope it won't happen again, Mr Speaker, for the sake of democracy in Gibraltar.

MR SPEAKER:

We are not going to debate the matter.

HON G T RESTANO:

Mr Speaker, may I ask a question?

MR SPEAKER:

Yes, but it must be a very explicit one otherwise I will rule you out of order this time.

HON G T RESTANO:

Mr Speaker, do I take it that this is a precedent?

MR SPEAKER:

I think I made myself completely and utterly clear this morning when I said that the manner in which a question is answered by a Minister or whether it is answered by a Minister or not is his own responsibility and that the Opposition has the right to comment and to act in accordance with the demeanour and the behaviour of the Minister.

HON G T RESTANO:

But is it a precedent for a Minister to say, "I will refuse to answer three questions"?

MR SPEAKER:

It is not a question of a precedent it is a question of a right.

HON H J ZAMMITT:

Mr Speaker, Sir, is it not a question that it may be the first time certainly in my experience in the House that we have had 4 or 5 or 6 questions followed by equal motions on that particular question?

HON J BOSSANO:

Mr Speaker, may I point out that in fact I have on more than one occasion had my questions not answered.

HON P J ISOLA:

From this Government, I presume.

HON J BOSSANO:

Yes, not only from this Government but with the full support of the Opposition whenever I have asked questions about what has been going on between Britain and Spain. I have been told it was confidential and that I would not be told.

HON G T RESTANO:

Mr Speaker, I take Mr Bossano's point entirely but he had the right to ask supplementary questions.

MR SPEAKER:

Order, we are not going to debate this matter, I now call the Attorney-General to make his statement.

HON ATTORNEY-GENERAL:

Mr Speaker, first of all thank you for your consideration this morning on this matter.

Mr Speaker, I wish to make a statement on the legal position concerning the defects at the Varyl Begg Estate.

For some 17 months, the Government has been pursuing a specific course of action towards the resolution of this problem. I am now able to inform the House of the outcome of that course of action.

This is a major matter. I intend to state for the information of the House the salient points of the terms of agreements that have been reached with the contractor and the consultant architect respectively. Before doing so, I also wish to describe the considerations which gave rise to the course of action that has resulted in these agreements. It is not at this point of time appropriate and therefore I do not intend to speak on the details of the agreements. Their implementation is a matter on which work continues. It will require further time. In due course, the House will be informed in detail of the terms of settlement.

Honourable Members are already aware that in 1977, the Government proposed to its consultant architect and to the contractor

that the matters in issue concerning the estate should be submitted to a tripartite arbitration. This proposal was not in the event taken up. The House is also aware that subsequently in 1977 the Government engaged a firm of consulting engineers to investigate and report to it on the roofing leakages in the estate. These engineers submitted 3 reports. The final report was received in May, 1979.

After identifying what they considered to be causes of the roofing leaks, the engineers proposed in essence three alternative remedial solutions. The first was to undertake repairs to the existing roofs. The second was to erect a further floor. The third, was to construct pitched roofs over the existing roofs. In August, 1978, Ministers and officials formed the view that the possibility of a pitched roof solution should be pursued. This was referred to in the debate on this matter in the House in October 1978. Therein lies the genesis of the course of action that was in the event taken, though a final decision was not reached until a subsequent date.

When I myself first considered the Varyl Begg Estate problem, I came to the view it raised issues of design, supervision, and compliance with specifications. The first could raise issues as between the Government and its consultants, the second could raise issues between the Government and its consultants, and also between the Government and the contractor, and the third would involve issues between the Government and the contractor. I also formed the view that although the parties were in discussion, there was a need to restore normal relationships between the Government and its consultants, and between the Government and the contractor respectively. Although the roof leakages were the major issue, there were also other outstanding matters to be dealt with. The Government ought to deal with the contractor through the consultant with a view to pursuing a comprehensive resolution. Relatively speaking, the issue of compliance with specification was of its nature less problematical than issues of supervision and design, and in any event an issue of supervision as between the Government and its consultant did not exclude the possibility of an issue of supervision as between the Government and the contractor. With these considerations in mind, I subsequently advised the Government that it should re-establish its respective relationships with its consultant and the contractor, it should take up its differences with the contractor through the consultant, and to the extent that it might ultimately be shown that the contractor was not liable, it should reserve its rights against the consultants. This advice was accepted. I should add, although it does not qualify my advice, that both the Director of Public Works and the engineer engaged to report on the roofs were of the same view.

Prior to submitting his third report, the engineer came to Gibraltar in May 1979 to discuss the situation. In the course of those discussions, he suggested as an avenue for the resolution of the matter the possibility of seeking an acceptable contribution from the contractor, and the provision of architectural services by the consultant towards the construction of pitched roofs, the Government making itself a contribution

towards the element of betterment involved in the proposal for pitched roofs. At that stage, a figure of £1,000,000 was mentioned as the approximate cost of pitched roofs and a figure of £650,000 for the repair of the existing roofs.

After considering the engineer's third report, I formed a view as to liability, on the evidence available to the Government, and advised accordingly.

Having been advised on these considerations, and having regard also to the practical consideration of remedying the defects at the Estate as quickly as reasonably possible, the Government made a decision to pursue discussions with the consultant and the contractor in order to see whether a negotiated settlement could be achieved along the lines I have indicated. Accordingly, in August 1979, the Director of Public Works and I went to London. We first proposed to the architect that we should proceed on this basis. He indicated his readiness to do so. Thereafter we put the proposal to the contractor which also indicated its willingness to enter into negotiations to that end.

I should make it clear that the proposals were without prejudice. If acceptable and comprehensive terms could not be agreed, then there was on the Government's part an option open to go out to tender on the construction of the roofs and to resolve its differences with the contractor by litigation. The Government's position against the consultant would in that event be reserved.

In October 1979, through the consultant architect, the Government therefore opened negotiations with the contractor. In January 1980, the consultant came to Gibraltar to discuss the preparation of drawings and the manner in which negotiations should proceed. In the same month, the Council of Ministers formally approved the proposals to erect pitched roofs and the proposed timetable, on which it had been advised. This allowed for the costing of the proposals by the contractor, the examination of the costed proposals by the Government's quantity surveyors, a period for negotiation between the quantity surveyors and the contractor as to the costs, and the commencement of work by June 1980.

There was an element of slippage in progress, as the House is aware. In particular, the negotiations as to cost took longer than had been allowed for.

Meetings were held between the quantity surveyors and the contractors at which proposals and counter proposals were put forward. The Government considered that for the time being the negotiations should be pursued, as it was hopeful of being able to reach a mutually acceptable solution. By July, 1980, after consultation with the consultant architect, preliminary steps had been, without prejudice to our claims and to gain time, taken towards the ordering of the materials. Mr Speaker.

In July and August 1980, I had further discussions in London with the architects and the quantity surveyors. During the course of those discussions, they expressed their views as to

the basis on which we might eventually reach a solution.

Shortly afterwards, the consultants advised that they considered that having regard to the stage to which the negotiations had advanced, there was in effect room for only one further round of talks. In consequence of this, the quantity surveyor was asked to come to Gibraltar to discuss the matter, and it was proposed that the final round of negotiations should take place in Gibraltar that month with officials participating together with the consultants, I mean officials from Gibraltar. As it was not possible to arrange this, a team of officials led by myself and also including the Acting Financial and Development Secretary and the Director of Public Works, went instead to London in late September. Further negotiations were held, and a further proposal was put forward for consideration by the Government. On 2nd October 1980, the consultants and the contractors were informed that the proposal could not be accepted. Steps were then taken to protect the Government's position.

Later in October, representatives of the contractor came to Gibraltar and met with the Financial and Development Secretary, the Director of Public Works and myself. Although it was not possible for the consultant architect to come, the meetings were held with his concurrence and he was kept informed of the further progress that was made. As a result of this further round of talks, officials were able to put to the Government and to support a further proposal made by the contractor. The architect concurred in the proposal. I was also able to recommend to the Government, after consultation with officials, a basis for settlement with the architect himself. Both of these proposals were referred to and approved by the Council of Ministers and agreement was then reached with the contractor and the architect accordingly.

The terms of agreement reached between the Government and the contractor are as follows:

- (a) The contractor will undertake the construction of aluminium pitched roofs on all residential blocks at the Varyl Begg Estate. The price for this work is £1,025,000 as at May 1980. This will be subject to fluctuations thereafter for labour and materials. This price was negotiated by the quantity surveyors with the contractor. It includes elements agreed to by the quantity surveyors for preliminaries, measured works, and contingency allowance, and an element negotiated by them with the contractor for profit and overheads. The work will take approximately 18 months to complete. It will be undertaken on supplier finance terms. Under these terms it is proposed that 85 percent of the total value of the United Kingdom goods and services involved on the work, ie approximately £812,355, would be payable to the contractor, together with interest at the rate of 8 percentum per annum, in 10 equal half yearly instalments, the first

being due 6 months after the completion of the contract. The balance of the value of the United Kingdom goods and services, ie 15 per cent, would be payable by way of a sterling down payment on the signing of the documents covering the works. Payment for any goods and services not provided from the United Kingdom would be paid in full against the architect's certificates.

- (b) The contractor will pay by way of contribution to the Government, in settlement of its liability for existing roof and roof-related defects, a lump sum of £450,000. This is additional to the sum of £43,319 that the contractor has already spent on temporary repairs.
- (c) The contractor will also remedy under the existing contractual arrangements, the other outstanding defects for which it is liable. This will be a matter for processing between the contractor and the architect.
- (d) The contractor will come on to site to commence preparatory work within 2 weeks of 27 October 1980.
- (e) The outstanding claims against the Government by the contractor under the existing contract have been settled in the sum of £300,000. This amount includes an ex gratia element of £170,000 which we have been recommended by the architect to accept, having regard to United Kingdom local authority precedent. The outstanding claims are exclusive of money already certified under the existing contract.

Under the terms of agreement reached with the consultant architect, he will provide the architectural services relating to the design and supervision of the new pitched roofs free of charge. These include the services he has already provided in respect of the negotiations to which I have referred and it is estimated that they will be to the value of £74,600 under RIBA scales. In addition he will meet the costs incurred and to be incurred in design services provided by consulting engineers in respect of the roofs, estimated at £5500, and the costs of the quantity surveyors in the negotiations to date which are estimated at £5000. These two items will be paid by the Government out of the fees of the architect at present retained by the Government. The estimated value of the consultant architect's contribution is therefore £85,100.

In conjunction with the erection of the pitched roofs by the contractor, the electrical repair work at the estate caused by roof leakages will be put out to tender to a sub-contractor. Our estimated cost of this repair work is approximately £107,000.

Mr Speaker, as I have already indicated, this is the basis on which the terms of agreement have been reached with the contractor and the architect. I have at this stage sought to avoid commenting on the merits of the terms of the agreements. What I have done is to describe a course of action taken and the outcome. I expect that full details will in due course be supplied to the House. I may add, Mr Speaker, there are legal points I would in due course want to come back to the House on.

HON P J ISOLA:

Mr Speaker, the story that the Hon and Learned Attorney-General has just unfolded is indeed an unhappy one for the people of Gibraltar who apparently are going to foot, if I have heard his statement correctly, the majority or the largest share of the bill for putting right what the Chief Minister and the various Ministers in the Government side have been telling us for the last 4 years the Government was not at all to blame. Whilst the Chief Minister keeps saying no with his head, could I just ask the Hon and Learned Attorney-General if I am right in thinking that the Gibraltar Government or the public at large will pay for the majority of the cost in putting the Varyl Begg Estate right? In other words, am I right in thinking that the total liability of the contractor and the consultant is merely £450,000, as far as the contractors are concerned, and as far as the consultant architects are concerned are their free services for putting right what they did wrong originally and that the public of Gibraltar is going to meet a bill of £600,000. Am I right in saying that this is the net result of Government's efforts over the last 4 years?

HON ATTORNEY-GENERAL:

Mr Speaker, the proposal is a proposal to erect pitched roofs. There are two elements to the matter, there is the element of the actual remedial works that would have been required to restore the existing roofs as per the original specification and, of course, the remedial consequential loss that flowed from the leakages caused to those roofs and also other defects in the Estate. Mr Speaker, I will come to the point about the pitched roofs in a moment but if one looks at Varyl Begg and assesses the total damage that can be estimated, the total amount that it would cost to set it right as it was, Mr Speaker, I believe that that is in the order of between £1m and £1.1m and on that basis what has been recovered is altogether, I think, approximately 50%. It is true that pitched roofs are being erected, this is not a legal consideration but there is an element, it cannot be in a negotiation, but there is an element of betterment in pitched roofs. I also appreciate, of course, that the move to construct pitched roofs was partly brought about because of the circumstances in which the Government,....

MR SPEAKER:

We must not fall into the temptation of debating the statement. You have been asked a question which I think one can give an answer to or you cannot, I am not sure, it is up to you. You have been asked whether it is a fact that out of the £1,100,000 the Gibraltar Government is going to be responsible for £650,000 and if the builder is going to be responsible for £450,000, is that correct or not?

HON ATTORNEY-GENERAL:

If I may have the opportunity to do my sums, Mr Speaker. Mr Speaker, what I sought to clarify, I wasn't trying to debate the issue, what I sought to clarify was this, that one must look first at the total, if one forgot about pitched roofs, if I can express it in these terms, if one forgot about pitched roofs you would be looking at an Estate with flat roofs and what is to be measured is the total amount of loss that Government has suffered. If one looks at that situation to clarify what was asked, what the Government is recovering is £450,000 plus something which is estimated at £85,100 plus, I think, one has to say that £43,000 odd that the contractor has already spent and one is talking about something going up towards £600,000. So far as the pitched roofs are concerned they are a new element, there is an element of betterment in them. The point I sought to make clear and I wasn't trying to debate it I just wanted to make it clear, was that to some extent, of course, the situation of having pitched roofs has come about from the circumstances on which the Government has found itself.

HON P J ISOLA:

Yes, Mr Speaker, but I was only really asking for clarification because it seems to me that obviously the betterment issue is the escape route, may I put it that way, for the Government in justifying what is in fact a disastrous agreement for the people of Gibraltar. I want to ask the Hon and Learned Attorney-General what cash consideration there has been in relation to the rent that has been lost by the Government over these 4 years and interest on that rent? Has any specific cash provision been made for that in this agreement? The second thing; what has Government recovered in respect of other losses as a result of the work on the Estate? And the third thing; what is the contribution of the consultants for having designed in the first instance the wrong plans necessitating the construction of pitched roofs 4 years later as the only way of getting the Government out of the mess that these consultants who designed and did the whole work for the Varyl Begg Estate put the Government in? What is the cash equivalent of that, just doing new plans? In other words, is the position that the consultants designed the wrong set of plans and then said: "I am very sorry, even though it is going to cost you £600,000 and it has cost you so many thousands of pounds in suffering to people, in loss of rent to the Government, despite all that, my contribution is

going to be that I will do you a new set of plans for pitched roofs". And we must all turn round and say: "What marvellous chaps these consultants are". What is their contribution in terms of cash to the people of Gibraltar for the hardship that they have caused in this matter?

HON ATTORNEY-GENERAL:

Mr Speaker, before I answer that question may I ask the Hon and Learned Member to clarify the second aspect of it. He mentioned cash for the rents that have been lost and the Member then mentions other defects and I'm not clear what is meant by that?

HON P J ISOLA:

I was referring, Mr Speaker, to the suffering of people, to the inconvenience of people, to the inconvenience of the public, to the public funds that have been spent in trying to ameliorate this position over 4 years. Can I just ask one last thing and that is, this question of interest, when will it start running from and is Government getting any interest themselves on what they have lost and from the date that they have lost it?

HON ATTORNEY-GENERAL:

Mr Speaker, first of all on the point of the rents. The settlement that has been negotiated with the contractor is a lump sum settlement for all damage stemming from the roofs, that is, the damage to the roofs themselves and roof related damage which includes consequential damage caused by leakages. This includes damage to the electrical work, it includes damage to the flats and because those flats were damaged it wasn't possible for them to be occupied. It is a lump sum settlement and the lump sum settlement was negotiated taking into account the fact that part of the damages were made up of rent. On the second point, because I understand that the Hon Member is really making two points. The second point on the question of design. I understood the Hon and Learned Member to say, why is the consultant not putting up cash for roofs which he wrongly designed in the first place? It is not as simple as that. I cannot accept, and the evidence does not substantiate it, that it was quite so simple as the roofs being wrongly designed in the first place. There are elements of liability on the part of the consultants but beyond that I wouldn't go. Mr Speaker, there was also the question of interest mentioned. This proposal was a proposal to erect new pitched roofs and those roofs have to be financed and I was referring to the terms on which they will be financed by the Government in the course of their construction.

HON G T RESTANO:

Mr Speaker, can I just ask one point. We have been told all along for the last 4 years that the Government was taking

action or not taking action because they didn't know who was responsible for the faults in the roofs. May I ask now, who is responsible for the faults in the roofs at Varyl Begg? Is it the contractor, is it the consultant, or who is it?

HON ATTORNEY-GENERAL:

Mr Speaker, it is my view that the primary responsibility rests with the contractor and that there are elements of responsibility which rest with the consultant. In the case of the consultant, I think there were two aspects. There is the aspect of design and I think one also has to take into account supervision although that doesn't exonerate the contractor, which is contributing to the present leaks, there is evidence to this effect. There would also be the prospect of longer term design shortcomings but they have not contributed at this stage to the existing roof leaks.

HON G T RESTANO:

Mr Speaker, I take it then that it is the opinion of the Hon and Learned Attorney-General that the main part of the fault lies with the contractor. Can he also tell us how this view has been come by? Can he tell us how that opinion is based?

HON ATTORNEY-GENERAL:

Yes, Mr Speaker, it is based on the evidence that the Government was able to obtain from independent consultants.

HON G T RESTANO:

The next point, Mr Speaker, that I wanted to ask is that I see that in the Hon Member's statement he said that for some 17 months the Government has been pursuing a specific course. Of course, 17 months only takes us back to May, 1979. What happened between the time that the Government was handed the first block and very shortly afterwards, I believe, the faults were observed certainly by the tenants of the last floor flats, what happened between then and June 1979, that no action seems to have taken and it was only in June 1979 when Government took a specific course?

HON ATTORNEY-GENERAL:

Mr Speaker, I did think that my statement covered that. When I said 17 months and I think I emphasised as I said it, it is for 17 months that the specific course of action which had led to this outcome has been pursued. I did outline what happened before that. I have made the point, Mr Speaker, and I made the point deliberately. I was describing a course of action and I was describing an outcome. In due course one will be prepared to give a full account of the matter but I do think myself that my description and my statement of the previous events is

sufficient at this stage.

HON G T RESTANO:

In the context, Mr Speaker, of the Hon Attorney-General's assessment and statement, I agree, but he must accept that certainly since I have been in this House of Assembly, the Government has been accusing its predecessor of the faults of Varyl Begg. I just want to know what the present AACR Government has done between the moment they took office I think in 1972 until June 1979?

MR SPEAKER:

We are not going to debate the Varyl Begg issue. If you wish to ask questions in clarification of the statement you are free to do so.

HON G T RESTANO:

My question of clarification, Mr Speaker, is that the Government has taken a specific course according to the statement for some 17 months and that only takes us back to June 1979 but the Estate was first handed over or at least the first part of the Estate was handed over in 1972 and my question was what had Government done between 1972 or 1973 perhaps.....

HON A J CANEPA:

Mr Speaker, the building started in October, 1972.

HON G T RESTANO:

Well, between the time, if you like, of the first handing over until June 1979, that is what I am asking.

HON ATTORNEY-GENERAL

The matter was discussed after leaks had come to light between the contractor and the consultant and there came a point at which the Government, and I am not going to comment further at this stage, but there came a point at which the Government proposed to the contractor and the consultant, because I am sure Members know better than I do there was a difference between them as to what was the cause, there came a point at which a tripartite arbitration was proposed, an arbitration between the Government, the consultant and the contractor and that came to nothing. The Government then engaged, I think it was in December 1977, a firm of consulting engineers to investigate and find out what was causing the leaks and they reported as I said and the first two reports were in by 1978, the final report came in May, 1979, and we had

discussions with the engineer around June, 1979, and it was from that point that we followed a definite line of action which I have already outlined.

HON F J ISOLA:

Mr Speaker, it is very difficult to accept without question the statement that the contractors were mainly to blame because as I understand the position and perhaps the Hon and Learned Attorney-General will be able to confirm this to me, in August, 1977 when the Government proposed arbitration, within 12 days of receiving the letter the contractors accepted arbitration in August, 1977, and it was the consultants, who appear to be free from all blame, who refused the arbitration or refused to have the matter settled at a time which would then have resulted in things being done 3 years before or 4 years before they are being done and a lot of suffering and expense being avoided. The second point I would like to make on this question of the liability is that according to the statement that the Hon and Learned Attorney-General has made, in May, 1979, the estimated cost of repairing the existing roofs was set at £650,000, that was in May, 1979, but presumably in May, 1980, the estimated cost for repairing the roofs have had to be put up by 20% if one takes into account wages and all these things that go up annually. What reason can there be for the Gibraltar Government at least not getting a credit in the cost of putting pitched roofs at least of the amount that it would cost to repair the roofs today? In other words, the contractor, if they are to blame, should be paying at least £650,000 and not £450,000 or is the root of the problem that the contractor is saying "I'm going to pay what it would have cost to repair in 1977 if you had accepted my offer of arbitration".

MR SPEAKER:

Mr Isola, you are debating the issue.

HON F J ISOLA:

I want clarification of this point of liability of the contractor because it seems to me, Mr Speaker, that if the cost of repair was £650,000 the Government or the tax-payers because it is not the Government it is the tax-payers who are going for this, or the British Government, should not be made to pay a single penny more than the cost of putting right what was done wrong, never mind the betterment value, the cost of putting right what was done wrong.

HON ATTORNEY-GENERAL:

Mr Speaker, dealing first with the first point. I note what has been said about the attitude of the consultants when the tripartite arbitration was proposed. My view of the consultants liability as based on the evidence that was made available to

us by the consulting engineers who we subsequently engaged. I will comment at a later date on the significance of the consultant not accepting a tripartite arbitration. On the second point, I was careful to say this in my statement, the figure mentioned in May, 1979, of £650,000 and the figure mentioned of £1m were figures mentioned in discussion by the consultant engineer, they were not estimates in the considered sense, they were not estimates in the sense that implied that there was a considered formulation of the amount in the same way as a quantity surveyor would estimate them but they were figures which the consultant mentioned to us and when the negotiations took place this year between the quantity surveyors and the contractor, the quantity surveyor's assessment and I believe I am correct in saying in 1980 for the remedial cost of the roof, was £690,000. That was what the quantity surveyors were proceeding on as being the amount it would cost to restore all 18 roofs under the existing specification as at 1980. I am sure the Hon and Learned Leader of the Opposition knows this was a settlement and in a settlement there are elements of compromise. At this stage I propose to say no more about this.

HON P J ISOLA:

Which means, Mr Speaker, if I can ask for further clarification, it means that the Gibraltar tax payer or the Gibraltar public, whatever you like to call it, is being asked not just to pay for betterment value but to pay part of the cost of the bill which this Government has said and has given as its reason for not taking the contractors and consultants to court it would not have.

MR SPEAKER:

Mr Isola, that is not a matter of clarification. If they wish to do so the Opposition can debate the matter in a substantive motion but we are not going to go any further now on this matter.

HON MAJOR R J PELIZA:

Mr Speaker, on a point of clarification.

MR SPEAKER:

If it is a point of clarification, by all means.

HON MAJOR R J PELIZA:

The Hon and Learned Attorney-General has said that the defects are attributable to construction and not to design and that the contractors are prepared to make good up to a point. Why has

the Government agreed for the pitched roofs which apparently is a betterment, why have they agreed to that way of putting it right? Isn't there another way of putting it right and therefore saving the people of Gibraltar quite a large sum of money?

HON ATTORNEY-GENERAL:

Mr Speaker, I would like to be clear on this. I did not say that the contractor was at fault and the consultant was not at fault, but what I did not say was that the roofs were completely badly designed. My assessment, on the evidence which was given by the consulting engineer, was that the contractor was primarily at fault, he identified points of liability by the contractor and he identified points of liability by the consultant. My view of what he was saying was that the contractor was primarily responsible but I didn't say that there was no responsibility on the part of the architect, there was responsibility on the part of the architect as well, but the settlement in my view and I say that as a lawyer, he says that as an engineer and I appreciate that the settlement reflected that approach. Coming on to why were pitched roofs erected. As I said in my statement, the consulting engineer advanced three possible ways of remedying the matter; (a) one could restore the existing roofs; (b) one could build a new storey; (c) one could put a pitched roof across the top. He himself was of a view, of a view only as engineer, I am not trying to pass the legal assessment to the engineer, but he was of a view and the fact that pitched roofs were proposed, while it was considered that that would be a good solution, it was not implied that that was the only solution to the problem. What I am trying to say is it was not to be inferred from that, and certainly it was not his own view, that it was primarily a shortcoming in design. Now, I don't want to espouse this because I think it is really a separate issue and I don't think it is strictly an issue within the context of a legal dispute. In fact, I think it can be shown that over a longer period of time the pitched roofs are in fact a better investment.

HON MAJOR R J PELIZA:

Yes, but that is over a long period of time, Mr Speaker, and we are thinking of what is happening now. If there was no fault of design, or the designer were to some extent to blame, is the Attorney-General absolutely satisfied that the contribution being made, as my Hon Friend has said here before, and I think this question of the pitched roofs brings this point out very saliently, is he absolutely satisfied that the consultants are really contributing the amount that they should within the failure on their part?

MR SPEAKER:

With due respect, that is not a matter of clarification. I think we have gone as far as we can go on this one.

HON G T RESTANO:

I have two questions to ask, Mr Speaker, on clarification.

MR SPEAKER:

Put the first one and we will see.

HON G T RESTANO:

The first one is, in the past the Government has failed to collect revenue from the Estate because people refuse to pay their rents because of the bad conditions of their houses and I would like to know whether that money is going to be just forgotten.

MR SPEAKER:

No, that is completely out of order.

HON G T RESTANO:

Well, it is loss, Mr Speaker.

MR SPEAKER:

With due respect to you, it is completely out of order. You are entitled to ask any question for clarification of the statement. You are not entitled to debate the consequences of the Varyl Begg issue.

HON G T RESTANO:

Has any account been taken in the contribution by either the contractor or the consultant of the loss in revenue to Government by the non-payment of rents?

HON ATTORNEY-GENERAL:

I think I have answered.

MR SPEAKER:

I think you have answered that to Mr Isola no more than about a quarter of an hour ago. Perhaps you haven't got the answer you want but that is another matter. What is your second question?

HON G T RESTANO:

Yes, Mr Speaker, but that question has not been answered.

MR SPEAKER:

No, we are not going to labour the point any further but if you are in a position to put an end to it in a quicker way, yes, by all means answer.

HON ATTORNEY-GENERAL:

Thank you, Mr Speaker. In the amount that was negotiated that was a lump sum settlement and one of the factors that we took into account and presented in the negotiations was the consideration of rents.

HON P J ISOLA:

What was the figure for the loss of rent?

MR SPEAKER:

No, order.

HON P J ISOLA:

It may have been £450,000.

MR SPEAKER:

Mr Restano, you had another question.

HON G T RESTANO:

The second question, arising out of these investigations, is there any responsibility attributed to the Gibraltar Government for the faults in the roofs?

HON ATTORNEY-GENERAL:

There is no responsibility attributed to the Gibraltar Government for the design of this, they didn't design the roofs, but the view was expressed that the flat roof design is in itself not the best design and the view was expressed that it was designed to meet the needs of the client.

HON J BOSSANO:

Mr Speaker, in the estimates there was a figure retained of £852,900. Can the Hon and Learned Member say whether this is now being paid to the contractor or what is happening to that money?

HON ATTORNEY-GENERAL:

Mr Speaker, it hasn't, that figure was incorrect, I understand. I will say that when I learned of this it gave me a momentary palpitation because I thought we were sitting on their money but, in fact, we weren't.

HON J BOSSANO:

Can the Hon Member explain? I am afraid the fact that he says the figure was incorrect cannot be sufficient for us because this is in the printed estimates and we were told that the money was apparently something that the Government was sitting on, money owed to the contractor. In fact, if we didn't owe them the money how come we thought we did?

HON ATTORNEY-GENERAL:

Mr Speaker, I am sorry, I would like to help the Hon Member but I can't explain it that, in fact, that money was not owing to the contractor. I think I would rather say no more, I can't explain it.

HON J BOSSANO:

Can he say whether any money was owed to the contractor?

HON ATTORNEY-GENERAL:

What was owing to the contractor was a sum of £147,000 which wasn't paid.

HON P J ISOLA:

But in the statement the Hon Attorney-General referred to an ex gratia payment of £170,000.

HON ATTORNEY-GENERAL

That is a different matter altogether.

HON J BOSSANO:

Mr Speaker, I haven't finished. I take it, Mr Speaker, that the Hon and Learned Member is not able to give me an answer at this stage because the whole thing is not completely settled but that the information will be forthcoming at some stage, is that correct?

HON ATTORNEY-GENERAL:

Mr Speaker, yes that is what I intended to convey.

HON G T RESTANO:

Mr Speaker, I wasn't allowed to finish on the point I asked before.

MR SPEAKER:

Have you finished, Mr Bossano?

HON J BOSSANO:

No, Mr Speaker, the thing is I would rather carry on with one particular line than chop and change. On the amount of £107,000 for repair work, is that being met entirely by the Gibraltar Government?

HON ATTORNEY-GENERAL:

Mr Speaker, the amount which the contractor is contributing is around £450,000 lump sum, the repair work is a separate matter.

HON J BOSSANO:

I know it is a separate matter, Mr Speaker, it is a separate matter in his statement. What I am saying is, the £107,000 of electrical repair work being caused by roof leakages, is the contractor paying for that or is the Gibraltar Government paying those £107,000?

HON ATTORNEY-GENERAL:

Mr Speaker, I am not trying to misunderstand the Hon Member, is he saying that something which is going to be paid for in addition to the £450,000?

HON J BOSSANO:

Yes.

HON ATTORNEY-GENERAL:

The answer is no. The £450,000 is a lump sum.

HON J BOSSANO:

So that means that the £107,000 of electrical faults is being met by the Government itself and that, in fact, this package that the contractor has so successfully negotiated, takes account of the loss of rent, of £107,000, and of everything else and the Hon and Learned Member still thinks that that reflects a negotiation in which the major proportion of the blame is put on the contractor and not on the Government and yet the Government bears the major share of the costs?

HON ATTORNEY-GENERAL:

Mr Speaker, I think simply this, that what has been recovered in the settlement.....

MR SPEAKER:

We are not debating the quality of the settlement and that must be done in a substantive motion, not now.

HON J BOSSANO:

Mr Speaker, then on a point of clarification. Would the Hon Member agree that the statement that he has made indicates that the contractor is bearing something like 30% of the cost of putting the defects on the Estate right when they should have been right from the beginning, and that consequently if it is a fair settlement, it must indicate a situation where 30% of the fault is the contractors, 70% of the fault is the Government's and no fault at all for the consultant who is just doing a new set of plans. Would that be an accurate understanding of the statement and if not could it be clarified.

HON ATTORNEY-GENERAL:

It seems to me to come down to a question of calculations but I do not see how he gets the figure of 30%.

HON J BOSSANO:

Mr Speaker, if the Hon Member doesn't see how I arrive at the 30%, then I would point out that if the roofs alone are £1m and

that that is the initial cost subject to fluctuations, that if we are not shown the loss of rent or other incidental losses over the last 4 or 5 years, and if the electrical work alone is £107,000, it won't take us very far to arrive at a figure of £1.5m of which £450,000 is approximately 30%.

MR SPEAKER:

That may be so but again we are falling into the trap of debating the statement.

HON J BOSSANO:

I am asking him to clarify whether the contractor is putting 30% of the cost, is that correct or not?

HON ATTORNEY-GENERAL:

That is not correct.

HON J BOSSANO:

Can he say what percentage of the cost is being met by the contractor?

HON ATTORNEY-GENERAL:

Our estimate of the loss suffered by the Government of Gibraltar is between £1m and £1.1m and the contractor is paying £450,000 and while the temporary work may not have been to particular advantage or to anyone's ultimate benefit, he has in fact spent another £43,000 in doing temporary repairs.

HON G T RESTANO:

Mr Speaker, when I asked whether there was any responsibility on the part of the Government of Gibraltar, I got a few snide remarks from some Members of the Government and I would like to ask whether since the Government seems to be so confident of its own image in this whole business, would it now agree to what it refused to agree 2 or 3 years ago, to have a public inquiry?

MR SPEAKER:

Order, let us go on to the next matter on the agenda.

HON P J ISOLA:

As you have no doubt gathered from our questioning, this side

of the House is thoroughly dissatisfied with the surrender document that has been signed by the Government and I propose to raise this issue on the adjournment.

MR SPEAKER:

Most certainly.

MOTIONS

HON CHIEF MINISTER:

Mr Speaker, I have two motions in my name in the Order Paper but would rather deal with the more pleasant one first and deal with the other one later on. I have the honour to move the motion standing in my name which is that the Honorary Freedom of the City of Gibraltar be conferred upon the Royal Regiment of Artillery in recognition of its close association with Gibraltar over the past two and three quarter centuries and as an expression of the regard, esteem and friendship in which the Regiment is held by the people of Gibraltar.

Mr Speaker, shortly after the capture of Gibraltar in the summer of 1704, it was realised that a permanent artillery garrison would have to be provided if it was to be successfully defended against any future attack. Thus on the 3rd October of that year a Royal Warrant was issued authorising the establishment of a Train of Artillery for Gibraltar.

In 1716 the first two Companies of Royal Artillery were formed at Woolwich as part of the regular establishment of the Army. The Train of Artillery at Gibraltar and that at Minorca (then under British rule), I should remind Members, after expansion and reorganisation, were brought on to the regular establishment the following year as the third and fourth Companies of the Royal Artillery respectively. Five years later all four Companies, two at Woolwich and one each at Gibraltar and Minorca, were formed into the Royal Regiment of Artillery.

Thus the Gibraltar Train of Artillery was actually the oldest of the four original units of the Regiment, though it only became part of the Regiment in 1722.

The Company, after serving with great distinction during the defence of the Rock in 1727, was unfortunately disbanded at Woolwich on the 31st December 1770. It was then known as Captain G. Anderson's Company, 3rd Battalion R.A. The Company served in Gibraltar for 62 years from its formation in 1704 until 1766 when it was embarked for Woolwich. It is worthy of note that this Company was relieved, on leaving Gibraltar, by no less than four Companies, two more Companies being posted to the Rock in 1771..

These six Companies sailed for England in 1772 and were replaced

by five Companies of 2nd Battalion R.A. which today bear the Honour Title "Gibraltar 1779 - 83". Today these Honour Titles are held by 5, 19, 21, 22 and 23 Batteries Royal Artillery.

It was on these five artillery units that the main burden of the successful defence of Gibraltar rested during the Great Siege by the Spanish and French from 1779 to 1783. This achievement is rated as one of the most remarkable feats of arms in the history of the British Army.

Though Gibraltar was never seriously attacked after 1783, five or six Companies R.A. continued to be stationed here. Gunners from the garrison were engaged in other actions based on the fortress. Expeditions to Toulon and Corsica in 1793 - 1794 were based on this garrison. A handful of Gunners fought with Lord Nelson at Tenerife in 1797. One detachment helped re-capture Minorca in 1798. They also formed part of Abercromby's army in Egypt in 1801. In 1808 half a Company went to Sicily and others to Portugal and Ceuta in 1810. In this same year a raiding party from Gibraltar, assisting Spain during the period of Napoleon's invasion, attacked Fuengirola, that was before the Costa del Sol and all that, and an artillery detachment from the garrison took part in the gallant defence of Tarifa in 1811, another detachment taking part in the battle of Barrosa, which we see some of our resident Battalion from time to time celebrating.

Following the long period of peace after Waterloo Companies served for six or seven years on the Rock.

When there was trouble in Syria in 1840 a detachment was sent from the Companies serving here to Acre and Beirut. During the Crimean War the artillerymen in the Garrison ran a remount depot for horses and mules bought in Spain.

It was in 1859, with the introduction of the Brigade system, that a complete Garrison Brigade R.A. was stationed here and Gibraltar thus became one of the largest artillery overseas stations. It was during this period that defences progressively improved and Gibraltar's proverbial reputation as a Fortress was further enhanced.

During the First World War Gibraltar became a most important convoy post which was well protected by the gunners manning the many guns emplaced in the Batteries which deterred any would-be attackers.

The Second World War again saw the strengthening of the Fortress and many guns were mounted. These consisted mainly of Coast Defence and Anti-Aircraft Batteries and at the peak of this period the R.A. element consisted of no less than six regiments.

The Anti-Aircraft gunners of the Gibraltar Defence Force were fully trained before the outbreak of war by instructors of the Royal Regiment of Artillery and were therefore ready to man their guns when war was declared.

Detachments of Coast Defence gunners were trained during the first months of hostilities. These G.D.F. gunners served alongside their comrades of the Royal Artillery and manned both the 6" and 9.2" guns of 4 and 27 Heavy Coast Batteries whilst the Anti-aircraft element served in 19 and 256 H.A.A. Batteries until, eventually, in 1942, the Gibraltar Defence Force Heavy Anti-aircraft Battery was formed incorporating the Gibraltarian Gunners serving with the Royal Artillery batteries at the time. A Light Anti-aircraft Section was also formed in which I am proud to have made a very small contribution.

The Royal Artillery connection was sadly severed in 1958 when the last R.A. unit left the Rock and the only gunners remaining in the garrison were those of the Gibraltar Regiment, Heavy Troop. The present-day gunners of Thomson Battery, the Gibraltar Regiment, are the descendants of the B.D.F. gunners of World War II and still preserve their gunner traditions and some items of uniform such as the white lanyard which every man in the Gibraltar Regiment wears today whether he is an infantryman or gunner. Indeed the Gibraltar Regiment was authorised to have the grenade emblazoned in their Regimental Colour.

Today we are fortunate to have in the Garrison members of 8th Surveillance Troop RA who are doing splendid work in the best Gunner tradition and maintaining the link between the Royal Regiment of Artillery and Gibraltar.

For over two and three-quarter centuries our close connection with the Royal Regiment of Artillery and our debt for the part they have played in the defence of Gibraltar are indeed great, as is our deep affection for the heroism and ingenuity shown in the many attacks which our City has endured.

It is thus with a very special pleasure that I have the exceptional honour to move this motion to grant to the Royal Regiment of Artillery as a sign of our gratitude and friendship, the Freedom of the City of Gibraltar, a motion which I am confident will receive the warm and unanimous support of this House and which will be particularly welcomed by the people of Gibraltar. I am particularly glad that whilst this motion is being heard, the Deputy Director of the R.A., Brigadier Nagle is honouring our House with his presence in the Gallery.

The anniversary of the formation of the Gibraltar Defence Force falls on the 28th April. It is proposed that the Ceremony of the granting of the Freedom of the City should be held on a date as close as possible to this anniversary as it convenient to all concerned. The Ceremony will accordingly be held, if the motion is passed as I hope it will, on the 29th April, 1981.

Sir I commend the motion to the House.

Mr Speaker, proposed the question in the terms of the Hon the Chief Minister's motion.

HON P J ISOLA:

Mr Speaker, I think this is about the only motion, no, there is one other Government motion, that this side of the House will be supporting during the course of these sittings; but it is nevertheless with very great pleasure that we support the motion that the Hon and Learned Chief Minister has moved. We are only too aware, on this side of the House, of the close association of the Royal Artillery, that is how I used to know it a few years ago rather than the Royal Regiment of Artillery which is probably the right way of calling them, of the very close association and friendship that existed between the Royal Artillery and the people of Gibraltar. Indeed, I think for many years the Gibraltar Defence Force the Gibraltar Regiment's only association with the armed forces was in fact with the Royal Artillery. The infantry boys are a fairly recent acquisition of the Gibraltar Regiment and there are many of us, of course, who I do not say we have no truck with them but there are many of us who never had this particular experience. The Royal Regiment of Artillery, its association with Gibraltar, as the Hon and Learned Chief Minister has said, goes back many years but intimately so, of course, I would think from the time of the formation of the Gibraltar Volunteer Force at the outbreak of the First World War and it has been a very happy association, I think, during this century and therefore I think that the people of Gibraltar will welcome very much the opportunity of honouring this distinguished Regiment with the Freedom of the City of Gibraltar in April next year and I look very much forward to seeing the Royal Regiment of Artillery marching once more in our streets. Mr Speaker, we support this motion with enthusiasm and with gratitude.

HON MAJOR R J PELIZA:

Mr Speaker, as an old gunner myself and having really lived with guns for 22 years of my life, not being a member of the Royal Regiment but certainly very closely associated with it through the Gibraltar Regiment, I feel very happy that this House is going to grant this great honour to this Regiment which I think has counted for so much in the history of our City. I think this joy will be extended to the people of Gibraltar, one can see the way that they precious try to safeguard the batteries which I think are monuments to the Regiment through the years that they have served here. Also, I think it is a sign of the respect and love that the people of Gibraltar have towards the many men who through the many years have been here in Gibraltar side by side with the Gibraltarians in defence of our territory as in fact they are doing today. All this, I think, in the same way as this honour was given to the Royal Engineers and now to the Royal Regiment, goes to prove how much the people of Gibraltar appreciate having the Forces with us here in Gibraltar and I fully and wholeheartedly support the motion of the Chief Minister which I am sure will be receiving the full support of the whole House.

MR SPEAKER:

Does the Hon Mover wish to reply?

HON CHIEF MINISTER:

Nothing to add, Mr Speaker.

Mr Speaker put the question which was unanimously resolved in the affirmative and the motion was accordingly passed.

HON CHIEF MINISTER:

Sir, I have to deal with another kind of fight, this is the appointment of a Select Committee to deal with the law of divorce. At the last meeting of this House after long debate it was resolved that a Select Committee should be appointed to inquire into the need, if any, to amend the Matrimonial Causes Ordinance. In order to give the text to this resolution I have given notice of two motions. One for the setting up of the Select Committee and the other providing for its membership and I move the first of these motions which is "That this House resolves that a Select Committee of this House to be known as the Select Committee on the Matrimonial Causes Ordinance be appointed to inquire as to the need, if any, to amend the Matrimonial Causes Ordinance". Mr Speaker, this follows very closely the motion passed after the long debate we had on another motion on this same subject at the last meeting.

Mr Speaker proposed the question in the terms of the Hon Chief Minister's motion.

MR SPEAKER:

Does the Leader of the Opposition or any Member wish to speak on it?

HON P J ISOLA:

Mr Speaker, I will be speaking on the next one.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

HON CHIEF MINISTER:

Mr Speaker, I now move the second motion which is: "That this House resolves that the following Members should be nominated to the Select Committee on the Matrimonial Causes Ordinance: The Hon M K Featherstone, The Hon J B Perez, the Hon W T Scott,

the Hon J Bossano and the Hon D Hull, QC". Insofar as the Government Members proposed for the Committee are concerned our intention has been to provide a balance of views. It became evident during the last debate of the subject of divorce that one of the Ministers proposed fairness amendment to the Ordinance while the other is opposed to such amendment. The Hon Mr Scott has been nominated by the Leader of the Opposition and the Hon Mr Bossano is proposed as being the Member who raised the matter. All concerned have agreed that it is desirable that the Attorney-General should be a member. He will be in a position to advise the Committee in any legal points that may arise. The Chairman of the Select Committee is, of course, elected by the Members. I understand, however, that there is a general agreement that in this particular case it would be helpful for the Attorney-General to be so selected. Sir, I commend the motion.

Mr Speaker proposed the question in the terms of the Hon the Chief Minister's motion.

HON P J ISOLA:

Mr Speaker, I have been consulted obviously on the terms of this motion and on the composition of the Committee. The attitude we have taken to the Select Committee on this particular bill is guided by the thought that the question of divorce has been very much a matter of conscience and a matter of a free vote for the House. There has been no party policy laid down on either side of the House, certainly not on my side of the House, and accordingly it was my view and the view of our colleagues that although the Select Committee should be representative of the House as a whole we did not want the Committee to be too large and this is why I have agreed that the Opposition, the official Opposition, is only having one Member on this Committee whereas in a normal Committee where party policy is laid down obviously we would insist on having our full complement of two but as this is purely and simply a matter of individual choice and opinion, if I may put it that way, we were quite content with the composition as it is before the House and readily agreed to it. I should say, however, to the Committee, if I may say so, that I hope that the Members in the Committee will try and achieve the object of the resolution of the House which was really an object to inquire into the need of change on the divorce law and that their main remit really from this House is to go into the matter quite deeply, try and take opinion from all sections of the community on this issue of divorce. We all know by looking at the names, who is in favour and who is not, in the Committee, and that I don't think is the purpose of the exercise. I don't think what the House wants is to hear what their views are because we have already had that in a substantive debate on a substantive motion. I think what this Committee has to do, if I may point out or suggest, is to go deeply into the question of divorce, to hear different points of views from the public and to report to the House on the results of their inquiry as well, of course, adding to it their obvious own views as a Committee on how the House

should set about on this issue which is an issue very much a matter of conscience for a lot of people and I think there are strong feelings, justly so and rightly so, on each aspect of the issue of divorce. I wish the Committee luck in their search for genuine opinion in Gibraltar on divorce and how we should deal with the matter and I certainly look forward very much to their report, I look forward to reading it with some pleasure. Thank you.

HON A J CANEPA:

Mr Speaker, whilst I agree with the Hon the Leader of the Opposition that every Member of the Select Committee regardless of what his own inclinations might be on a matter has a duty to look at the problem objectively, and so, as it were more so on this occasion to convey back to the House the feeling of public opinion in Gibraltar on this rather controversial issue, I don't agree with him and he himself has intimated that people will perforce look very carefully at the names of those proposed and people know how those individual Members feel on the issue, what views they take and that is bound to colour the attitude, I think, of the general public towards the Committee which this House is being asked to appoint. Mr Speaker, I am not going to oppose this motion but I am not going to support it because the matter is one, as the Leader of Opposition says, where there is freedom of conscience and there was no whip at the last meeting of the House when the whole issue was debated at some length. I am quite happy with two Government appointments because I think we have tried to achieve some balance but I don't think that as a result of the appointment that has been made on the other side of the House, I won't say from the Opposition, from the other side of the House, I don't think that as a result the Committee is well balanced. I would have liked to have seen more representation of those Members of the House who are well known to take an intransigent view on the whole issue of divorce. I think that there is a great deal of feeling in Gibraltar against the whole issue of divorce and I think that those people who feel very passionately about this would have been comforted to a far greater extent if they had seen more representation on this Committee of Members of the House who are entirely against any relaxation of the laws of divorce. I would have liked, therefore, to have seen a bigger Select Committee with two additional Members, one from the Government Side of the House, of somebody like my Hon Friend Major Dellipiani, and from the Opposition side I would, and I make no bones about it, I would have liked to have seen the Leader of the Opposition as a Member of the Select Committee. Unfortunately it seems to me that the attitude of Leaders of the Opposition is that they will not serve on any Select Committee of the House unless the Chief Minister Chairs that Select Committee, that is my experience since 1972. The Hon present Leader of the Opposition's predecessor, Mr Maurice Xiberras, did not serve on the Select Committee on the Declaration of Members' Interests even though he had been involved and had been campaigning on this matter for over a decade but he would not serve under a Minister as Chairman and now we seem to be getting a repetition from the present Leader of the Opposition, the same attitude. On one occasion though when the Chief Minister chaired a Constitution sub-committee, well, it wasn't a Select Committee

but it was tantamount, really, to a Select Committee, I think this was from 1974/76, the Chief Minister chaired that Committee and therefore both Mr Xiberras, who was then Leader of the Opposition and I remember Mr Isola also, were the two Members. I think it is unfortunate, this is the impression that I get, if I am wrong I will give way and the Leader of the Opposition can clarify whether he would serve on a Select Committee of the House of which the Chief Minister is not Chairman, but I think it is a pity that on this very crucial and very important issue there isn't a bigger Select Committee and if the appointments that I have suggested were to be made I think it would be a better Select Committee, it would be a well-balanced Select Committee and all shades of view on the issue of divorce in Gibraltar would feel that there was somebody there who would at least look after their interests and I think it is important and the House I think has a duty that that should be done. I would, just to conclude, Mr Speaker, mention that there is still time, through an amendment moved by some other Member of the House, there is still time to amend the Select Committee.

MR SPEAKER:

I am afraid that on a matter of procedure there would not be, time because to amend the persons to be nominated, at least to nominate a new Member, requires notice of motion. It could be adjourned, of course.

HON A J CANEPA:

Why cannot an amendment be moved, Mr Speaker, which would be tantamount to adding another two Members? Is this out of order under the Standing Rules of the House?

MR SPEAKER:

It requires notice. An amendment proposing the substitution of an alternative name to one of those in the list of proposed Members cannot be moved without notice. If it were a motion to add Members and make it larger, of course, it would be perfectly in order.

HON A J CANEPA:

That is what I am suggesting.

MR SPEAKER:

I thought I would clarify the position.

HON A J CANEPA:

I don't propose to do it myself but I think that I have expressed the views very forcibly and perhaps if my views carry any weight with the Members of the other side of the House they might consider making the necessary amendment.

HON J BOSSANO:

Mr Speaker, all I would like to say is that even those of us who are personally convinced that it is necessary and desirable, would have to make any recommendations back to the House on the evidence that is put before the Select Committee and I think the House can take it that all of us will try and be fair however entrenched in our own minds one may be one way or the other in assessing the evidence that is put before the Select Committee as to whether there is a need in Gibraltar which we have ignored until now.

MR SPEAKER:

Does the Hon Mover wish to reply?

HON CHIEF MINISTER:

No, Sir.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed. The Hon A J Canepa abstained on this motion.

MR SPEAKER:

I would like to say now that this Select Committee has been appointed that at the present moment we have three Select Committees. We have the Public Accounts Committee which sits practically every week, we have the Members' Interests Select Committee which does not sit very often and now the Select Committee on the Matrimonial Causes Ordinance and I am sure there will be others. This means an extra burden on the staff of the Speaker's office and I am sure that I will have the support of the House when I say that we will need extra staff to service these Committees. Before the Hon Minister for Economic Development, Trade and Labour and Social Security moves his motion, I would like to plead on his behalf and request that he should not be required to read the full text of his motion which has already been circulated to Members some time ago and which is terribly long.

HON A J CANEPA:

Thank you, Mr Speaker. I have the honour to move in the terms

of the first motion in my name which amends or seeks to amend the Social Insurance Ordinance. Once again, Sir, it is my duty to bring this motion in which I ask the House by Resolution to approve the order which will amend contribution and benefit rates under the Social Insurance Ordinance, for 1981. The contributions with effect from the 5th January, 1981, and the benefits with effect from the 30th December, 1980. Turning first to the benefits, Mr Speaker, as I have explained in previous years when presenting similar motions, the Social Insurance Ordinance, as amended in 1977, requires that when reviewing benefits annually, the level of old age pension for a married couple should be not less than 50% of the average weekly earnings of weekly paid full-time male employees in Gibraltar. Work on this review for 1981 has been going on for several months during which the latest available figure of average weekly earnings was £73.37 as revealed in the Employment Survey for October, 1979. However, because of the time lag and in anticipation of the effect that pending wage settlements during 1980 were likely to have on average earnings, it was decided to calculate the old age pension increase on a higher earning figure of about £80. On this basis and as proposed in paragraph 3 (a) and (b) of the table in paragraph 4 of the Order, which the House is being asked to approve, the old age pension for a married couple in 1981 was set at £41. As it happens, the latest Employment Survey for April, 1980, which I tabled earlier in these proceedings, shows that average earnings had risen to £81.64 so that the £41 pension will in fact be just over 50%. The cash increase of £6 represents an increase of 17% over the present figure of £35. This percentage increase is being applied to all other periodical benefits payable under the Ordinance as well as to increases thereto in respect of dependents. As a result, the old age pension for a single person goes up from £22.80 to £26.70 per week and likewise for widowed mothers' allowance and for widows pensions amongst others. It is worth observing, Sir, that whereas the level of these pensions is now rather 55% higher than in January, 1978 the increase in the index of retail prices during the same period has been of just over 40% so that their real value has risen by about 15% and with inflation currently running at about 9%, Mr Speaker, the higher pensions which are proposed for 1981 should represent a further increase in their real value over the past three years. With regard to the short term benefits, namely, maternity grant and death grant, for the second year running it is not proposed to increase them and I should add they are still considerably higher than in the United Kingdom. The additional expenditure which will result from the proposed increases in pensions is estimated to involve additional expenditure to the Social Insurance Fund of about £464,000 a year. To meet this extra liability it is intended to increase adult contributions both for men and women by 90p a week to £5.30 a week, the increase being shared equally between the employer and the employee, namely, 45p each. Increases for juveniles, Mr Speaker, will be proportionately less. Benefit expenditure is now estimated at £3.06m and this will exceed contribution income by about £112,000 but this relatively small shortfall which represents less than 4% of expenditure, can be met from the Fund's investment income of about £2m a year. We have been doing this

for the past 3 years notwithstanding which the fund has continued to grow from £5.04m in April, 1978, to the present £6m, in spite of shortfalls of £229,000 in 1978 and £113,000 in 1979 as between benefit expenditure and contribution income. Mr Speaker, in these estimates no regard has been had of the commitment which would have to be met upon the opening of the frontier when about 4,000 pensioners in the Campo Area would presumably come to Gibraltar to claim the pensions to which they are entitled. Sir, I hope that I have managed to convey to Hon Members of this House what it is that they are being asked to give their stamp of approval to this motion. If I have succeeded I shall be able to be much briefer when presenting the two other motions which although relating to different Ordinances are also part and parcel of one overall exercise. Sir, I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon the Minister for Economic Development, Trade and Labour and Social Security's motion.

MR SPEAKER:

Are there any contributors?

HON P J ISOLA:

Mr Speaker, we support this motion. We have listened and understood what the Minister had to say. As far as the old age pension is concerned the increases in old age pension will come to about £5 or £6 a week for a couple and these, of course, are free of tax. I hope, and this is why I get up at this time, that this will be borne in mind by the Minister when moving the Elderly Persons (Amendment) Ordinance under which the benefits for elderly persons not entitled to Social Insurance pension are increased from £9 to £10.50, paying tax. I hope that the Government between now and the moving of that Bill will consider whether it is equitable in the circumstances to continue to make elderly persons in receipt of pensions under that Ordinance to be subject of tax. I will be moving an amendment to free them from tax but I hope that I have given warning of that in this particular motion.

MR SPEAKER:

Does the Minister wish to reply?

HON A J CANEPA:

No, Sir.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

HON A J CANEPA:

Mr Speaker, with the leave of the House I would not like to have to read a motion which is even more complex than the previous one. I have the honour to move in the terms of the motion standing in my name which seeks on this occasion to amend the Employment Injuries Insurance Ordinance. Sir, when presenting my previous motion I explained how the new rates of old age pension under the Social Insurance Ordinance for 1981 had been arrived at and which represented an increase of 17% over the current rates. I also said that this percentage increase was being applied to all other benefits under the several enactments which make up our Social Insurance Scheme. The proposed order, which is the subject of this motion, and which the House is being asked to approve, runs into 5 pages and looks rather complicated, perhaps, in some cases even unintelligible. This is because it is an amending Order and therefore just a mass of figures. In fact, all it does is to increase the weekly contributions by 4p, 2p from the employer and 2p from the employee, and increase all benefits by 17% both as from the 1st January, 1981. Injury benefits will thus go up from £21.28 per week plus £5.32 for an adult dependent, to £24.85 with the corresponding figure for the adult dependent now being £6.23. Likewise, the gratuity on death or for 100% disablement, goes up from £5,980 to £7,000. The increase in contributions will, in fact, be the first since January 1978. The Employment Injuries Insurance Fund continues to be in quite a healthy state but it is felt that after 3 years during which benefits will have been increased by 62%, it is wise to raise the contributions by at least 4p a week to be shared equally by the employer and employee in order to maintain this healthy state. Besides, the Government is at present studying the possibility of increasing all disablement pensions and industrial death pensions which are payable at the rate prevailing at the time that the particular accident occurred. This matter was raised by the Hon Mr Bossano in question No. 95 earlier this year and if eventually it is decided that it is possible to pursue this matter, it is necessary to ensure that the funds will be able to meet the additional financial commitment involved which is estimated at about £23,000 per annum. I shall be keeping the Hon Mr Bossano, in view of his particular interest, informed of how this matter is progressing. Sir, I don't think there is any more I need say about this motion which I have much pleasure in commending to the House.

Mr Speaker proposed the question in the terms of the Hon the Minister for Economic Development, Trade and Labour and Social Security's motion.

HON J BOSSANO:

Mr Speaker, I welcome not only the increase in rates but in fact the expression of intent to see whether it is possible to meet the point that I raised in an earlier question for those groups that have had no increases in their disablement pension since the day the accident took place. I would like to take the

opportunity, in fact, to seek clarification from the Minister as to whether people who are insured as self-employed are, in fact, covered for injury and if not whether he will consider amending legislation at a future date to enable them to make this contribution and be covered. I feel that whereas self-employed people, perhaps, are excluded from the provisions of unemployment benefit for obvious reasons that they have control over their own employment, the same cannot be true of injury at work which must be a risk taken equally by somebody working for himself as it is for somebody working for an employer. I am not sure whether in fact under the current legislation they are covered or not but I have had cases of individuals coming to me who claim that they have been told that they cannot contribute to the industrial injury benefit because they are self-employed and I believe this to be an anomaly and I would like the Minister's views.

MR SPEAKER:

If there are no other contributors, I will ask the Minister to reply.

HON A J CANEPA:

I don't think, Mr Speaker, that this is in fact an anomaly at all. It is based on the practice elsewhere, certainly, in the United Kingdom, where self-employed people are not covered for injury benefit and for a rather good reason. Under the Employment Injuries Insurance Ordinance, the onus is on the employer when an accident occurs to one of his employees to report that accident to the Department immediately so that the matter can be thoroughly investigated with a view to assessing whether injury benefit should be paid. In the case of a self-employed person it is doubtful whether that procedure could be fully followed with the necessary degree of certainty as to whether the accident had in fact occurred at the place of work or outside the place of work. This I have always understood in the 12 years that I have been in the Department, is the fundamental objection to self-employed persons being covered by employment injuries and as I say, it is my understanding that it is the position in the United Kingdom and that that was the advice which was received 25 years ago at the time when our scheme which is essentially modelled on its basic principles on the United Kingdom scheme; that is the advice which was received and I have had no reason to think otherwise since then. This, is the advice, this is the view that continues to be held in the Department. If the Hon Member has good reasons as to why it should be otherwise and whether procedures can be adopted that would not lead to abuse, I am sure the Department would be prepared to consider them. I will give way to the Hon Member if he wishes to intervene.

HON J FOSSANO:

Mr Speaker, I understand that that might have been the thinking in the United Kingdom. I think, perhaps, in Gibraltar we are in

a better position to control any question of abuse because of the size of the place and because of the closeness of any accident or injury or anything like that taking place, it is not something that can be easily camouflaged but in any case I would point out to the Minister that presumably under existing legislation if one has somebody who is working, for example, as a craftsman doing jobs on his own, then he self-employed cannot be covered against an injury at work, nevertheless, presumably, if he incorporates his business and then calls himself an employer of the business of which he is the owner, then, presumably, he is covered, so it is possible to get around that loophole and it would seem to me that it requires looking into. I welcome the offer to look into the matter further if I take it up with him outside the House.

HON A J CANEPA:

I commend the motion to the House, Mr Speaker.

Mr Speaker put the question which was resolved in the affirmative and the motion was accordingly passed.

HON A J CANEPA:

Again, Sir, if I may dispense with reading which is, however a slightly shorter motion, I have the honour to move the motion standing in my name which in this case seeks to amend the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance. Sir, this third motion in the series standing in my name deals with proposed increases, again as from January, 1981, of the benefits which are payable under the Non-Contributory Social Insurance Benefit and Unemployment Insurance Ordinance and these benefits are two in particular, retirement pension and unemployment benefit. In both cases the intention is merely to apply the same 17% increase that is being applied under the other Ordinances thus maintaining the present relationship between all benefits. Insofar as retirement pension is concerned, the basic rate of £18.50 would be increased to £21.60 per week and the addition for the wife from £9.90 to £11.50 giving a married couple a pension of £33.10 instead of the present £28.40. This pension is paid to a relatively small group of about 70 quite elderly persons who were too old to benefit from the old age pension when this was introduced in 1955. I think I should explain, Mr Speaker, that transitional arrangements were made which have now been going on for 20 years, the pension was first paid in 1960. The retirement pensions are paid from the Consolidated Fund, not from the Social Insurance Fund but from general revenue, and the tentative provision which is being made in the approved estimates of the Department for the increase for the period January to March, 1981, should be sufficient without the need to seek additional funds. With regard to unemployment benefits, again a 17% increase will put up the basic weekly rate from £17.40 to £20.34 with additions for a wife or adult dependent and for children as shown in columns 3 and 4 of the table which is headed Part 1A on page 3 of the motion. The lower rates on page 2, Mr

Speaker, are only applicable to those who qualify for unemployment benefit but who since July 1970 have not been either ordinarily resident in Gibraltar or insured here for an aggregate of 2 years. Sir, I commend the motion to the House.

MR SPEAKER proposed the question in the terms of the Hon the Minister for Economic Development, Trade and Labour and Social Security's motion.

There being no response Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

The House recessed at 5.25pm.

The House resumed at 6.00 pm.

MR SPEAKER:

We are still on Government motions.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I have the honour to move the motion standing in my name in the Order Paper which proposes the amendment of the Second Schedule of the Licensing and Fees Ordinance by replacing Item 3 of that schedule with the item which has been circulated to Members of the House.

MR SPEAKER:

I am sure that Hon Members do not wish the Hon Member to read the whole of the substitution.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, the Foreign and Commonwealth Office informed the Government earlier this year that the British Nationality Regulations were being amended to increase the fees for naturalisation, registration and other related services and this Government was invited to amend its regulations accordingly. I should draw the attention of the House to the fact that for the first time the registration fee provides for £25 for the registration of a minor both as a citizen under section 7 of the British Nationality Act and also under section 1 of the British Nationality Act No. 2 of 1948. It has been drawn to our attention that if more than one minor is registered at the same time the fee is still £25. This is brought out in the notice before the House. Mr Speaker, Sir, I commend the motion to the House.

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

HON J. BOSSANO:

Mr Speaker, I would like to raise the question of the decision making process involved in granting naturalisation and registration at this point. I think this was something that was raised in the House some time ago when in fact there was an amendment in our legislation on giving rights of residence in Gibraltar to people who are registered and naturalised in Gibraltar and it is also a question, I think, which is pertinent in the light of the proposals contained in the Green Paper on the new British Nationality Laws, where as I understand it, effectively, if there was a change in the concept of British nationality distinguishing between a UK British national and a national of a dependent territory, a British Subject that was a national of a dependent territory, persons naturalised and registered in Gibraltar would in fact acquire the same nationality as a Gibraltarian and not the same nationality as a UK citizen. In that context it seems to me that it isn't just a question of following the decisions that are taken in UK either in the question of the fees that we charge or, indeed, in accepting that the decision should be entirely in the hands of the Secretary of State in the United Kingdom if we are accepting the liability for guaranteeing residence in Gibraltar and for accepting someone as a citizen of Gibraltar in effective terms even if the concept at the moment is unclear in the light of the confusion surrounding the whole question of British Nationality. But I would like, perhaps, some explanation, given that we are going to be raising the fees, effectively, who decides whether somebody is entitled to use any of these clauses to register in Gibraltar and is it in fact the case that even if a decision is taken in the United Kingdom and we have no say in the matter, we assume the responsibility for that person as a citizen in Gibraltar.

HON CHIEF MINISTER:

Before the Attorney-General answers on the legal side, I would like to have some clarification of the remarks of the Hon Member. Is it that we ought to be more careful because we are now under the terms of the Treaty of Accession to Europe and on any changes that there may be we are going to have responsibility for those people? Is it that because of that we should discourage people to be registered? As I understand it, the matter is processed here and sent for approval by the United Kingdom, subject to anything the Attorney-General may have to say, because it is a discretion given under the British Act of Parliament which is exercised by Her Majesty's Government though the Governor is specifically delegated to accept registration of minors locally. Naturalisation certificates must be signed by the Secretary of State or by somebody on his behalf. The question of belonging is one which has been long though not in legal terms always understood that people who were naturalised in Gibraltar since the Immigration Act, certainly, were belongers and that therefore we would carry them as anybody else. If we don't want that then we could say

"We don't want to be burdened later on with the 20 or 30 people that you are going to authorise now". On the other hand, the thing goes very slowly and the people are very closely scrutinised before approval is granted, this is my practical experience in the last few years, it takes much longer and it is more difficult. Therefore one would like to know what is the feeling about this, is it that we should discourage people because eventually they will belong to Gibraltar together with rest? The number of people that are naturalised, to my understanding, is not more than about 5 or 8 or 10, at most, a year, may be the Attorney-General has got figures on that. It is interesting to know that because if in fact they are permitted to acquire British nationality, citizen of the United Kingdom and Colony, at this stage there is still no difference. Perhaps because of that they are not hurrying up the applications, in fact, they are normally very slow, but we have to take a stand on that. I presume that the Hon Member will say; "Well, if we have to carry these people we ought to decide whether we have them or not." I think that is a fair question. Let me say in respect of the fees that they are, strictly speaking, payable to the United Kingdom but strictly speaking they remain in Gibraltar.

HON J BOSSANO:

Mr Speaker, I am grateful that you have given me the opportunity to speak on this because in fact I was using, quite honestly, the reference to the fees as an excuse to raise a point which I thought it was appropriate to raise at this point because if the House will recall, when the law was amended I voted against the change giving the right of residence in Gibraltar to people naturalised here precisely on the argument that the Chief Minister was seeking clarification on whether that was my stand, it is indeed my stand that if we assume responsibility then I'm not saying we should be more restrictive or more liberal, I think on the whole Gibraltar's tradition has been of building up, one could say a multi-religious and multi-racial society where we have welcomed people from many parts of the world and assimilated them very quickly and very easily and I think it is a very proud record that we bear that once people settle here they become Gibraltarians almost within a generation and defend this place as their homeland and I think that is a good thing in a community but I still think that the responsibility that we carry is one that should not frighten us but we must seek the power that goes with responsibility and that consequently the right to become registered and naturalised in Gibraltar which carries with it a responsibility from the Government of Gibraltar for those future citizens, should be one that follows a process where it is the Government of Gibraltar's decision that really matters most and perhaps it should be a system where people are entitled to appeal against what they may consider to be an arbitrary or discriminatory decision. I would like to see that investigated now that the matter has come before the House and I am taking the opportunity of doing so and I am effectively using as an excuse that if we are going to be raising the fees and we are entitled to question the fees we are entitled to question everything else.

MR SPEAKER:

Are there any other contributors?

HON ATTORNEY-GENERAL:

I don't know whether in view of that the Hon Member requires me to say anything. I was quite prepared to say something about the law as it stands.

HON J BOSSANO:

I would welcome, Mr Speaker, some information just to be sure that I have got the right picture.

HON ATTORNEY-GENERAL:

As the law now stands, and you will appreciate that this is somewhat spontaneous but I think I am right, as the law now stands the process of naturalisation is a process which takes place and involves the Secretary of State and the Governor. It is a two-stage process and I think really it is a British responsibility, I think it is correct to say that, and as I understand the law it does not follow automatically from the process of naturalisation that a person is entitled to reside permanently in Gibraltar.

HON CHIEF MINISTER:

Yes, now it does.

HON ATTORNEY-GENERAL:

Well, as I said, I did preface my remark, Mr Speaker, by saying that they were somewhat spontaneous.

HON CHIEF MINISTER:

The terms of the Treaty of Accession is that European subjects, our subjects, who have been born in Gibraltar, registered or naturalised in Gibraltar and they have all been given the right of permanent residence.

HON J BOSSANO:

Mr Speaker, perhaps the Hon Member could expand on the question of registration, what is the difference basically between naturalisation and registration? He has mentioned naturalisation, is there a difference in the case of registration?

MR SPEAKER:

It is a matter of right, if you have a right to be registered then you are registered.

HON CHIEF MINISTER:

The registration I mentioned are mainly for minors. The registration of other Commonwealth subjects who are entitled to be registered if they are British subjects, governed by policy decision taken in the United Kingdom.

MR SPEAKER:

I will call on the Mover to reply if he so wishes.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I am grateful to the Hon Member for raising this point. I have taken a note and the point that he has raised will be brought to the attention of those concerned in this matter. I beg to move.

Mr Speaker put the question which was resolved in the affirmative and the motion was accordingly passed.

HON G T RESTANO:

Mr Speaker, I have the honour to move the motion standing in my name which proposes that "This House approves the First Report of the First Session (1980) of the Public Accounts Committee". Mr Speaker, the Public Accounts Committee came into being following a motion on the 25th March, 1980, by the Chief Minister which proposed that a Select Committee be appointed to be designated the Select Committee of Public Accounts to examine the accounts showing the appropriation of the sums granted by the House to meet the public expenditure and such other accounts laid before the House as the Committee may think fit and to report from time to time and also that the Committee should consist of the Hon Major Dellipiani, the Hon Mr Perez, the Hon Mr Haynes and myself. Mr Speaker, it has been a fairly busy Committee, we have met virtually every week. At the first meeting I was elected the Chairman of the Committee and because it has been a fairly busy Committee the report is a long one and I propose to try and give as brief a resume as I can and highlight the salient points of the report. The report is divided into four parts. Part 1 is on the use of RYCA Supply Co Ltd by the Public Works Department. Part 2 is on the unallocated stores of the Public Works Department. Part 3 was the excess expenditure which was highlighted in the Principal Auditor's Report and Part 4 are the conclusions and recommendations that we have arrived at. Part 1 of the report deals with the use of RYCA Supply Co by the Public Works Department mainly. The reason why the Committee went into this

subject as its first priority was that after the election when the Public Accounts Committee came into being the Chief Minister during consultations with the Leader of the Opposition as to the constitution of the Public Accounts Committee, did say that he would like to see the Public Accounts Committee looking into this matter which at the time some two years ago led to many rumours in town dealing with all sorts of accusations as to what was happening with this item. As I say, the Public Accounts Committee has interviewed a number of persons in the Department and a number of persons connected with the use of RYCA as a supplier to the Public Works Department and we found that in early 1975 or rather either late 1974 or early 1975 a trial order was placed by the Public Works Department with RYCA and shortly after that the Company wrote to the Public Works Department making an offer as to how they could in the future supply the Public Works Department and the offer made, it is on page 3 of the report, was that for certain amounts of orders the Company would charge various commissions, e.g., for orders up to £1000 - 15% procurement charge, for orders from £1001 to £10,000 - 7½%, and on orders above £10,000 again 7½% for the first £10,000 and 2% for over this amount. This offer was made in a letter sent to the Department addressed, in fact, to the then Stores Officer and the Committee found that that offer was never either accepted or rejected by the Department. All the officers that we interviewed were asked repeatedly why an offer had been made which had neither been accepted or rejected whilst at the same time the Department continued purchasing and no explanation was ever given to us. Nobody seemed to know why that offer had had no reaction from the Government. Subsequently, the Department continued to purchase from this Company on a different basis, apparently, to what the offer was. The offer had been made, in writing, that the Company would supply the Government and invoicing the cost to them of whatever item was ordered plus freight charges and so on and then eventually the procurement charge for the Company but it appears, although no minutes were ever produced to the Committee, it appears that members of the Department instructed RYCA to include all the procurement charges and all the freight charges and all the transport charges in the individual price of items. However, no queries were ever made by the Department as to whether or not the procurement charges shown were higher than those that had originally been offered. One of the difficulties that we have had in going through this subject is that two senior officers of the Department at the time are no longer in Gibraltar. One is the Director of Public Works who came to the end of his term of office and who is no longer in Gibraltar and the second person was his Deputy who has since died, so we were given certain information but we could get no confirmation from the people who at the end of the day are responsible and that is either the Director or his Deputy. Another difficulty that we encountered was that no minutes of any meetings had ever been taken and as the officers who at the time took part in the negotiations are no longer here we could not corroborate what had been said to us. The Department continued to use RYCA increasingly and in fact in 1977/78, the purchase was for £2m from that Company and this represented about 65% of the total purchases during that year for the Public Works Department. Around that time, around 1977/78, the Electricity Department

discovered a serious overcharge and this is really what started all the rumours going around town. The Electricity Department discovered that some copper conductors that it had purchased from RYCA had been charged at £8,000 when the original estimates had been for £750. Immediately following this the Principal Auditor was requested to investigate, to make a full audit investigation, and at the same time, in fact, in February, 1978, RYCA were instructed by the Public Works Department, following the audit of the Principal Auditor, that in future they should invoice the Government in the way that they had originally offered to do so which was producing manufacturers' invoices and then putting on their own procurement charges. There were a series of memos at the time from the Principal Auditor to the Director of Public Works, from the Stores Officer to the Director of Public Works, from the Director of Public Works to the Financial and Development Secretary, from the Financial and Development Secretary to the Chief Minister and that particular one has been included in the report. I have to say at this point that the Director of Public Works was time and again asked to give his comments and for two years those comments were not forthcoming and in fact the Committee was presented with the report of the present Director of Public Works during the time when it was finalising this report. The crux of the matter with RYCA is that RYCA claims that during the period 1976 to February 1978 when they started their new procedures, they were acting as wholesalers and not as procurement agents and that as such, as wholesalers, they could charge whatever they wanted to Government. Another difficulty that the Committee encountered was that we could never substantiate, we could never find out exactly what charges RYCA had been charging between 1976/78 because the manufacturers invoices were not being produced. The Managing Director of the Company gave evidence to the Committee and when he came to give evidence he agreed that all those old manufacturers' invoices would be produced provided that they were not held to their original offer. Subsequently, and again during the compilation of the report, everything came in bits and pieces at the last moment, the Company wrote a letter saying that they had changed their minds and were not prepared to produce the manufacturers invoices for the period 1976/78. As I say, the crux of the matter was whether or not that Company was acting as wholesaler or procurement agent or buying agent. The Principal Auditor was asked by the Committee to obtain a legal opinion from the Attorney-General's Department and that legal opinion is in the Appendix to this report. The opinion of the Attorney-General is that from the inception of the relationship between Government and RYCA until February, 1978, when the new procedures came into being, they stood in the relations of principal and agent respectively so the legal opinion of the Attorney-General's Department is that RYCA were not wholesalers which is what they claim. During the course of the investigations of the Committee it became absolutely clear that there had been inefficiency within the Department. First of all an offer was made, an offer was not replied to and yet the Department continued to purchase without having come to a firm agreement. Secondly, it became absolutely clear that there had been a general failure to comply with Stores Regulations and this in fact is also included in the summing up of the then Financial and Development Secretary

in his memo to the Chief Minister. The only manufacturers' invoice for that period of time which RYCA were prepared to give sight of to the Committee was that of the £8,000 overcharge and I will talk about that in a moment. That is more or less the history of the Public Works Department purchases from RYCA. Part 2 of the report deals with the unallocated stores of the Government. The Committee visited most of the stores of the Public Works Department, the stores are spread out throughout various localities in Gibraltar and the Committee found that there was no adequate control, the Committee found that there was no gate control, the Committee found that the security of the stores was poor, stacking was poor as well, and the stores are at the moment full of obsolete stores and rubbish which merely clutter up and take up space. The Committee was further informed that Boards of Survey which are nominated from time to time to look into any stores that are obsolete and need to be thrown away or sold, first of all took a long time to get together and, secondly, that they were composed of very junior officers who really didn't know what they were looking for and had no technical knowledge of what they were supposed to be looking into. Part 3 of the report is on excess expenditure for the period in question. There was very little other than again the Public Works Department which had an excess expenditure of £143,916 but, of course, that has to be put against the token vote in the estimates of £100 which obviously was quite inadequate. Since then the £100 has been substituted by £100,000. Part 4 deals with the conclusions and recommendations. On the use of RYCA the Committee found that in its dealings with RYCA the Public Works Department had acted both inefficiently and negligently which conduct is to the detriment of the good name of the civil service and may have resulted in the loss of public funds. The Committee found that during the above mentioned period there was a widespread failure to observe Stores Regulations and to follow the normal procedure for checking invoices and the receipt of and payment of stores. The Committee found that the Public Works Department was inefficient and negligent in not putting its arrangements with RYCA on a clear and proper footing and by allowing this reprehensible departure from regulations to persist for three years. It was also a conclusion of the Committee that in its dealings with RYCA and other purchasing agents since 1978 and its implementation of Stores Regulations there has been an improvement but the position is still not satisfactory and in fact with the new procedures the Committee found certain discrepancies in orders made. The Committee noted that RYCA had consistently refused to reveal to the Committee certain manufacturers' invoices and the lack of cooperation has resulted in the Committee being unable to calculate the exact procurement charge made by RYCA in its dealings with the Public Works Department until early 1978. The last conclusion was on the overcharge of £8,000. In this instance the Company were prepared to let us have after a lot of asking, if I may say so, from the Committee, the Company did let us have a copy of the original invoice of the overcharge. It was clear, first of all, that the original overcharge had been a mistake by the manufacturer, they had wrongly invoiced their goods and RYCA had put their procurement charges over and above that original overcharge by the manufacturers but on that one invoice we were able to compare

what exactly the procurement charges were by RYCA on that one invoice and we found that the procurement charge was well above the procurement charge that they had originally offered and which the Public Works Department apparently thought they were being charged. In fact, on that invoice they were overcharging over and above their original offer by 10% to 15% and we go on to say that given the volume of the transactions between RYCA and the Public Works Department between 1975 and 1978, taking a 10% rather than 15%, Government may have been overcharged approximately £90,000. As far as malfeasance is concerned it was impossible for the Committee to come to any conclusions as to whether or not there had been any malfeasance. First of all, it was very much after the events and certainly there was no evidence produced to the Committee as to whether or not there had been any malfeasance. The recommendations of the Committee therefore on the use of RYCA and in fact on the use of any buying agent, is that the Committee recommends that in future cases when such an agent is to be employed on behalf of Government, a clear and concise agreement is entered into between the two parties before operations commence and that proper minutes are kept of meetings held leading up to the signing of such an agreement. In fact, no purchases at all should in the opinion of the Committee be made until a clear, concise and binding agreement has been signed by both parties. The Committee was surprised to note that although RYCA is still being used today, no formal agreement has even now been entered into. The Committee also felt, having gone through all the facts, that no useful purpose would be served by any further investigations or inquiry into the matter. The Committee were informed during the interviews with the Director of Public Works and his officers, that a new system had been introduced for dealing with indents and purchases made by the unallocated stores but the Committee noted the discrepancies on these procedures and it is apparent that they are still not satisfactory. Therefore, it has made certain recommendations which I will deal with under the recommendations of the unallocated stores. A further recommendation on the use of RYCA that the Committee has to make is that in the light of the Attorney-General's ruling, it is recommended that Government should consider whether or not to take legal action in order to recover any amounts that may have been overcharged. On unallocated stores of the Public Works Department, the conclusions were that the present condition of the Public Works Department, unallocated stores which amounts to a considerable proportion of public funds, is most unsatisfactory as regards economy, efficiency and security. The Committee found that a lack of centralisation in these stores is a major contributory factor to their present state of disarray. During the investigations of the Committee, the Committee was told and in fact this is something that was also included in the Principal Auditor's Report, that a Stores Control Committee had been set up some few years ago and had made certain recommendations. In order to assist the Committee in its work, a copy of that report was asked for but it was refused and the Committee regrets that that report was not disclosed to the Committee which could well have assisted it in its investigations. The Committee was also informed during the course of its meeting that an experienced Stores Officer from the United Kingdom is to be recruited and

the Committee welcomes this and hopes that the adviser will be appointed in the very near future. With regard to the recommendations on the Stores, the Committee strongly considers that these be centralised as soon as possible. This should be feasible when the present DOE store across the road from the present Ragged Staff Stores is handed over. To expedite this, the Committee recommends that Government makes an urgent and early request that this store should be handed over to the Gibraltar Government as soon as it is possible to do so. With this new store and the present one at Ragged Staff, the majority of the other stores could then be kept centralised in one of these locations. Use could also be made of the stores in Wellington Front which are also reasonably near to the main stores. The Committee considered that this centralisation was absolutely essential if proper control including gate control is to be instituted. The Committee further recommended that a Board of Survey, chaired by a Senior civil servant and to include a technical officer with knowledge of stores, be appointed without delay to recommend the action to be taken to dispose of the obsolete and other stores that are at present occupying these valuable storage spaces. If this were done the pressure for the space required for the unallocated stores would be less acute and therefore save public money. Lastly, the Committee recommend that procedures for both overseas and local purchases are revised and improved and the system laid down clearly and in detail in the new Stores Regulations when these are produced. Purchases should be made with value for money in mind and departments should ensure that this is done. Those are the recommendations on the unallocated stores. The last recommendation is that the excess expenditure totalling £145,547, be approved by a Supplementary Appropriation Ordinance for 1978/79. Mr Speaker, it is only left for me to say that first of all there was a Treasury Minute following the First report of the First Session (1979) of the Public Accounts Committee. This was produced in May of this year and the Committee was already dealing with the subject of the report and therefore it has not yet been able to go into this but this will be done immediately after it resumes. Other than that I would like to say, Mr Speaker, that it has been a pleasure to work and to Chair the Committee with the two Government Ministers, the Hon Major Dellipiani, the Hon Mr Perez and my friend on my right, the Hon Mr Haynes. I think we have developed a *modus operandi*, if I may call it that, and I think we have got on very well together and I think the characteristics of every individual has come forward and has blended well into one Committee. I also want to thank and commend and praise the two officials who assist the Committee, the Principal Auditor and when he was away, his Deputy, and also the Finance Officer and I cannot praise more highly or commend enough the work done by the Clerk of the Committee, the Clerk of the House. The work that he has put into this Committee is quite enormous, in fact, I have the file here and this is the work that has been done, these are transcripts which he has had to prepare himself of course and his staff, Mr Sanchez who has operated the recording equipment and of course the secretary who has produced the transcripts, but certainly there has been a tremendous amount of work done and I think that every praise should be given to the Clerk of the House.

Mr Speaker, I beg to move.

Mr Speaker then proposed the question in the terms of the Hon G T Restano's motion.

HON CHIEF MINISTER

Mr Speaker, I, too, would like to commend the Chairman and the Members of both sides of the House for their hard work. I hope the nature of their future tasks is less unpleasant than it must have been to unravel this difficult problem. I will only address myself to the point where the Government is called upon to do something and give a preliminary view of the matter. The Financial and Development Secretary will prepare his Treasury Minute which he hopes to table at the next meeting and that will be the subject, no doubt, of consideration. Looking through the report, there are six specific recommendations in the report which I think I should comment on. On paragraph 17, the question of the receipt of hospitality and so on and by certain members of the staff which they said was normal, I will have this matter investigated by the administration, it is rather a fine line to draw. Paragraph 43 is a specific recommendation about the future when an agent is to be employed. We can easily go along with that and we will see that that is implemented as a matter of Government policy. Paragraph 45, which recommends that the matter as to whether there is any course for legal action should be looked into, will be referred to the course for legal action should be looked into, will be referred to the Attorney-General by the Government for his advice. Paragraph 50, this is one which is quite easy to go along with, we have been doing a lot of work on the question of the acquisition of the DOE stores. The matter is in hand, there have been difficulties which have not all been cleared yet with regard to the question of tenure and so on but certainly it is very much in our minds and it has been in the mind of the Minister for Public Works to acquire those stores as soon as possible. Paragraph 51, about the Board of Survey. Again, we accept that and instructions will be given for that to be taken in hand and procedures for both overseas and local purchases to be revised and improved and laid down clearly. There is no difficulty on the part of the Government to follow that recommendation and to pass it on to the appropriate officers to carry on with it.

HON P J ISOLA:

Mr Speaker, I support the motion of my Hon Colleague that the report be approved and I, too, would like to say how much we appreciate the obvious amount of painstaking work of the Committee in investigating what must have been a very difficult matter especially so long after the event. This must have had an inhibiting factor in trying to get to the bottom of what happened three or four years ago. Mr Speaker, the number of meetings that the Committee have had, the number of minutes that have been prepared and so forth, highlight in a particular way, I suppose, the work of this particular department of the House.

With different Select Committee running now, with the Divorce Committee coming up and other Committees and this Committee still sitting, I think it must be putting quite a strain on the Staff and I do hope that the results of this strain will not affect the rapid production of Hansard of what goes on in this House and I do hope that you, Mr Speaker, will ensure that the appropriate representations are made to ensure that the production of Hansards for the House continues at a reasonable pace and that the work of all these Committees does not result in Members not being able to have Hansard within a reasonable time of debates in the House. Certainly, on this side of the House, we will be quite happy to vote any funds that might be required to ensure that the work of the House is not interrupted by the number of Committees that may be sitting and may require extra effort from the staff of the House. Mr Speaker, one of the things I must say I express some surprise is in the reaction at the time of the then, if I may say so, Financial and Development Secretary to the report that was made to him by the Principal Auditor in October, 1978, which is described in paragraph 12 of the report. I think that at that time what was uppermost in the mind of the Financial and Development Secretary of that time was evidence of malfeasance, was there any evidence of malfeasance, any evidence of corruption on which he could act and he himself in his report to the Chief Minister said that there was no evidence at all to support any allegation of malfeasance on the part of any officer. I notice the Committee, however, in their report are much more non-committal than the Financial and Development Secretary himself was at the time. They have investigated and I get the impression that they say; "There is no evidence, we cannot show there was malfeasance but on the other hand there is no evidence to show there was not malfeasance". What I think is worrying about what happened at that particular time was that there was evidence of wholesale failure to comply with Government Regulations by responsible Government officers; there was evidence that the Stores Regulations were not complied with, there was evidence to show at that time that invoices were not scrutinised or checked, in other words, the whole picture even at that time, presented to the Financial and Development Secretary when he investigated, showed a complete disregard by senior Government officers of the Regulations of the Government and a complete disregard for the public purse, if I may put it that way, and it does seem to me odd that nothing was done at the time because malfeasance or fraud or corruption, of course, would have probably resulted in a criminal prosecution, obviously, but one wasn't talking of that then, one was talking of general negligence and two years have gone by but I would have thought that there was apparently evidence enough for the Government to consider, administratively, disciplinary proceedings at least against officers and I think the fact that there wasn't, put it that way, must have resulted in the situation continuing so that the Committee still reports that the situation is not satisfactory and I hope that the Committee's report will be made available to the Committee that is investigating the Public Works Department and its efficiency because it seems to me that although the situation has improved, there are still major areas shown in the report where there could be considerable more improvement in the situation and I think that in 1980 it must surely be time for the Government to insist that the Regulations are observed

because that is meant for the protection of the public purse and that is a very important thing and I am glad the Committee has drawn attention to these matters. Of course on the question of RYCA, the situation revealed there is of course a very worrying one in the sense that apparently there was no contract at all with RYCA with the Government and there was a considerable amount of public money being paid over on unsatisfactory evidence and for a good period of time and I hope that at least one result of this report will be that that side of it is completely tightened up to ensure that Government's relationship with contractors are clearly defined because although I know that the report recommends that the Government consider action to recover any amount that may have been overpaid to RYCA, I cannot but help saying that the situation, and by the Government I don't mean the political Government if I may put it that way, but the situation in which the Government, that is the Public Works Department finds itself in, is really and entirely, it would seem to me, of its own making because the Director of Public Works at the time didn't put pen to paper. It would have been a comparatively simple letter to write agreeing the terms of the engagement and putting everything on a formal basis and acting accordingly, but it seems that this was not done and I think that is a lesson that the Government has to learn and by the Government again here I'm not talking of the political Government I'm talking of the Public Works Department, and to learn that such funds that have or may have been lost to the public have been lost almost entirely due to the negligent manner in which our affairs have been handled by that Department in relation to the ordering of stores from agents outside Gibraltar. I think that section of the report dominates these particular sittings of the Public Accounts Committee and I certainly endorse fully the recommendations and I am glad to note that the Government is taking up the recommendations that the Committee have made to ensure that this sort of thing does not happen again or that if it does happen it is minimised and that if it does happen, of course, officers who have not been acting in accordance with the Regulations set down by the Government for dealing with these matters, are disciplined because this is the only, I suppose, the only final, the only ultimate way in which the public purse can be protected is by officers realising and knowing that if they do not act in accordance with the Regulations, obviously action can and must be taken against them in defence of the public interest in these matters. There is a particular paragraph that the Chief Minister said they would take up and that is the question of contributions to staff parties in the Government. I think this is a very delicate matter but I think it is certainly a matter that ought to be considered, the extent to which presents can and ought to be received or allowed. I think things have been allowed possibly over the years to get a bit slack in this respect and I think there is a need to look at that and to give advice, put it that way, advice to different Government Departments as to how far they can accept hospitality from contractors to the Government, I would have thought that it is one thing contributing to a staff Christmas party, properly safeguarded, it is another thing for individual officers in the Government to accept hospitality from Government contractors. It seems to me to be slightly dangerous as far as the public interest is concerned.

I'm glad the Committee has dealt with this matter because I think it is a matter that had to be faced and it is a matter, I am sure, on which public officers would certainly like to have guidance from their masters. Mr Speaker, having made these remarks on the report of the Public Accounts Committee, I wish them the best in their future deliberations.

HON CHIEF MINISTER:

If the Hon Member will give way. The question of the Commission which I announced this morning, all these matters are very much in our minds because it is important that every avenue of the Department should be investigated and I should have mentioned that when I was speaking earlier.

HON P J ISOLA:

Mr Speaker, I was just finishing and I support the motion.

HON H J ZAMMITT:

Mr Speaker, may I just have a very short intervention and that is to say that I personally read this report with great interest and I commend the Select Committee on their production of the report. There is one operative word there and this is the word 'may' referring to the £90,000 that we may have been overcharged. I was wondering, Sir, if the Committee considered whether to call in someone in the private sector who is an agent for a particular range of items which the Public Works Department has been buying from RYCA who would willingly have provided, I feel, manufacturers' invoicing, who normally work on a distribution order which is as low as 2 1/2% by way of distribution and there may have been a more precise or more accurate finding if there has or there hasn't been any overcharging. The other factor which I feel has not been, may I say with respect, looked at, is that if there are agencies in Gibraltar that are prepared to work with the Public Works Department or any other Department on a distribution commission which is very low as we all know, it may be possible to find, and I see it is one of the recommendations, that it would be no where near 23% whether on wholesale commission or on a procurement commission. We must not forget that RYCA being a United Kingdom Company, the profit of RYCA does not remain within Gibraltar tax-wise and there are many firms in Gibraltar who have been left out completely from any form of commission because the item has been purchased by RYCA in United Kingdom and therefore the local agent is left out in the cold which is to the detriment of a Gibraltar company and subsequently, of course, to the economy of Gibraltar.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I would like to associate myself with those other Members of the House in congratulating the Public Accounts Committee on this the first report of 1980. The substantive

Treasury Minute setting out the views of the Government will be tabled, it is our intention, at the next meeting of the House and I hadn't for that reason intended to rise today to speak. However, I do feel that I must speak on a point made by the Hon and Learned Leader of the Opposition regarding the finding of my predecessor on whether or not there had been malfeasance. Shortly after I came here I visited the Public Works Department extensively and went round the stores and I also looked very carefully at the papers on RYCA which I knew that my predecessor had wanted referred to the Public Accounts Committee. I think that he had hoped that the Public Accounts Committee would be able to get hold of the manufacturers' invoices and I share the disappointment of the Committee and I am sure the House as a whole that these were not forthcoming. However, when using the words that there is no evidence to support any allegation of malfeasance on the part of any officer, I think that this was on the evidence which my predecessor had before him and it is, in fact, a statement which I myself would have made having read the papers. One could always add: "But, of course, I haven't seen any evidence to the contrary." He didn't do so and I don't think that anyone in the House can blame him for not doing so. There was no evidence of this and he forebore making a comment. What he may have thought in his own mind is another matter but this is the evidence as he found it. I think what one should make quite clear that Mr Collings did go very carefully into this as is obvious from the quotations in this report of his report to the Chief Minister. That is all, Sir, I would like to say at this stage except one point and that is on contracts, generally. The Government is not satisfied with the way in which contracts are drawn up and entered into at the moment and I have had a remit from the Government to discuss with the Attorney-General ways and means in which these can be strengthened. Thank you, Mr Speaker.

MR SPEAKER:

I will then call on the Mover to reply if he so wishes.

HON G T RESTANO:

Yes, Mr Speaker. First of all I would like to go over some of the points that have been raised by Hon Members. I was very pleased to hear the preliminary comments of the Chief Minister in agreeing to most of the recommendations of the report and, if I may, I would urge upon the Government the urgency of some of the recommendations, particularly on the question of the centralisation of stores and there are certain areas where I think urgency is paramount. On the points raised by the Hon Mr Zammit, he says that the operative word in the recommendation is that the Government 'may' have been overcharged £90,000 and I think, perhaps, I ought to elaborate a little bit on that so that the Government sees how we came to that figure. The invoice that we were able to compare had about 10 different items and every single item had been costed at exactly 23% over and above the manufacturers' invoice so although, of course, we cannot say that for sure that Government has been overcharged by

any given figure, the fact that every single item had been overcharged by 23% gives, I think, a fairly clear indication of what the Government may have been overcharged. As far as the suggestions which were put forward by the Hon Mr Zammit about going to local agents and getting their distribution commissions, well, that of course, is not up to the Committee to go in and make any suggestions of that sort, that is for the Department concerned. The Committee is only there to investigate certain items and it is not there to recommend to a department who to buy from or who not to buy from, that is really up to the department. All that the Public Accounts Committee can do is to say that these procedures should be renegotiated or these procedures should be put up to date. If I can turn to the comments made by the Hon the Financial and Development Secretary. I think in paragraph 18 of the report, the Committee did say, in respect of the then Financial and Development Secretary, that further inquiries could well have elicited additional information in the matter, that is as far as we thought we should go. We felt that going into this sort of a subject three years later obviously inhibited the Committee considerably and we felt that, perhaps, if a further inquiry had been made as soon as the Principal Auditor's special audit was carried out then, possibly, if there was anything further that could have been found out which the Public Accounts Committee could not find out now, it might have been found out then and I am also pleased that the Hon Member is looking very seriously into ways and means of strengthening the purchasing procedures.

HON H J ZAMMITT:

If the Hon Member will give way, Sir. I am sorry if I did suggest that I expected the Public Accounts Committee to go round asking for costings from firms that do distribution orders. What I said was that it would have given, if we take an item, Brooke Bond Tea, for instance, and Public Works was buying that through RYCA, one could only find out if in fact they were charging 23% either as wholesalers or procurement agents if in fact Brooke Bond Tea locally could say that that item was worth X and that would have given and no doubt there must have been items in this very good report that the Public Accounts Committee could have established a more accurate figure. We don't know, we could be charged 7% for all we know and it is only there that I referred to the Committee trying to find out if in fact the charge was considered excessive or too little. That is what I meant by saying that the Committee may have thought and it is not for me to say, it may have thought of having asked particular firms for manufacturers' invoices and therefore you would have had a clearer picture and a more accurate assessment of the situation. I am not criticising in any way, Mr Speaker.

HON G T RESTANO:

The only thing I can say in reply to that, Mr Speaker, is that the Managing Director of the firm had promised the Committee that they would provide the manufacturers' invoices and it was only after the very first draft of this report had already been prepared that the Committee received a letter from the Company

saying that they were no longer prepared to let us have the manufacturers' invoices. All along we were expecting those invoices to arrive and in fact the Public Works Department sent a letter and two reminders to the Company. That is all, Sir.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

The House recessed at 7.30 pm.

WEDNESDAY THE 5TH NOVEMBER, 1980

The House resumed at 10.45 am.

MR SPEAKER:

I would remind the House that we now move on to the First and Second Readings of Bills.

BILLS

FIRST AND SECOND READINGS

HON ATTORNEY-GENERAL:

Mr Speaker, a Bill stands on the Agenda in my name to amend the Public Health Ordinance. I ask your leave to withdraw it from the Agenda as I am not ready to proceed on it.

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS (AMENDMENT)
ORDINANCE, 1980

HON A J CANEPA:

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

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

SECOND READING

HON A J CANEPA:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Sir, this very short Bill merely provides for an increase in the level of Elderly Persons Pension from the present £9 to £10.50 for a single person. The increase is of

17% and is therefore in line with the increases in the level of benefits which the House approved yesterday through three successive motions. The extra financial provision arising from this measure that will be required in a full financial year will be £70,000 but whether a supplementary will be required for the last quarter of this financial year will depend on whether there can be vicinments within the Head of Labour and Social Security. Mr Speaker, I commend the Bill to the House.

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 W T SCOTT:

Mr Speaker, we welcome, generally, the raising of the Elderly Persons Pension to bring it more into line, as the Hon Minister has said, with the motion that was passed yesterday but our policy is to make this Elderly Persons Pension, we have often stated particularly during the Election campaign, tax-free as indeed the Old Age Pension is tax free for the reasons that we have stated many times inside and outside of this House. On that basis I think the Leader of the Opposition will be moving an amendment at a later stage.

HON P J ISOLA:

Mr Speaker, if I could add just a few words to what my Hon Friend and Colleague has said. I think I am right and no doubt the Minister will be able to confirm in his reply, that not only the pension under the Social Insurance Ordinance is received by those who get it tax free but also the retirement pensions under the Non-Contributory Social Insurance (Benefit and Unemployment) Insurance Ordinance are also received tax free. It seems to me, as the Minister mentioned yesterday, there are about 70 people involved under that and it seems to me that those people who are involved under that who didn't come into the Social Insurance scheme are rightfully treated in receiving their pensions tax free but it seems to me that there is an anomaly and an unfair discrimination in respect of those people who get the smallest pension of all, the Elderly Persons Non-Contributory Pension, and still have to pay tax. I do hope that the Government can see its way to making the appropriate amendment themselves so that these pensions are received tax-free in the same way as the Social Insurance Pension and the Non-Contributory Retirement Pension.

HON J BOSSANO:

Mr Speaker, I think it would be useful to have in any case if one is considering this matter, an indication of what is the amount of tax involved if these pensions were made tax free but as I understand it the basic principle, in fact, where the

Government has not been willing to make this pension tax-free is that the Social Insurance Pension is funded by the employee and the employer out of their income. The retirement pension which involves 70 people may be, as the Hon Member says, tax-free because it has been the case in the past but when, in fact, the Elderly Persons Pension was introduced it was introduced regardless of income. Presumably the only people who pay tax on the Elderly Persons Pension are people who have got other income besides the Elderly Persons Pension which must be for a married couple taking into account the age allowance, in the region of £40 a week. I would say that if we are saying that somebody at 65 who has already got an income of £40 a week should then get an extra £10 a week pension and still not pay tax, then we should be considering that nobody on £50 a week should pay tax even if they are under 65.

HON P J ISOLA:

If the Hon Member would give way. Is the Hon Member suggesting then that the Government should levy tax on those in receipt of Social Insurance Pensions and Retirement Pensions if they are recipients of other income as well because if he is saying that he ought to say it for everybody and not just for this class of people.

HON J BOSSANO:

I think, Mr Speaker, the difference is that the person who is receiving an Old Age Pension, e.g., from his employer, and I know this because I happen to negotiate the wages of people in the public sector whose wage is arrived at net of a pension contribution, in fact, every public sector employee has got a notional 6% reduction in his wage as a contribution towards his pension which he is paying for himself. I think that that is taxed anyway, occupation pensions are taxed notwithstanding the fact that they are funded by the person receiving it himself. The point of principle, I think, that makes it different is that if the Elderly Persons Pension is coming out of general revenue without any contribution from the person that is paying it, then other people are being taxed in order to pay a pension to someone whose income may be higher than the person providing the money to pay that. I know that politically it may be more useful to say we do not want to tax these people, I accept that point entirely, but I think if we really want to look at it honestly to find out what is the fairest thing to do to everybody concerned, we should widen the thing and see if it is right that a person who may have an income of £10,000 a year gets an extra £500 tax free from the Government then I want to know where the £500 is coming from? If we are going to lose, say, £50,000 of revenue and that £50,000 of revenue is going to come out of people in the higher income bracket, then that's fine because we are talking about the same group anyway, but if it is going to come out of people who may have a family to support and a lower income then I think we should be very careful what we are doing. I think it is a valid point that there may be some of these people who are in fact worse off than

others who are getting a Social Insurance Pension and getting it tax-free but, on the other hand, there may be people who are better off than others with smaller income and paying tax. I do not think one can do a blanket thing because the group is not necessarily a homogeneous group, there may be some people who are very badly off in that group and some people who are very well off in that group.

HON MAJOR R J PELIZA:

Mr Speaker, I am very surprised to hear the Hon Mr Bossano thinking on the lines of having a sort of means test if that is the only way that we can put it right. I would have thought that following his philosophy in all other spheres, that he should apply the same criteria in this instance. I know perhaps there might be some people who might be better off but I think we must take notice of those who are going to be worse off.

MR SPEAKER:

I will then call on the Minister to reply.

HON A J CANEPA:

I can't help remarking, Sir, that I thought that socialists did, in fact, believe means testing. What is income tax all about if not that those who can afford to pay more should contribute more. Mr Isola, I think, Sir, has got the wrong end of the stick in respect of the Retirement Pensions. I know that they are paid under the Non-Contributory Social Insurance Ordinance and that they are paid out of general revenue but, in fact, the 70 people left affected by this, did contribute to the Social Insurance Scheme at its inception in 1955. The problem then was that these people constituted a group who were already aged 60 - between 60 and 65 - and therefore because they were below 65, they had to pay social insurance contributions between 1955 and 1960 and unless the Government of the day had made transitional arrangements for them, there would have been noway that they could have benefitted from those contributions and therefore the contribution condition exceptionally was lower for them, instead of being as it was up till 1974 or 1975, I think, 500 contributions, it was lowered transitionally to 250 contributions, but they did contribute over a period of five years into the Fund. Between 1955 and 1965 the Fund was growing and other than these transitional pensions no pensions were paid out of the Social Insurance Fund until 1965 and even up until 1974 or 1975, I forget exactly which year, part of the social insurance pension was being supplemented from general revenue because the Fund was not healthy enough over the years to withstand even a pension of about £2 or £3.50 which was the maximum until 1973 and therefore there was supplementation out of general revenue and for the same reason the transitional retirement pensions have continued to be paid over the years out of the Consolidated Fund because during the initial years the Social Insurance Fund would not have been able to withstand the burden of that. But let me stress that the

70 people involved did contribute to the Social Insurance Scheme and therefore they are in a separate category to the 900 persons in receipt of elderly persons pension. The figure involved if the elderly persons pension were to be made tax free, is at a guess estimate provided by the Commissioner of Income Tax when I asked him about it earlier in the year at the time when the matter was being debated during the election campaign, of the order of £50,000 and the Chief Minister asked and committed himself that the matter should be locked into in connection with the budget and this was done.

HON P J ISOLA:

If the Minister will give way. He did more than that at the elections.

HON A J CANEPA:

Yes, I know what you are going to say, that he nodded, he nodded his head in television. But the Chief Minister is not a dictator you know, he has one vote in Council of Ministers if we do take a vote. When we count heads he is one and there are other Ministers and, as a whole, Ministers, and I think the Chief Minister, fully supports that point of view, Ministers as a whole feel very strongly that there are objections in principle to this elderly persons pension being made tax free, by and large for the reasons that Mr Bossano has stated. It is not equitable, in my view, to give away 50,000 odd pounds to people who require it least of all, because the fact that they pay tax, that some tax is paid on the elderly persons pension, is from the group of people who are rather better off and it is not making the best use of money to give these £50,000 to this particular group of people. We have similar objections in connection with the first child for family allowances, because the benefit would be to the smaller family and proportionally less to the greater family so we prefer to disburse the money that becomes available in a more equitable way. There is a further constraint on this matter and that is that the minimum reduced old age pension arising from regulations that will be enacted following the motions approved yesterday, the minimum old age pension for a couple, reduced old age pension, is £18.60 a week whereas a couple in receipt of elderly persons pension would get £21 a week under the proposal of this Ordinance and if you take into account the fact that the £21 a week are taxable, £21 a week taxable as against £18.60 tax free is a reasonable relationship and that should not be disturbed very very lightly because the people in receipt of a reduced pension have at least got an average of 13 contributions so over the years they have been contributing to a lesser extent to the Social Insurance Fund and it is only right and proper that people who contribute to a scheme should not be worse off than those who have not been contributing. I realise, Mr Speaker, that the stand which the Government has taken on this matter and on the whole question of the 900 or so people who are outside the Social Insurance Scheme, is not a popular stand. I am fully aware that it has got me personally a certain amount of unpopularity with the

people affected but that is the price that you have to pay when you are in public office. It is rather more comfortable to make proposals and suggestions from the Opposition benches which are not practicable. In Government one has the responsibility, one has the duty to do precisely what one considers to be right and proper regardless of those consequences and a popular measure is not necessarily a good measure.

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

HON A J CANEPA:

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of this Bill be taken later in these proceedings and today, I would imagine.

This was agreed to.

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the suspension of Standing Orders Nos 29 and 30 in respect of the Public Utility Undertakings (Amendment) Ordinance, 1980.

This was agreed to.

THE PUBLIC UTILITY UNDERTAKINGS (AMENDMENT) ORDINANCE, 1980

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Public Utility Undertakings Ordinance (Chapter 135) be read a first time.

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

HON ATTORNEY-GENERAL:

Mr Speaker, I have the honour to move that the Bill be now read a second time. Mr Speaker, this Bill refers to a very minor matter. In one way I apologise for having to bring it back before the House but I felt that I should properly do so because I do not believe the matter can correctly be dealt with by way of a corrigenda. When the Finance Bill was put to the House earlier in the session, the House passed it and the provisions which are contained in this Bill were contained in the Finance Bill and I regret to say that because of a proof reading error they were not carried forward. There may be a difference of opinion as to whether it is necessary to bring this Bill back to

the House but I myself feel that I should and I therefore move accordingly.

MR SPEAKER:

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

HON G T RESTANO:

We have no objection provided it is absolutely clear that only clerical errors are involved but on a point of principle we do rather object to Bills being presented to the House less than one hour before we are to debate the Bill. In principle, I hope that there is no recurrence of this.

MR SPEAKER:

If there are no other contributors does the Honourable Member wish to reply on that?

HON ATTORNEY-GENERAL:

Yes, Mr Speaker. I note the point of concern. I take the liberty of doing this because they are only clerical errors which are being corrected but I take the Hon Member's point.

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

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE ESTATE DUTIES (AMENDMENT) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Estate Duties Ordinance (Chapter 52) be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill be now read a second time. Sir, there are two main purposes in the amending Bill before the House. The first is to make Gibraltar more attractive as a finance centre by the provision that deposits held in Banks, and Building Societies, by non-residents should be exempt from Estate Duty and the second is to increase the interest payable on unpaid estate duty and to bring it closer to current interest rates. On the first, Sir, in discussions which the Treasury have, from time to time, with the banks and members of the profession in the finance centre, it has been represented that quite considerable sums of money which could be deposited in institutions in Gibraltar do not come here because they fear that should the depositor who is non resident die, then the deposits will become liable to estate duty. In fact, by introducing this amendment and concession, we are not in fact losing anything in the way of estate duty, the money doesn't come here now. If we attract the money here then we shall be making some profit by higher income tax yield by the banks which get the money in. The second amendment is to increase the interest payable on estate duty due after expiration of six months from the date of death of the deceased. The present rate of interest of 4% was introduced when the Ordinance was enacted in 1934 and the object was to provide an incentive to get the estate duty paid promptly. At present 4% is well outside interest rates, generally, and experience has shown that every delaying tactic may be used in order to delay paying the amount required. Ideally, the rate ought to be consistent with the level of interest rates generally but this would mean constantly amending the Ordinance as interest rates fluctuate and in selecting an increase of 8% in respect of the first six months after which duty is paid and thereafter 12% by compound interest, the Government has tried to settle on a rate of interest which we hope will stand the test of time. Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Sir, we welcome this Bill. Although as I understand it, estate duty wasn't normally charged on people who died and had accounts in Gibraltar, I think it is right that they should be formalised and certainly if anything helps to make Gibraltar a finance centre we shall welcome it. As far as the interests rates on estates are concerned I think these are much more realistic and I think this does plug a hole in the legislation whereby it paid people not to pay estate duty and I think the rates that have now been set down are in fact quite high, I think they are high, but I think it is justified because I think interest rates will eventually come down and then 12% compound interest is a very

good rate. We agree and I think estates that have money should pay.

HON J BOSSANO:

Could I say that I think the Government should, perhaps, between now and the Budget be taking a very close look at the need for revising the level at which estate duty becomes payable. I think the situation is being reached now where gratuities payable on death, for example, in employment which are linked to pay, are going to create a situation where quite a lot of people are going to come into the estate duty net which have never been in it before with the level at which it is. In fact, the level in Gibraltar is considerably below that of the United Kingdom. I am not suggesting we bring it up to the United Kingdom level but I think, in arriving at the starting point, we should be taking into account that we do not want to find ourselves in a situation where the Government is taxing the widow of somebody who suddenly died in employment and where the main asset that the widow inherits is in fact the man's gratuity. I think we should look at that between now and the budget probably but I would like to mention it now that we are looking at estate duty.

HON CHIEF MINISTER:

We did the amount at which estate duty becomes payable not very long ago from I think it was £2,000 to £5000 and in practice that I think covers the bulk, in my experience, of the workers' gratuity. If he dies in service, the gratuity, unless of course it is a higher paid executive, the amount is about £5,000 and are not affected as far as I have been able to gather. I don't know what the Honourable Member said that we should raise that in order to make them exempt from estate duty but then of course if the money that can be lost with that will have to be added on to the level and the point about not putting up more estate duty is that more and more people will be driven to schemes, in fact, this is the case nowadays where more and more schemes are made in order that people will not pay estate duty. Whereas in the past I remember all Financial Secretaries at the time of the estimates putting the amount they expected to get from estate duty having regard to the health of particular wealthy members of the community who might die during the year. The late Mr John Hayward would say "Ah, yes, this fellow is on the waiting list". It is extraordinary how many wealthy people die and do not even have a return of estate duty because the affairs have been arranged in such a way beforehand that there are no assets available at the time of the death that call for estate duty. If you put them too high at one level to put them low at the other level, it has the opposite effect, people still die with £50,000 but when you get over that level there are all sorts of legal ways in which the matter with a little foresight can be arranged so that estate duty is not paid. The other point that might be considered in that connection when we look at that aspect is whether the 3 year rule should not be extended to the 7 year rule like in England. Nowadays, any transfer which is made more than 3 years before the death does not

warrant estate duty. In England it must be 7 years so the planning requires much more thought but we will look at the possibility to extending the period slightly. Last time, when we increased the amount at which no estate duty was payable, I asked for particulars of how much money we would lose on the average and in fact something like £800 a year was lost and a lot of time saved because the department would not have to deal with inventories. We will look at that.

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:

I beg to give notice that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting and today if the House agrees.

MR SPEAKER:

Does the House grant leave should this happen today?

HON P J ISOLA:

I don't see why this Bill should go through all its stages at this meeting of the House. There may be people who want to make representations on this Bill. I would have thought it should go to a subsequent meeting. Things like putting pensions up and things like that obviously people want to see it through but I think a thing like this should wait.

HON CHIEF MINISTER:

I agree to leaving the Committee Stage and Third Reading of this Bill to a subsequent meeting.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I withdraw notice, Sir.

THE SUPPLEMENTARY APPROPRIATION (1980/81) (No 2) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that the Bill for an Ordinance to apply further sums of money to the service of the year ending with the 31st day of March, 1981, be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, I have the honour to move that the Bill be now read a second time. The Bill seeks to appropriate, in accordance with section 55(3) of the Constitution, a further sum of £615,663 out of the Consolidated Fund. The purposes for which this sum is required are set out in Part I of the Schedule to the Bill and in more detail, in the Schedule of the Consolidated Fund Supplementary Estimates No 2 of 1980-81 which I tabled at the commencement of this meeting. The Bill also seeks, Sir, to appropriate, in accordance with section 57 of the Public Finance (Control and Audit) Ordinance, the sum of £869,482 from the Improvement and Development Fund for the purposes noted in Part II of the Schedule of the Bill and in the Schedule of Supplementary Estimates No 2 of 1980-81 for the Improvement and Development Fund which I also tabled at the beginning of this meeting. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

Does any Hon Member wish to speak on the general principles and merits of the Bill?

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken at a later stage in the meeting, today if the House is agreeable.

This was agreed to.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that this House resolve itself into committee to consider the following Bills, clause by clause.

- (1) The Social Insurance (Amendment) Bill, 1980.
- (2) The Bureaux de Change Bill, 1980.
- (3) The Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1980.

- (4) The Public Utility Undertakings (Amendment) Bill, 1980.
- (5) The Supplementary Appropriation (1980-81) (No 2) Bill, 1980.

This was agreed to and the House resolved itself into Committee.

THE SOCIAL INSURANCE (AMENDMENT) BILL, 1980

Clauses 1 to 10 were agreed to and stood part of the Bill.

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

THE BUREAUX DE CHANGE BILL, 1980

Clause 1

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, in accordance with the Notice which I gave to the House, I beg to move that in clause 1(2) omit the word "August" and substitute the word "December". The effect of this will change the coming into operation of the Ordinance to the 1st day of December, 1980.

Mr Speaker put the question in the terms of the Hon the Financial and Development Secretary's amendment which was resolved in the affirmative and Clause 1, as amended, was agreed to and stood part of the Bill.

Clauses 2 to 14 were agreed to and stood part of the Bill.

Clause 15

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, when I introduced this Bill at the Second Reading Stage I gave notice to the House that I would wish to amend clause 15 subsection (2) by the substitution of the word "his" for the word "local" at the end of the second line of paragraph (g). The paragraph Sir, reads: "The arrangements proposed by the applicant for the disposal of foreign currency that is surplus to local requirements". On consideration by the Honourable and Learned the Attorney-General and myself, we agreed that the word "local" could be confusing, in fact, one of the criteria is, has the person who is applying for a licence made arrangements for the orderly disposal of foreign currency surplus to his requirements in Gibraltar and for that reason I am suggesting the amendment to clarify this paragraph.

Mr Speaker put the question which was resolved in the affirmative and Clause 15, as amended, was agreed to and stood part of the Bill.

Clause 16 was agreed to and stood part of the Bill.

Clause 17

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, in accordance with notice given to the House I propose an amendment to clause 17 to add the following subclause:

"(3) It shall be a condition of every licence that within 7 days after any change in the shareholding, directorship, or management of a licensee, the licensee shall inform the Secretary in writing of that change, including (in the case of a new shareholder, director, or person in a managerial position) such information as is for the time being prescribed in respect of persons holding such positions in Form 1 of the Second Schedule."

Sir, this amendment is being introduced by the Government following representations made in the Second Reading debate on the Bill, mainly by the Honourable and Learned Leader of the Opposition but supported by other members too, that where there was a change in shareholding, directorship or the management by a licensee, then the committee should be informed and should be able to take any action which it considers to be necessary. There will be a consequential amendment to clause 26(2), eventually.

HON P J ISOLA:

Mr Speaker, we support this amendment. There is only one point that has come to my mind that I am looking at and that is that looking at Form 1 of the application, it talks of shareholders and this talks of a change of shareholders. There seems to be no provision, although I presume within the discretion of the committee the committee will be able to ask; "Well, is this shareholder the man who actually owns it and not a nominee." I think it is important to get to know the beneficial shareholder, the beneficial owners. But I think it is within the discretion of the Ordinance.

HON ATTORNEY-GENERAL:

Mr Chairman, if I may speak to the point. It is not usual in my experience where there are controls transfers by requiring notice of a change in shareholding to go beyond the legal ownership. Perhaps, the matter could be dealt with in this way that what is being proposed here is a standing statutory condition in every licence that is granted. Were it to become a problem, there is the additional discretionary power to attach conditions but I think the problem could be tackled in that way, Sir.

Mr Speaker then put the question which was resolved in the affirmative and Clause 17, as amended, was agreed to and stood part of the Bill.

Clauses 18 to 25 were agreed to and stood part of the Bill.

Clause 26

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I beg to amend in the terms of the notice I have given to the House. Clause 26(2), to insert in paragraph (e) after the expression "Section 15" the words "and by reason of any change in circumstances since the licence was granted." This is a consequential amendment to the one that has just been approved, Sir. In consultation with the Honourable and Learned the Attorney-General, we considered whether the subsection (e), as it stands, was sufficiently wide to enable the committee to act should it consider it necessary to do so, and we decided that for clarity it would be preferable to amend this subsection and it is for that reason that the amendment is now proposed. Sir, I beg to move.

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

HON ATTORNEY-GENERAL:

Mr Chairman, if I could just briefly add that it is a consequential amendment as I am sure the Honourable and Learned Leader of the Opposition will see that it is not strictly legally consequential but it is a useful amendment, and I think it in fact goes rather wider with meeting the point which we have been discussing, but I think it is desirable to have qualifying words of that nature in that particular paragraph.

Mr Speaker then put the question which was resolved in the affirmative and Clause 26, as amended, was agreed to and stood part of the Bill.

HON P J ISOLA:

I think in the Second Reading we said that we thought the appeal should be elsewhere than to the Governor-in-Council, the Governor in Council being an Executive body as opposed to a quasi-judicial body. I think that objection still holds but we are prepared to see how it works in practice. If the Government feels unable to change that we are prepared to see how it works in practice.

HON ATTORNEY-GENERAL:

Mr Chairman if I may speak on the point. I appreciate the concern of the Honourable and Learned Member. The criteria for licensing are essentially policy criteria although for such matters as breaches of the conditions and questions fact that are raised on appeals on matters which basically involves policy, I do not think a Court is the correct place to determine this, I think that is quite a well established principle. On matters of fact of course I think a Court is better placed and is properly the forum in which to determine the appeal. I appreciate the point about the Governor-in-Council. It is however, in Gibraltar, an established forum for policy appeals. I think, if I may say so, the Honourable and Learned the Leader of the Opposition is really reflecting the fact that there are a limited number of suitable forums available in Gibraltar for determining a policy appeal.

Clauses 27 to 39 were agreed to and stood part of the Bill.

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

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

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

THE ELDERLY PERSONS (NON-CONTRIBUTORY) PENSIONS
(AMENDMENT) ORDINANCE, 1980

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

Clause 2

HON P J ISOLA:

I beg to move that Clause 2 of the Bill be amended by the addition of a new sub-clause (3) to read: "(3) Section 2 of the Income Tax Ordinance is amended by the addition of the following words at the end of the definition of "Pension" therein contained; "or the Elderly Persons (Non-Contributory) Ordinance". Mr Speaker, I think that that is the correct way of bringing the elderly persons pension free of tax because the social insurance pension and the retirement pension are dealt with in a definition of the Income Tax Ordinance which says that these pensions are not pensions for the purpose of the Income Tax Ordinance and that is why they go free of tax. I ask the House to support this amendment because it seems to me that both the Government and the Honourable Mr Bossano, who I hope will be here to vote on this amendment, instead of saying something and then not supporting what he says with his vote, it seems to me that different standards are being applied by the Government in relation to these 3 what I call state pensions. We are told that elderly persons pensions cannot be paid free of tax because there are some rich people who would be saving tax but we are not told that in the social insurance pension which is a

contributory pension scheme, there are rich people collection them and not paying tax on them and on the retirement pension the same principle applies, there are people who have got means and are not paying tax. And what was to me very revealing, Mr Speaker, is the statement of the Minister in replying on the debate, that he had seen the Commissioner of Income Tax and he had told him that the amount of income tax that would be lost would be £50,000. Now, 900 people in receipt of elderly persons pension at £10.50 a week bring the total amount of pension to £491,400 a year paid by the Government and it would seem to me that in the figure of saving of tax indicates to me that there are quite a number of people in the lower income groups who would benefit from making the elderly persons pension tax free. If we are talking of people in the breadline, Mr Speaker, well, fortunately there are not that many people on the breadline today. But there are people who have a small amount of private income, among retired people, who you wouldn't regard as being on the breadline but who are not able to live comfortably with the soaring rises in the cost of living in Gibraltar. The fact that the Government puts up the pension by 17% is small consolation to these people because you are giving them £1.50 a week more. And if we have people in the state social insurance pension scheme tax free by a deliberate act of Government policy irrespective of the income of the people within the social insurance scheme tax free, if we have the retirement pension for these people who contributed for five years, what would have been their contribution for five years? Very little, indeed. And these people are now receiving, as a result of that five years contribution, and we don't object, and we do not decry them this, but in return of five year's contribution they are receiving or will be receiving following the motion that we passed yesterday, I think it was £21.70 a week and if there is a wife, £32 a week, for five year's contribution of their lives. We were talking yesterday of a particular person who had served 30 years and wouldn't get his full pension because it was Government policy. Mr Speaker, these are people who have only paid for five years which is almost nothing, Mr Speaker, I am not decrying their contribution, but they will be getting £31 a week tax free by a deliberate act of Government policy and the only people who have been left out are the people who are getting the smallest pension of all, the elderly persons pension of £10.50 because they, apparently, have never contributed. I know among the 900 people there are people who have money but there are also a great number of people who are very near the breadline, if I may put it that way. It is unjust that they should be treated differently merely because there are few people receiving elderly persons pension who are well off. Get them out of the damned scheme if that is the objection the Government have, by a means test if they wish. The Honourable Mr Bossano seems to be fully in favour of it. But it is wrong, it is morally wrong, socially wrong for the Government to refuse to allow the people in receipt of elderly persons pension who are receiving the lowest of the three kind of state pensions, if I may call them that, to receive them tax free the same way as their colleagues. The answer is that they have contributed to them, of course they have contributed to the pension in the case of the Social Insurance Scheme but so Government employees contribute to pension, so do people in private employment

contribute to pensions but these people receive them tax free may also be receiving a Government pension, may also be receiving a pension from their employer and may be very well off, because they will be getting £40 a week and they may be receiving another £40 a week from their Government employer or in private sector they may be receiving another £40. Those people are very well off and they are getting it tax free. It is the principle that is wrong and when the Minister says he opposes this or principle I think he is opposing it on the wrong principle, he is not opposing it on principle, he is not acting on principle when he chooses to make a distinction between the incomes of people receiving elderly persons pension but makes no such distinction in respect of people receiving social insurance pensions and retirement pensions, which are the other two pensions similar to this. I think it is time that the Government considered the position and their duty to a number of people in receipt of elderly persons pension not so well off and who live under a sense of grievous injustice that their colleagues who are well off, their friends if you like to call them, go off on holidays every year on the social insurance pension that they get which they receive tax free, and good luck to them that they are not treated in the same way. I am certainly surprised to hear the Honourable Mr Bossano and I am glad he is here to hear him speak in the way that he did on this issue. Of course there is a need to review tax rates all the time constantly, of course there is a need to review the position of pensions, to review these positions of inequalities in pensions that exist today but if we are going to start looking at that then we will never get this problem settled. If we are going to have to wait to settle this problem until all the others are settled, then we will never get to the solution of this problem and this problem is an urgent and an immediate one because there are citizens in our community in receipt of state pensions who are being treated differently to other citizens in our community also in receipt of state pensions. I would have thought that the Honourable Mr Bossano, of all people, would support this amendment and then let him come to the House and ask for the Government to amend the Ordinance to ensure that people who are receiving £20,000 a year don't get this pension. I wouldn't object to that, of course I wouldn't. Let him come and say it but let him not stop people who have the moral right, a social right to receive these pensions tax free as compared with their colleagues in receipt of other state pensions, let him not stop them getting it by using his vote against this amendment. Mr Speaker, I commend the amendment to the House.

Mr Speaker proposed the question in the terms of the Hon P J Isola's amendment.

HON A J CANEPA:

At this time every year for the last four or five years this matter becomes a serious debate in the House on what is a very minor Bill and I do not particularly object that that should be the case. I think that I should warn the Honourable Members of the Opposition that if they are persistent in putting forward

their views on this matter, I am equally persistent, even more so, perhaps, in opposing them. I even wore out Mr Xiberras in public correspondence on this issue and that is not an easy thing to do with respect to somebody I think who went down in the history of this House as giving the longest speeches and writing the longest letters. I wore him out and I hope to wear out the six members of the DPBC sitting opposite. If ever they find themselves in Government, I challenge my Honourable Shadow, Mr Scott, to try to do what I maintain cannot be done without destroying the whole Social Insurance Scheme which this month records its silver anniversary. If he does that he will go down in the history of public affairs in Gibraltar as the man who destroyed the Social Insurance Scheme and who put it on a basis whereby in future no one is going to get pensions in Gibraltar on any kind of reasonable and equitable basis. Mr Isola maintains that with his amendment he is going to benefit the lower income groups. That is nonsense because for a couple aged over 65 to pay tax their income must be over £1,950 a year, the £40 a week that I think the Honourable Mr Bossano had in mind. And even if the income of the couple is £2,500 a year or £50 a week, on the first £500 they would pay at 20%, or £2 a week. So the lower income group are not going to benefit from this measure, it is the middle and higher income groups who are in receipt of elderly persons pension who are going to derive benefit from this measure, in some cases to the extent of 50% of the pension. He said that with increases in the cost of living it is a small consolation that people in receipt of elderly persons pension receive in getting an increase of £1.50 a week. It is £3 for a married couple as against £6 on the old age pension for being in receipt of the maximum pension and the elderly persons pension was never intended, never ever, as my friend Horace Zammit would say, intended to be the sole means of support of any couple in Gibraltar. The pension supplements other income invariably. I am sure there cannot be any cases in Gibraltar where this pension is a sole means of income of any couple aged over 65 because if that were the case then they should be and would be on supplementary benefits and the level of supplementary benefits for people living on their own is higher than £21 a week payable to a married couple in receipt of elderly persons pension. If these people are being treated differently it is therefore only because they are better off in other respects and to draw a comparison between the 70 people in receipt of retirement pension is just not valid. The fact of the matter is that the majority of pensioners today, social insurance pensioners, are getting a benefit out of all proportion to what they contributed, that is a fact of life. Because in 1955 the scheme started with a contribution of 1s and 5p a week which was increased to 4 shillings or 20p a week in 1968 and it is only from 1973 onwards that contributions have been going up every year appreciably because benefits have also been going up even more appreciably. But the fact of the matter is that the contributions that workers were making between 1955 and 1968 of 1s and 5p was that the maximum contribution that the Government of the day required them to make and it was precisely on the basis of 1s 5p from the worker and 1s 5p from the employer that the Fund grew and the interest that has accrued on those small contributions, relatively speaking, has been considerable but it represented the maximum that the

Government of the day considered that such workers, earning I imagine in those days, a labourer £3.50 a week, £4 a week, that was the maximum that was considered to be a reasonable contribution. So we shouldn't decry in any way that people are getting £41 a week which may in some cases be more £41 a week may be more than the total contribution which they made into the Social Insurance Scheme during the years when they were below 65. I accept that up to a point people who are not getting the social insurance pension tax free should have a sense of grievance. That is bound to happen in a place like Gibraltar where everybody is looking over each other's shoulder. We all have a sense of grievance that certain people in the port have got an increase of 28%, anybody employed in the public sector who has had an increase of 17%. But we shouldn't lose sight of the fact that we are not talking of people who are suffering hardship, we are not talking about that and we are also talking of people who in the past, when the scheme started in the 1950's, were not particularly interested in joining the scheme. It was looked down upon and, as I was telling Mr Restano privately yesterday evening in the ante chamber, I know of places of work where the younger workers who are now contributing to the scheme resent that the older workers should expect them to foot the bill for the people who are outside the scheme precisely because they recall that 25 or 20 years ago these other people felt that they were superior, that they were outside the Social Insurance Scheme which was for the underprivileged classes in Gibraltar and that they did not have to belong because they were management, and they already had a pension in any case. In those days people were not interested in belonging to the scheme because the pension was a pittance. Today, it has become very attractive and naturally everybody wants to get what his neighbour is getting. But it is not possible, I have been dealing with this matter for over 8 years, I think I know what I am talking about, I don't pretend to have the monopoly of expertise on social insurance and I certainly have no doubt in my mind and I don't think that my colleagues with whom I have discussed the matter ad nauseam, I don't think that they are in any doubt whatsoever that the integrity of the Social Insurance Scheme could in no way be preserved if we were to do what the members opposite are suggesting. As to the specific amendment I think that I have dealt with the matter in detail during the Second Reading of the Bill and I really have nothing further to add.

HON J BOSSANO:

Mr Speaker, it seems to me that, in a way, the debate has taken a turn as if the passage, or the non passage of the amendment, depended on the way I vote as if I carried more votes in this House than anybody else put together. Let me say that I did listen very carefully to the arguments being put by the Honourable and Learned Member, Mr Isola, and I think that he has got some valid points, a great deal of what he has said is something that I can sympathise with which doesn't mean that I don't understand the arguments being put by Mr Canepa. I think he is absolutely right in saying that if there is a need to revise the whole question of the provision of pensions, then let us not continue an injustice which we may be doing to one

small group by virtue of the fact that there are other things that need putting right. On balance I think at this point in time, I will support the amendment, I have supported it in the past, in fact when it was put by Mr Xiberras, but I think that we have to look at the issue dispassionately if we can and consider what we are doing both in social insurance pension and in a pension like the elderly persons pension which is paid for out of general revenue. We are talking here about a transfer of incomes. In the case of the social insurance pension, effectively, the only reason why we are able to pay the level of pensions that we are paying today is because those pensions are not being funded, they are not being paid out of the accrued value of the fund contributed by today's pensioners in the past. That is only a very small part of what they are getting. The bulk of the payment made to today's pensioners from the Social Insurance Fund is directly paid for by today's workers and the principle is that those of us who are working today and paying for the pensions of those who are 65 today, will when we reach 65 have our pensions paid for by the people who are working then. That is a very sound principle I think and it makes it possible to have a much higher level of pension than if we had to depend exclusively on the investment income of historic contributions that have been eroded by inflation. In the case, therefore, of the elderly persons pension, we have a similar transfer of income but instead of that taking place through the social insurance system it is taking place through the tax system where it is the tax revenue going into the Consolidated Fund that is providing the £460,000 that the new level of pensions will cost. Based on the figure put by the Minister for Labour of an estimate of a £50,000 loss, what we are saying is that the level of pensions that we are paying out will cost £460,000 and that of those £460,000, £60,000 will be paid back and that if we make the pensions tax free then the clawback of £60,000 will not take place and the cost will be £460,000. My general approach - and I do not know whether that makes me a socialist or whether it doesn't make me a socialist, I know what I consider myself to be and it seems to me that sometimes my colleagues in the Opposition criticise me for being a socialist which tends to make me think that they would wish that I wasn't and at other times they criticise me for not being a socialist, which tends me to think that they want me to be one, and I am not quite sure which it is that I need to be in order to please them - but I hope that they will judge what I have to say on the basis that I am trying to put forward a point of view in the House of Assembly that I believe honestly to be the correct one and that I am open to be persuaded that I am mistaken by members on either side of the House and if they persuade me that I have been wrong in what I have been saying, or doing, then it does not make me more socialist or less socialist, perhaps it makes me more honest, but I am prepared to admit that I am wrong when I am proved wrong. I think then that if we are talking about a situation of a transfer of income we should perhaps have the political courage look at the whole question of providing state funds to ensure a minimum standard of living for every citizen when he reaches an age where he can no longer provide for himself and that therefore if that is considered to be support for a means test and means test is supposed to be a dirty word, well, let us have the political courage to face that because this is really what we want to do, we must instill in people in Gibraltar a sense of responsibility

in that as a community we must be concerned for the welfare of those who are worse off than we are and this is the principle of the Social Insurance Scheme and this is the principle of the elderly persons pension. I don't think for one moment that making these pensions non-taxable would either undermine the principle of the Social Insurance Scheme or make a big dent in the Government finances because we are talking about £60,000 in the context of expenditure and revenue of 30 million. It is in that context a not very significant sum of money except that of course one can think perhaps if the £60,000 is going to go to people who have already got enough money, it might be better to say well if you are going to spend £460,000, then it might be better if the net cost today is £400,000 with a clawback of £60,000, to make it a higher pension taxable because that would still put a situation where the people who today are not paying tax on the £21 are not going to be helped at all. As I said, I will support the amendment, I have supported it in the past when Mr Xiberras used to put it but I have got misgivings about whether we are really helping the people we wish to help and I have no doubt from the arguments put by the Honourable and Learned Mr Isola that he is convinced himself that he is helping those in need and that is that conviction that makes him put forward the amendment. The figures would indicate that perhaps out of the 900 we are talking about a situation where perhaps 400 are not paying tax anyway and the other 500 may be paying £2 a week out of the £10 pension which produces the £60,000 tax. He is absolutely right in saying that if we are concerned about giving a tax-free bonus to people who are in least need, that argument can equally be applied to people who are in receipt of the social insurance pension. I know of people who are getting a pension from their previous employment which is taxable, they are getting a social insurance pension which is going to be £41 and they are in employment and in fact they have an income of £200 or £300 and it is difficult to see why out of those £200 or £300 they should be getting £40 tax free when people with family responsibilities and half that income are being taxed very heavily today in Gibraltar. I think he is absolutely right in saying that if we are honestly concerned about the equity of our system then we should do a major review of its operation in terms of where the burden of taxation is falling and whether we are not unintentionally doing the reverse of what we are doing and carrying out in some areas a transfer of incomes in the wrong direction, from those who have got least to those who have got more. But that should not stop us perhaps at this stage supporting the amendment if there is a need which affects, even if it is a small proportion, I think even if on balance, having listened to the arguments, Mr Speaker, on both sides, if I have to give my support to an amendment that may give a benefit to 50 people who need it and at the same time give it to 100 people who do not need it, then I would not cut my nose to spite my face and in order to prevent the hundred from getting it, deprive the 50 who need it from getting it as well.

HON MAJOR R J PELIZA:

Mr Speaker, I am very, very glad to hear my friend on my left now realising that we are not doing this for political reasons

at all, that there is a very significant principle behind it. I think he is completely convinced that the line of approach that our side have been pursuing for a number of years has been the correct one. What surprises me and I hope that I can appeal to the Minister responsible, is that he seems to think it is something to be proud to approach a problem in a very fervent way and sort of glorifying his position by saying; "I have defeated one man who wanted to bring this into effect for many years back and nobody is going to make me change my mind". I think this is rather a blind approach and also a deaf approach to a problem that is obviously affecting a number of people in Gibraltar. I think he will accept that a number of those 900 are getting an unfair deal, I think he will have to accept this. I don't believe for one moment that the Minister would like to see this happening. I have always praised him, and he knows this, for the way that he has managed to improve the position of the elderly persons in Gibraltar. I think he gets the support of everybody on this side of the House, not now but on many occasions. What I don't understand is why in this particular sphere he objects so much to change. He seems to have convinced himself that he is doing something wrong by carrying it out and he seems to produce all sorts of exaggerated arguments as to the total destruction of our pension schemes in Gibraltar. I cannot believe that and what I suggest is what my own friend on the left said and the Leader of the Opposition said it even before him, let us go ahead with this now and by all means let us have a general review of the whole situation and put it on a fair footing. His argument that some young people object to this is something that I do not think he should give all that consideration to. That should not prevent him from going ahead, after all, what was the position in the past? It is always the son who helps the parent. It is doing the same thing now but in a much better and organised manner. I think it is the duty of the young to support the old, whether we do it directly as a member of the family or we do it through the state which obviously is much better, I think the principle must remain and if any young person comes along and says it is not fair that he should be supporting the old I think it is up to this House to tell him that he is doing something which is not really what the Gibraltarians feel. I think that if we can be proud of Gibraltar it is because the young people have always supported the old. I think that thanks to the great effort of the Minister, Mr Speaker, he has been able to do this in a much fairer way today than has ever been done before and in a much more secure way that has ever been done before. I do hope that he can change his mind. I don't think that the whole scheme, the whole pension scheme in Gibraltar is going to crumble down because he gives way and I am sure he will give a lot of satisfaction to a lot of people who I think deserve it.

HON A J CANEPA:

Mr Speaker, I am grateful to the Honourable Major Peliza for his kind remarks about me because I know that he expresses them sincerely, he feels them sincerely, I am really grateful.

Two years ago, Mr Speaker, we were faced again with the same quandary. At that time there was an income tax clawback operating on the Elderly Persons Pension which in principle, it was not that punitive but in the manner in which it worked it was punitive because at the end of the financial year a lot of people were being presented, having been getting the pension on a weekly basis, they were presented with an income tax bill which was very hefty so we did away with the income tax clawback and at the same time, having regard to the considerations that Mr Bossano mentioned about whether it is better to make the pension tax-free or to increase it rather more so, we increased it from £5 a week to £8 a week. It was a very substantial increase, 60% and the benefit of the two measures, the substantial increase together with the fact that the income tax clawback was being done away with, these two factors the Government considered constituted a very considerable gesture towards the grievances that these people have. Mr Bossano has spoken about the position of some people in Gibraltar who are getting an occupational pension, who will now be getting £41 a week tax free, and who are also in employment. I think what he was hinting at is that, perhaps, we are in danger of producing an elite in Gibraltar aged over 65. But, Mr Speaker, what is the alternative? The alternative might be should we be considering, as part of an in-depth look into the whole question of pensions, should we be considering whether the social insurance old age pension should now be made taxable? Perhaps. It was certainly made tax-free back in the 50's because it was a pittance, it was a very low pension but we are now talking of a pension of £41, should it be made taxable? In my view, that is a retrograde step to take, I don't like to put the clock back. I wish we could bring everybody into the fold and treat everybody in the same way. The other view that I take is precisely the point that Major Peliza made. If as a result of these people, people belonging to that group that Mr Bossano mentioned, where the people are over 65 and they are fit enough to continue in employment, they have a very considerable income and yet part of that income, £41 a week, is not taxed whereas a family man with similar income and with family responsibilities would pay tax on that element of his income. Perhaps we are treating one rather worse than another but I think the principle there is that it is the young people who are active, who are at work, who must finance the occupational pension and the social insurance pensions through their contributions, that the elderly receive. Because at the end of the day the young of today are going to be the pensioners of tomorrow and they will join that elite and is it bad, in any case, that people over 65, after a lifetime of working, should not be entitled to that and if they are very well off in a place like Gibraltar where we are still a very close knit community and where the elderly still have their own children and their own grand children close to them, if the elderly have income to spare it will be for the benefit of their families, of the next generation. I don't think that is a bad principle, I think it is a good approach on which we should try to build rather than ask ourselves are we going too far. I don't think that we are going too far because it seems to me as one looks around that, by and large, people at work are able to afford to pay the contributions and the tax, we have got a high level of taxation, but having regard to consumer

spending and so on I think they are able to afford that and it is right and proper that in this community we should have this state of affairs.

HON P J ISOLA:

Mr Speaker, I do not quite gather from that intervention from the Minister whether he is going to agree to the amendment or not. I hope he is going to agree to the amendment as well. I think he hit the nail on the head when he said we want to build on it. That is what we want to do. If we are going to be logical, you are talking of state pensions and we have two of them tax free, you cannot use an argument for making the third taxable merely the fact that some people in the third group have money and therefore they are going to get it tax free and why should they; because if you use that argument then you yourself should be saying: "Well, but in my Social Insurance Scheme there are also people that have got a lot of money who are getting it tax free. And in my retirement pensions there may be people who are also getting money tax free." Therefore to be logical, you either apply your tax principle to the three groups or you don't apply it to any of them and then by all means review the whole situation, review the whole law, and change it to bring possibly better equitable distribution. But it is wrong, in my view, to make the lot of the lower or middle income groups, I don't know what lots we are talking about to a certain extent, to refuse to make their lot better because in the higher groups some are going to benefit when you don't apply the same principle in the Social Insurance Scheme or in the retirement pension scheme. Mr Speaker, it is a well known fact. A lot of people in the Social Insurance Scheme have contributed throughout their lives. Agreed. But there are a significant or insignificant number, I am not sure how many there are, who have contributed very little and are enjoying the whole tax-free pension of about £40 a week for a contribution, in some cases, of as little as £250. In the same way, I am not saying that that's the majority of the people in the scheme but those few people can be equated with the few people that are going to get tax-free elderly persons pension today. If we are going to object to them getting it why shouldn't we object to the others getting them as well? I think that if this Bill is passed, I don't think it will shake the integrity of the Social Insurance Scheme. I think what it will bring about is that it will put right a sense of injustice that exists, because I think the Minister said we all live looking over our shoulders, the sense of injustice that exists between people of similar income groups who see that they are being charged £2 or £3 a week, whilst the fellow next door possibly with more money than him, is not paying anything on £40 a week. Mr Speaker, I think that the people in receipt of elderly persons pensions, the lower middle groups, are punished enough, as it were, in that they are not part of the Social Insurance Scheme and cannot enjoy the £40 a week pension which others can. In some cases they were not able to get in, they were not allowed to come in, even if they wanted to in some cases it was no longer possible because of the law or whatever. Let us try and bring some sense of equality as far as state pensions are concerned as between recipients of state

pensions. If, as a result of bringing that equality, the Government feel that some people who are much better off are getting an unwholesome benefit, then let them review the three social insurance schemes. I like the idea, Mr Speaker, that they should be tax free. It is very nice for people in receipt of social insurance pensions and I will support that continuing in the Social Insurance Scheme.

HON A J CANEPA:

Is the Honourable Member declaring a potential interest?

HON P J ISOLA:

Yes, very much so. I hope by then it will be about £70 a week by the time I reach the age. It may be a very good thing. But I think that state pensions, this group of three, should be treated in the same way and then if this requires further amendment or a review of the pensions legislation let it occur, let it happen to get a fairness between the different groups of the community. At the moment it is not fair that somebody who has a very small amount of income compared to what people now enjoy today, it is unfair that people with £2,000 or £3,000 a year should be paying tax whereas people with £5,000 and £6,000 and £7,000 a year are not paying a penny tax, that is unfair and is socially unjust and I therefore commend the amendment to the House.

HON CHIEF MINISTER:

Anything I say the Honourable the Leader of the Opposition can reply to. I am not trying to remain behind it is just that I thought that I should make a small contribution as it has given me a better opportunity of answering some of the points. I think it ought to be accepted that we feel that there is a matter of principle here and that therefore the reasons why we do it which is as the Minister for Labour has said not popular, are honestly felt and they are felt for good reasons and we consider them. I was one of those who said; "Well, alright, if we cannot get this thing tax-free let us carry on increasing them." The increase that is being proposed now will cost within a full year, £70,000. The non-contributor, elderly persons pension is costing us something like £2m. This anomaly about the social insurance pension not being taxed of course arises out of the reasons given the the Minister. What has not been said is that even if people have this benefit, the tax on this benefit only reaches people with more than £40 a week. There are only 20 couples in Gibraltar who are all receiving elderly persons pension who are in receipt of supplementary benefit because they are aged over 65 which means that they have so little income that the elderly persons pension alone is not enough. If people really were in that category, more people were suffering severely because of the elderly persons pension being taxed then they would come under this if they were but from the amount of allowances we have which were recently increased, both the

personal allowances and the old people's allowances as has been said it is £40 a week. My experience in this matter is that the people who feel most strongly about it are the people who least need that the pension be made tax free. That is my personal experience. I have only had one person in receipt of an occupational pension who felt strongly but the bulk of the people who got together, who started agitating for this are the people who say that their handsome income is suffering the ravages of inflation and they don't see why they should pay tax on this. That is what has not really convinced me. We may have to make an in-depth study of the question of social insurance, generally, but we are not ready for that now because we are doing something which I think is much more urgent in a way and that is the in-depth study which the Financial and Development Secretary stated is being done on the question of income tax. In the light of that study we might be able to look at this question and see whether the money that we are going to have £55,000 or £60,000 that would be lost which could better be used in another way, whether we can limit that amount of loss in order that people who do deserve it get it and by all means let us have a means test if necessary and make the people who most require it have it. I am not saying that we are going to do it, I am saying that we are going to look at it in the context of the tax question but only in the context of the tax question at this stage. I am sure that looking at the whole question of the social insurance at this stage for the moment certainly it is not really on for the number of commitments that we have in many areas of Government. It would be silly to say that we are going to do it to get out of it but in the context of the in-depth study in the income tax we might be able to look at this and see whether we come up with something that will if not meet the whole purpose of the amendment meet to some extent those who need most because that is really in the final analysis what we want and that is that whatever money there is is spread out as equitably as possible because the money comes from the people.

HON P J ISOLA:

Mr Speaker, I can understand the many commitments the Government has, like paying £700,000 in respect of the Varyl Begg Estate.

MR SPEAKER:

Let us not digress from the subject under discussion.

HON CHIEF MINISTER:

When I said commitments I didn't speak of financial commitments, I spoke about commitments of policy and of time in the voting. It would be silly to say we are going to have an in-depth study on social insurance at a time when we were having one in income tax and there is the Port study, there are quite a number of very important matters going on which keep Ministers completely busy, I wasn't talking about money commitments.

HON P J ISOLA:

Mr Speaker, the Honourable and Learned Chief Minister just has not addressed himself to the question of principle that is involved, as, indeed, the Minister for Labour has not. He has thrown a smoke screen over the issue by talking of people on the breadline who cannot live on their £10.50 a week which obviously they can't will get a supplementary benefit but you are talking of the breadliners there, we are not talking about the breadliners; the great majority of people in receipt of social insurance pensions are not breadliners, the great majority of people in receipt of retirement pensions are not breadliners and the Honourable and Learned the Chief Minister says they can put it right by putting the pension up. So what do they do, they put it up 16.6% whereas in the social insurance and in the retirement it is 17% or 18%. The same percentage? The same percentage but £1.50 is very different to £6 obviously.

HON A J CANEPA:

£6 is for a couple, don't talk of £1.50, that is for a single person.

HON P J ISOLA:

But we are talking here of a matter of principle that appears to elude the Chief Minister and the Minister for Labour. It is a simple principle you have got three sets of state pensions two of which you give tax free, no matter the means of the person at all, and the third one you don't give tax free. The third one you use for discrimination purposes, I suppose. The Chief Minister wants to make an in-depth study. We know how long the in-depth studies of the Government take. We know, we have experience in this House of the in-depth study of the Government. An obvious one was the Preece, Cardew and Ryder Report, four years for the in-depth study. We are used to that. What we are asking the Chief Minister and his colleagues in the Government is to let a few people if you like, get away with paying tax, you are losing £60,000, that is peanuts for the Government with the way they spend the taxpayers money. It is peanuts for the Government, let a few people get away with that but let us bring a sense of justice amongst the great majority of the recipients of the state pension, a sense of equality in our community which today they do not have and if by changing this law this would bring the in-depth study on, fine, we could have it by the next meeting if the Government wanted and then you change the law and the guys who just thought they were going to get 50% tax rebate will find it only lasted two months. We do not mind that but what we do mind and what we are strongly in favour of is equality of treatment between taxpayers of the three state pension schemes.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddio
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon I Abecasis
The Hon A J Canepa
The Hon F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The amendment was accordingly defeated and Clause 2 stood part of the Bill.

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

THE PUBLIC UTILITY UNDERTAKINGS (AMENDMENT) BILL, 1980

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

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

THE SUPPLEMENTARY APPROPRIATION (1980/81) (No. 2) BILL, 1980

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

Schedule

Consolidated Fund Schedule of Supplementary Estimates (No 2 of 1980/81) Item 1 Head 2 Customs was agreed to.

Item 2 Head 3 Education was agreed to.

Item 3 Head 4 Electricity Undertaking

HON G T RESTANO:

Would the Government give us an explanation of the £81,500.

HON DR R G VALARINO:

Mr Chairman, the £81,500 is the hire charge to the 31st March 1981 and the installation costs. This is composed of £65,000 which is hire, £15,000 in installation costs, and £1,500 which are the four silencers.

HON G T RESTANO:

How much for the installation?

HON DR R G VALARINO:

£15,000.

HON G T RESTANO:

Would the Minister say why it has been necessary to hire these four generating sets?

HON DR R G VALARINO:

Mr Chairman, Mr Restano has asked a question to which he knows the answer, this is to cover the period, as stated in the Press Release of I believe it was in August, to cover the period in which we had some engines out of action and in fact if he looks, and I am sure he has got a copy of the Press Release of 28 August 1980, he will find the answer there, that after review of the whole situation which included the situation of the generating station and the problems with the engines, the Government had decided to acquire self-contained skid mounted alternators in order to improve the situation.

HON G T RESTANO:

Was this an ad hoc decision, Mr Speaker, or was that included in the Preece, Cardew and Ryder Report?

HON DR R G VALARINO:

Mr Speaker, as I intend to say in the motion, this decision by Government was not in the Preece, Cardew and Ryder Report, in fact, this is obvious, and this was really done in order to improve the situation and since Government knew the problems that the electricity cuts were bringing to the people, they had the people's consideration very much at heart.

HON MAJOR R J PELIZA:

Mr Speaker, can the Minister say why it is obvious that this is not contained in the Preece, Cardew and Rider Report, Why is it

obvious?

HON DR R G VALARINO:

Mr Chairmar, if the Honourable Member had been in Gibraltar at the time he would have been able to go back to the Press Release in question and he would have found out that it was as a review of the whole situation. Therefore, it was a measure that was taken then and not related to the PCR Report which has been previously reported on.

HON G T RESTANO:

Did the Government receive any advice from the Consultants on the Hire of these engines?

HON DR R G VALARINO:

Mr Chairman, I still think that to some extent we are pre-empting the motion because I intend to deal fully with these questions in my reply to the Honourable Member's motion. I still feel that we would be pre-empting a motion which as the Member has not been successful in obtaining an answer at question time, he is now trying through his so-called parliamentary procedure get me to answer these specific questions.

HON G T RESTANO:

Mr Chairman, is the Minister saying that the parliamentary procedure is wrong? I think he said that the so-called parliamentary procedure which allows me to ask questions because the Government is coming here asking for £81,500 and he doesn't want me to ask any questions? Of course we will ask questions because perhaps these £81,500 we have to pay just for the hire of the machines is because Government didn't take the original decision which was recommended to it by the consultants to buy a 5-megawatt engine many years ago. Anyway, Mr Chairman, how much would it have cost to purchase rather than hire these sets?

HON DR R G VALARINO:

Mr Chairman, the Government considered that hiring was the cheapest way in which these sets could be obtained. There were three options open to us. One was the purchase, one was the hire and one was to lease. The cost of the equipment would have been in the region of £395,100. The cost of the equipment, the equipment means all as far as I am concerned. I don't know how Members' opposite will take this.

HON MAJOR R J PELIZA:

If you give us the information we will know about it.

HON DR R G VALARINO:

This is why we have gone for the hire of these sets. The hire of these sets will be £1,546 per month for the equipment during the first 18 months. This method of payment obviates the need for the earlier and substantial capital outlay inherent in a purchase agreement. Moreover, under the hire agreement the hirer would be responsible for major repairs. This is why we have gone in for hire and not for purchase and I will be repeating this in my answer to the motion of the Honourable Member.

HON P J ISOLA:

Mr Speaker, can the Minister, purely on a mathematical basis. The hire is £1,546 per generator, there are four of them, how did he arrive at the figure of.....

MR SPEAKER:

I think the Minister has said the equipment includes the four.

HON DR R G VALARINO:

The equipment includes the four and the price is £11,546 per month.

HON P J ISOLA:

Then it is not £1,546.

HON DR R G VALARINO:

Sorry, £11,546 per month.

HON P J ISOLA:

Could I ask the Minister then when do we start paying, I suppose, when they arrive? Am I right in thinking that it would be about £144,000 to hire the equipment?

HON DR R G VALARINO:

Mr Chairman, 12 months we have calculated it will be £138,552.

HON MAJOR R J PELIZA:

Has the Minister any idea for how long we will have to use it?

HON DR R G VALARINO:

Mr Chairman, Sir, we have hired this equipment for 18 months and we have an option to continue this until 24 months, Sir.

HON W T SCOTT:

Mr Chairman, to hire it for 18 months represents 50% of the total cost of the purchasing of the machines, and even then there might be a necessity, as the Honourable Minister has said, to further extend the period of hire, bringing the hiring charge closer to the purchasing price.

HON DR R G VALARINO:

Mr Chairman, any mathematician amongst us will realise that this is not so because that is only an extra 6 months and in fact the following six months the hire charge will drop but if we bought the sets we would have found ourselves with four sets which are not new, they have been in use and certainly the price of these sets would be pretty low and the hire agreement is much more to our satisfaction than to purchase this plant which in time we shall be able to return to the manufacturers.

HON MAJOR R J PELIZA:

I think the Minister got the question wrong or I did not explain myself clearly. What I said was for how long does he reckon we shall need the use of this plant, 18 months? What about the lease, I don't think you gave us the figures for the lease. You said there were three methods, purchase, hire and leasing.

HON DR R G VALARINO:

No, Mr Chairman, on the lease we had various tentative approaches but in fact the figures were so high on a lease that unfortunately we could certainly not accept the lease terms.

HON MAJOR R J PELIZA:

But has the Minister got the figures for the lease?

HON DR R G VALARINO:

I haven't actually got the figures with me of the lease but I can find out the figures for the Honourable Member and I shall

let him have it before the end of this meeting.

HON G T RESTANO:

What is the normal life span of these machines?

HON DR R G VALARINO:

Mr Chairman, I am not a technical man.

HON P J ISOLA:

Hasn't the Minister got civil servants to help him on that point? It is usual for the Minister to have his civil servant when answering questions.

HON DR R G VALARINO:

I beg your pardon, yes I was going to answer it. Obviously, this depends how much you run the machine. If the machine is run relatively heavily the life span is 5 to 6 years. On the other hand, if the machine is only used, say, at peak times the machine could be running for about 10 years.

HON G T RESTANO:

So, in fact, if Government were to purchase rather than just hire these machines it would have a minimum of 5 years and a maximum of 10.

MR SPEAKER:

I think the Honourable Member said that they were not new machines.

HON DR R G VALARINO:

They are new machines, Sir.

HON MAJOR R J PELIZA:

On the contrary, he said they were used.

HON CHIEF MINISTER:

This has not been said anywhere.

HON MAJOR R J PELIZA:

With all due respect, Mr Speaker, if you look at Hansard, that is what the Minister said.

HON CHIEF MINISTER:

He said that he had been offered, on lease, other second-hand machines that were not acceptable.

HON MAJOR R J PELIZA:

I thought that one of the reasons why we were hiring them and not buying them was because they were second-hand.

HON DR R G VALARINO:

In answer to the Honourable Mr Restano's question if we export the machines we would keep them for five years, there are two things mitigating against his concept. One is that these machines run on light fuel, therefore, they are more costly and, secondly, as he well knows, tenders have already been received for the new generating station, the new generating station will start with bigger machines and the oil used will be heavy oil which will be much cheaper than the oil used in the smaller machines that we have hired temporarily.

HON W T SCOTT:

Mr Chairman, can I ask on a point of clarification. The Minister, referring to Jetty No 5, the new generating station, used the word machines in the plural. Are we to understand that the contract is for two machines rather than for one? Is this what Government has decided, to instal two machines at the outset or just the one?

HON DR R G VALARINO:

Mr Chairman, we are still moving in the direction of the motion in which I intend to say all this. The tender of the new generating station at No 5 Jetty is for one 5-megawatt machine with an option for a second 5-megawatt machine in three months' time.

HON W T SCOTT:

I am grateful, Mr Chairman, that the Minister has corrected his earlier statement. In any event, to an earlier question that I posed, will the Minister confirm that at a hire charge of £11,546 a month and the terms being a minimum hire period of 18 months, and after excluding the £15,000 installation the Government will be looking for something, eventually, in excess of £200,000.

HON DR R G VALARINO:

Mr Chairman, the hiring is for an 18 months period of time. I think we have mentioned as well in one of our press releases that we have tried not to go much further above the figure of £200,000. We must also remember that if we bought these machines and we kept them for any length of time, maintenance of these machines would be pretty costly and would further increase the amount we have to spend on these machines whereas at the moment the main thing is to have these machines on hire to be able to serve the people whilst we are constructing and building the new station that we are equipping the new station because this is our aim, our aim is the new station and this is only four temporary skid mounted new generating sets.

HON P J ISOLA:

Mr Chairman, may I make just one comment, not on the temporary side of it, but can I make one comment on this. It seems that these machines that are being brought are run on light fuel oil which is the most expensive. It seems that these machines that have been brought are very expensive to maintain. Am I right?

MR SPEAKER:

Which machines are you talking about?

HON P J ISOLA:

The skid ones. I am only saying what the Minister has said.

HON DR R G VALARINO:

Mr Chairman, if the Honourable Member will give way. I have said that they will be expensive to maintain if we bought them for a period as the Honourable Member, Mr Restano has said. The fact that we are hiring for 18 months, they are new machines, they would practically need no maintenance, apart from the usual routine overhaul and we will be able to save a fair amount of time by hiring these machines which are brand new, and not second hand.

HON P J ISOLA:

I am grateful to the Minister because that has changed completely what he was saying. My Honourable Friend on my left was asking him why not buy them and one of the reasons the Minister gave against that course was because the maintenance was expensive and it was going to be done by the people and now we know that the actual maintenance is only routine and therefore minimal. What I wanted to ask is, in view of the light fuel oil that is being used can I ask, repeat the question that was asked by my Honourable Friend on my right and that is, have the consultants been consulted on the type of machine that should be brought. Are there

not machines that could have been brought equally well that went on the heavy fuel oil, for example, that would have been cheaper. In other words, I think we want to be re-assured having regard to the disasters that we have undergone during the last few years in Gibraltar, we want to be reassured that proper advice has been taken on this. Can the Minister give us that assurance?

HON DR R G VALARINO:

Mr Chairman, the Minister can give him the assurance that the consultants have been seen and that in fact it was precisely the consultants who advised us to get these machines. The Honourable and Learned Member is talking about the fact that we could get other machines. This is again in my statement to the House in which I said and may I quote: "A number of offers were received but the sets offered were individual units of varied rating and of different manufacture and additionally required an amount of installation work in terms of bases and auxiliary services." These are skid mounted sets which are easy to place, they do not need bases as the ones we have in King's Bastion North and King's Bastion South and the main idea of Government was to hasten the whole process.

HON P J ISOLA:

Is it correct to say then that because of the urgency of the situation, the Government had to get what could be brought quickest as opposed to what was cheapest, or the best?

HON DR R G VALARINO:

Mr Chairman, there are three questions in that, first of all, was it the best. We have from the consultant engineers that these machines were the best. (2) He mentions whether we could bring what was quickest and not what was cheapest. We had to bring equipment which would serve us over a period of time and in fact we are getting a very good deal from these people. To bring another machine would probably have cost almost as much and certainly it would have taken a great deal more amount of time because we would have needed not only auxiliary services but we would have needed to have laid down a concrete base which would have taken a fair amount of time.

HON P J ISOLA:

We are talking really here of a hire charge as opposed to buying. Has the Government taken into consideration the fact in deciding whether to hire or to buy (a), and I am not doing this critically, its own record on slippage of contracts. It is a fact there has been slippage and Honourable Members have often got up on the other side of the House and said this is inevitable, therefore, their own record on slippage and, of course, the record of slippage of outside contractors not just the Government, and therefore taking into consideration that these

machines may well be needed for a much longer period than the Government in its optimism that it will get things right feels, that is one point. The other point is, has the Government considered the fact that at the moment we have something like 14 megawatts of generating power. We never had a detailed explanation but it is a matter, I suppose, of public knowledge that all these machines are in their dying throes and it is also known that they are constantly breaking down and that, therefore, the provision of a 5-megawatt generator at the end of the 12 month period or 18 month period may not, in fact, solve the situation at all and therefore it may necessitate the continued presence of the skid generators for possibly one or two years more if not more. In those circumstances, would a decision to hire taken now be a wise one as against a decision to purchase outright?

HON DR R G VALARINO:

Mr Chairman, Sir, the Honourable and Learned Member still insists that to purchase the machines would have been a better idea. I have tried to point out that our main aim is the new generating station at No 5 jetty. Slippage has occurred in various projects, in fact, we are already going ahead with this. He knows very well that two contracts have been received and have been evaluated and this is known both publicly and he knows it himself. We have got this hire agreement for a period of 18 months. We aim not to make it any longer than 18 months but should it be for any longer as I have said before anything up to two years the hiring price will decrease and therefore I am sure that the best method is to hire the machines and not to buy them and at the end of the day find ourselves with four machines that we are unable to get rid of.

MR SPEAKER:

I think we have now talked enough on whether it should be bought or leased. The Minister has given an explicit answer as to why he felt that leasing was better.

HON A J HAYNES:

Can Government explain whether they encountered any problem in taking the machine to the site and did these problems, if any, result in greater expenditure?

HON DR R G VALARINO:

Mr Chairman, I don't know what the Honourable Member means by problems.

HON A J HAYNES:

Where the machines installed according to a plan designed or thought out before the machines arrived or was there any

alteration to the design?

HON DR R G VALARINO:

Mr Chairman, the Honourable Member obviously missed my appearance on television in which I

MR SPEAKER:

We must be careful. Members are answerable for what they do in the House and not for what they say outside.

HON DR R G VALARINO:

I produced detailed drawings of what we were going to do and where we were going to put the machines and the siting of the machines.

MR SPEAKER:

I think what you are being asked is whether the estimate of installation has been higher than what was first agreed upon. I think basically, that is the question. Whether there has been any or not is another matter.

HON DR R G VALARINO:

Mr Chairman, we have installed one machine and the other three machines are expected towards the end of the week. The first machine is in the process of being commissioned and the other three will be installed. This is an installation charge that we felt was a reasonable one but, really, until we instal all four machines it will be difficult to estimate exactly what the installation costs would be.

HON A J HAYNES:

Do the installation costs as such include the building of a bridge from King's Bastion to the promenade?

HON DR R G VALARINO:

Mr Chairman, if the Honourable Member has time I will show him what was built. We built a catwalk between the generating station and the promenade so that people would have access to the machines and the cable would go on via the catwalk therefore providing access to the generating station. We have built a catwalk and this catwalk has been built by our own men. The cost of the catwalk is included in this figure.

HON A J HAYNES:

Can the Minister tell us whether in fact an alternative method of getting the workers to the machines has not been subsequently thought of which would have been much cheaper i.e. knocking the wall of a store room connecting Kings Bastion with the Generating Station. Or is he not aware?

HON DR R G VALARINO:

I don't know what the Honourable Member is referring to. In fact, as I have mentioned before, I would like him to come and see and to tell me where this quick exit lies. We have installed the catwalk because it is the only method of getting to the Boulevard.

HON A J HAYNES:

Can the Minister tell us whether he anticipates a great deal of noise to emanate from these machines?

HON DR R G VALARINO:

Mr Chairman, we have already run one. These are fitted with residential silencers. Obviously since they are machines there will be a certain amount of noise. I may add that we also get a great deal of noise from the other engines in Kings Bastion South and Kings Bastion North. Noise in this area unfortunately is something that we have to put up with. We either have noise in this area or we have no power.

HON A J HAYNES:

Is the noise going to be of a great volume or not? If, for instance, the noise is to be excessive then one questions (1) the validity of the choice of place and (2) whether these machines

MR SPEAKER:

We are not going to go into that now. I think the Honourable the Financial and Development Secretary wanted to say something.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I wanted to speak on the hiring or purchase of these machines. What I would like to make quite clear is that the decision to hire instead of purchase was on the advice of officials in the Treasury. We went very carefully into the pros and cons of whether to hire or purchase and on the basis of a 24 months period of hire it was to our advantage to hire rather than purchase particularly as if we purchased, a sale after two years might

be extremely difficult. If we did require the machines over the period of 24 months, which has been suggested by a Member opposite, we have got an option to purchase and we would be able to purchase if we required them permanently at very favourable terms because they are here and they have been used. They would probably let them at about 30% of the cost of the machines new.

HON P J ISOLA:

Can I ask the Financial and Development Secretary if there is an agreement to this effect because otherwise the Government could be in the hands of the hirers, the hirers could say: "Your hire term is over, you send me the machines back in accordance with your contract". Unless the terms of purchase are in writing now, would not the Government be in danger of finding itself having to pay whatever was asked in an emergency situation. I think that is a very important point because we have had this before.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There is no agreement on the actual cost.

HON A J HAYNES:

Mr Speaker, on the point of noise. Will the Minister consider running a survey now, in the area where the machines are to be installed since in that way you will be able to tell what the output of noise, in fact, is?

HON J B PEREZ:

This is in fact now being done by the Environmental Health Officers.

HON A J HAYNES:

So do I take it then that if the decibels of noise recorded at a later stage exceed the noise volume prescribed by law as healthy, that the Government will consider making compensation to those affected?

MR SPEAKER:

No, we are not going to debate this now.

HON MAJOR R J FELIZA:

May I raise a point because I think the Financial Secretary brought in a new aspect of the purchase or hire side. I think that he

has introduced a new aspect of it and I wonder whether the Government should not give very careful thought to buy rather than to hire. I say this Mr Speaker, because let us fact it, the generating station is in a very critical stage, there is no doubt about it.

HON CHIEF MINISTER:

If the Honourable Member will give way for one moment. I let the Leader of the Opposition say something unchallenged because there is going to be a debate but it is complete nonsense to talk about the engines being at the end of their life. There are two engine rooms and of course the old engines are being in a state where their natural life has to be kept up with care because they are over 30 years, but engine No 13 in King's Bation North is only 7 or 8 years old and this has got 5 megawatts and when this is working perfectly well and No 11 when it gets better, these are all engines which have a very good life span ahead. It is the engines at the old power station that are kept up and these are the ones that use the light fuel oil. There is no question of talking or perpetuating this myth that the whole of the station is in a bad state. All this will come out in the debate but it is better than one should deny this because by a series of repetitions which remain unchallenged it can finish up by being a myth which is believed.

HON P J ISOLA:

It is the Honourable and Learned the Chief Minister who is getting under a myth. We are not living under any myth, we are living under constant power cuts and for many months, for two years, and the only explanation it can have is that either the machines are old and are dying and cannot be maintained or that the Government hasn't got enough generating capacity and that is why we are all here arguing about an emergency situation.

HON MAJOR R J PELIZA:

I would like to carry on what I was saying before I was interrupted.

MR SPEAKER:

Order. You have asked whether Government will reconsider their decision instead of hiring, to buy these machines.

HON MAJOR R J PELIZA:

One reason is, Mr Speaker, that it is obvious that the situation is too critical, that slippage does exist in Gibraltar, this is the way it always happens, that if in the end we are going to pay more for buying it, is it not better to buy it now?

MR SPEAKER:

Order. We have had that for the last half hour. We will get the Minister to answer that.

HON MAJOR R J PELIZA:

Is it not worth it, for the amount that we are going to spend by hiring, if all goes well and the amount that we are going to lose if it doesn't go well, isn't it worth it to buy and to have those machines standing by?

HON DR R G VALARINO:

This is again a hypothetical question and the answer to that one is no.

HON G T RESTANO:

On the £15,000 installation Mr Speaker, did this ever go out to tender? Was it published in the Gazette?

HON M K FEATHERSTONE:

I am not sure of that but it went out to tender and two or three firms did tender.

HON P J ISOLA:

Was it not a restricted tender in that only 4 or 5 firms were invited to tender? That is my information.

HON M K FEATHERSTONE:

I am not sure of that but I do know that it went out to tender and there were at least three firms that tendered.

HON G T RESTANO:

Could the Minister find out whether in fact it was a restricted tender?

HON M K FEATHERSTONE:

Yes, I will have that information this afternoon.

HON W T SCOTT:

Can I ask the Government to confirm that the cost of the hire or

probably subsequent purchase of these machines will not be reflected in increased electricity charges to consumers. Can I ask for that confirmation?

HON DR R G VALARINO:

You can ask it, Mr Chairman, but certainly I cannot give you that confirmation.

HON W T SCOTT:

Is the Government therefore saying that it intends to reflect the cost of the machines on electricity charges?

HON DR R G VALARINO:

Mr Chairman, I have not said anything like that.

HON P J ISOLA:

Will electricity consumers be paying the cost involved in the hiring of this machinery, reflected in increased electricity charges? Will that be the case or will the Government, having got us into this mess, decide it should be subsidised from general revenue?

HON DR R G VALARINO:

Mr Chairman, the answer is that this will be a decision taken by Government.

HON CHIEF MINISTER:

It will be reflected in the general position of the situation and other costs of the electricity, other charges in electricity arising out of maintenance etc and if it is necessary it will have to be but it is very difficult, it is a hypothetical question now as to how it is going to be reflected because these machines are going to produce electricity for which people are going to pay.

HON P J ISOLA:

Would it not be fairer on electricity consumers generally if the Government regarded this amount as part - it was never envisaged, I know, originally - as part of the electricity development scheme and therefore in terms of long term finance as opposed to short term finance. In other words, that the consumers of today should not have to pay what apparently the Government consider now to be a necessary piece of what is essentially capital equipment. Can we have an assurance on that?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, when it comes to looking at the cost of capital equipment of this kind we amortise over a period. What we have not yet decided is what period we would amortise these machines over.

HON P J ISOLA:

This is the point, Mr Speaker, that is why I am asking the Government for an assurance that this sum, in other words, the cost of the equipment, because the Government chooses to hire instead of to purchase, that the cost will be locked at as a capital item to be amortised over a period of years and not something to be met by electricity consumers, current electricity consumers, who cannot be blamed for the situation that has arisen.

MR SPEAKER:

What the Government is saying is clear. The Government is saying that they have not taken a policy decision as to how these charges are going to be passed on to the consumer. I think we must not go running round in circles.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, on a point of clarification. We will amortise it, what we haven't decided yet is the period over which one will amortise it. That depends on the life of the machines and various other factors.

HON A J HAYNES:

Can we take it on the point of noise that though Government would go to the effort of making a survey they only intend to ignore it if it is unfavourable.

MR SPEAKER:

No, order. That is hypothetical.

HON J BOSWANC:

Surely, Mr Speaker, the question of the period of time over which the cost would be amortised would arrive if we bought the equipment and we were amortising it over its useful life but if we are hiring it on a monthly basis then we will only amortise it over a period under which we are going to be owning it which is the months during which we are hiring it. Otherwise you are going to amortise something that is no longer there, that has been shipped back to England.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am not sure whether that is a question or a statement.

HON J BOSSANO:

It is a statement that I would welcome confirmation of, Mr Speaker. Is it not normal practice that if one buys a piece of capital equipment, which in that case this should have come under the Improvement and Development Fund, then as the Honourable Member has said, the equipment would be amortised over its useful life. If he is saying that they intend to amortise the hire charged between now and March over the useful life of that equipment but they haven't yet made up their minds what the useful life is, I can tell him. The useful life ends in March because that is when the hire charge ends. After March there isn't equipment until we vote money to continue hiring it.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, we have still to make a decision on the period over which this will be amortised.

HON J BOSSANO:

Is the Honourable Member saying then, that as a matter of financial policy, the Government intends now to proceed on the basis of amortising assets over periods of life which include years when the assets no longer exist? Is he saying that that is a sound accounting principle that we have a machine that we hire for 18 months and then we amortise it, say, over 5 years notwithstanding the fact that

MR SPEAKER:

In fairness to Government what they are saying is that they have not taken the matter into consideration and until such time as they do they cannot give you an answer.

HON J BOSSANO:

I think Mr Speaker, if you will allow me. I really think that as a matter of sound policy, financial policy, one cannot really say one is speaking of the period over which one may amortise an asset other than that one may amortise that asset over a period that is less than its useful life. If this asset is intended to last for five years then one can amortise it over five years or less than five years. What is to my knowledge unknown in accounting practice is to amortise something that has no useful value after five years over a ten year period because then it would be a totally spurious balance sheet. If we are hiring this for eighteen months then I take it that the Financial Secretary is saying that they do not know whether they are going to amortise it over 18 months or less than 18 months. It has

nothing to do with the useful life because one would take into account the useful life if one bought the asset but not if one was hiring it. Am I correct in understanding that that is the way the policy is being looked at or are there different criteria from the ones I understand.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

What we are saying is that this is an exceptional cost that has arisen and because it is cheaper to hire rather than to purchase it may be better to amortise the cost of the hire over a period to avoid heavy increases in generating charges at this moment of time. I think that in accounting terms, if you get an exceptional expenditure you can pay it off over a period.

HON J BOSSANO:

I would like to pursue this because I honestly think that the Government is making a mistake in hiring this equipment rather than buying it. In fact, if we are talking about equipment that uses light fuel and is held in reserve to fill the gaps when the equipment using the heavy fuel is out of action for any reason, surely, we are talking about the same situation now as we have with the old generating station where the old machines mentioned by the Honourable and Learned the Chief Minister precisely fulfil the same sort of function, that is, they are machines that are expensive to run and use light fuel. Those machines should not be running any more, they were due to be taken out of commission, to my knowledge, in 1976. I am making a point, Mr Speaker, you will see when I have finished.

MR SPEAKER:

Fair enough, we are in committee and I take it that you are trying to seek information.

HON J BOSSANO:

I am trying to put an argument that has not been put before as to why it would be preferable to buy them. The machines, to my knowledge, should have in fact been phased out I think as long ago as 1976 when there was a question of changing the shift arrangements in the station on the basis that this old equipment could now be scrapped. Experience has shown that we have had to rely heavily on those old machines. Therefore, if they should have been scrapped four years ago, by having the skid generators we may be able to have the skid generators that can have a useful life of up to ten years if they are not used constantly giving us the reserve capacity that the old generating station was intended to give us and, in fact, has been giving us and if it hadn't been the case we would have had longer power cuts and over longer periods of time. I think that is an important factor which indicates that we are going to have to rely on these sets well beyond the 18 months.

HON MAJOR R J FELIZA:

Mr Speaker, on the question of installation. We are paying £15,000 for this. Can the Minister say if there is any fire risk by having the oil fuel on top of the Boulevard? Can he also say why that particular place was chosen?

MR SPEAKER:

Order. You are entitled to ask whether if they had been installed somewhere else the cost would have been more or less.

HON MAJOR R J FELIZA:

Why couldn't another site be chosen, Mr Speaker, which is obviously near the station and in my view a far better place which is down by the football ground where the cars are parked today.

HON CHIEF MINISTER:

You have a motion saying that the USOC grounds should not be touched.

HON MAJOR R J FELIZA:

It is not there, Mr Speaker. I think the Hon Chief Minister does not know what I am talking about.

HON CHIEF MINISTER:

You don't know what you are talking about.

HON MAJOR R J FELIZA:

Mr Speaker, I said where the car park is down below by the road by Naval Ground next to the Station.

HON A J CANEPA:

Reclamation Road.

HON MAJOR R J FELIZA:

Not Reclamation Road, on the inside.

HON CHIEF MINISTER:

That is Reclamation Road.

HON MAJOR R J FELIZA:

Well, whether you call it Reclamation Road or not it is the one that goes round the grounds.

HON DR R G VALARINO:

This was considered by the City Electrical Engineer and the people within the department but it was decided that this held a great disadvantage because the lines where we have got the machines at present go directly into the switchboard which is in the old part of the station, the South, I don't know if the Honourable Member has been there.

HON MAJOR R J FELIZA:

Some time ago, in 1946.

HON DR R G VALARINO:

Where the Honourable Member has suggested it would present considerable technical difficulties in bringing the cables into the switchboard and it was simply just not on. We had to have the machines on the South side of the Station.

HON MAJOR R J FELIZA:

What about the fire risk, is there any fire risk at all?

HON DR R G VALARINO:

Mr Chairman, as far as I know there is no fire risk.

HON A J HAYNES:

Is any part of this sum intended to go out by way of compensation to any of those who can establish a nuisance by oil pollution.

HON DR R G VALARINO:

Mr Speaker, the answer is no.

HON P J ISOLA:

We are voting for this money out of sheer necessity although we feel, on this side of the House that the Government should give serious consideration to buying the machines. We are going to vote for it because the Government needs the money somehow.

HON J BOSSANO:

I am abstaining on this item.

Item 3 Head 4 - Electricity Undertaking was agreed to.

THE HOUSE RECESSED AT 1.30 pm.

THE HOUSE RESUMED AT 3.30 pm.

MR SPEAKER:

I would remind Members that we are still on the Schedule of the Appropriation Bill.

HON M K FEATHERSTONE:

Mr Speaker, if I may, I said I would give some information on Head 4. The engineering works were offered to three firms on a selective tender basis as they were the three firms that we considered would be the three most competent to do the work. The tenders came in, one of them was £12-£13,000 and the other two were around the £25,000 so the £12-£13,000 one was given the tender. I understand it will come out in the Gazette in due course.

HON G T RESTANO:

Were there no other firms who could have undertaken this job who have not been contacted under this restricted tender?

HON M K FEATHERSTONE:

Because of the urgency it was given to the three firms who were considered to be the most competent. I wouldn't say there wasn't any other firm, it is always possible that there are others, but these were the three that were considered categorywise to be most competent.

HON G T RESTANO:

Mr Chairman, may I know who took the decision that only these three firms should be approached?

HON M K FEATHERSTONE:

This is decided in the Public Works Department, partly on the past performance of the firms, partly on the possibility of the firm being able to do it quickly in view of the urgency and partly

on firms who have in the past been approached and who have declined to tender, being left out.

HON G T RESTANO:

May I ask, as a matter of clarification. Would it not be fair that all firms should be approached or the tender put out publicly rather than selectively. This could possibly lead to abuse.

MR SPEAKER:

Order. You have been given information which you can make use of at a later stage if you feel you have to but I am afraid we must leave it at that.

Item 4. Head 5 - Fire Service was agreed to.

Item 5. Head 7 - House of Assembly was agreed to.

Item 6 Head 3 - Housing.

HON G T RESTANO:

Mr Chairman, may I have a more comprehensive explanation to the £320,600?

HON M K FEATHERSTONE:

When the Estimates are worked out for the year one works out basically the number of employees in the section and the total amount of wages that they will require during the year. Since they are employed throughout the whole of the year doing requisitions for housing, repairs for housing, etc, it is considered correct to put the amount of money involved against the Housing Fund. Some of the money goes against repairs of Government property, etc. This year we had hoped that some of that labour would be able to be employed on doing the backlog of housing maintenance but for various reasons, some of them being that the backlog of housing maintenance was already mortgaged to contractors from previous years which we had not taken into account, and the fact that the number of requisitions that we are getting is still very high and is keeping the labour force fully employed, we find that the shift of money from the I&D Fund, the backlog of housing, will not be able to be effected and it will be needed in the recurrent fund. The alternative, of course, would be to stop doing requisitions from the tenants and dismissing about 300 men which we did not think was the practical solution.

HON G T RESTANO:

Mr Chairman, I know there is a substantive motion on this subject but are there not quite a number of redundancies from the MOD because the building programme there has been cut down considerably? Are there not redundancies then of people who could be employed by the Government to do the sort of jobs that are going to be left aside under this Head?

HON M K FEATHERSTONE:

If one were to take on those redundancies since one would be asking for more money one way or the other.

HON G T RESTANO:

Surely, the jobs are not going to be done, at least not within the programme that the Government had considered that it would be done, would the Government confirm this?

HON M K FEATHERSTONE:

I think it is a simplification just to think that the people redundant from the MOD could take over some of these jobs which do not intend to be done this year partly because some of them are specialised jobs, the people who are redundant from the MOD may not be specialists in this sort of work and also one would need a measure of supervisory staff etc which is not available and all this would mean taking on extra staff. The whole thing would be a very complicated exercise indeed.

HON G T RESTANO:

May I ask then when does the Government think that this maintenance will be carried out?

HON M K FEATHERSTONE:

Next year, it is being pushed back some six months.

HON G T RESTANO:

Will it be the same sort of six months as the 18 months the Chief Minister said the 5 megawatts generating set was going to be installed?

MR SPEAKER:

Order.

Item 6 Head 8 - Housing was agreed to.

Item 7 Head 10 Judicial (2) Supreme Court

HON MAJOR R J PELIZA:

Mr Chairman, can we have an explanation as to why the additional staff is required and what have they got to do that they didn't do before?

HON CHIEF MINISTER:

I think if the Honourable Member lived in Gibraltar he would know because the Chief Justice made certain comments in his speech at the Opening of the Legal Year. He would have read in the papers that the Judge made a remark about the lack of staff. In fact, the previous Chief Justice had made very strong representations, staff inspection was carried out and certain additions to the staff were approved after the staff inspection. I think the appointments were either made or are about to be made and the money is required to do that. I think some Members here, certainly the Leader of the Opposition, would agree if he were here that as legal practitioners we find that the work in the Supreme Court had been very heavily behind because of pressure of work which has not been matched by increased staff.

HON MAJOR R J PELIZA:

The Chief Minister gives the impression that I am objecting to this. I am not. I think we are entitled to know what we are voting £12,000 for and what is the work required for. Two extra persons are being employed. What are they supposed to do in the Court? I think we are entitled to know this. I can read the newspaper in England just as well as I can do it from here. I do receive the Chronicle and I can read it but still I want to hear it from the Chief Minister or whoever is required to give the explanation in this House.

HON ATTORNEY-GENERAL

One is a Higher Executive Officer one Executive Officer and one Clerical Officer and as they will be working in the Registry I do not know exactly what they will be doing but I can assure you there is a great deal of work building up in the Registry and they are needed. I think it is possibly because of a general building up of legal work in Gibraltar. I do not know what the causes are.

HON MAJOR R J PELIZA:

Is it that we have more cases to attend to or what is the reason for the required extra staff?

HON CHIEF MINISTER:

If you look at the Estimates on the amount of revenue that comes in in respect of exempt companies, you will see that the workload is very heavy on that and that is the answer for a lot of it and also, I think, the fact that there are more lawyers means that there is more litigation.

HON MAJOR R J PELIZA:

Will this be paid by the extra amount of money coming in from those companies that the Chief Minister has mentioned?

HON CHIEF MINISTER:

Yes.

Item 7 Head 10 - Judicial (2) Supreme Court was agreed to.

Item 8 Head 11 - Labour and Social Security was agreed to.

Item 9 Head 13 - Law Officers.

HON W T SCOTT:

Mr Chairman, how was this salary underestimated at the time?

HON ATTORNEY-GENERAL:

Mr Chairman, two things happened during the year. One was that the Crown Counsel the incumbent of the permanent position, was given a Commonwealth scholarship and was sent to England to further his training and experience and a Crown Counsel has come out temporarily to replace him and there is an increase in salary because of that. I believe also that at one stage it was anticipated that the Crown Counsel would receive less by way of assistance from other sources in taking up his scholarship than in the event proved to be the case and there was an element of this in it as well.

HON G T RESTANO:

Is the Honourable Member, Mr Chairman, saying that the present incumbent is getting more than the person he is replacing and, if so, what are the reasons for this?

HON ATTORNEY-GENERAL:

He is getting slightly more. The reason is that he has 24 years experience and he has been here before.

Item 9 Head 13 - Law Officers was agreed to.

Item 10 Head 14 - Medical and Public Health.

HON A T LODDO:

Mr Chairman, under this Head, the £500 was the cost of medical treatment in the United Kingdom for a Moroccan worker. Are the Moroccan workers entitled to these benefits?

HON J B PEREZ:

Mr Chairman, I am grateful to the Honourable Member for raising that because if he hadn't stood up I was going to ask you to allow me to make a contribution for the purpose of giving information to members opposite of a certain development which has arisen very recently during the last two months in connection with specialised treatment of patients outside Government hospitals which include Moroccan workers resident in Gibraltar. Mr Chairman, the position is that this matter was brought to my notice recently that there is a cooperation agreement existing between the European Economic Community and the Kingdom of Morocco. This agreement was signed, in fact, over a year ago but it has only recently now come into operation, during the last two months, in Gibraltar. Inter alia, article 41 in this cooperative agreement provides for the medical care for the workers who are resident in the community. As a consequence of this, I would inform members opposite that cooperation agreements are in fact designed as Community Treaties under section 1 subsection (2) of the European Community's Act by Order in Council Statutory Instruments 1977 No 2144 and Statutory Instrument 1977 No 2145. Section 2 subsection (2) of the European Community's Ordinance 1972, makes these treaties applicable to Gibraltar and section 3 provides for their general implementation. It therefore appeared to me, Mr Chairman, that failure to send such a worker for further treatment to the United Kingdom would in fact create a breach of a treaty obligation as far as Gibraltar was concerned. I approached the Attorney-General for his advice only recently on this particular point and the advice given by the Attorney-General is that Article 41 of the Cooperation Agreement in fact makes the Gibraltar Government liable to provide medical care for Moroccan workers resident in Gibraltar and as an adjunct to this that if any such worker requires treatment in the United Kingdom this should be readily available. Mr Chairman, I ought to reiterate the point that this is only applicable to Moroccan workers who are resident in Gibraltar who are in fact full contributors to the scheme. On this basis and in view of this development, I can assure Members opposite that I intend to pursue the matter with the Department of Health in the United Kingdom to see if I can get an increase of the free of charge quota of 40 to which we are entitled. Let me add, Mr Chairman, for the benefit of members opposite, that the intention is that Moroccan workers who will have to be sponsored to the United Kingdom, will not be included in our quota of 40, they

will have to be paid separately out of Government revenue and for this purpose I have already been in contact with the Department of Health in the United Kingdom and they have already said that they are quite willing to accept this category of patient. Having said that, I now come to answer the question of the Honourable Mr Loddo as to this particular Moroccan. This, Mr Chairman, was a very worthy case, if I may say so, it involved a Moroccan worker who had been in Gibraltar for a number of years and he had apparently cancer of the throat, the expenses involved were around £7,000 and in fact, this problem arose before this Treaty had been brought to our notice.

MR SPEAKER:

The Treaty was in operation but you were not aware of it.

HON J B PEREZ:

We were not aware of it and we decided, in any event, to make a contribution of £500 for the benefit of this particular worker who, as I say, had been resident in Gibraltar for a number of years. In fact it was quite a sad case because I think that he has now died.

HON A T LODDO:

Mr Chairman, I welcome the Minister's statement in so far as he will try and get this treatment for alien workers in Gibraltar treated separately from the quota of 40. I had suspected that it was this particular Moroccan but can I ask the Minister was this particular Moroccan sent because of the Treaty obligation or was it because it was found that he had been wrongly diagnosed?

HON J B PEREZ:

No, Mr Chairman.

HON G T RESTANO:

To clarify my own mind. The position at the moment is that the Government is committed under the Treaty obligations to send Moroccan workers to the United Kingdom for further treatment which cannot be provided here. I think the Minister has said that he has asked the United Kingdom for extra assistance in doing this. I know that at the moment the present climate in the United Kingdom is to clamp down on expenses. What will be the position of the Government should the request made to the United Kingdom be turned down?

HON J B PEREZ:

I cannot give an answer, Mr Chairman, to that. What I did tell the Honourable Member was that in view of this recent development whereby we have a Treaty obligation, that I will be pursuing the matter quite strongly and I can only do my best.

HON G T RESTANO:

The undertaking that I would like to hear from the Minister, I think he said so but I am not absolutely sure that he said it completely, should the United Kingdom Government refuse to give this commitment I would like an undertaking from the Government that our own quota for Gibraltarians of 40 will not in any way be undermined and that if it is a requirement of the Government to send Moroccan workers who need treatment outside Gibraltar that it will in no way inhibit or restrict the 40 Gibraltarians.

HON J B PEREZ:

I think the Honourable Member has missed the point. What I am saying is that we now have a Treaty obligation as far as the Moroccan workers are concerned but this does not affect our quota of 40 in any event, we still have a quota of 40. What I intend to pursue is to have this quota of 40 as far as Gibraltarians are concerned, increased. It is quite clear that in any event during the years we increase our quota, we are now I think around 52 so we have increased our quota purely for Gibraltarians which we are paying, this is the money you are being asked to vote now - £23,000. The quota as far as Gibraltarians are concerned is 40 which I would like to see increased. In other words, I feel it is inadequate and I would like to get an increase. The question of Moroccans does not come into the quota at all. We have to pay for that, it is a Treaty obligation and there is nothing we can do. But I can assure the Hon Member that the quota of 40 will not be affected in any way. Let me add that I hope the quota is affected but because I am asking for it to be increased. Instead of 40, have 50 or 60 going free of charge but it will not come down, I hope it will go up, not down.

HON G T RESTANO:

My point, which the Minister doesn't seem to have taken, is that should the United Kingdom Government not give its assistance that I would not like foreign labour or alien labour to come into the quota of 40, that was the point I was making and that was confirmation that I asked for from the Minister.

HON W T SCOTT:

One question on which I would like information. It says here medical treatment in the United Kingdom for a Moroccan worker. It does not mention any charges or air passages and so forth. Is that included, does it come into it at all?

HON CHIEF MINISTER:

I will answer this one because in fact the approach was made to me. This man was sent to England before we knew we had a Treaty obligation to send him. He was sent to England by voluntary contributors who had raised something like £9,000 Mr Chiappe, the dentist, who was the man who took an interest in this and he made a plea before we knew anything about it, for a contribution, because the charges were far in excess of what they had anticipated. We have done this before some time ago, we made a contribution of £400 in a specific case, also a serious case. This one had gone to London long before we knew at private expense and what the Government was asked was could we help and we would have helped anyhow but as it happens had the notice of the Treaty come to us before we would have been compelled to do it under the Treaty obligations. There is an insinuation in the question asked before by the Honourable Mr Loddo which is interesting and which I will give him an explanation of my view of the situation.

Item 10 - Head 14 Medical and Public Health was agreed to.

Item 11 Head 18 - Prison

HON A J HAYNES:

On subhead (3), Mr Chairman, I would have thought that Government would have made provision for its own vehicles or vans, when they do need repair within the public works garage, for another vehicle from its pound to take its place during the time that the vehicle is within the Public Works Garage undergoing maintenance rather than going outside and hiring necessary vans I think this is probably bad economics.

HON A J CANEPA:

There isn't available another van similar to the one used by the Prison Department. Government doesn't have amongst its fleet of vehicles one like it.

HON G T RESTANO:

May I ask what functions this particular vehicle which doesn't have any replacement carries out?

HON A J CANEPA:

Is this a proper question, Mr Speaker, to be asked under a supplementary provision in respect of the use of an alternative vehicle, to go into the whole question of what the van does?

MR SPEAKER:

To the extent that it is an expenditure for services rendered to the Government, it is most certainly in order.

HON A J CANEPA:

This van is used to convey prisoners on working parties to various places outside the prison. It is used to convey prisoners to and from the Supreme Court and the Magistrates Court, the Health Centre, the hospital, to collect and return containers from the hospital bringing the meals for the prisoners and also to collect other stores which are used within the prison. I think those are the main uses.

HON G T RESTANO:

The reason for my question was because I wanted to find out exactly what functions that vehicle performed. The first one of course is the transport of prisoners. Would many prisoners normally be carried in this vehicle or just a handful? I would like to establish that, Mr Chairman, in order to find out how it is that there is no other vehicle within the whole of Government which could stand in for this particular vehicle and therefore obviate the need to pay more for hire charges.

HON A J CANEPA:

There is no question of inter-change of vehicles in any case between one Government department and another. I am not aware, my Honourable Colleague Mr Featherstone can confirm this, I am not aware that the Public Works Department in any case have surplus vehicles that can be made readily available to another department in case of a breakdown. Something similar, I think, happened in connection with the Post Office over the summer. There is no surplus transport. The number of prisoners that can be conveyed in that van on a working party I think would be about four or five, no more.

HON MAJOR R J FEJIZA:

In view that there are obviously more than one department where this is required, perhaps there are more, wouldn't it be a good idea to have a standby vehicle? The amount expended here is £400 for about 36 days. I don't know how much the Post Office is going to cost, in fact, I had a question on this, Mr Speaker, but due to the telex arrangements at the Secretariat it didn't get in time to you. That is a matter perhaps which I will take up with the Chief Minister.

HON CHIEF MINISTER

I have nothing to do with telexes.

HON MAJOR R J FELIZA:

Mr Speaker, unless he wants me to break all the rules he is so keen in establishing that we mustn't approach the civil servants directly, I think it is better if I do it through him than through the Administrative Secretary but if he wants me to do it directly I will do it.

HON CHIEF MINISTER:

I don't know what it has to do with prison vans.

HON MAJOR R J FELIZA:

The only thing is, Mr Speaker, that I was going to ask a question and that particular question was to do with the hire of vans by the Post Office and this is the reason why I have raised it now. What I am saying is that it would be interesting to know how much that has cost and then if we put it all together we might find we might have been able to buy a van in any case, Mr Speaker.

HON M K FEATHERSTONE:

Mr Speaker, I think there seems to be a little bit of misunderstanding about Public Works garage. The Public Works garage is a service garage where any government department vehicles can be repaired etc. It is not a pool of vehicles for all departments. Each department and I think this was the same when the Honourable Major Feliza was the Chief Minister, each department has its own set of vehicles and they only come to the Public Works garage when they need repair. It is not that the Public Works garage has a pool of vehicles which they can offer out to anybody at any time.

HON MAJOR R J FELIZA:

There is always time for change if the idea is a good one, Mr Speaker.

HON A J CANEPA:

If I may take up the point which the Honourable Member made with regard to what I will agree with him are very high charges for hire, he has got a valid point and I do have the matter in hand. I have some proposals in this connection.

HON W T SCOTT:

May I ask one further question, Mr Chairman, it has nothing to do with hiring. Is it usual for a vehicle to remain within the Public Works garage, repairs being effected to it, for a period of something like five weeks?

HON M K FEATHERSTONE:

As the Member is probably not aware there are a considerable number of vehicles in Gibraltar and on occasions a vehicle comes to the Public Works garage and is in need of a certain item to repair it, this item is not kept in stock by the Public Works garage and sometimes it is not in stock by the Local Agents and has to be sent for to the United Kingdom. In such instances then of course it can be 3, 4, 5 or 6 weeks until the actual piece arrives.

HON W T SCOTT:

On that basis, therefore, Mr Chairman, wouldn't it be economic to increase the number of spares within the Public Works Department rather than have an outlay of £400?

HON M K FEATHERSTONE:

There are so many things that are desirable, Sir. If we standardised all vehicles in all departments it would help us. We have a great variety of vehicles although we try and keep in stock most of the main items that are required for repairs there are always items that do crop up at times that we do not have and there are sometimes items that are not generally broken because even the local agents do not keep amongst their stock of spares.

HON G. T. RESTANO:

Apart from the standardisation of vehicles it seems to me that there are a lot of Government vehicles

MR SPEAKER:

We are not going to debate the whole system of vehicles in the Government under any circumstances.

HON CHIEF MINISTER:

We cannot deal with the whole scope of Government transport because we want £400 for a vehicle.

HON G. T. RESTANO:

The point that was made was that there was no standardisation of vehicles but that there was no exactly similar vehicle to this one to convey prisoners. It seems to me that a lot of government vehicles do stand idle sometimes and why cannot these be used for the conveyance of prisoners?

MR SPEAKER:

We have been told that there wasn't one available and that answer must be accepted. It is as simple as that.

HON G T RESTANO:

There are certainly vehicles idle. My question is, why cannot the idle vehicles be used for this purpose rather than hiring transport?

MR SPEAKER:

You have been told that there are no idle vehicles. If you do not accept that fact that is another argument.

HON CHIEF MINISTER:

We could use the Mayor's car or the Speaker's car or my car if they are not being used that day.

HON P J ISOLA:

On Item 80 - Improvement to Security Measures. Who had the bright idea of using prisoners for the purpose of improving security measures? I think that is the first question I would like answered.

HON A J CANEPA:

I think, Mr Speaker, the Honourable Leader of the Opposition is under the impression that perhaps I do not have a sense of humour at all.

HON A J HAYNES:

Mr Chairman, if I can ask my question now. Why was it that this decision was reversed?

HON CHIEF MINISTER:

What decision?

HON A J HAYNES:

The decision to have prisoners working to repair the building.

HON A J CANEPA:

This was work that could be carried out by the prisoners, similar work to this has been carried out in the past. Sometimes, within the prison population, you have skilled masons. As a result of the internal riots in the prison this masonry work was not allowed and therefore the department concerned which was the City Electrical Engineer's Department, had to resort to the use of direct labour and therefore funds were required to pay the wages of that direct labour.

HON A J HAYNES:

Were the prisoners willing to do this work?

HON A J CANEPA:

It is not just a case of being willing, prisoners are supposed to work but, generally, the prisoners do not have any objection to going out on a number of working parties. Various tasks are undertaken and some of them involve work within the prison, things such as general maintenance, tidying up and so on.

MR SPEAKER:

I will not allow any further questions on the fact as to whether prisoners should or should not have been used. We are asking the House to vote £1500 for the purposes of carrying out certain works. I will allow most certainly questions as to the work that is required to be carried out because that is what the expenditure is about. The alternative that was envisaged at one particular time is not relevant.

HON A J HAYNES:

Mr Chairman, Item 81 - Feasibility study for the new Prison - Will we get to see the Feasibility study referred to?

HON A J CANEPA:

We will have to wait and see when it comes. It is only when the Government gets the Feasibility Study that we will be in a position to decide whether the House, generally, can see it.

HON A J HAYNES:

Will it affect security, Mr Chairman?

HON A J CANEPA:

Naturally, I would jolly well hope so.

HON A J HAYNES:

Mr Chairman, I believe that in principle if the Hon Member cannot say that we will be allowed to see the Feasibility Study then since I have strong feelings and so do the rest of the Party, on present conditions in Gibraltar and the possibility of expanding the role of prison to include rehabilitation, I will not be voting in favour of any funds unless I am assured that I will be entitled to see the Feasibility Study on which I have a great interest.

HON A J CANEPA:

Mr Chairman, that is the privilege of Honourable Members opposite. Let me say one thing, as far as I am concerned to the extent that I am concerned as Minister responsible for the prison. I have responsibility for the day to day running of the prison but there are many other aspects involving the prison which constitutionally do not come under me. There are many other matters which are not defined domestic matters and which ultimately come under the Governor. There is that other side to be considered but as I say it is the privilege of Members opposite to vote as they please.

HON G T RESTANO:

Has the government any indication as to when this report is to be received?

HON A J CANEPA:

I think we expect it within a few months, really because we need it in connection with the next development programme to have some idea. If we are able to include provision for new prison in the next development programme we would like to have some idea of what is involved so I would very much like to have this report within the next few months, certainly before April.

HON G T RESTANO:

Have the officers who came out to do the study given no indication as to when they would send the report?

HON A J CANEPA:

I think they have given indications of an interim nature that will enable us to get on with some of the planning.

HON G T RESTANO:

And when is that?

HON A J CANEPA:

During their visit here last week. I haven't seen the material that they have left behind, I have been occupied with other matters, but I am aware of the fact from discussions that I have had that they have left some material behind which will be coming through to me not only in my capacity as Minister for the Prison but also as I am Chairman of the Forward Planning Committee which is working on the next development programme.

HON A J HAYNES:

Will the Minister allow me to see the interim Report or will he make it available?

HON A J CANEPA:

I cannot do that, Mr Speaker.

HON A J HAYNES:

Why?

HON A J CANEPA:

I do not even have the Report myself, the Report has been submitted to the Governor.

HON CHIEF MINISTER:

It is not a defined domestic matter in so far as security is concerned. Therefore, we would have to have permission to do that which is not within our power; we are answerable only for the things for which we are responsible.

HON A J CANEPA:

That is why the Report at this stage has not even been submitted to me. It has been submitted to the Deputy Governor because that is the correct constitutional position.

Item 11 Head 18 - Prison, was agreed to.

Item 12 Head 22 - Secretariat.

HON MAJOR R J FELIZA:

As regards the setting up of the Commission of Enquiry, has the commission been set up or could the Minister give an indication

of what is going to happen and when is it likely that we are going to get a Report?

HON CHIEF MINISTER:

I cannot say that you should have been here because you were here when I made the statement yesterday on this particular matter, on the appointment of two people who are coming, on the appointment of Sir Howard Davis, that is the one.

HON P J ISOLA:

Mr Speaker, I understood that the Commission which Sir Howard Davis is Chairing is going to look into the Public Works Department.

HON CHIEF MINISTER:

Yes, that is one of the departments.

HON MAJOR R J FELIZA:

I thought that department meant the Public Works Department and this is why I couldn't relate it.

HON CHIEF MINISTER:

I think this is a very good opportunity to emphasise something which I have said from the very beginning. I made a statement earlier which is mentioned in the statement I made yesterday that it was the Government's intention to carry out studies of various departments and we were starting with the one which spent most money and that is the Public Works Department. The charge is on the Secretariat because this is an administrative arrangement for various departments, it is not going to be a charge on each department, it is going to be an administrative expense.

HON M K FEATHERSTONE:

Is the Opposition intimating that the Public Works is not a Government Department?

HON G T RESTANO:

Mr Chairman, does that mean that all the members on the Commission of Inquiry will have remuneration or only some of them?

HON CHIEF MINISTER:

It is going to be an in-depth study and I think we cannot pretend that people are not going to be paid for work done. The advantage about having a local person to Chair the Commission is the experience and so on and he will be paid on normal consultative charges for officers equivalent to what he was before, which is Grade 1, on a basis of hourly or half daily basis on the basis of the work done and so will Mr Gareze. With regard to the other two who are coming from the United Kingdom, again they will be paid on the basis on which consultancies are fixed according to the grade of the person by the ODA when they send out consultants on technical assistance although this is not technical assistance, this is our technical assistance.

HON G T RESTANO:

Mr Chairman, can we expect now to have other sorts of Government committees like the Litter Committee and so on, also asking for remuneration for the members of that committee or is this going to be just one exception?

HON CHIEF MINISTER:

Nobody has asked for remuneration in this case. I stated here that I had invited Sir Howard Davis to carry out this work which is going to be a six months job, he reckons, working half-days. If we are bringing out consultants from all over the place to look at our things if we have somebody here who can help us, there is no reason why we should expect that person to do it for nothing. The Honourable Member has mentioned the other committees. Honorary committees are different, this is a consultancy this is an in-depth study of the working of a department which costs £5m.

It is a department which spends £5m a year and which from time to time, quite justifiably, there are criticisms. The Public Accounts Committee which we discussed yesterday had serious criticisms about this matter, no doubt justified, and these are the things that are going to be looked into. To pretend that anybody is going to do this type of responsible work for nothing is really not on. To hope that we do not need to import people for all the inquiries that we have, I think, is an advantage if there are people here who are competent to do it. The two Members from the United Kingdom will be on a minimum basis. As I explained yesterday they will be visiting, taking away material and advising the Chairman of the Commission but the question of remuneration was not asked for, but it was understood I could not ask anybody to do six month's work for nothing. I hope that if we are paying consultants galore on all matters, I do not see why we should not pay a consultant because he happens to be a distinguished past civil servant.

HON G T RESTANO:

My question, Mr Chairman, was on precedents. I take the Chief Minister's point entirely that if people are going to work they should be paid for it, but there are other committees and I am not for one moment suggesting that everybody on all government Committees should get remuneration, but there are people who do a tremendous amount of voluntary work in other governmental committees who do not get any remuneration. I would like to know why on this particular one remuneration has been considered appropriate whereas in others where people spend more than just six months working, they may be working in Governmental committees for 5 or 10 years and yet there is no remuneration there. Why in this case has this been picked up as an exception?

HON CHIEF MINISTER:

It is not an exception and there is no similarity. This in no way affects social work, honorary work in government committees, on which members of the public are invited to take part. The Honourable Questioner in his time has been a member of the Lottery Committee for a long time and it is not intended I may tell him to pay for it. This is a case where we have asked somebody to carry out work, work of a professional nature. It is not the same as being Chairman of the Housing Allocation Committee or member of the Employment Injuries Committee, or member of the Manpower Planning Committee or member of so many other committees, that is all honorary work which is done as the work presents itself from time to time. This is a Commission of Inquiry for the Public Works. Let me also make clear that the composition of this Committee is for the Public Works. When we go on to look at another department we will have to look for somebody else to do it. Nobody has agreed to be here on a permanent basis, this was an ad hoc approach to the Chairman and the members and because it was a request to do work of a professional nature, because after all he is using the professional knowledge that he has acquired and his experience in public matters, that it is intended to pay the consultants that have come to look at the Prison have been paid. If we have somebody here who can do it why should we go outside for it? Other consultants who have come for the Port Study have been paid. Why the difference, because the man is from Gibraltar or two of the people are from Gibraltar? I hope we can engage more people from Gibraltar who are competent enough and are prepared to do it, this is the important thing, who are prepared to do it. Therefore there is no precedent, in fact, there is a precedent and that is the same person was paid a sum to do a very important piece of work when he managed the question of the Dock Labour Board. The legislation had been neglected for years because it had not been required and we set up a Working Party for the Labour Board. That was purely a very small remuneration as a token of our appreciation for that because the work had been done very quickly. There is no question of asking people to do social work on a paid basis and there is no question of asking people to do professional work on an honorary basis.

HON MAJOR R J PELIZA:

The Chief Minister realises that that is the beginning of the Quangos here in Gibraltar. This, apparently, as I see it, is for one particular department at this stage, which is the Public Works Department.

HON CHIEF MINISTER:

But it does not mean that it is going to cost £5,000. It means that we are making provision, we do not know what it will cost.

HON MAJOR R J PELIZA:

Therefore this is really a token vote, it could be more it could be less. very likely it will be more.

Item 12 Head 22 - Secretariat, was agreed to.

Item 13 Head 24 - Tourist Office (1) Main Office, was agreed to.

Item 14 Head 26 - Treasury

HON W T SCOTT:

Is it normal for the Government to guarantee overdraft facilities to a private company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, in my experience I have known Governments guarantee amounts for statutory bodies. The point is that under the Public Finance (Control and Audit) Ordinance, there is a provision that the Financial and Development Secretary can guarantee funds in writing under his own hand and this in fact was done last year for the Quarry Company and more recently in checking through the Public Finance (Control and Audit) Ordinance, the Treasury came to the view and the Government agreed, that Section 9 of the Public Finance (Control and Audit) Ordinance enabled the Financial Secretary to make this guarantee, is too loosely worded. To my mind it does not meet the financial proprieties of the House in that there could be a contingent liability if there were default on a guarantee given by the Financial Secretary and for that reason the House should be informed at least if not its concurrence sought. For that reason we are going to seek the agreement of the House to an amendment to the Public Finance (Control and Audit) Ordinance probably at the next sitting of the House. Meanwhile, in order to bring the attention of the House to the fact that there is this guarantee and that there is therefore a contingent liability, the Government has moved this sum of £100 as a way of telling the House the fact that this guarantee is in existence and has been for over a year.

HON W T SCOTT:

Is this Government content to continue guaranteeing this overdraft to a private company that according to the balance sheet laid on the table of this House is £14,900 overdrawn and the company is having a net trading loss of £11,315?

FINANCIAL AND DEVELOPMENT SECRETARY:

The Government is content with the guarantee and it also is content having seen the projections for the Quarry company that once it gets in full production this can be met without difficulty.

HON W T SCOTT:

Mr Chairman, with deference to the Honourable the Financial and Development Secretary we have been hearing the story here for quite a long time on the viability of the Gibraltar Quarry Company and yet we see later on that we will have to vote an extra £77,000 to that company. When it becomes a viable proposition seems to me to be very nebulous and it never seems to materialise and this House is continuously pumping money into that company. We try asking questions from the Honourable Minister for Public Works who refuses to answer on the grounds that he himself is not responsible.

MR SPEAKER:

It is not that he refuses to answer. I think the Chair has on previous occasions intervened to say that the Minister is not responsible to answer for the affairs of a private company.

HON J BOSSANO:

Is it in fact the case that we are continuously pumping money into this company. Can the Financial and Development Secretary tell me whether this is an accurate statement? When was the last time we pumped money into this Company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I think that the Honourable Member was referring to the fact that there is supplementary provision sought under the Improvement and Development Fund which we will be looking at in the Second Schedule to the Bill now before the House. That was my understanding.

HON J BOSSANO:

The Company was set up, as I understood it to actually run the concession of extracting and selling sand once the original

project had been set up as a result of money from UK, so initially the money came from UK to set it up, no doubt some Members of the House feel that having set up the project it should be handed over to some private firm to make money. I must say that as far as I am concerned I support that it should be owned by the Government and that if there is any money to be made out of sand it should be for the benefit of Government revenue and not for a private firm.

HON W T SCOTT:

Certainly we have never expressed what the Honourable Mr Bossano has said, that it is our intention or idea that that company should go into private hands, not at all, but what we do not want to see is public money being spent into an exercise that is not making money, it is making a tremendous loss and that is the point which I am making.

HON P J ISOLA:

Mr Speaker, could I ask the Honourable the Financial and Development Secretary, I understood him to say, I think he was justifying this guarantee, I think he was implying this was an interim period until the company started making money. What is inhibiting, can I ask, this process starting a little earlier than it appears? Is there any particular reason?

HON M K FEATHERSTONE:

Yes, Sir. The consultants were employed to do a certain specific job and they have not yet done that job. Until they have done that job then the company is inhibited from making money. The job they were requested to do was to get sand from the top of the catchment to the bottom. At the moment they have not managed to do that.

HON P J ISOLA:

So where are they getting the sand from, the bottom?

HON M K FEATHERSTONE:

Yes, Sir, from the bottom.

HON P J ISOLA:

Does it mean then that all these expenses that have been incurred have nothing to do with the job of the consultants? If they cannot get the sand down what is the company going to do then?

HON M K FEATHERSTONE:

The consultants have told us, in fact they have guaranteed to us, that when they have taken the remedial measures

MR SPEAKER:

Yes, but we are not going to get involved as to whether the consultants have done their job properly or whether the sand comes down. Let us forget the consultants.

HON M K FEATHERSTONE:

I do think it does hinge on the viability of the company whether they are willing to go along and give this overdraft. The consultants have guaranteed that when they have taken certain remedial measures which they are in the process of doing, the sand will flow from top to bottom.

HON P J ISOLA:

We look forward very much to the fulfilment of that guarantee. Could I ask the Financial and Development Secretary. Should not the provision here be for the full amount of viability as known today? As I see the position, if the bank were now to ask for their money, in other words, they were to say: "No more overdraft facilities, we want our money", the Government would have to cough up £14,839. Should not, therefore, the balance sheet of the Government or the provision that is being asked for by the Government be for the full amount that the Government is in for. Otherwise we are not reflecting the right amount.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I don't think that it is necessary to reflect the full amount in the present overdraft because it is a moving figure, it could go up or it could go down. What I am concerned with here was to get the financial proprieties of the House right and to inform the House of the contingent liability. It is our firm expectation that this overdraft will be met and there will be no liability falling on the Government and because of that expectation I see no reason why we should vote more than £100 which is to inform the House as to what has been done because so far up to now the House was not aware of this and it is important that it should be informed.

HON P J ISOLA:

Could I ask then, as far as the bank is concerned, do the bank in fact have an open ended guarantee so that the Gibraltar Quarry Company Ltd can just sign cheques or has the Government placed a limit to the bank of the amount they are prepared to guarantee?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, there is a limit to the amount guaranteed.

HON P J ISOLA:

And what is that, can we ask?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

£40,000.

HON MAJOR R J PELIZA:

On the question of the safety of the area. As a result of the digging underneath, is the Minister quite sure that it is not possible that we may have a landslide if they carry on digging?

HON M K FEATHERSTONE:

I answered that at question time. I answered Mr Bossano who put that as a specific question.

HON G T RESTANO:

Since the overdraft facilities obviously relate very much to the operation of the company, may I have a confirmation or not of rumours that the sand which is actually being produced at the moment at the bottom part, and sold, has been rejected by Government's consultants for a particular project as not being up to the standard of sand required for building?

HON M K FEATHERSTONE:

No, Sir, I have no knowledge of the sand being rejected. I have knowledge that the mix that this sand requires is slightly different to the mix required by other sand imported into Gibraltar. In fact, this sand is supposed to be even more suitable than other imported sand for certain jobs such as plastering.

HON G T RESTANO:

We are talking about the sand being produced at the bottom end of the slope.

HON M K FEATHERSTONE:

I think there is not very much difference between the sand at the bottom or the sand at the top.

HON W T SCOTT:

Even when sand is abstracted from the top the volume of sales will not increase?

HON M K FEATHERSTONE:

The volume of sales will increase when sand is abstracted from the top because the price factor will come into it.

HON G T RESTANO:

Does the difference in mix make that sand more expensive to our building contractors or cheaper? In other words, do they have to use more cement or less cement, is there more salt or less salt content in that sand?

HON M K FEATHERSTONE:

I think it depends on what you are actually going to use the sand for. If it is for concrete foundations it is one mix if it is for plastering it is another mix.

HON G T RESTANO:

My question was, will it make the sand to the purchaser more expensive in other materials?

HON M K FEATHERSTONE:

It will vary depending on the mix, in some instances it is a little more expensive in some instances it may be cheaper.

Item 14 Head 26 Treasury, was agreed to.

Schedule of Supplementary Estimates Consolidated Fund No. 2 of 1980/81 was agreed to.

Improvement and Development Fund - Schedule of Supplementary Estimates No. 2 of 1980/81.

Item 1 Head 101 - Housing

HON A J HAYNES:

What were the increased costs due to in Rosia Dale, Prince Edward's Road and White Stores?

HON M K FEATHERSTONE:

I think the terrain was somewhat different from what had been estimated at the time, Sir, it meant removal of a certain amount of rock that had not been calculated for.

HON G T RESTANO:

Surely, when someone tenders for a particular project and I take it that this is an extra cost to contractors, and perhaps the Minister can confirm this, if that is so surely when a firm contracts a price, surely, the terrain should have been looked into by the firm? Why is the Government now having to pay for perhaps a miscalculation of somebody else?

HON M K FEATHERSTONE:

No, Sir, when you have a piece of terrain you make a number of bore holes and from those bore holes you assume that the whole of the terrain is going to be uniform but there is an escape clause for the contractor if something should crop up which has not been initially envisaged then he is able to make extra claims. This has happened in more than one site and it is justified.

HON G T RESTANO:

Mr Chairman, who in fact carries out the borings, is it the Government or is it the contractor?

HON M K FEATHERSTONE:

Usually we get a contractor to do the work for us, since this involves drilling, etc.

MR SPEAKER:

May I ask, for the purposes of clarification, is it the same contractor that is doing the work?

HON M K FEATHERSTONE:

No, Sir, it is a completely separate contractor.

HON G T RESTANO:

Is there no liability on the contractor who carries out the borings who may have been inefficient and not done the borings correctly?

HON M K FEATHERSTONE:

No, Sir, if you take an area of, let us say, one acre and you say you will put 24 bore holes down, then he will charge you a price for 24 bore holes. If you wanted to be more certain of the terrain you would put 124 bore holes, if you wanted to be more certain you could put 1024. Obviously, you are limited by the amount you are willing to spend, the number of bore holes you put, and sometimes you can, unfortunately, because of the difficulties in Gibraltar, find special areas that are either soft sand underneath which you hadn't expected or hard rock.

HON G T RESTANO:

Does the same apply to Prince Edward's Road?

HON M K FEATHERSTONE:

Yes, Sir, part of the terrain there was found to be hard bed rock and then part of it was found to be sand, and where it was found to be sand we had to put in extra foundations which put up the actual cost of the building works.

HON G T RESTANO:

I see that in these two projects the Government is having to pay well over £100,000. I can remember there was quite a substantial amount too for similar reasons at St Joseph's. How much more would it cost the Government to have proper borings made and would the extra cost there not be compensated by the extra costs that come back afterwards?

HON M K FEATHERSTONE:

That is a very difficult thing to say, Sir. You might do 100 borings and still find on the 101st a piece of rock that you hadn't got there before. It is because the terrain of Gibraltar itself, the subsoil, is very varied.

HON W T SCOTT:

Could the Minister say how many units are involved within the Phase 1A of Lime Kiln Steps?

HON M K FEATHERSTONE:

I think it is about 15, I am not quite sure, but I think it is 15.

HON J BOSSANO:

Didn't the Honourable Member tell me at question time that the project was running slow and that it would not be ready until 1982?

HON M K FEATHERSTONE:

I didn't say it was running slow, I said it had run into difficulties in so far that certain pieces of building that we had hoped to modernise had been found so bad they had had to be completely demolished. In so doing and rebuilding them they are taking more money than we had actually estimated. But it is not running slow as such, it is running into difficulties, as such.

HON W T SCOTT:

So it is not due to a faster rate of progress, it is in fact due to increased costs due to difficulties encountered during construction.

HON M K FEATHERSTONE:

Well, they are going faster. It is sometimes quicker to do work by demolishing the whole thing and rebuilding it, than doing the actual modernisation which is a rather slow and complicated task.

HON W T SCOTT:

Thank you, I am very grateful to the Minister for that answer because we, on this side of the House, have been continuously pressing for the modernisation programme to be stopped and those houses to be pulled down and a new development put up.

HON M K FEATHERSTONE:

But in many other instances it is found that it is cheaper, even if it is a little slower, to do the modernisation.

HON P J ISOLA:

Mr Speaker, Item 19 (New) Waterworks Flat. What is this for, a Government servant or what?

HON M K FEATHERSTONE:

Yes, Sir. Eventually it will be for the actual person who works at the Waterworks.

Item 1 Head 101 - Housing was agreed to.

Item 2 Head 104 - Miscellaneous Projects

HON W T SCOTT:

Can I ask a question on the resiting of the Public Works Garage.

I think it was in July this year that the Honourable Minister for Public Works informed this House that he envisaged the new garage to be in operation by August of this year and the demolition of the old one completed within six or eight weeks after that. I find that this item appears in a vote for £70,000 and the old garage is still up.

HON M K FEATHERSTONE:

That is correct, Sir. There has been a measure of slippage. There are a number of items which still, I believe, have not arrived from the United Kingdom. I had all these points in the answer to a question that was going to be put but for some unknown reason the Honourable Member wasn't in the House to put the question.

HON W T SCOTT:

It was a very well known reason, Mr Chairman.

HON G T RESTANO:

On the increased cost and additional work, what exactly does that £70,000 refer to?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Fluctuations, materials and labour £24,500, extras £6,500. Structure and re-cladding £20,000. Lockers, which were not provided for in the original estimates, £5,000. Transfers of the equipment £4,000 and re-provisioning PSA £7,000.

HON G T RESTANO:

Was the garage not, in fact, put out to tender?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman.

HON G T RESTANO:

And how then do these extra costs come into the picture apart from the lockers which is a new item?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Fluctuations arise because in the contract you have a provision that where you get changes in the price of materials or labour there is a formula for increase in price accordingly. The extras

is something additional to the contract asked for subsequently. The re-cladding costs was something extra asked for later on.

HON G T RESTANO:

On the increase in cost of materials, is it that the successful tenderer did not order the materials when he was awarded the tender or does he have to pay more because he was not given the go-ahead to carry out the work? It is easy to say that materials go up, of course materials go up, but if a company gets a contract, surely, it is up to that company, knowing what its requirements are going to be, to purchase their materials at the moment that they are awarded the tender and I do not really see why Gibraltar should pay for that sort of expense.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, if a company which had a contract which is running over 18 months or 2 years was to purchase in advance all the material it required that company would soon go bankrupt. Up to about 1970, within a contract you had a fluctuation clause which said that six or nine months, depending on the size of the building, after the building started, a fluctuation clause would come in for increases in materials and labour but since there has been heavy inflation these fluctuation clauses begin to run at the same time as the contract begins to run and it is the same for every contract and it is part of the conditions which are recommended to all contractors by their respective associations. I do not think it is fair to expect any contractor at the beginning of a long contract to order everything in advance and have to pay for it. If we did you would have to put up the cost of his contract accordingly and we would have to pay more. The fluctuation costs are checked by Public Works Department Quantity Surveyors to ensure that the Government is paying no more than the actual increase in costs suffered by the contractors.

HON P J ISOLA:

This Public Works Department Garage is causing a bit of concern, I reckon. The total cost now with this supplementary estimate is going to be over £800,000. Looking at the approved estimates presented by the Government, the estimated cost of the project was down at £640,000 and then the actual expenditure up to 31 March 1980 was £670,000. The Government asked for another £133,000 for this year and that was to complete, there was no balance after that, and now in the middle of the year, another £70,000 is added on to that and the old one has still not been knocked down. Are we going to be asked for more money before it is completed apart from this £70,000 or is this the last amount of money we are going to be asked to have a new garage operational and the old one razed to the ground.

HON M K FEATHERSTONE:

I think the cost of knocking the old one to the ground is part of

the cost of the Girls' Comprehensive School.

HON P J ISOLA:

Which makes it worse, but will this be the end, the £70,000?

HON M K FEATHERSTONE:

Very nearly, I should think yes. There may be an odd few thousand which comes in at the very last minute.

HON P J ISOLA:

What is wrong with the estimating? We were told on 31 March 1980 that the balance to complete was £133,700. In November we are asked for another £70,000 and we are still told it may not be the end. What are we building this garage in? What material is being used? Silver and gold?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, on a point of clarification. The expenditure up to the end of the last financial year was £470,814. Add to that £133,700 in the estimates should give you £604,514 add in the £70,000 now and that gives you £674,514.

HON P J ISOLA:

But are we going to be asked for any more money before the thing is completed? Can we be given an estimate because this seems to be open-ended, the Public Works re-siting department. This is one of the projects of the Government that has suffered, apart from Varyl Begg, the most slippage. When is this project going to be finished? Will it be in this financial year?

HON M K FEATHERSTONE:

December, Sir, of this year.

HON W T SCOTT:

Can Government give an explanation in detail to what extent the increased cost amounting to £77,275 is entailed in the winning of sand? What is the money wanted for?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

The £77,900 is made up as follows. Work carried out in the contract including fluctuations which is money due and owing to the contractor £45,858, the installation of a weighing machine

£1,283. Providing and installing electronic overload control £3,378. Gibraltar Quarry Company; the cost of work carried out on chutes on the instructions of Public Works Department, £16,736 less £6,000 paid, £10,736; total £61,300. In addition to that there are fees from December to June payable to Robertson Research of £11,880. The Department has been advised by the Attorney-General to withhold all monies due but there is an estimated consultancy fee July to November, 1980, of £4,140.

HON W T SCOTT:

I see a remark here saying that there is a possibility that part of this amount may be recovered in due course as claims may be lodged on other parties. Particularly having regard to what the Hon Minister for Public Works said earlier on dealing with the non-performance as required, as I understood it, by the consultants, it is surprising to us that we find that out of those £77,000, £11,880 have been paid as fees to the consultants Robertson Research, can we have an explanation for that?

HON M K FEATHERSTONE:

They have not been paid, they are being held back since we have been advised by the Attorney-General's Department not to pay them anything at the time but as this is a liability which at the moment is in dispute, we feel we should ask for it now and not pay it later.

HON MAJOR R J PELIZA:

Are all the items that were mentioned by the Financial and Development Secretary, are they after thoughts, are they suggestions that come later? If not why were they not included in the original estimate?

HON M K FEATHERSTONE:

They were various fluctuations that came along done by the contractor on instructions by the consultant and now, of course, the contractor is asking that he should be paid.

HON MAJOR R J PELIZA:

We were asked to vote a certain sum of money for this particular project and I take it that it included all the equipment that was required.

HON M K FEATHERSTONE:

When the consultant made his original plans he afterwards changed some of them later and they brought in extra costs.

HON MAJOR R J FELIZA:

But was this done without consultation with the Government? How was it done?

HON M K FEATHERSTONE:

The consultants and the contractors were in combination with each other and the consultants were saying do this, do that, do the other and the contractors did it. The Government did not come into the picture because as far as the Government was concerned they were going to be handed over a going concern.

HON MAJOR R J FELIZA:

It was done without the consent of the Government and now we find ourselves with this equipment which was really not authorised by the Government to be acquired.

HON M K FEATHERSTONE:

The majority of what was done is quite reasonably done as such. The modifications that have to be done are reasonably slight and these are being done at the consultant's expense. For example, the chute that was made is based on concrete foundations with a certain amount of steel work. Possibly, the amount of steel work that had to be put in was greater than was estimated by the consultants at the time, this has brought extra costs in, these are the extra things that the consultants instructed the contractor to do and the contractor did.

HON P J ISOLA:

Why is it that we are asked to vote £77,275, with the Minister telling us that we probably will not have to pay all this because we are going to retain as a result of the claim but we are yet voting the money whereas with the Gibraltar Quarry Company

MR SPEAKER:

It has been explained twice. They are making provision for the purposes of meeting an eventuality. The eventuality may not arise but they have to provide.

HON P J ISOLA:

Mr Speaker, this is why I am asking it. Here we are voting against a possible eventuality which may not arise whereas with the Gibraltar Quarry Company we are only voting £100 although we know our liability on the guarantee to be £14,000.

MR SPEAKER:

I am afraid I must not allow this to go on because we do not know what the liability on the Government on the Quarry Company is going to be until such time as the bank calls the guarantee.

HON P J ISOLA:

But should we not be voting a minimal amount? In the case of the Quarry Company the Financial and Development Secretary hopes that he will not even have to pay the £100. Here, why are we voting the full amount when we are being told we are not going to have to pay it, so why not vote the minimal amount, why not vote the amount that the Government thinks we are going to have to pay instead of the full amount? Why apply different standards here to the Gibraltar Quarry Company?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Because here amounts are due but we have a legal view that they may not have to be paid.

HON G T RESTANO:

The Government here is contemplating claiming from the consultants for the extra work. Have they contemplated at any time claiming from the consultant for apparently the wrong advice in building the chute which does not bring the sand down from the top to the bottom.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Chairman.

HON G T RESTANO:

When can we be expected to have a more detailed explanation to the claim?

HON M K FEATHERSTONE:

The position was that we had the consultants out here a little while ago and we put this point to them very forcibly and they turned round and they said that they guaranteed that they would make it work and they would, at their expense, put in the modifications necessary so to do. They are in the process of doing this, if it works then they will, to some extent, have complied with what they intended to do at the beginning. If it does not work then we will have to take other action.

HON MAJOR R J FELIZA:

Will there be a claim for the loss of income that the Company is suffering in the meantime?

HON M K FEATHERSTONE:

That is also with the Attorney-General's Chambers.

Item 2 Head 104 - Miscellaneous Projects, was agreed to.

Item 3 Head 106 - Government Offices and Buildings

HON A T LODDO:

Mr Chairman, on the refurbishing of the first phase of the Sacred Heart Terrace, £15,000. From reading the Chronicle I find that tenders were invited for this work. Have any tenders been submitted and have they been accepted?

HON M K FEATHERSTONE:

No, I think the date for the tenders to come in is 15 November.

HON G T RESTANO:

Could I have more details about the re-landscaping of the play areas of Notre Dame School?

HON M K FEATHERSTONE:

Since the Adventure Playground was built all the water when it rains drains into Notre Dame School itself and floods practically the whole of the entrance so that the children to get in and out have to wade through a rather large pond of water. The idea is to re-landscape it so that the water will first drain away and, secondly, where it does not drain it does not interfere with the passage of the children.

HON W T SCOTT:

Does the Sacred Heart Terrace element, the £15,000 part of the vote, include the furnishings, desks, etc for the school, or will this be furnished out of other funds?

HON M K FEATHERSTONE:

I think there is furniture there already.

Item 3 Head 106 - Government Offices and Buildings was agreed to.

Item 4, Head 111, Potable Water Service was agreed to.

Item 5, Head 112, Telephone Service

HON P J ISOLA:

May I make just a general observation on these estimates on the Improvement and Development Fund. I notice, and I was glad to see in a number of cases, money was required due to a faster rate of progress on the project but when I look at the summary, I find that the faster rate of progress has occurred in ODA schemes of which £518,000 is met from local funds and only £350,000 from ODA funds. Could I ask the Minister for Economic Development when he is urging progress on projects, that he urges progress more on those projects that are within the 1978/81 Development Programme coming from ODA funds rather than urge on local projects that we are paying for so that we get as much as we can of the British Government grant since we are going to lose enough already of it.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, on this specific point, Between April and October we spent about £4m. on Improvement and Development Fund projects of which about £3.3m. will be coming from ODA funds. In the current financial year Her Majesty's Government has put on development aid to Gibraltar as it has to every country, a cash limit or ceiling and our ceiling is £3.82m to which we should add about £.5m carried forward from last year which brings us to about £4.5m altogether. We are in no danger of not spending the total of our cash limit in the current financial year.

HON P J ISOLA:

That means that that the Development Programme will not be completed, anything like it, because our expenditure estimated for this year was £10m in the Improvement and Development Fund.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There are heavy carry-overs shown in the estimates for this year for a number of projects which were included in the 1978/81 Development Programme.

HON P J ISOLA:

But with a cash limit we cannot meet the £10m target, can we?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No, Sir, what we have told the ODA is that towards the end of the third quarter of this year when we have a firmer idea of what our expenditure will be, we shall go back to them and seek to have the cash limit raised. Whether we have very much hope on that I do not know but they have accepted that we should go back.

HON G T RESTANO:

On Item 5, it is a revote for the replacement of 70,000 old line plant equipment. Why has there been a delay in spending the £17,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, I understand that, basically, this is a revote because the equipment which was ordered last year has only just arrived.

HON G T RESTANO:

That is the only reason? Is it a question that the old equipment was ordered and did not come or was it not ordered sufficiently promptly to make it come for last year. After all, if the Government put it in the Estimates for last year it must have considered that last year the equipment would be here to replace the 70,000 old line plant. Can we have that in a bit more detail?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, Sir, the Government, in seeking funds, makes an assumption that equipment ordered will come within time to be paid in that financial year. There are numerous delays and have been numerous delays with equipment and this is one of them. It is not a question that we voted the money not expecting the equipment to arrive. When we voted the money last year we expected the equipment to arrive last year. There has been delay, it has now arrived and we have to revote the funds.

HON G T RESTANO:

But my second question was why was there delay, was it because the manufacturers had not been able to supply the goods?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

My understanding is that it is due to manufacturers' delay.

Item 5 Head 112 - Telephone Service, was agreed to.

Schedule of Supplementary Estimates Improvement and Development Fund No 2 of 1980/81 was agreed to.

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

Clauses 2 to 4 were agreed to and stood part of the Bill.

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

The House recessed at 1.30 pm.

The House resumed at 3.40 pm.

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Social Insurance (Amendment) Bill, 1980; the Bureaux de Change Bill, 1980; the Elderly Persons (Non-Contributory) Pensions (Amendment) Bill, 1980; the Public Utility Undertakings (Amendment) Bill, 1980; and the Supplementary Appropriation (1980/81) (No 2) Bill, 1980, have been considered and agreed to at Committee, in the case of the Bureaux de Change Bill, 1980, with amendments, and in all the other cases without amendment and I now move that they be read a third time and passed.

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

PRIVATE MEMBERS' MOTIONS

HON P J ISOLA:

Mr Speaker, I have the honour to move the motion standing in my name which reads: "This House considers that leisure areas and more particularly defined sporting areas should under no circumstances be used for car or lorry parking and calls upon the Government to cancel their plans to turn the USOC leisure area into a car parking area". Mr Speaker, in moving my motion I am not quite sure at this stage what the state of play with regard to the USOC leisure area. It is not clear, really, from Government communiques whether the Government is committed to using the USOC leisure area for car parking in the event of the frontier opening but this motion will give them an opportunity to commit themselves not to use it for car parking if the frontier opens, it will give them an opportunity to make a statement to this effect which I am sure will be welcomed not only from all sides of the House but more importantly by the general population of Gibraltar. Mr Speaker, I am rising to move this motion myself as Leader of the Opposition because this motion is connected with the Lisbon Agreement. I think it is important to bear this fact in mind. As a result of the Lisbon Agreement in April, it was envisaged, under this agreement, that the frontier restrictions imposed by the Spanish Government would be lifted and that there would be a measure of open communication, as it were, between Gibraltar and Spain. Both sides were asked to make arrangements by 1 June of this year. The reason I mention this is that I think it is important to keep in mind that asking for the Government not to use leisure areas for car parking is not inconsistent with approving the Lisbon Agreement as seemed to be indicated by a local newspaper which one of our Hon Friends in this House seems to have a singular influence over. The Lisbon Agreement envisaged the opening of the frontier and I think, and most Hon Members of the House would agree with me, that with the opening of the frontier will begin very challenging times for the people of Gibraltar. With a closed frontier we have a certain amount of protection, a sort of in-built protection for our identity. Once that frontier opens and there is free communication and movement of people across the frontier etc, other problems will face us. Although we can look forward probably to a more stable and improved economic situation for Gibraltar I think that our identity may be under some attack and I think there is a need to preserve Gibraltar for the people of Gibraltar. There is a need to preserve the leisure areas so that the people of Gibraltar should continue and should be encouraged to continue to enjoy the amenities such as they exist in Gibraltar. Football should continue to be encouraged, hockey, etc. Children will still be going to school in Gibraltar in large numbers. They require leisure areas, they must develop in a better Gibraltar and not in a more restricted Gibraltar and that is why we feel very strongly that opening the frontier does not mean and must not mean and must not be allowed to mean a

reduction in the playing areas available to the population of Gibraltar and more particularly our young people. It is easy, Mr Speaker, when you are in a huff or in a bit of a panic about what is going to happen, to pick on an open area for parking. This does not involve any expense or very little, you just have a car park, there is an open area we turn it for the use of cars and we have no more problems. It is more difficult to think of knocking down a building to build a car park and therefore it is, I suppose, only human to say: "Let us pick on these areas and let us solve what will or may be or may become a serious problem". Mr Speaker, my Party has made a number of suggestions as to places that could be used for car parking. Of course, it is the responsibility of the Government to make provision. The Government has a lot of information available to it which is not available to other people, the Government, being the Government, has the ability to pressurise people like the MOD or such other people who might have areas to give them up. We do not have it. The important thing though is that leisure areas are no-go areas as far as car parking is concerned. At one time during this controversy, I think that the MOD told the Gibraltar Government that they would clear up a lot of their garage areas or some of their buildings in Queensway if the Government did the same in respect of six garages, which the Government also had in Queensway and they said: "You clear yours and we will clear ours and that will make quite a large area available for car parking". I think, from what I read in the press, the Government was unwilling to do this because of problems with their tenants. I know they are difficult decisions to make but faced with this sort of problem I think I would myself proceed to rid ourselves of the six Government tenants in preference to depriving, say, a 1,000 schoolchildren from using USOC area every week. It was said that by using the USOC area alternative area was to be provided elsewhere and in fact the area that I heard was going to be at Europa Point and that is hardly a good place for sending the children from Bishop Fitzgerald or the Girls' Comprehensive for their games. The six Government tenants at Queensway they may have presented a problem but it is not a problem that could not be got over either by providing alternative sites or by compensation. If you need a space or an area and the public interest demands that you have it and you have got to take it, you do not want to be unfair to the tenants who are there and the only way you can remedy that situation if you cannot provide them with alternative accommodation is to compensate them in terms of money. Mr Speaker, the opening of the frontier is costing enough, the Public Works Department painted the streets and did all sorts of things. All that was part of the cost of the opening of the frontier; add a few thousand for these garages and it would have been a worthwhile expenditure and the Government, would have had, reasonably soon, parking facilities there. The fact of the matter is that the Lisbon Agreement was in April, it is now six months and I think that in those six months some parking areas could have become available to the Government. But this motion, of course, is not suggesting where the Government can put cars instead of at USOC. I do

not think that is the purpose of the motion. The purpose of the motion is to get the House to accept the principle that in playing areas in Gibraltar, restricted as they are already, we have fewer enough already, playing areas must be no-go areas as far as car parks and coach parking is concerned. That principle has to be established, they are just not available. What does the Government do in these circumstances? One of the things I would have thought the Government could have done already is put out a site for a multi-storey car park as a matter of urgency. I know the Government mentioned the site for a multi-storey car park at Casemates, they had plans there, but this involves re-providing the Ministry of Defence with seven quarters. Faced with that problem, it would seem to me that the Casemates multi-storey car park because of the conditions under which it can become available, must necessarily be a long-term project because until the quarters are re-provided, or until the Government can exert sufficient pressure on the Ministry of Defence of one way or another to get the people in the quarters into other accommodation, unless they can do that and exert the pressure successfully then, if they have to wait until the Ministry of Defence have developed or made available seven alternative quarters, and bearing in mind the cash limit that the present British Government is placing on its Defence Departments, unless you can get this going, then you have to forget about the Casemates multi-storey car park in this situation, you have to look for another site which can be put out to tender for a multi-storey car park. If the Government bears in mind that as far as USOC was concerned the agreement, as I understood it, if there was an agreement with the Ministry of Defence which is not very clear from the communiqués that I have seen, the agreement, as I understood it, was that the Gibraltar Government would have to re-provide the hockey pitch somewhere else and I am told that the cost of re-providing the hockey pitch at USOC, say, at Europa Point, was of the order of £200,000. I may be talking through my hat but this is just information given to me by people who seem to know a lot about it. If that is the case then, of course, why not put the £200,000 in the first instance into a multi-storey car park and negotiate with the Ministry of Defence to keep the USOC leisure areas, including the USOC building, for a civilian/military leisure area, for the development and improvement of the facilities available to the youth and the people of Gibraltar. What surprises me is that in these five months since Lisbon the Government has not put out to tender a site for a multi-storey car park. The Minister for Economic Development says that there isn't one. Well, I don't know. I did not know, for example, that there were up there in Europa three plots of land being put out to tender for private houses. I did not know that these sorts of plots of land still existed in Gibraltar but apparently they do. Perhaps, with a bit of ingenuity and, if necessary, with a bit of paying of compensation, if necessary, the Government could find a site for a multi-storey car park because the solution to the parking problem in Gibraltar is not going to be USOC and the Government must have realised now that there is no way that car parking is going to go there. The solution inevitably has to be a multi-storey car park and the sooner the Government get down to it

and put one out for tender and get it done by private enterprise or by themselves, but by themselves I think there is a problem because public funds should be spent in things like housing and schools, but I think that properly worked out, a proper parking scheme for Gibraltar worked out, the introduction, possibly, of parking meters in particular areas, and with proper planning, a multi-storey car park is undoubtedly a viable economic project and the Government should put out a site for tender at the earliest opportunity because that is a way of getting 1,000 car spaces, if properly designed and constructed and put into effect. It surprises me that the Government has still, some five months after the Lisbon Agreement, not yet put out a site for tender. The Minister for Economic Development says that there isn't one, well, if the Government would exchange places with us I am sure we could find one. It is very easy to say that there isn't one. But neither is there space for parking at USOC because when the Government says there isn't a site for a multi-storey car park what I suppose the Minister must be saying is that all available sites are being used for other purposes, like USOC is being used for other purposes. Why should that be available and not an old building being used by two or three people be compensated and put somewhere else and built a multi-storey car park. That is what I mean when I say using ingenuity because it is very easy to say that there is no site available, that everything is being used like these five passages at Queensway being used by five, possibly small commercial entities, but valuable from the point of view of parking facilities with the package deal that we are being offered by the Ministry of Defence. Compensation can be given; people have to be protected, I agree entirely, but comes the public interest and the question of compensation. Compensation or other arrangements can be made but don't go for the easy places and the easy places are inevitably the leisure areas and the football areas. Mr Speaker, in asking the House to establish the principle that under no circumstances should leisure areas be used for car parking, in asking the House to agree to this principle and to put it into effect, I am making sure that in the event of the frontier being opened the identity of our people will not be absorbed by the need for people having to go to Spain to play sport, having to go to Spain for their recreation because all available open and leisure areas in Gibraltar have been taken up for car parking. Mr Speaker, I do not think it is necessary for me to point out to the Government what very strong public feeling there is on this issue and the public feeling there is on this issue is not one that has been stirred up by my Party or by the Opposition. The opposition to the use of the USOC area for car parking was, I would say, spontaneous. It came out from the Parents' Association, from teachers and then there was this petition that was organised by the parents and the teachers under this building and which was signed by a tremendous number of people when one considers it all took place on a Saturday morning. I do not think the Government can have any doubt at all in their minds about how the people of Gibraltar

feel on the issue of USOC. They may tell us when we put proposals forward that we do not have the support of people in Gibraltar for what we are saying. Usually they are telling us wrongly, usually they are mistaken. In this case we can prove it because other organisations other than the DPBG have come out, there has been a tremendous amount of letters to the press, as the Government is only too aware, they felt strongly enough to organise a petition and take it to the Governor who then, I believe, passed it on to the Chief Minister. I hope the Government, who after all are an elected Government, will take very serious account of how the people of Gibraltar feel on the use of the USOC hockey pitches and tennis courts for car parking. It is no use the Government saying that this is only a temporary thing, it would never be temporary and we know and everybody knows it will not be temporary. Once it is used for car or coach or lorry parking it has gone for good. We all know that and therefore I hope the Government will accept the principle in this motion which, of course, does not just apply to USOC. We are pleading for all hockey and football pitches that are available today for use by the population, these must be preserved. They are the minimal requirements and if I may shift not to another subject, it is concerned with it, the Hon Minister's plans for charging fees, for example, at the Victoria Stadium, part of the reason for the opposition to it is precisely the lack of sporting areas in Gibraltar and precisely the fact that people do not have much choice but to use the Victoria Stadium. I am not speaking critically now on those measures but I am saying that part of the opposition arises from that, that there are few enough facilities in Gibraltar anyway so let us not reduce them any more. I hope that the Government can agree with the motion and for ever put at rest the idea that they might use USOC playing areas for car parking in the event of the frontier opening. I hope they can reassure the public of Gibraltar that their welfare, especially where leisure and sport is concerned, must come before the question of providing car parking spaces for those coming over. I think the problem is likely to arise mainly with coaches and we have put forward a solution for coaches which I think the Government has accepted and that is that coaches will put people down somewhere in the town area and then proceed south and park in places like Rosia Parade. I think I have seen a Government communique in which that idea was being adopted although not necessarily at Rosia Parade. I think it will be mainly coaches that will present the problem. I do not think cars will present that much of a problem because the Government will have to bear in mind that if the frontier opens, as it must, two ways, there will always be at a certain given time throughout the year a good number of cars from Gibraltar in Spain and they will themselves therefore leave free a number of spaces within the town that are not today available. The problem of where to put the cars must be treated and dealt with in a positive manner, a multi-storey car park is a must in Gibraltar, and other areas which have been mentioned in a number of press releases should be pursued. The idea of Queensway, all those garages there, the idea of taking them

away is something that should be pursued actively because that would provide quite a large number of car park spaces even to tide us over the possibly emergency that might arise if all the cars started coming in as some people fear they might do and no cars in Gibraltar go out to compensate the spaces. Mr Speaker, I hope that all Members of the House can subscribe to the principle of this motion and that we can have positive assurances from the Government on the motion. I commend the motion to the House.

Mr Speaker then proposed the question in the terms of the Hon P J Isola's motion.

HON CHIEF MINISTER:

Mr Speaker, it is not, never has been and never will be the Government's intention to deprive anyone of leisure or sporting facilities. The motion is simplistic and seeks to commit the Government to a rigidity which no Government could accept in the terms in which it is couched. There may be circumstances, without reducing the number of sporting facilities, where there could be a switch over from the betterment of the people and therefore what could be an improved situation could arise whereby something which is now being used for sporting facilities could be used for something more useful and something better obtained for sporting facilities. The Government plans must be seen in their proper perspective. The Lisbon Agreement to which the Hon Member has referred in somewhat jingoistic terms by introducing the identity of the people of Gibraltar with whether a place is used for a car park or not, had come in April and we have been urging everybody, CPA, Strasbourg, Members of Parliament, European Movement, talks everywhere that the frontier must be opened, we have been saying that we are ready and that the frontier must be opened. In fact, when the Lisbon Agreement was signed there was virtually to be able to be ready for contingency, a period of seven weeks and the Government had to plan and this is what we have only done, had to plan to cope with the situation the consequences of which we could hardly gauge until it came on top of us. There has never been any intention of depriving anybody of leisure grounds but there was an emergency situation which we had to deal with in planning and we now say proudly when we tell the people that the Spaniards have reneged on the Lisbon Agreement that we were ready on 1 June as the communique said but other people were not ready and we have been able to say that rather proudly. What would have happened if on 1st June the frontier had been opened and 500 or 1,000 cars would have come into Gibraltar? What would have happened here, we would have come to a standstill, I suppose, because I am quite sure that whatever would have happened the number of cars that would have come into Gibraltar was going far to exceed the number of cars that would have left Gibraltar at the time anxious as new car owners are to get to the long roads. We know that there has been something like 2,000 cars sold since the Lisbon Agreement was announced. What we did was to do what was

possible in the time available and to show our intention. I was a little sceptical about the timing of the Lisbon Agreement or the implementation of it in time as suggested on the other side and I took it upon myself to make sure that no permanent or irrevocable steps were taken in respect of facilities that we had in order to cope with a situation that might not arise in the time available. We have been saying that the restrictions were inhuman, that they should come to an end and we have been saying that the Lisbon Agreement should be implemented without delay. Some people have even suggested that Gibraltar should ask Britain to veto Spain's entry into Europe until they open the frontier so we cannot really blow hot and cold. If, in fact, the frontier had opened shortly after 1 June and the Government had made no preparations, the criticism of the Government would have been harsh, widespread and justified particularly in Gibraltar itself and also abroad. We would have been the laughing stock if we would not have been able to say that we could cope with an emergency situation. The Government, in that good faith that it has shown, had made basic plans to cope with the expected situation. When it became clear that there would be delays in reopening the frontier, but only then, the Government began to be criticised for making the plans. One of the stories put about was that leisure and sporting areas were to be sacrificed to allow Spaniards to park. That is absolute nonsense. I would remind Members that on 14 August a press release was issued explaining fully the Government's position on the matter. This referred to the Government's concern in its duty to ensure that additional economic activity is generated when the frontier opened, some of the money now being spent in Gibraltar would probably have been spent in Spain and it was therefore necessary, in the interests of the economy, to take steps to attract tourists to Gibraltar from across the border in the greatest possible numbers. It was essential to provide some parking areas in the centre of the town if only reasonably near shops and restaurants. This release went on to explain that in the short time available it had been decided that the most suitable space in addition to other areas would be the USOC pitches and two of the tennis courts. It was decided at the same time as the press release stated, that these facilities would be reprovided elsewhere. The best way of achieving this was being considered and possibilities for providing alternative facilities in the meantime were also being explored. A lot of mention has been made that we should take account of the Queensway huts and the six garages. A lot of work has been done on that and in fact though there are still difficulties about the way in which the tenure of that land is going to be handed to us, we already have an estimate of the cost of the demolition of the five big huts and we also have plans to provide alternative accommodation to the people who make a living by these six garages, whom the Government would not wish to get rid off by giving them compensation and depriving them of their means of livelihood which they have been allowed to do for a long time - to that the Government will not be a party. These garages, like so many of the

difficulties we find, were allowed to be built by the Ministry of Defence who then owned the property and then once they had the incumbents there were handed back to the Government with the incumbents inside. Even that reason will not make us deprive people of earning their living as they are doing there by giving them a compensation which would be tantamount to double the amount according to the Landlord and Tenants Ordinance, two years of the net annual value. In any case, how in Gibraltar a man is making a living or two or three or four of them, how are we going to compensate them for depriving them of making their living. But we have found places for these people. The Development and Planning Commission has found alternative places for these people in the industrial area so that these stores can be cleared. But let me say that that and the five Romney huts of which we have already an estimate of the cost of demolition, which we will have to pay for when we settle the question of the tenure of the land, will only provide 134 parking spaces, 104 without the six small garages and 134 with the six small garages. We have been planning and looking for alternative places. On the question of the multi-storey car park, apart from saying that it is all very well to say from the Opposition that; "We would find a place", I will leave that to my colleague, Mr Canepa, who is the Chairman of the Development and Planning Commission and who will tell you the efforts that have been made in that respect. It is very easy to say use this place or use the other place from the benches opposite and then go home happily and leave the problem with those who have to deal with it. Because the Government is convinced that some steps can be taken to make provision for additional parking areas in the event of the frontier opening, it has called for a further study to be made with these ends in mind and I will keep the House informed. The Government has always kept its options open, there is no determined decision to use USOC as a car park. It was made clear on 14 August, on 18 September and it is made clear now. It is not of the liking of the people to do so and the Government knows the feeling of people in this matter and fully shares it but Government has got its own responsibilities and in certain circumstances may have to take, and I am not saying this is in respect of USOC only, in any state of affairs, may have to take a measure which for the moment may be criticised but for which the Government has got to take the responsibility to act on and then be judged by the results. What we are saying is that particularly in the situation that has arisen, and we must remember that even if there was an early opening of the frontier of which I have no knowledge and which I have some doubts, the situation is very different in the winter than it would have been had it been in the middle of the summer for the opening of the frontier in respect of the numbers of cars that could be expected. The situation then might well arise if nothing is done and still the frontier is closed and still there is some respect for the Lisbon Agreement and then it is opened in the middle of next summer, but at this time the problem is completely different to the situation that arose shortly after

the Lisbon Agreement because we knew that the arrangements had to be made by 1 June and we knew that if it was implemented early we would have a rush of cars and we would have to have some provision if we were not going to allow the whole of Gibraltar to come to a standstill or worse still stop cars from Spain coming after you had deprived yourselves of 120 parking spaces and then allow hundreds of cars from Gibraltar to go to Spain to spend their money there and then deprive us of that part of the economy without any compensation from people coming from across the way. This was the situation in the summer and this was the situation under which we were acting and I think that we did the right thing to plan for an emergency and that was all. We have a big problem with parking even without an open frontier. Pavements are being used now to park cars and people sometimes park cars which are a clear obstruction to the flow of traffic without regard to other people, perhaps because of pressure or because they do not want to walk long enough by looking for a place further away. I agree, and I have always said, that in normal circumstances there is a two-way traffic and it is not all going to be providing for cars that come in without allowing for cars to go out. We have a problem of parking with or without the frontier opening. That is a clear matter and we may have to look into the long term situation in this because we could come to a real standstill even without a frontier closed if people do change cars as often as they do now and the old cars are not got rid of but are sold as junk and used as cars. As I say, the question of multi-storey car parks will be dealt with by my colleague. I think that I have explained the situation as we felt at the time. As I say there is no irrevocable or even now any intention of using USOC unless it is absolutely necessary as an emergency. I do not agree that if it were on an emergency basis that once you take away something you never restore it. That, of course, does not arise now and therefore I will not elaborate much more on that. The question of providing alternative hockey pitches has been considered in many ways and not only, let me say, one at Europa Point, there are other plans which are being considered, additional to what there are now but let there be no mistake, the Ministry of Defence now are not being particularly helpful. I am sorry to have to say this but I have to say it so that everybody knows and the battle is going on all the time but the Ministry of Defence now are not being particularly helpful. They were much more helpful after the Lisbon Agreement than they are now and the pressure on them is on all the time at all levels. Let us not think that by saying: "If I were here I would get the Ministry of Defence to give me that", because some Members opposite, certainly the Leader of the Opposition and the Gallant Major have been in Government and know what difficulties are placed when you want something from the Ministry of Defence. I regret that I have to speak like that because I prefer to settle quarrels, if possible, with those you consider to be your friends, privately, but if there is going to be an impression that there are no more parking spaces in Gibraltar

because the Government does not press for them from the Ministry of Defence. I regret that I have to say what I have said about their lack of cooperation at some level, perhaps, I should have said, and I will continue saying it. At some levels we find lack of cooperation. I do not think that even the Hon and Learned Leader of the Opposition expected us to agree to this motion because it ties our hands which no Government would allow that, but I hope that what I have said will allay the anxiety and make clear that the Government is as concerned and as conscious of the fact that we should not deprive people of their leisure areas and in fact we should extend them as far as it comes within our possibilities.

HON J BOSSANO:

I would like to move an amendment, Mr Speaker, to the motion. It is a very small amendment that does not change the intention of the motion, it is a drafting amendment, more than anything else. The amendment is that the motion should be amended by deleting the words "car or lorry" in the fourth line and "car" in the sixth line. I know the Hon and Learned Member said that the coaches should be parked in Rosia or somewhere else and that the Government had indicated their acceptance of this but if we are saying that the Government should not allow leisure or sporting areas for parking then it should be made clear that it is for parking any type of vehicle including anything else that they may care to send us across even if it is a cart and donkey. I support the motion, of course, and it does not worry me if some newspaper comes out saying that in doing so I am in conflict with the Lisbon Agreement. I move accordingly.

Mr Speaker proposed the question in the terms of the Hon J Bossano's amendment.

HON P J ISOLA:

I can accept that amendment, I did put in the word "lorry" because I have always a fear that whenever a parking area is made available, lorries seem to creep into them but I am quite happy with the amendment.

HON CHIEF MINISTER:

We will not vote on this amendment because we do not see anything wrong with it but we do not agree with what remains after the amendment. I would like to say that half of the amendment, because the amendment means deleting four words, half of those words would have been surplus anyhow because it was never the intention to put any lorry in USOC.

MR SPEAKER:

I should say, in fairness to you, Mr Bossano, that you have used your right to speak on the motion by putting the amendment. You have got a right to reply, of course, before I put the question on the amendment.

HON J BOSSANO:

I think it has been a very useful motion, Mr Speaker, notwithstanding the fact that it is likely to be defeated by the Government, because we have heard from the Chief Minister the statement that the Spaniards have now reneged on the Lisbon Agreement.

HON CHIEF MINISTER:

I have not said that. I do not speak for the Spanish Government and I hope I never will. I said there was need for parking areas even if the Spaniards reneged on the Lisbon Agreement. I never said that at all and there is no evidence that they have though there is no evidence that they have not.

HON J BOSSANO:

I agree with the Hon Member that the Government must have been put in a very difficult spot by the emergency created by the presumed opening within a seven-week deadline and, of course, this indicates the bad way in which this was handled when we were presented with a situation which we were then presumably required to cope with without sufficient thought having been given to how we were going to cope with it. However, the position is quite clear that in dealing with the problems created with the opening of the frontier, if and when it ever does open, our standpoint must be, as the Hon and Learned Member has said, that our job is to look after the interests of our people in Gibraltar and it is their interest that must take precedence over any accommodation we may have to make to please our neighbours who have done so little to please us in the last fourteen years. The motion, of course, does not specifically refer to parking for cars coming over and, presumably, the view that leisure and sporting areas should not be used for parking, certainly on a purely superficial reading of the motion as it stands, which does not directly link it with the opening of the frontier, gives, I believe, precedence over the importance to leisure and sporting areas as opposed to parking areas and that is an issue which, as the Hon and Learned Member pointed out, we will have to face anyway. We cannot have a situation where we have got an increasing car population to the extent that the human population is serving the interests of the car population instead of the other way round. Even if the motion is unacceptable to the Government

because the Government believes it ties their hands in relation to what they may think they may have to do if the frontier opens in the future, the need to set up our priorities in terms of whether sporting and leisure facilities should be given a higher priority than car parking facilities, is one which the House should face and in fact which the motion points to, perhaps, indirectly.

HON CHIEF MINISTER:

I did say something on the amendment but I would have spoken on the amendment more if I had heard the Member speaking so if the Hon Member would give way. First of all, when I said rigidity I said rigidity generally not just for the purposes of the Spanish situation. I want to make that quite clear. I said it tied the hands of the Government not only in respect of a possible opening of the frontier but in respect of any situation which could happen and then we would be bound by a motion of the House of Assembly. That is the first point. The rigidity I meant was not in order to say that we keep out options open and if the frontier opens then it is alright. I am not saying that. I am saying that we do not intend and I hope we do not have to and if we can control it and see how the thing works so much the better. That is the first point. The other one is on this question of our rights come first than the Spaniards' rights. Of course, they come first that is what we are here for all the time and this was not the question and this is why I said that people who were saying why doesn't the frontier open were then saying but they want the car park for the Spaniards. The car park was not going to be for the Spanish or the French or the Dutch cars, it was going to be to decongest a situation that could arise and there was not going to be discrimination within the EEC to say that certain cars of certain nationalities can park in this or that place and other people cannot. It meant an emergency and in fact it has already been pointed out to us in the course of discussion that we might as well find the first day the whole place full of local cars parking their cars in USCC. I do not think that that is fair that we should be attributed that that was our intention. It was done to meet with a possible emergency of an open frontier, not of a possible emergency because Spaniards were going to come to Gibraltar. In fact, the bulk of the people on the opening of the frontier were at that time hoping that all the people who were on the Costa del Sol with their foreign cars would come into Gibraltar.

HON J BOSSANO:

Before finishing on my amendment, I shall say that I take the point certainly that if we do not define more rigidly leisure areas, for example, which is a wider concept than sporting areas, we could well find that there are today hundreds of

cars parked in leisure areas which should not be there and, clearly, if we wanted to restrict parking to areas which did not interfere with the pleasure of people enjoying their sport etc, then we might need to define within a City Plan what is a leisure area which cannot be used for parking.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members abstained:

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassen
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The amendment was accordingly passed.

HON A T LODDO:

Mr Speaker, one can understand now, as a result of the Lisbon Agreement, the Government were stamped into action on the traffic situation but the Lisbon Agreement is now history and I am sure that to the people who expected it to be an open sesame it must seem like ancient history. The fact is that the parking problem in Gibraltar has been building up over the last six or seven years. It seems to me a shame that it took the Lisbon Agreement to jog the Government into some action. I am not referring only to the USOC solution but also to the fact that we envisaged and we voted for a quarter of a million pounds to solve the traffic problem. I was in London in August and I went round for hours looking for a parking place, everything was choc-a-bloc and they have multi-storey car parks in London. But just because I came from the provinces into London the Corporation of London wasn't falling over itself to turn Hyde Park into a parking area. I parked my car wherever I could whenever I could and paid. We admit that there was an emergency and although the Government might accuse us of being wise after the event there was an emergency

but the emergency is over. The Lisbon Agreement was in April and we must have had time to plan what to do with this fantastic influx of cars if and when the frontier opens. I do not believe that the solution to the parking problem of Gibraltar is a multi-storey car park. I do not think that is the panacea. I believe that the solution to the parking problem and the traffic in Gibraltar is a complex one and I believe a multi-storey car park is one answer. There is also the question of parking meters, there is also the question of a very strict and severe MOT test but this MOT test should go hand in glove with control over the size of cars imported into Gibraltar. Here I might be accused of saying that I am interfering with the freedom of the individual but I accept that, I accept that I am running at risk. There is also the question of time limits for parking. Once upon a time in Gibraltar, and you can still see them around town, there are metal flaps on walls saying time limit 7 days, time limit 6 hours, that could be revived. There is also the question of Traffic Wardens, not a very popular method of dealing with car parking but an effective one and then there is, of course, the ever present one of derelicts, the problem of derelict cars. These, I believe, should all be taken in conjunction when thinking of a solution to the parking problem. The only thing I am sorry is that having said all this, that I haven't a copyright on it and if Government decides to implement it I will never get the credit. Earlier on, in a discussion programme on Radio Gibraltar, the Hon Minister, Mr Featherstone, told us that the reason why Naval Ground No 1 and 2 had been considered for possible parking areas but had then been rejected was that the nature of the surface rendered them unsuitable in rainy weather. Perhaps now we will regret that USOC was converted into an all-weather pitch. I know that most Members in this House do not practice sports but we must not forget the thousands who do and the thousands are not just schoolchildren, the youth and the not so young who make use of USOC and without USOC, I think, hockey in Gibraltar would die. On the question of those Romney huts in Queensway, I don't know if any Member remembers that these Romney huts are today standing on the site of tennis courts and six-a-side hockey pitches which were lost after the war when the MOD decided to build these huts. However, they built these huts but not at the expense of depriving the services of these playing areas which were reprovided elsewhere, the MOD reprovided the area and then built the huts. I am not surprised that the MOD now is not so helpful considering that we have told them, after having complained that we never had enough playing areas, that the ones we are going to get we are going to turn into car parks but if my memory serves me right, if it had not been for the MOD thousands of schoolchildren and others would never have been able to enjoy sport in Gibraltar because the Victoria Stadium is not that old. Since the war if it had not been for the good offices of the MOD most Gibraltarians would not have been able to enjoy sport. Mr Speaker, I think that the Government should really seriously consider this and not under any circumstances whatsoever allow any sporting area, any recreational area, to be used for any other than for sport and recreation. Thank you, Mr Speaker.

HON A J CANEPA:

Mr Speaker, although not strictly relevant to the motion, I cannot allow Mr Loudo to give the impression to the House and to the general public that the Government has taken no action whatsoever in the last six or seven years to provide more car parks and therefore I will enumerate a number of car parks that have in fact been provided in the last six or seven years. A large car park at Arengo's Palace, the car park outside the Calpe Rowing Club, a small car park in Flat Bastion Road, another car park in Town Range, further car parking in the last 18 months or 12 months in Moorish Castle, a request to the MOD to let us have part of the land at Moorish Castle, there are very large gardens of their property there where we could get another 30 or 40 car spaces. Behind the Gorbals a new car park was built there six or seven years ago. Extra car parking to the tune of over 100 car spaces at the Varyl Begg Estate over and above the provision that had been made by Major Peliza's administration. The car park at Eastern Beach where the old refuse destructor used to be, the car park at Catalan Bay, all these have been done in the last six or seven years, but as I say this is just for the record and it is not really strictly relevant to the motion. Mr Isola made reference to the Government plans in connection with the proposed multi-storey car park at Casemates and yes I agree that that does not offer prospects of a short term solution. I think it is useful to point out what the position is with respect though to Casemates so that we get an overall picture. I think it will afford medium term prospects of helping to solve the traffic problem. The position is that the MOD have agreed that the site should be advertised as a preliminary to the selection of a suitable developer who would be expected to reprovide or rather the MOD themselves as part of a feasibility study that they have conducted, they have included the reprovisioning of the seven married quarters there and the developer would be expected to meet the cost. All that is now required is that the potential disposal of this site should be formally approved in accordance with section 75 of the Constitution and therefore I anticipate that in the next few weeks, possibly by the end of this month, an advertisement will appear inviting tenders in this respect but again it is just to round off the position because as I say it does not offer any immediate prospects of any solution. Let me assure the House that the Development and Planning Commission and in particular the Government members on the Commission, ie the Chief Planning Officer, the Surveyor and Planning Secretary, my colleague the Minister for Public Works and myself, have been giving very careful consideration to the problem of car parking and in particular the provision of a multi-storey car park. We cannot identify a site that could be made readily available for the provision of a multi-storey car park and I think, of all the people that I have had dealings with in Government in the last 8½ years, the person who seems to me to be best informed about sites, generally speaking, is the Surveyor and Planning Secretary, the man is a mine of information in this respect and he has not been able

to come up with anything but I will tell the Surveyor and Planning Secretary that the Hon Mr Isola has said that there is a site in Gibraltar which all that is required is that two or three people should be given alternative accommodation or should be compensated and then that building could be demolished and converted into a multi-storey car park. Armed with that information it may well be that the Surveyor and Planning Secretary may be able to come up with something. If Mr Isola, however, is able to give me the information before we vote on the motion I might even support the motion. The Ministry of Defence, as the Chief Minister has said, are not being particularly cooperative at present. I think I should remind the House that the Ministry of Defence still own over 50% of the land in Gibraltar and that most of the land which they own is flat whereas most of the land which the Gibraltar Government owns is not flat and is therefore not susceptible to easy and cheap development. I have been trying, more so of late, as we have found less of a disposition to be cooperative, perhaps, as the Lisbon Agreement recedes into pre-history, I have been trying to impress upon the officials who represent the Ministry of Defence in the Development and Planning Commission and most notably last Friday at the meeting, I have been trying to impress upon them that in an open frontier situation in which there would be a two-way flow of vehicular traffic, the Government and Gibraltar will be faced with an unprecedented situation, a situation which Gibraltar has never had to face either before the war when there weren't so many cars, or even after the war between 1945 and 1954 when the Spaniards were being allowed to visit Gibraltar but in the depression of the time in Spain there just weren't anywhere near the number of car owners that there are today capable of coming over to Gibraltar. Even in those days Gibraltar did not have to face the problem that one can anticipate when the frontier opens. I have been trying to impress upon them that faced with this situation, the Government just does not have the wherewithal or the resources to solve this problem by a mere wave of a magic wand. That just is not the situation and that it is facile to pretend that it can be solved and it is facile to pretend that the open frontier situation is not going to bring about a certain amount of disruption within Gibraltar, not only to the civilian population but to the Services population who are also going to benefit from whatever benefits the open frontier will bring Gibraltar by way of expansion in the hinterland and so forth. There are business interests with many millions of pounds available, I am told, to be re-invested and to be invested within Gibraltar rather than outside, business interests which are interested in building a multi-storey car park at USOC that would reprovide the playing facilities on the top deck. It would mean, naturally, the temporary loss of the playing facilities until they could be reprovided on that top deck. The people concerned are willing to undertake a feasibility study with a view to building, they say for 1,500 cars. I think that figure is too high. On planning grounds it seems a worthwhile project but there are

political difficulties and problems and naturally one is aware of them given the opposition that there is, as I understand it, even to the temporary loss of these facilities even if the project did in itself entail provisioning. USOC is being made a fair amount of use. I will not say considerable use because a survey that was carried out seemed to indicate that our schoolchildren are only using USOC about 14 hours a week, we tend to think that it is more than it actually is. My colleague the Minister for Sport has plans with a small triangular piece of land adjacent to the Stadium, he thinks that he could provide another hockey pitch and if floodlit this would enhance the existing sporting facilities considerably. I think there is a danger, Mr Speaker, that in looking after the welfare and interests of our young people, something which we all have at heart, we could be losing sight of the greater and more important long term objective and that is that we must ensure that in an open frontier situation there is a future for those young people in Gibraltar because Gibraltar will continue to be a going, viable, economic concern. I would hope that in an open frontier situation through the adoption of an ostrich-type attitude in certain quarters, even if it is to the extent that they are not prepared even to forego temporary loss of sporting facilities, we would not get into a situation when the Spaniards would bring about, through an open frontier, the economic downfall of Gibraltar, something which they have not been able to achieve so far during the years of a closed frontier situation. This is what the Government is trying to avoid because we know that when the frontier opens, even though there is a great deal of opposition to that within Gibraltar, we know full well that after a few months people will go to Spain in very large numbers and spend a great deal of money in Spain and we are not certain that the loss of those funds to the economy would be entirely compensated for unless there are reasonable prospects that tourists, Spaniards and other tourists from the Costa will be able to come to Gibraltar and spend compensating sums of money. If we do not get that equation right I think the Spaniards might still beat us to it and I would very much hope that that will not happen. I would plead that some consideration should be given to the fact that the problem is not capable of an easy, short term solution. I will even plead with Mr Isola to let me know which is this site where we can provide the multi-storey car park. I think he would be doing a good service to Gibraltar in the international field and not just helping the Government to win the next election.

HON A J HAYNES:

Mr Speaker, it is the Opposition's duty to point at mistaken policy as embodied by their proposed use of USOC as a car park and this was succinctly put by the Leader of the Opposition. As he said we have been followed in our criticism of Government by the Parents' Association in their petition and demonstration. Our duty is not to suggest alternative sites in this sort of case because we labour under the general disadvantage of lack of information but I would question the

Minister's claim that there is no other possible site. I claim that this should be questioned on their own record as regards traffic. I feel that in this criticism of Government that we make as regards the proposed use of USOC, that we are prodding as always a lazy and a dispirited Government. They said that the USOC idea was alright because as a last minute effort it would have done the job but surely the fact that the frontier might open has always been on the cards and contingency plans for such an eventuality should have been prepared long before but then the Chief Minister did admit that the problem as regards car parking is with us with or without an open frontier. Surely that is even more reason for them to have come up with something as a stand-by and not just to say that they had a potential temporary solution for an open frontier but now the frontier is not going to open or does not seem to be, we will not be putting in USOC and we won't be putting anything else either. Perhaps, worst of all, the Chief Minister in his stylish way then followed by the other Hon Member, seems to put the blame on the Ministry of Defence. I call that a shame, the blame lies squarely on their own shoulders. The Government has allowed the parking problem to escalate in Gibraltar, not the Ministry of Defence, and as my friend Mr Loddos has pointed out, it is not just the USOC measure as regards car parking that seems to be faulty. May I refer you to the Regulation and Construction Use Ordinance, which was the subject of a Question yesterday and the subject of a question in July. This Ordinance has now turned its quarter century in its present form, it concerns itself primarily with safety which I would have thought would be of primary concern to this and any Government, and it is hopelessly inadequate. Yesterday we heard from Government that it is in contravention of the EEC Directives and among these EEC Directives you have statements and resolutions that all safety regulations as regards Class B made uniform, be applicable to all EEC countries and in Gibraltar is quite out of line. One of the problems, for instance, is that the only braking requirements accepted by the Ordinance are locking the wheels so that when the many

MR SPEAKER:

We are completely digressing from the subject matter of the motion.

HON A J HAYNES:

I am only trying to point out the hopeless inadequacy of this regulation as symptomatic of Government's lack of concern with safety and car regulations. Mr Speaker, if Government expects us to believe their claim that no one could possibly find an alternative site since they have been told by everybody and since they have this in their heart of hearts, how can I accept such a statement when I know that with another aspect of cars which is the safety of cars as embodied in the

Regulation and Construction Use Ordinance, they are hopelessly at fault, in fact, they are way behind the times, measures could be introduced which would not be costly, which is just a matter of redrafting certain parts of the Ordinance, and they have not done that. How can a Government that does not do that convince us that they have looked at every possible site, that they have exhausted every possibility and that they have really put their best mind to it? I say this Government is lazy. Mr Speaker, I am glad to say that we have, to an extent, done Government's work for them. We have come up with suggestions for alternatives. Of course, they will not accept them automatically. Lastly, Mr Speaker, I stress that this House cannot possibly accept the glib statement that there is no alternative site and we will not accept that the MOD is to blame and we do hope that the USOC is not used.

HON H J ZAMMITT:

Mr Speaker, Sir, quite honestly I feel that Members opposite will have done Gibraltar a service if they had got together and at least presented a united front in this motion because the contribution of the Hon Mr Haynes from USOC parking into the Construction and Use Regulations is quite, may I say, unbecoming of an Opposition which has today headquarters and get together and at least try to know what they are going to talk about. Mr Speaker, I am standing on two legs here because from a sporting point of view, of course, one wants facilities for sports and more facilities for sport because Members opposite have no idea of the sporting requirements of Gibraltar. For the Hon Mr Loddo, who is shadowing the Ministry of Sport, to say that it would be the death of hockey if USOC goes is completely and utterly wrong. The Hon Mr Loddo might like to learn from me that there are six second divisions games played at USOC by the Gibraltar Hockey Association weekends only. I would like to say, too, that I have never been satisfied with USOC not because I am ungrateful to the Ministry of Defence for the services they afford to our recreational requirements for our schoolchildren or to our competitive sporting associations but it is a surface that the top class hockey players very much try to avoid and they much rather play on the Nortex surface at the Stadium than they do at USOC and therefore if there was to be a re-provisioning of USOC I would very much insist, even if it was not to be controlled by the Gibraltar Government, as far as I could that the surface should not be one of tarmac which is subject to expansion and contraction on heat. I agree with the Hon Leader of the Opposition that we must preserve the identity of the Gibraltarians but I think he also must agree, and I have said this in a number of meetings, that one of my major fears as regards sport in Gibraltar is not the lack of sporting facilities, not that we have now, that we have always had, could be eroded adversely because I very much doubt if a wife is going to allow her husband to stay back on a Saturday or Sunday and play a hockey game or a cricket

match whilst she and her friends might like to go across to Spain as happened to football in Gibraltar when we say that the standard of football dropped between the mid-50s. It is not that the standard of football dropped, what happened there really was that virtually everybody was able to buy themselves a car on the never-never and the football players went away and there were no more young up and coming football players because weekends virtually was a get-away from Gibraltar and football in particular declined. I would like to remind the Hon Mr Loddo when he said that the MOD had reprovided something, he may not recall, I can as I am slightly older than him, where the Romney huts are today there used to be a six-a-side hockey pitch there many years ago. The MOD of course will not provide their own six-a-side hockey pitch so it was a facility that was lost to the whole community. Mr Speaker, obviously from my point of view and I think Government knows my views, I made them quite clear, I will try to resist using leisure or sporting facilities for any other than sporting facilities but as my Hon Friend Mr Canepa has said, the world does not begin and stop with me as Minister for Sport, or with sporting associations. They are factors that have to be taken as a Government for the whole community. I think it was very ably put by the Hon Mr Canepa when he said that we had to be very careful with what we do. That is why the motion tries to get Government into a bond that really makes things very difficult. Mr Speaker, I think it was the Hon Mr Haynes, the last speaker from the Opposition, who mentioned the question of Parents' Association. He is absolutely right, I did see correspondence in the press and in fact I received a letter from various associations on the question of USOC but what intrigued me was the Parents' Association, the concern they expressed for something that Government never said we were going to take over. What does surprise me is that for nine solid months the Victoria Stadium was paralysed on account of two part-time charwomen and not one member or one father of the Parents' Association expressed their dissatisfaction at the paralisation of the Victoria Stadium. Not one parent complained about teachers in the Boys' Comprehensive Schools refusing to use the Stadium for five weeks way back in January. Not one of them complained about something that was there which they could use but yet, and I do not know why, the Hon Leader of the Opposition, I do not doubt his word, said that this had been spontaneous, that they have not been led. I am not disputing that, Sir, what I am saying is that it is quite coincidental that before a situation occurs we have this furore and a march up to the Governor and yet when we have facilities which they are all crying out for and wanting more, there is the Stadium paralysed for nine months and not one single word either from the Teachers' Association, the Parents' Association or any other association and in particular the Parents' Association who have allowed the children to be deprived of sporting activities because someone insists they must go in through that door and not through the other one. I sometimes wonder, and I think, Mr Speaker, as I get older, I wonder all the more and I think sometimes and say where are we, how do people think?

HON A J HAYNES:

The Hon Member is wandering from the point, I think.

HON H J ZAMMITT:

Mr Speaker, I may be wandering from the point but I certainly have not gone into the question of sparking plugs and the Construction and Use Regulations and goodness knows what. I want to make it quite clear that I have defended and I will defend as long as I am Minister for Sport the maximum possible playing areas for leisure and sport. I have said so and I have told associations this. That does not mean to say, Mr Speaker, that I am as irrational to think that Gibraltar depends purely on sport. There is a community at stake and we have to take those things in our stride. Therefore, Mr Speaker, whilst welcoming the concern that the Opposition has for sport, I feel that it is far too demanding to expect Government to accept a motion that prohibits anything other than what that particular motion calls for. Mr Speaker, having said that I would also like to remind the Leader of the Opposition that USOC, if it was to be used for car parking, would only accommodate some 300-odd cars so that would not solve the problem at all. I would also like to remind the Members opposite that although the Hon Mr Canepa explained and made reference to Government's provisioning of car parking spaces throughout Gibraltar we can go much further than that and that is on the planning. Members opposite may remember that we had spoken of the Flat Bastion Road shelter where we hoped to be able to provide parking in that area and there are other areas that we are looking at so we are not lazy as the Hon Mr Haynes suggests. I do not start work at 10.30 in the morning like the Hon Member does, Mr Speaker. I leave my home at 8.15 and I get home at 11 or 12 at night, Mr Speaker. I think it is very unfair to say that we are lazy. I can assure Members opposite that there are many Members here who are worked to the bone and more.

HON CHIEF MINISTER:

Mr Speaker, before the Leader of the Opposition is asked to wind up, I would like to make a point of clarification for the record. When I referred to the Ministry of Defence I was referring to the entity. Insofar as particular sites are concerned I would like them to be described as Crown lands. There is a lot involved in that definition, Crown lands in the possession of the Ministry of Defence.

HON P J ISOLA:

Mr Speaker, it has been a very interesting debate. Mr Speaker, I think I would just like to deal with one or two points that have arisen in the debate. I am glad to hear that Government has now made arrangements for alternative accommodation for

these six huts in Queensway. I want to clear up the position, what I said was that if you have to balance the interest of a thousand schoolchildren using USOC with the interest of six individuals then, if you have to make a decision, it must be surely the six individuals who must be asked to move. When I talked of compensation for those people I was not talking of just a compensation under the Landlord and Tenant Ordinance. I was talking of reasonable compensation negotiated with them, to put them in a position under which they could leave the premises. After all the Government spends hundreds of thousands of pounds in lots of things and this was an emergency situation. I would like to make that point clear. As far as that area is concerned which will produce 131 parking spaces, I would like to ask the Hon Minister for Economic Development to explore the possibility of making a multi-storey car park between the end of the John Mackintosh Home and where GBC used to be, where the old hockey pitch six-a-side used to be, building up there behind the Mackintosh Hall.

HON CHIEF MINISTER:

If the Hon Member will give way. The basis on which we have been able to persuade the Ministry of Defence to give up their continued occupation of the Romney huts is on the basis that they are going to be used on environmental grounds for the showing up of the walls.

HON P J ISOLA:

If that is the case then I do not see how the building of a multi-storey car park at USOC is a starter on the same grounds.

HON CHIEF MINISTER:

It isn't.

HON P J ISOLA:

Then I don't know why the Hon Member was telling us all about it. I would imagine the multi-storey car park cannot be done there either so therefore let us not talk about it, therefore, let us leave the USOC hockey pitch.

HON A J CANEPA:

This is why, amongst other things, I said that it was not possible to make provision for a multi-storey car park for 1,500 cars at USOC. One of the matters that I took into account was the City walls.

HON P J ISOLA:

This is where my Hon and Learned Colleague, Mr Haynes, is right when he says it is the Government's responsibility because we are not in Government so we do not know but one thing we have heard today is that USOC was not going to be built and cannot be built as a multi-storey car park even though that was one of the ideas so therefore we must not touch it. In any event the accommodation now being produced under the huts for 134 parking spaces goes a long way to meeting the places that you would lose at USOC by not using it as a car park. Therefore, one problem seems to have been solved there. It is important and basic, the basic problem that we have is one of philosophy. The Government feel that in the interests of the economy which they look at simply in pounds, shillings and pence, it is necessary and may be necessary to deprive the people of Gibraltar of sporting areas. That is a principle that on this side of the House we cannot accept. I think other speakers here have already said, and in the Government side it has also been said that the question of parking

HON A J CANEPA:

Mr Speaker, if the Hon Member will give way. I do not accept that at any stage in my intervention did I say that. I did not say that the economic interests of Gibraltar entailed depriving people of sporting facilities. I spoke of re-provisioning of those facilities, that is not the same thing. I spoke of the temporary loss of those facilities during the time that it takes to build the necessary decks.

HON P J ISOLA:

But the temporary loss of the facilities was a permanent one because we have now heard that the multi-storey car park cannot be built in USOC either for the same environmental reasons as down the road.

HON A J CANEPA:

Mr Speaker, the Hon Member puts words into people's mouths and draws conclusions which just are not valid. A multi-storey car park could be built on the USOC site provided that it met the conditions laid down by the Development and Planning Commission including the aspect of the City walls but it could not be a multi-storey car park for 1,500 cars because it could not be built right up against the City walls, it would not be allowed.

HON P J ISOLA:

Presumably then the same principle would apply down the road. I think that what I am saying here is what I have heard there and I am replying to what I heard and apparently it is not what I heard, it is a different story.

HON A J CANEPA:

All I can say, Mr Speaker, is that the Hon Leader of the Opposition is a very clever lawyer, I grant him that.

HON P J ISOLA:

That is very nice of the Minister, it is nice to hear him say nice words about me. I am just trying to interpret what has been said by the other side of the House. We get the Hon Minister for Sport saying he is all for sport and he will protect sport and everything else but then he cannot vote for the motion because he thinks there are occasions when sport can be deprived of facilities in the economic interest of Gibraltar. What we are saying on this side of the House is sports fields should be no-go areas and the Government has a responsibility and has had it over the years as it has seen the car parking problem developing as it has and they have talked about this in nearly every budget for the last six years, as they have seen it developing, it was the responsibility of the Government to have taken, and this is where I agree with my Hon Colleague, Mr Loddo, to have taken a whole comprehensive look at the whole issue of car parking in Gibraltar. The reality of the matter is that the Government has shirked that issue over many years because of the problems that it has and in a matter of three months, because of the Lisbon Agreement, has suddenly tried to put everything right that it should have been doing over the years. They have tried to put it right in the easiest possible way which was depriving the people of Gibraltar of sporting and leisure areas and of the USOC in particular and the reason for this motion and the reason I am proposing it is because we want to establish the principle that sporting areas should not be used for parking. We want to establish that principle and if you establish it then the Government will look in other directions, eg, it has now found alternative accommodation which obviously did not exist at the time when the MOD made the offer. It has had to find alternative accommodation for the six garages because it realises it cannot put cars in USOC because if they do they are going to be very unpopular with the people of Gibraltar. Now we know that there are 134 parking spaces going to appear down the road. That is good and this is what the Government has to go on doing and I want to remedy a misunderstanding or a wrong impression that the Minister for Economic Development may have of what I said when he invites me to go and tell the Surveyor and Planning Secretary of this site where a multi-storey car park can be built by knocking down a few buildings.

I did not say that, what I said was that you should look at even the buildings that you have which are under-utilised for example. There may be some, I do not have the information, if I could sit in the Minister's Chair I would find the damned space and take the appropriate action. As far as the multi-storey car park, there was a plan of having a multi-storey car park opposite the Ocean Heights square. I know we have got the City walls problem there but there is an area that could go up as well and there are a number of areas in Gibraltar that could be investigated, Mr Speaker. I think that that is what the Government ought to be doing. I believe that the USOC playing field was an easy way out of the problem for the Government. But if you do that a temporary measure would have become a permanent one. We all have experience of the way Governments work, once it was there the excuses would have been there. The Minister for Sport has mentioned that people in Gibraltar, once the frontier is open, will leave Gibraltar and take their leisure in Spain. A certain number of people will but also a certain number of people will not. I think young people will continue to require the use of all sporting facilities that exist today. We have a very big school population and they will require the area and it will be worth our while retaining it for them if for nobody else. But by having proper sporting facilities in Gibraltar for our young and for the rest of the active population, we can encourage them to develop their skills in sport, to develop their interest in sport and not just fizzle away when the frontier is open. That should be the responsibility of the Government in power and of course of the people of Gibraltar themselves and I believe that Gibraltar is a very different place in 1980 to what it was in 1963 and it will continue to be a different place. We have found our identity, we are now very much a people and we still value all our own particular restaurants, bars, our own places of recreation will continue to have an attraction for us even with an open frontier. Mr Speaker, I am sorry to hear that the Government is having differences of opinion with the Ministry of Defence and I hope that the Governor of Gibraltar, who has expressed himself to be so committed to the cause of the people of Gibraltar, will exert his influence and his undoubted power to ensure that the Ministry of Defence cooperate with the legitimate demands that the Gibraltar Government may make on them. I stress the words "legitimate demands" because you cannot just go to the Minister of Defence saying that you want everything they have got. There must be a basis for the demand, the Government must justify to the MOD what it wants and there is an area, Mr Speaker, talking about areas for car parking, I think I had a question down which I suppose I will get an answer to three days after the meeting and I will be interested to read that answer. There is, of course, the Old Command Education Office, a building in the middle of town a large area which has lain unused for many years and which could have a shopping precinct in the ground floor and parking going up. Mr Speaker, there are many towns in England that have multi-storey car parks in the centre part of town and if you cannot

pick and choose in Gibraltar there is a site. The Government has to decide a parking policy, the Government has to decide a policy on motor cars, a comprehensive policy and put it into execution and this is what this motion is trying to achieve, trying to tell the Government that our sporting areas are for our sport and for our sportsmen and for our schoolchildren and you have got to find other places for your parking areas. I commend the motion to the House.

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

The Hon J Bossano
 The Hon A J Haynes
 The Hon P J Isola
 The Hon A T Loddó
 The Hon Major R J Peliza
 The Hon G T Restano
 The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
 The Hon Major F J Dellipiani
 The Hon M K Featherstone
 The Hon Sir Joshua Hassan
 The Hon J B Perez
 The Hon Dr R G Valarino
 The Hon H J Zammitt
 The Hon D Hull
 The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon I Abecasis

The motion was accordingly defeated.

The House recessed at 8.00 pm.

THURSDAY THE 6TH NOVEMBER, 1980

The House resumed at 10.45 am.

HON G T RESTANO:

Mr Speaker, I have the honour to move the motion standing in my name which proposes that: "This House requests His Excellency the Governor to exercise his powers under the Commissions of Inquiry Ordinance with a view to the issue of a Commission under His Hand and the Public Seal appointing

one or more Commissioners to inquire publicly into the power situation in Gibraltar with particular reference to the following:-

- (i) The reasons and causes for the failure of the Department for Municipal Services to ensure a continuous supply of power to the consumers of electricity in Gibraltar over the last four years;
- (ii) To examine the recommendations of the Preece, Cardew and Rider Report and to consider whether the recommendations contained in that report were adequately and promptly dealt with by the responsible Minister;
- (iii) To inquire into the short term and long term plans of the responsible Minister to provide for a continuous supply of electricity to the public in Gibraltar and to report whether such plans are adequate to service the needs of the community now and in the future."

Mr Speaker, the motion is really in four parts, the first part seeks to find the real reason for the deplorable and terrible failure over the past four years of the Department for Municipal Services to provide sufficiently continuous power to Gibraltar and, of course, one knows that that is a statement of fact because power cuts have been continuous over the past four years. The second part seeks to find out whether in fact there has been adequate development up to the present time. The third part seeks to go into the short and the long term development of the power situation in Gibraltar and, fourthly, of course, is asking His Excellency the Governor to appoint a public Commission of Inquiry. But, Mr Speaker, before I actually go into the different points of the motion I would like to refer and comment on the very unfortunate situation that arose on Thursday in this House when three questions on electricity on the Order Paper were refused to be answered by the Minister responsible. He said that he had refused to answer the questions because he would be referring to them in today's motion and that he had been given the advice not to answer the questions by the Chief Minister. This is nothing less, Mr Speaker, than a provocation on the part of the Government towards the Opposition. If it is anybody's responsibility that there was a walkout in this House on Tuesday morning it lies squarely on the shoulders of the Chief Minister for a very provocative action which is perhaps even undemocratic. Mr Speaker, when I think that criticism is due I criticise. When I think that praise is due, I praise and I must praise the Chief Minister on another subject. I must praise him on his insight and his perspicacity. Some years ago in this House he criticised a Member of the Opposition and he had this to say when that Member had spoken about electricity, he said that that Member did not know what he was talking about and secondly that he had got his information completely wrong. Mr Speaker,

he was referring to none other than the Hon Dr Valarino, who is the Minister for Municipal Services today. I think that the Chief Minister was quite right when he said what he had to say in March 1977 and perhaps his words of 1977 apply equally today after we saw the slip of the tongue of the Minister yesterday afternoon when he was asked by this side of the House what the cost would be for the hire of the four skid generators and he said £1,546 and when we on this side of the House started doing calculations and could not come out to any reasonable sum we asked him how he had arrived at another figure and he said he had made a mistake by the figure 1. Not £1,545 or £1,547, he had made a mistake it was £11,546 in one breath he had forgotten £10,000 for hire and if this is a reflection on the efficiency of the Municipal Services, all I can say is that perhaps it is about time that the Minister was no longer there. Mr Speaker, over the years we have been given in this House and in various communiques, a list of reasons why power cuts were necessary. I propose to read out the list because it is such a long list that I would not remember them all. First of all, we were told in May 1977 by the then Minister for Municipal Services that the position was rosy. He said this in answer to a question and referring to King's Bastion North Station he said that No 9 Engine had just over 2,500 hours since the last general overhaul and was in good running condition. No. 10, he said was completely dismantled and overhauled and awaiting for the successful contractor to carry out extensive repairs to the foundation blocks. On No. 11 he said just over 4,000 hours since the last general overhaul and in good running condition. No. 12 was undergoing scheduled general overhaul and should be back into commission shortly, say another two weeks due to the crank gear failure. No. 13 engine was being top overhauled as load demand permitted and half the engine had in fact already been done. So in May 1977 the position was rosy according to the Minister. Whether that was a misleading statement or a miscalculation, I do not know, but certainly the position did not continue rosy to any degree. First of all we were told that the reasons for the power cuts was industrial action. Secondly, we were told that there was a small fire in an alternator to No. 9 Engine and serious cracks to No. 9. Then we were told that there was an overuse of No. 13 Engine. This was in 1978 and by that time No 13, the largest engine had been run for 2,700 above the recommended service time. Then we were also told that No 12 Engine had been overused and that this engine, not only had it been overused, but it had realignment problems. As far as No 10 Engine was concerned we were told that it had been out of commission and eventually it would have been out of commission for about three years. The House was also told that there was a backlog of maintenance. Also on No 13 that there were suspect connecting rods. A year later, when power cuts still continued, we were given other excuses. We were told a year later that the foundation rehabilitation for No 12 Engine had still not been carried out. We were told that there had been difference of views with the staff about conditions of service although we had been told a year later that the position regarding management and staff was that there were no difficulties at all in

that area. We were also told that there was a work-to-rule of the IPCS. Then we were told that No 13 Engine had been derated due to rising exhaust gas temperatures. To continue the sad story, the crankshaft in No 11 was broken after overuse. A crack in the column of No 9 was discovered, the foundation of No 12 Engine had still not been repaired. We were told that there was too much demand on the plant and, lastly, we were told that the reason for the power cuts was that in the middle of summer there was one day which started off cloudy. How cynical a reason to give the public of Gibraltar who were suffering continuous power cuts during this summer. Yesterday, we were even told that it was a myth by the Chief Minister, it was a myth that King's Bastion North was in such a bad condition, that this is a myth that the Opposition was trying to make people believe that the King's Bastion North Station was in bad condition. I do not know whether the Chief Minister had been reading or listening to all the excuses and all the reasons that have been given over the past two years to say that this was a myth but it seems that every conceivable thing seems to have gone wrong with the engines at King's Bastion North. I do not know what the reason for this is and I must be very careful in not pointing a finger at anybody because what I am asking is for a Commission of Inquiry. I do not know who is responsible but, obviously, somebody is. It is clear, Mr Speaker, that four years of power cuts is a position which is not fair to the people of Gibraltar. It is not fair when, in a period of four months this summer there have been 440 hours of power cuts in Gibraltar. A terrible situation, a terrible indictment on the Department. It is not fair on tourists who come to Gibraltar expecting to have the proper facilities in electricity as well as in other areas. It is not fair to them to come to Gibraltar and walk up and down Main Street and see all the shops with small generators outside their doors to be able to have some light. It is not fair on people who go home for a meal to find they cannot have a hot meal because there have been power cuts in the morning. It is not fair on housewives whose days have been continually disrupted by the power cut situation and also, if I may say so, the losses that I hear are quite considerable and which people have to pay because of breakdowns in their refrigerators, for example, because of the power cuts. It is not fair on the image of Gibraltar. Gibraltar has been giving a very bad image to anybody from outside. It is unjust on elderly people who perhaps live in a Tower Block right at the top and who may be in a lift when the power is turned off. The traumatic position that it places these people, sometimes they are elderly people who have not dared to leave their flats in case there was a power cut when they came back and they could not walk up 7, 8 or 9 storeys. It is not even fair on the staff of the Generating Station who, I am told, have been working very hard to repair the engines that have broken down, that their image should be so tarnished by the continuous power cuts. It is not fair on the tenants of Varyl Begg who have had to use potable water in their toilets every time there has been a power cut because the pumps do not work for the brackish water. Has it been fair on the mothers of babies who

have to prepared the meals for their children or on the sick? It has not been fair on traders either in loss of business and losses in refrigerated products. Those, of course, can be quantified, the actual losses, but how, Mr Speaker, can one quantify the misery and the distress that has been caused throughout Gibraltar because of the power cuts? How can we quantify the suffering and the anguish of people? Someone is to blame and what I would not like to see is that responsibility of whoever it is should be swept under the carpet. I do not know whether the fault lies with management or whether they are ministerial faults, whether they are staff faults. I do not even know whether it is faulty machinery but whatever it is, the people of Gibraltar have a right to know so that it does not happen again particularly in the new Generating Station that is to be built. Therefore I think it is absolutely right that this House should ask His Excellency the Governor to appoint a Commission of Inquiry. Mr Speaker, on the second part of the motion. What development and what planning has happened to date? In 1975 the Government appointed some consultants, Preece, Cardew and Rider. In May, 1976, that firm presented its report to Government. That report has been guarded like a military secret. The general public have not been able to find out what those gentlemen recommended and certainly Members of the Opposition have not been given that opportunity. It has been kept a closely guarded secret by the Government. Why? Is it because there were things in that report, were there recommendations in the short term, at the time short term, we are going back to 1976, the sort of recommendations which, had they been implemented, would have prevented any power cuts over the last few years? Is that the reason why that report was not publicised? We have heard, of course, since then, after repeatedly questioning Government, that one of the recommendations of that report was that Government should have bought a 5 megawatt engine. It has taken Government four years to follow that recommendation. That is probably one of the reasons why the Government does not wish that the Preece, Cardew and Rider Report to be made public, because it would be an indictment on them. But that 5 megawatt engine was presumably recommended to be bought because King's Bastion South contained so many old machines, machines going back to the 1940's, expensive to run, much more expensive than the other ones and at the same time the workers there are working in appalling conditions. I have been there and I have seen it. It is perhaps to replace those old engines that the original 5 megawatt recommendation was made. But then it was not until October, 1979, that the Chief Minister out of a hat at the end of an adjournment motion stated that the Government would be ordering this machinery. At the time he said he did not know where it was going to go. He said he did not know whether it was going to go to the present Generating Station or not. It seems amazing to me that a Government should order a machine and not know before ordering where it is going to be placed. This seems to be the same sort of ad hoc decision which was taken then because of an adjournment motion, the same ad hoc decision as was taken recently this year of ordering four

skid-mounted generators. Of course, four skid-mounted generators are necessary to prevent further power cuts. But if the 5 megawatt engine had been ordered when it should there would have been no need to overburden Gibraltar's tax payers by another £200,000 because the 5 megawatt generator would have been in Gibraltar and it would not have been necessary to order the four skid-mounted generators. The position as far as planning is concerned over the years is that in 1956 the Government ordered No. 8 engine, five years later No. 9, a year after that No. 10 and at the time proper planning was being carried out. As more electricity was being required more engines were being bought so in 1962 No. 10 was purchased and five years later No. 11, it was a continuing process. A year after that No. 12 in 1968 and lastly in 1972 No. 13 but from 1972 to 1979, not a single engine was purchased, ie a period of 7 years. We have still not got it here so one could almost say 8 years. In 8 years no new engine has been purchased and since 1956 there has never been a period of time so long when no new machine has been purchased for the Generating Station. That, to me, Mr Speaker, indicates a lack of planning between 1972 and 1980. In the short and the long term we need to satisfy ourselves that one of the reasons for power cuts was not the type of machinery that was being used. We need to know whether the right type of machines have been purchased and the advice given by the consultants. There has been, I think, a great lack of urgency on the part of the Government. A lack of urgency and a lack of foresight in the power services of Gibraltar. For example, when the Preece, Cardew and Rider Report was submitted a Working Party was appointed but that Working Party was not appointed until October, 1978, over two years after the Consultants' Report had been received. Why was there such a delay? Then, of course, the report did not come out until 1979. One of the proposals, we are told, was that there should be a joint Generating Station between the Ministry of Defence and the Gibraltar Government and we were told that the Ministry of Defence did not agree to have a joint Generating Station and that that was one of the problems. Quite frankly, Mr Speaker, I can understand the Ministry of Defence not wishing to go in partnership with the Gibraltar Government on a Generating Station. When you compare one Generating Station with another you have, I am told, the same types of engines, you have got the same type of staff and what happens? One Generating Station works well, the Ministry of Defence one, and the Gibraltar Government Generating Station does not work well otherwise there wouldn't be these power cuts. I can understand the Ministry of Defence refusing to go in. Now we are told that one 5 megawatt station is to be installed at No 5 Jetty and possibly two. Again, Mr Speaker, we do not know. Is that sufficient for the future? Is that really forward planning? I think we are not even sure whether the site for the second Generating Station is the ideal site. Is Government in a position to guarantee that there will be no more power cuts over a long period of time? Certainly, if it is as far as the assurances that have been given sometimes on

different matters by the Minister for Municipal Services, assurances that have not come to fruition, then Gibraltar is in for power cuts for many years to come and that is why, Mr Speaker, I think it is essential that a Commission of Inquiry should be set up and this House should ask His Excellency the Governor to appoint such a Commission and that that Commission should operate in a public manner.

MR SPEAKER:

Order. I must sound a word of warning insofar as the public gallery is concerned. We have had two interruptions already, one yesterday evening and one this morning. May I say, without wishing to be misunderstood, that the public is allowed to the meetings of the House of Assembly in accordance with the provisions of Standing Orders and subject to whatever rules are set for their admittance and that the Chair has the right to, if necessary, refuse entry to particular persons if they continue to misbehave. I will not tolerate and I say this very clearly, interference from the public gallery in the work of the House. I think I should sound this word of warning because I shall take, most certainly, definite action if it happens again.

Mr Speaker proposed the question in the terms of the Hon G T Restano's motion.

HON CHIEF MINISTER:

Mr Speaker, I am going to deal with the broad part of the motion which is the question of the Inquiry and the Minister will, of course, deal with the question of the power station in more detail. But before I go on to that I want to clear one or two things. First of all, the Hon Mover referred to something I had said about the now Minister. I have not got the time to do the research that he does but I am sure that if I had I would be able to look at the record when he and the Hon Minister were members of the GDM and the Leader of the Opposition was Mr Maurice Xiberras and Mr Isola belonged to that Group against the GDM in the minority as independents and the GDM came under continuous attack, of course, that foundered and each member of the GDM other than the Leader took his way and one went one way, one went the other, so I am quite sure that had I the time I could find equally derogatory statements made about the Hon Member and his then colleagues about their performance in this House. Dealing also with the question of Question Time, there I must say that I consider that the action of the Opposition was unwarranted, that we were discussing the question of anticipation on which there is an element of guidance in Erskine May, perhaps it is not very clear and perhaps we might seek to find our own rules in respect of that. There was no attempt on the part of the Minister not to answer the question, in fact, he answered them yesterday in the course

of debate, it was a matter of procedure to avoid duplication knowing the tendency on the part of Members opposite to repeat themselves over and over again with their own case. I accepted responsibility to the procedural side because as Leader of the House I have to take these decisions. I have nothing to apologise for, in fact, I think the performance of the Opposition was disgusting. To have gone out, let by the Hon Major Peliza, who kept on saying: "Vamonos, vamonos" and everybody following like sheep and then to stay out there listening to what was going on for the Hon Mr Bossano to come into the House. If they had stayed away as a protest one could have understood but they came back after the questions were over. The people of Gibraltar were deprived of having supplementaries on more than 60 questions on matters which at least at the time that they put them down on the Order Paper, the Opposition thought they were important. Pique, that is all that it was, pique and emotion for many reasons. One of them would be that the place was full of girls and boys of the Comprehensive Schools and the Hon and Gallant Member likes to show off when there is a big audience. We know that, we have had experience of that over the years that in fact on many occasions he has not even addressed the Chair but has addressed the gallery. This is very noticeable and we remember that very well but though we enjoy his performance and antics we must put them in their proper perspective. I understand, and I think it was also made yesterday on television, the Leader of the Opposition said that though they knew they could put these questions back on the Order Paper for answer they were not going to do so and they were going to leave them for written answer. They will get good answers, I can assure them of that. 31 Questions had been dealt with by the time the Hon Members left and properly answered and all satisfaction given, certainly supplementaries were fully explained on all the questions and indeed those other questions that were put after the Members left by the Hon Mr Bossano who had a number of questions on the Order Paper. If they had come back after these three questions had been called one could have understood it, but to stay away, then to go down to be photographed outside the House of Assembly and then to come back and say: "Well Done" to the Gibraltar Regiment and all that, whilst I read my report on the Gibraltar Regiment is really too childish for words. The point is that what we were concerned with was the question of element of anticipation and, of course, as I say we may want to have future guidance of these matters but I would like to say that each of the three questions related specifically to three points mentioned in the motion by the Hon Mr Restano. No 255 relates to the Preece, Cardew and Rider Report, No 256 asking for a full and comprehensive statement covering the events leading up to the acquisition of the new sets relates to paragraph 1 and Question No 257 relating to the Government's intention to purchase the 5 MW generators relates clearly to sub-paragraph iii. I say that whether the questions technically offend against anticipation rules, the Minister was perfectly justified from a technical point of view in stating that he would answer the questions in their proper context. The use

of tactics in this House is not the prerogative of one side of the House. Let me tell you that it was proposed to answer Question No 294 about Casola's Building in the same way. To say that the Government acted undemocratically because the Minister cannot be questioned in debate in the same way as his supplementaries is really not tenable. The rule that the Minister may only speak once in the debate is not an excuse because we continuously give way for questions to be put in the course of the debate and Members, so long as they are reasonable justified in asking to give way are normally given way until the discussion becomes completely impossible to control for proper debate to carry on. So much for the introduction of the Mover about his remarks on my remarks and about the absence of other people's remarks about his remarks which I am sure must embellish the records of this House. The question is, in the substance, that the Government considers the motion to be misconceived. That does not mean that all the difficulties that the Hon Mover has raised are not fully shared by the Government. In fact, it is perhaps a most difficult situation for a Government to be in and therefore it would be worthwhile wondering why the Government have found themselves in this position which is really a killing position for any Government. The most difficult and the most worrying one for any Government but there are good reasons. Unfortunately, events happen in this way that things happen and that they have this dreadful effect which we fully share; we do not under any circumstances want in this debate, whatever the results of it, underestimate the difficulties that are created by the power cuts. Let me say that and that nothing that I say in this debate in any way impinges on that sentiment which I can assure Members is perhaps the only matter that worries me in public life, the rest I can live with but this one is the most difficult one because we know that when it is happening a lot of people are suffering. But the Government consider that the motion is misconceived for a number of reasons. In the first place the Government is responsible to the House and to the electorate for the way in which it conducts its public affairs in Gibraltar and, of course, one of them is the performance of the running of the power station. The role of the Opposition, broadly speaking, is twofold. On the one hand an Opposition strives constantly to persuade the electorate that the Party in office should be substituted by the Party in Opposition and, by God, aren't they doing that pretty well since the last Election and the unexpected gift presented to the Hon Leader of the Opposition by the necessity of Mr Xiterras to leave Gibraltar. On the other hand, and for as long as it is unable to achieve this, its role should be a more constructive one, ie, it should do whatever it can to propose policies and measures which will redound to the general interest. It is, of course, particularly for this Opposition, understandable that they should attempt to use every possible way of carrying out its first role, a Public Inquiry is certainly a very comfortable method for an Opposition to attempt to employ. I will say that even the Public Inquiry suggested

smacks of typical colonialism, asking the Governor to do something. A third party would carry out an investigation and the Opposition would hope that the results would provide it with ammunition with which to attack the Government. The Government is not prepared to agree to this method being employed. It is perfectly prepared to defend its record on the Electricity Department and, indeed, any other Department and to answer any charges that may be levelled against it in the course of debate in this House. In proposing the motion, the Mover has of course made a number of charges against the Government in order to support his case for the Commission of Inquiry. The Minister concerned, as I said before, will answer these charges and will describe the complex circumstances which made cuts in the power supply necessary. But what the Government is not prepared to do is to allow the Opposition to abdicate its responsibilities for making its own case on this or any other issue or to distort the procedures of this House by in effect calling for a third party to arbitrate. After giving this matter the very serious thought that it deserves and requires the Government has come to the conclusion, first, that the holding of public inquiries into matters of administration on which there is disagreement between the Opposition and the Government would be inappropriate. Today the call is for an inquiry into the power station. If this were to be agreed, tomorrow or the next day there would be calls for public inquiries into any matters the Opposition might choose to take up. If the precedence were once established it would be extremely difficult to resist such calls. This is not in the view of the Government an acceptable way of doing business. The Opposition's role and duty cannot be substituted by an extraneous third party or by government by inquiry. Apart from the procedural and political considerations already mentioned, it is necessary in this particular case to ask whether an inquiry would in any event be helpful in the general public interest. The Government considered view is that it would not and that to hold an inquiry would do considerable harm in an area where everyone should be endeavouring to bring about improvements. It is no secret that since 1972 the situation in the Generating Station has not been an easy one. It has been alleged that the Government is at fault for not providing adequate plant in time but it is also public knowledge that industrial relations at the Generating Station have not been everything they should be in recent years. The Government makes no attempt to apportion blame over this, it is merely stating a fact. The Government has no doubt that if a public inquiry were to be held, all the difficulties of the past would be revived. Some, and most, we hope, have already at least been partially settled. There would undoubtedly be accusations and counter-accusations and mutual recrimination of the past events. The Government is making no attempt to judge where the fault lay or may be laid. An inquiry might well find that there was blame on both sides but what would have been achieved except to revive old disagreements and thus make the prospects of future harmony, so essential, that much more difficult. The Opposition would also hope that some political blame would emerge from such an inquiry but that is

something that they should work at themselves and if I may say so, without an inquiry, in this particular case the Hon Member has tried to build up a good case for the Opposition in that respect. I think, too, that another role of the Opposition is within its disagreement with the Party in office, to be as constructive as possible in the general interest. The Opposition has not chosen this course in this case. The Government, however, intends to proceed along the lines that we have already stated. Part (iii) of the motion calls for an inquiry into the short and long term plans of the Minister to provide for a continuous supply of electricity to the public and for a report on whether such plans are adequate to service the needs of the community now and in the future. This House, and indeed the public at large, have already been informed in detail of the long and short term plans. These will be repeated once again by the Minister when the time comes. The Government is completely satisfied that these plans are fully adequate to service the needs of the community in the future and in the very immediate future the more urgent needs of the community. What the Government does recognise as is implicit in what has already been said, is that there have been particular problems in this Department. Recently, the Government announced that it would be appointing a Committee of Inquiry to look into the role, structure and performance of the Public Works Department. It was made clear at the time, long before there was any question of a motion of censure or anything, that this would be the first in a series of inquiries into the efficiency of Government Departments and that the Public Works Department had been selected because it is the largest spending Department. It continues to be the Government's intention, once that Department has been dealt with, to inquire into the efficient workings of other departments. The Electricity Department will now be the next department to be tackled. As in the case of the Public Works Department the effort will be directed at finding possible ways of improving efficiency and keeping down costs. Also, as in the case of the Public Works Department, the inquiry will be conducted in consultation with the Unions concerned. I really believe that that is a forward-looking, cooperative exercise which should result in real benefit to the public and to the Department as distinct from a sterile, backward-looking investigation designed to serve only the political interests of the Opposition irrespective of whatever damage might be done in particular to industrial relations by reviving old and dead conflicts. The Government is fully satisfied that the power situation which has already improved recently, will be satisfactory over the immediate period and also in the long term. It intends as part of its previously announced programme of inquiries into efficiency of working of departments to turn its attention to the Electricity. That exercise, carried out in consultation and cooperation with the Staff Side, is more likely to ensure a stable situation for the future in the interests of all concerned than the inappropriate and rather suspect methods proposed by the Opposition. The other matter which is particularly relevant in this is that the setting up of an inquiry would bring about considerable

delays in exactly what is going to happen in the future. It could be said that whilst the inquiry was on nothing major should be done. If that were so it would mean that other than the relevant repairs etc, we would not be able to get on with plans which unfortunately have taken a long time to develop. The Mover was wrong in one matter, amongst others, and that was in saying that the reason why the Ministry of Defence could not come with us was because we do not run our power station properly and they do. That is complete nonsense. At the time when the proposal was made to have a joint power station there had been no cuts at all and our station has been described at that time as a well maintained, well run station and, in fact, as the Hon Member must remember, because he keeps records of all these matters, it has been stated here that there was local agreement about the joint power station. There was local agreement but unfortunately by the time it reached the United Kingdom and the question of expenditure was concerned, the answer was that they could not involve themselves in expenditure beyond 3 to 4 years and this entailed a much longer term. That accusation therefore is completely baseless. Also, if I may say so, and not by way of satisfaction but by way only of fact, that the power station at the Dockyard is not without its own troubles. Somebody in the Ministry of Defence, very highly placed, said that he had had power cuts a few nights previously and they are supplied by the Dockyard Power Station. They have had great problems and it is inherent in small stations that these matters happen. There was one matter which was mentioned in the course of the Supplementary Estimates yesterday which I think I must clarify because I am sure the Hon Mr Bossano was applying some information he had and making some wrong deductions about some information he had. It is not a fact that the old station was going to be scrapped in 1976 because the shift system was being altered. What happened then was that we were in a position to close down the old station all night and there was no need to have a shift there with the plant that we have in the outside one and, of course, this did not mean that those engines were not still fit to supplement and support the others. Old as the engines were, at that time and in fact they are still being very helpful, at that time it was not intended to scrap them but it was intended to do precisely what it is proposed to do now with the skid engines and that is to use them in support at peak hours and that is why it was felt that in the silent hours there was no need to keep that station open and therefore there could be a reshuffle of personnel. I am not going to go into the matter of what happens because it does not matter for this purpose but it matters in clearing up the deductions which the Hon Member made of his knowledge of the change in the shift system. I did say yesterday, because there is and this has not been stated by the Hon Mover, but there is a general feeling that the engines in the North Station are in such a shocking state that they are old and impossible to work. That is not the case, in fact, to some extent the Hon Mover has given figures that would show that that is not the case because he has given figures. It all depends, of course, in the life of the engines the amount of

hours that they work but on present rating and given normal circumstances, No 9 engine has an expectancy of good working life of 6 years, No 10 engine of 5 years, No 11 engine of 12 years, No 12 engine of 10 years and No 13 engine of 17 years. So really it is not that the engines themselves are unfit, it does not mean that it does not require supplementary power to deal with the increased demand required by a progressive society which is able to buy more and more electric gadgets, to make the lives of people much more comfortable and therefore the demands are bigger and it does not mean that we should not cope with that situation, of course we should, and the fact that for a number of reasons which again will be explained by the Minister concerned we have had this difficulty on two or three occasions but really the problem has been the long delay which in all good faith was taken by those who were dealing with it, a delay that happened to do something which looked so sensible that those who had been working at it for eighteen months came to the conclusion that it was the right decision. I do not say the only one, but one of the main reasons is that the idea of having one power station with plenty of surplus supply to the two authorities would bring about considerable savings in charges and capital plant in the long term and after eighteen months of enquiry it was considered to be the right thing but unfortunately for the reasons I have explained was not acceptable in the United Kingdom. That does not answer all the reasons for the delay. There have been other problems which I have mentioned but I feel that having regard to the difficulties we have had in the past and which fortunately now we are in a better position to deal with, an inquiry to bring about, to bring back, old conflicts to create recriminations and so on would do more harm than good and therefore we are unable to agree to this. In no way say by doing that is it in any way intended to minimise the importance of the problem and the fact that, as I say, once the Public Works Department Inquiry will be done, another one will be done in cooperation with the staff and the Unions, etc to make sure that the power station works well.

HON P J ISOLA:

Mr Speaker, I would have liked to have left my contribution till after I had heard the Minister for Municipal Services give his explanation but I think that the Chief Minister has raised a number of very important points of principle that I feel bound as Leader of the Opposition to deal with. I think he has attempted to meet what is an impregnable case for an Inquiry by a political attack on the motives of the Opposition for bringing this motion. I know that it is a well-settled principle that the best means of defence is to attack but when the position of the Government is completely defenceless as in this case it is, it has no defence for its actions, then I would have thought that the more honourable course for the Government to have taken in this situation would have been to accept an inquiry by expert and independent third parties in

the interest of the public of Gibraltar to have reassurance, and this is the main point in this motion, to have a reassurance about the continuity of supply in the future. The people of Gibraltar, if they have read, which they have not but we have as their elected representatives, Government statements in this House and Government assurances in this House and public statements by the Government on the power situation in the last twelve months, if they have read them all carefully, interpreted them and analysed them carefully, they can have no confidence in any assurances that the Government may give as to the power situation for the future because they have given assurances about the power situation in October, 1979, in March, 1980, I am only going back twelve months, and in July, 1980, none of which have been found to be correct and, indeed, Mr Speaker, when after the cloud burst of the August bank holiday Government said: "Clouds, this is why we have had power cuts", and then they blamed the little engine at King's Bastion, and said that as soon as that was put right everything would be alright and within five days of that public statement they came out with a press communique saying they had reviewed the situation as a matter of urgency and were now going to get four skid-mounted generators, a change in seven days of one of don't worry, everything will be alright, to one of extreme urgency, how can the public and how can a responsible Opposition put any credence on Government statements on the power situation, on any Government assurances. If the Government's record on this is open and frank and safe then I would have thought there would have been no objection and no need to object to a public inquiry. We want a Commission of Inquiry, Mr Speaker, and our main reason for that is not to go into the industrial relations in the past between the Government and the Unions, and if they have to be gone into I do not see any harm in doing that, that is not the main objective at all, the main objective is to have reassurance that the Government planning on our future power needs are not going to be as disastrous as the Government planning and assurances on our power needs during the last 24 months. We cannot accept a statement from the Minister for Municipal Services to the effect that everything is going to be alright because he has made that statement on at least four occasions in the last twelve months and he has been proved wrong within three weeks of making them. How can the Government expect us on this side of the House to accept assurances from the other side of the House and we are seriously concerned as indeed the rest of Gibraltar must be seriously concerned as to whether Government plans for the future are safe and as to whether Government plans for our power requirements in the future will meet our power requirements and we think there is a need for somebody to come out who is an expert in the matter and inquire into the whole situation of power in Gibraltar and an independent person to be able to tell the public of Gibraltar; "Alright, they are now on the right lines and everything should be alright". We need that reassurance, the public of Gibraltar need that reassurance and this is why we are asking for a Commission of Inquiry. As for the Chief

Minister's remarks that it was a typical colonial situation to ask for a Commission of Inquiry, the only thing I can answer to that is that if he thinks it is a typical colonial situation he is the Chief Minister, he has a majority in this House, come with a Bill to repeal the Commissions of Inquiry Ordinance but that forms part of the laws of Gibraltar and the only way we could see it being done was by asking for a Commission of Inquiry. It so happens that that Ordinance, like many other Ordinances on our statute book, refer to the Governor as the person who makes the appointment. Similarly, the Minister for Sport in his Committee, it is the Governor who makes the appointment although on his recommendation but there are many instances of Government committees where it is the Governor who makes the appointment, if that is colonial what is the Chief Minister doing about it? We have been extremely restrained, Mr Speaker, on this matter and I must tell you that we asked for a public inquiry because, and the main reason why we said that the time had come for a public inquiry, was the sudden decision by the Government to buy four skid generators, when only seven days before we had been told by some cynical guy in the Secretariat that the power cuts were due to a bit of cloud and one of the small engines in King's Bastion going wrong, but these had been repaired and everything was going to be alright, we had been told 5 or 6 days before and suddenly, 7 days later, when there are continuous and serious power cuts throughout the community the Government then realises, I suppose for the first time, what a very serious situation Gibraltar was in and said: "There is a need for emergency action now, we are in trouble". That is the first time the Government said it after about twelve months of debate and assurances in the House: "We are in trouble, we are now going to get four skid generators". And when that happened, Mr Speaker, as a responsible Leader of the Opposition, I became absolutely and entirely convinced that the Government did not know what they were doing and that they were just plugging holes as they came up and hoping that they would be able to go on plugging holes until the new 5mW generator was installed. They discovered that they were not able to plug holes any more and they had to get four skid generators. I think then I became really concerned as to whether one additional 5mW generator was going to solve the problem because I had not forgotten what the Minister for Municipal Services said in his statement to the House on 13th October, 1979. Mr Speaker, as you will recollect, on that occasion the Minister made a lengthy statement on the power situation but made no mention of the Government's intention to buy a 5mW generator. It was only after the motion on the adjournment in which my Hon and Gallant Friend, Major Peliza, and during his statement on this side of the House, we asked for assurances that there was enough generating capacity in Gibraltar to meet not only the needs at that time but also future needs with development that was going on in Gibraltar, it was only after we pressed the Government that the Chief Minister, not the Minister for Municipal Services, got up and said that he had had consultations in the back room and he could inform the House that they were going to get a 5mW

generator and that it would be in position and for use within eighteen months. I do not have to say that twelve have already gone and there is no hope of that particular pledge or assurance being fulfilled. But it is significant that the Government has only acted with regard to future power supplies in two situations, once in 31st October, 1979, when it was cornered in the House and assurances were sought and they suddenly decided in the backroom that they would buy a 5mW generator and again in August or early September, 1980, when Gibraltar was plunged in absolute darkness that they decided that they would have to bring some skid generators too. This, Mr Speaker, justified the Opposition in having serious doubts about the capacity and ability of the Government to supply Gibraltar with a continued power supply. As electricity is the most important essential commodity in our community I think it is fully justified for my Hon Friend to move a motion in this House to have a Commission of Inquiry set up to inquire into the needs for the future and to reassure the public about that because the Government cannot reassure the public because they have assured them so often and all these assurances have been misplaced as the facts have turned out. Mr Speaker, I heard the Hon and Learned Chief Minister say that the power situation was the thing that gave him the most worry in public life. I do not doubt it for one minute. In the Varyl Begg situation you can sort it out by paying £600,000, no problem, it is taxpayers' money. Other issues can be solved by paying from public funds but this one cannot be solved that way, this one the people are living with them, they have seen the failure of the Government, they see it there black upon black, constantly and every day. Of course it must be his worry and he knows he cannot do anything, that is why he got the skid generators, he must have turned to the Minister and to his management in the Generating Station and said: "We cannot go on living like this in Gibraltar. What must I do to give people electricity which every country in Europe gives constantly to all their consumers?" And then he was told to buy the skid generators, and when he said it would be expensive he was told to hire them to meet the situation. I know it must be for the Chief Minister a terrible thing for him to see at this late stage in his political life that he cannot give a continuous supply of power to the people of Gibraltar. The Hon and Learned Chief Minister knows perfectly well that if he went to the electorate today he would be thrown out, he knows that there would be a landslide. The landslide of Reagan would be peanuts compared to the landslide there would be if the people of Gibraltar were faced with this choice now. I suppose that the Minister for Economic Development would console himself by putting it down not to the power situation but to the trend in the world to lurch to the right. Mr Speaker, another thing I would like to say as to how the events in August convinced us about the need for an inquiry. Up till August the Government played down quite considerably the assistance it was receiving from HM Dockyard Generating Station. I remember reading letters from the Press Officer in the Government Secretariat, in the Chronicle, around July/August, showing percentages of the contribution of the HM Dockyard. It was something

like 3% of the generating capacity of King's Bastion which we know is very little and we saw this, and apparently the Dockyard was not helping at all and then suddenly, over a period of two weeks, the whole picture changed. The Government was falling over itself to thank the Dockyard for the help it was giving. I suspect what must have happened is that the Dockyard must have said that if they were going to be bailing them out all the time at least the Government should have the good grace to accept in public the assistance that they were giving. That must have happened although we will never know because like the Preece, Cardew and Rider Report, this is confidential and secret. As a result the Government got assistance from the Dockyard. Mr Speaker, the Opposition in my experience since 1972, has only asked for a public inquiry on two occasions so I think the accusation of making political capital or trying to make political capital on the part of the Opposition is less than fair and we have only asked for a public inquiry on two matters, this one and the Varyl Begg Estate and how right we were in asking for that inquiry in October, 1978, on the Varyl Begg Estate. It will be interesting to read that debate and what the Minister said as to how soon it was all going to be settled and we find that it is settled two years later at most disadvantageous terms to the Government. We asked for it two years ago and only on two occasions have we asked. We are not in the habit of doing this and in fact before asking for a public inquiry on this we actually moved a motion of no confidence on the Minister in March, 1980. We are forced to ask for an inquiry and we have asked for it for reassurance to the public that the Government's plans for the future as far as the power situation is concerned are well founded and reasonable and likely to produce a continued supply of electricity to the people of Gibraltar. Mr Speaker, I would like the Minister to answer this, why in August, why in September, do you make a decision to order skid generators when you are almost in darkness? Why didn't the Government in March say: "Is it possible, Minister, that we will have more powers cuts in August due to lack of generating capacity or engines breaking down, is it possible? And if it is possible should we not do something about it in March, 1980?" Nothing was done then. The Government probably thought that as summer was coming we would be alright. Little did they think that on bank holiday in August, Gibraltar was going to be plunged in darkness. But they have the expertise, we do not. They have the information available to them, why were these skid generators not ordered in March precisely to overcome the problems that we all now are faced with? These are good reasons to ask for an inquiry because the facts are there to show that the Government has erred to a very serious extent with regard to the power requirements of the community and that this requires investigation and not just investigation but assurances as to the future whether the buying of this 5mW generator is going to solve the problem. I do not think it is and I am not in the Electricity Department nor do I know what the Preece, Cardew and Rider Report says but I remember what the Minister said in his statement on 31st October, 1980, about the full generating capacity in the

station being something like 14mW and the peak amount required something like 13 or 12.7mW at that period of time. I also know now, having heard my Hon Friend Mr Bossano yesterday and the clarification statements of the Minister, that in fact the King's Bastion which I believe has something like 4mW of generating capacity, is really useless or coming to the end of its life very quickly. So therefore the 5mW that we are going to get new is only going to replace the 4mW in the Generating Station and its spare capacity will soon be only a couple of megawatts and by then the Marina Development will have been completed and other developments and there will be a greater demand. I notice that now the Government, when they did the contract documents, they also took an option for another 5mW generator. We were not told about that possibility until very recently. The same problem, ad hoc planning, and we are worried. The Chief Minister tell us that all those engines 9, 10, 11, 12, 13 have periods of life ranging from about five years to twelve or fifteen years. But five years is round the corner, Mr Speaker, because when Preece, Cardew and Rider reported was in 1976 and we are at the end of 1980 and one of their basic preliminary recommendations has still not been carried out which was to get a new 5mW generator, the contract has still not been awarded as far as I am aware at this moment of time. Up till today or yesterday it had not been awarded. These are matters for grave concern for the people of Gibraltar, for grave concern for the Opposition. We have done in our constructive role as an Opposition everything we can in the last 12 months and further back to impress upon the Government the urgency of the situation as we have seen it and to urge upon them to get more generating capacity. We have urged them it is the Government who has been saying everything was alright. We have done everything, we have moved the final thing that we can do in the House and that is a motion of censure on the Minister. There is only one thing left to us to reassure the public of Gibraltar that we are conscious of our responsibilities to them and to the community at large and that is to say: "You do not believe what we say that you have acted badly, that you have acted negligently. Let us have an independent third party, an expert, to come in and look at the whole thing and look at Preece, Cardew and Rider and see how far it goes and make sure that the plans for the future will guarantee continued supply of power to Gibraltar". That is the most we can ask the Government and if the Government refuse the Committee of Inquiry we will just tell the electorate "We have done all we can. The only thing you can do now is just physically go and throw them out if you are dissatisfied". We are asking for the inquiry and we have been very patient. We could have asked for this in 31st October, 1979, when my Hon and Gallant Friend asked for assurances and at the last minute a 5mW generator came up. But now, Mr Speaker, even all the experience and advocacy of the Chief Minister cannot convince a single person in our community that there is nothing wrong with the power situation and that the matters are in hand and that everything will be OK. I do not think there is a single person outside those Government benches in

Gibraltar who will believe that. Let us have an inquiry and at least let us find out. And if somebody comes round and says the Government plans for the future are perfect and with a bit of luck Gibraltar has no worries for the future in power supplies, we would be delighted to hear that and we would be able to tell the public that they have got another year but then the blue lining is there and everything will be alright. We will have been reassured and the public will have been reassured. The Government must understand that our reason for asking for an inquiry is because the assurances they have given have all been wrong and have all gone wrong, for one reason or another. They talk of us playing politics, it is the Government that has unfortunately been playing politics with the power situation. The Government has been unwilling to admit that they were wrong and that they were not making proper arrangements and have held back making emergency arrangements until there was no other option open to them, until Gibraltar was plunged into darkness and they knew then that something had to be done or the public would march on the office of the Chief Minister and that is when they announced the four skid generators. Mr Speaker, I hope the Government will do what I think is right in a situation such as this and if they have nothing to hide, as obviously they have, to agree to the appointment of an independent commission of inquiry. Mr Speaker, before I close I think I ought to make just short comments on the Chief Minister's interpretation of the walkout of the Opposition yesterday at Question Time. I think it is very much a matter of democratic principle. The Chief Minister sought to get round it today by saying the Minister could make a statement and he could give way and then questions could be asked. I know that the Chair is very liberal in these matters but I wonder whether one could have gone through the question time in the course of a debate. I think that would be an abuse of the procedure of the House and the Chief Minister must realise this. It is interesting to see that in fact the Minister yesterday, when we came to vote the £80,000-odd for the skid generators, started off by trying to resist being questioned on them. Eventually, he had to cede because he had to justify to the House his need for the money and answer the questions about them and we had quite a long series of questions and answers. That is not possible in a debate on a motion and the Government know this and I suspect that what the Government was seeking was to have one speech by the Minister nicely prepared, all written out, one speech which he makes and then he is not bothered any more. That gets printed in the Chronicle and everybody says that is fine. The GBC have a copy so it is easy to put it out. He does not have the embarrassment of being asked why this or why that and having to get up and answer it. That is the real reason why the Government decided not to answer the three questions on power yesterday, that is why we as a matter of principle thought it necessary although we were very concerned about the situation to leave the House at Question Time as a protest and as enforcement of the hope that that will never happen again in the House. We have always agreed when we ask a question and

the Minister says: "Well, Mr Speaker, I intend to make a statement to the House at the end of question time on the subject matter". We have always agreed in the circumstances to await the statement because, Mr Speaker, you then allowed us to ask supplementaries as if it was a question. If that had been the procedure that the Minister had suggested on Tuesday we would have accepted it but we could not accept a situation when the Minister says: "Well, I will deal with all this in the debate in a motion. I will make my statement and you will not be able to ask me a single question". That would be nice for him but that is in fact what the Government was doing. That was the Government's way to deal with a very embarrassing situation. Mr Speaker, we believe that Ministers are elected to the House and they have a responsibility to the House as a whole to answer questions and to clarify matters however embarrassing answers that have to be given may be in particular situations. I hope the Chief Minister at least considers that it is very much an important matter of principle for the House that Ministers should answer questions put in the House unless there are real overriding reasons for not doing so. They have a right to get up on every question, I know, and say they are not answering, and sit down. They have that right but I would hope that the Government would accept that that would not be democracy in Gibraltar that every time a question was put in the House that the Government didn't like, the Minister refuses to answer. That would not be right or proper in our democratic institution. I know the Government has been answering by the hundred but they stopped dead on these three and in order to avoid any repetition we thought it necessary to make a protest that would get home to the Chief Minister how seriously we looked at the matter. Of course we were concerned that we were not going to be able to ask supplementaries in 70 other questions, of course we were, it was a matter of great concern for us in that situation. We came back to the House after question time because this happened as a result of the attitude the Government was taking to questions and we carried on with the procedure of the House. Some have told me that we should not have come back at all but that is not the way a responsible Opposition conducts itself.

HON CHIEF MINISTER:

If the Hon Member will give way. The Opposition walked out and kept out of a whole session. I believe the Leader of the Opposition said that this had never happened before except once when I did it. He was wrong, completely wrong. The Opposition came here when Mr Hattersley was here, came here, heard prayers and went away, something we did not have anything to do with. We were deprived of the contribution of the Opposition throughout the whole meeting because Mr Hattersley was here and we had nothing to do with it. It may have been responsible, too, I don't know.

HON P J ISOLA:

Yes, I am afraid I didn't recall that situation when I went on television, I only recalled the earlier situation when the present Chief Minister walked out of the House. But obviously it is only done on serious occasions and it was a protest limited to the Government's attitude to questions. We do not want to do this. It is not a thing people like doing at all, but there are occasions and this was certainly an occasion because the most important local issue before the people of Gibraltar today is the power supply. To be refused answers at question time on that we felt attacked the very basic conception that we have of democratic Government and Opposition. So, Mr Speaker, I hope that the House is reassured about our reason, for wanting an inquiry and our justification for asking for one and I hope the Government will be able to agree to the motion in the terms moved by my Honourable Friend.

HON DR R G VALARINO:

Mr Speaker, Sir, before dealing with the motion by the Honourable Mr Restano I would like to answer a few questions, a few things which the Leader of the Opposition has said. First of all, I did not refuse to answer the questions because I felt there was anything to hide, I did not answer them because I felt and I knew that the questions would come up further in the debate as indeed I answered the questions yesterday. However, it seems to me shameful that the Opposition should have asked out and missed supplementaries on many important matters which the people of Gibraltar were concerned with. There is no way it can disguise the fact that this was a shameful act by the Opposition. Secondly, the Leader of the Opposition has got his facts wrong as usual. This is no novelty. The potential capacity of King's Bastion North is 14,100 kw, he got that one wrong and the potential capacity of King's Bastion South is 4,500. He got this one wrong until I corrected him. So there are two points where he was entirely wrong. On a further point let me quote from Hansards as the Hon Mr Gerald Restano usually does when talking at length. Let me quote from Hansard from the 5th of December, 1979: "What was however being generally overlooked is the fact"

MR SPEAKER:

Who is the Member you are quoting?

HON DR R G VALARINO:

It was myself, Sir. "What was, however, being generally overlooked is the fact that in the first 10-year period the demand grew from just over 6,000 kw in 1960 to 13,000 kw in 1970, an increase of 7,000 kw. This represented a growth rate which during the prosperous 1960's was typical of most of the developed

countries. The annual growth rate was of the order of 7% which meant that demand doubled every 10 years. In contrast and again in common with other European countries, demands during this decade of the 1970's had been substantially damped. In spite of this, countries like France are short of capacity at present. The Honourable the Leader of the Opposition said that everybody had plenty of electricity. He is wrong once again.

HON P J ISOLA:

Will the Honourable Minister tell the House something about the power cuts that the French people are suffering constantly?

HON DR R G VALARINO:

I would love to do so, Mr Speaker, but unfortunately I am not French nor do I hold a French passport like the Honourable Mr Restano, who would probably be better able to answer the question.

HON G T RESTANO:

If the Honourable Member will give way. First of all, that is a lie. I do not have a French passport, that is an absolute lie and I would like the Minister to retract his words immediately.

HON DR R G VALARINO:

Mr Speaker, if I am wrong I apologise. But, certainly, Mr Restano has been in France much more than I and so has Major Peliza and they can vouch for this.

HON MAJOR R J PELIZA:

Mr Speaker, if the Minister would give way. I have never experienced any power cuts in France, certainly not.

HON DR R G VALARINO:

Mr Speaker, with the short and rapid visits to Gibraltar and every other place round the globe I am not surprised that the Honourable Member has not suffered any power cuts. He has never been anywhere long enough to have any power cuts.

HON MAJOR R J PELIZA:

Mr Speaker, except in Gibraltar, if I may say so.

HON DR R G VALARINO:

Mr Speaker, I did not give way. To carry on with the subject at hand: "In fact, as far as Gibraltar is concerned" - and I am still quoting from the relevant document - Hansard 5th December, 1979 - "as far as Gibraltar is concerned the growth in demand from 1970 to date has been a mere kilowatt compared with the previously recorded figure of 7 kilowatts. To cope with this increase a machine with nearly 5,000 kw capacity was installed in 1972. Consequently, the reserve capacity in the system since that year, has been the highest in our history which records a short period during most of 1961 when the demand was higher than the total available capacity". That deals with the Leader of the Opposition's remarks. Mr Speaker, I will not give way as I have patiently listened to Mr Restano's motion on the subject and I think it is only right and proper that I should have my say now.

HON MAJOR R J PELIZA:

Will the Honourable Member not give way?

MR SPEAKER:

Order, I will not have any further interruptions. The Minister has said he is not prepared to give way and that is the end of the matter.

HON DR R G VALARINO:

Mr Speaker, the first part of the motion by the Honourable Mr Restano has already been dealt with by the Chief Minister. I echo the Chief Minister's excellent contribution and I further say that the Government considers the motion to be misconceived. The Chief Minister has gone into details regarding this part and has stated the life of the engines in King's Bastion North which the Opposition said that these were old engines and needed to be scrapped as soon as possible. Furthermore, I fully agree with his concluding remarks that the Government will not accept this motion. I further welcome the fact that the Chief Minister has stated that once the inquiry into the Public Works Department's role, structure and performance has been completed, the Electricity Department will be dealt with next. This will be of real benefit to the Department and not a useless inquiry designed to serve political aspirations of the Opposition. The reasons for the failure of the department to ensure a continuous supply of power to consumers of electricity over the past four years has been given in this House various times in statements to the House, both by myself and previous Ministers, in answer to questions and in detailed press releases. One of the biggest reasons for this fact - and I again quote the Hansard of 31st October, 1979, which the Chief Minister mentioned:

"Notwithstanding this delay, a Working Party was set up in October, 1978, to look into all aspects of power generation in Gibraltar. This Working Party consisted of representatives of the Gibraltar Government and the Ministry of Defence in both Gibraltar and the United Kingdom." Finally, he says: "As recently as the 31st August, 1979, the Government was advised that the Ministry of Defence present and immediate future requirements for power could be adequately met by existing resources and consequently the Ministry of Defence could continue to pursue its current and separate development programmes as it considers the major capital investment in a new power station as put forward in the Working Party's report was not necessary."

MR SPEAKER:

What page is that?

HON DR R G VALARINO:

Hansard of the 31st October, 1979, page 20.

MR SPEAKER:

And you are quoting from your contribution, are you?

HON DR R G VALARINO:

I am quoting from my contribution Sir. Therefore, a very big reason for this which I have just mentioned, was the delay of a year, in fact more than a year, whilst Ministry of Defence considered whether it was feasible to have a joint enterprise or not. We finally found out from them that they thought - in fact I think by this time there was a change of Government in the United Kingdom - they thought it was not indicated and we were left as late as nearly the end of 1979, we were left on our own. The problems we are facing in Gibraltar are not unique to Gibraltar but are common to any small undertaking like our own. This is a fact which the Opposition has got to realise.

HON P J ISOLA:

If the Honourable Member will give way:

HON DR R G VALARINO:

I have said I will not give way. Our problems have been the backlog of work and the associated problems arising mainly from No 11 engine which suffered a broken crankshaft, the damage gear train on No 12 engine and the derating of No 13 engine. It was in March 1980 that the crankshaft of No 11 fractured. The ready availability of a new crankshaft for an engine which

ceased to be produced in the late 1960's was doubtful to all concerned. Nevertheless a new crankshaft was offered in April under a very attractive package deal for delivery in July. This signified that the engine could be restored by the winter. Members will recall the troubles and consequent power cuts we experienced in March when the big end bearing had to be changed in Engine No 13. The dispute on timings led to an investigation by the Industrial Relations Office and the Management Services Unit staff. The programme on maintenance of plant slipped downwards, principally because No 9, in addition to its normal major overhaul, required restoration of its foundation to be carried out and whilst engine No 13 was scheduled for release to undergo a major overhaul in early August, this had to be progressively deferred since on the 26th of July there was a breakdown in the gear train of Engine No 12, leading to a longer than normal outage for its top overhaul and subsequently a major overhaul had to be carried out on Engine No 10. In addition, the new crankshaft which was scheduled for delivery in July was delayed because it was received at Mirlees' works from the forgers in Germany for final machining during the works' holiday and thus the crankshaft did not arrive at King's Bastion until mid-August therefore delaying the recommissioning of this engine. The inability to de-commission engine No 13 in early August as scheduled followed during the month by progressively fast deterioration in performance and the late arrival of crankshaft for No 11 engine, led to an extensive review and the situation at the Generating Station was explained publicly by a press release on the 28th of August, 1980. It was after the above-mentioned review and in the light of the new situation it revealed, the Government took an immediate decision to acquire skid mounted diesel alternators in order to improve the situation and inquiries were made in the United Kingdom. Numerous offers were received through our consulting engineers and after detailed consideration, the Government accepted an offer from Messrs Woodlands (Worcestershire) Limited, for the provision of four package generators each capable of producing up to $\frac{3}{4}$ of a megawatt. The Woodlands' offer met the Government's main requirement. (1) relatively small size of set (2) ease and speed of installation through avoidance for the need for extensive civil engineering works (3) minimal size work, and (4) a combined output of about 3 megawatts and the earliest possible availability and delivery. These facts were explained in our press release of the 3rd of October, 1980, which also fully described the self-contained skid mounted sets. As you well know, one of the sets has already arrived in Gibraltar and is in the process of undergoing commissioning. The other three sets will arrive towards the weekend. Coupled with intensive maintenance work being carried out at present on other engines at the generating station, on which every effort is being made to achieve an early return to commissioning, the acquisition of the new sets will provide an adequate supply of power to meet the high demand of the winter period. I said in the House two days ago that I would be answering Questions Nos. 255, 256 and 257 during the course of this debate. The Chief Minister has already explained the reasons for this. I have now answered Question No 255 by describing the events which led up to the acquisition of the four generators. I have also covered the reasons for the failure to ensure a continued supply of power

this year. The reasons for previous problems I have already elucidated and have been dealt with during the preceding three years both by myself and other Ministers, here in the House and I have also described the short term solution in order to provide power for the needs of the community. In my opinion, to have dealt with these complex matters at question time would have been inappropriate and would have led to a repetition of this debate. In fact, I answered most of the questions yesterday during the Appropriation Bill and I am sure that Members opposite will have gathered all the information they wanted then, a day later, just the same as the answers that they would have got a day previously. The Leader of the Opposition was asking about the long term plan. What were we going to do for the future? How were we going to manage to ensure that we had no further cuts? He obviously misses what is going on around Gibraltar. The long term answer, and I have said this previously in the House, is obviously the building of a new generating station and I said this during a motion by the Honourable Mr Bossano at the end of March. As the House and the Members are well aware, two tenders have been received and they are in the process of being evaluated. A new 5-megawatt generator will be the first engine in the new power station at No 5 jetty with an option to have another 5 megawatt generator up to six months later. The first engine should be commissioned in the first part of 1982. That, Sir, answers Question 257 if, indeed, it requires an answer given the fact that tenders were opened publicly last week. This all came out yesterday in answers to questions from Members on the opposite side. Members should be aware that the skid mounted sets will be hired for a period of 18 months, though it is not considered that this equipment will be needed for a longer period. Government can further extend the hire period of 24 months depending on the progress of the new station. Hiring charges we dealt with yesterday but in case their memory fails them, it will be £11,546 per month during the first 18 months. This method of payment obviates the need for an earlier and more substantial capital outlay inherent in a purchase agreement. Moreover, on the hire agreement the supplier would be responsible for major repairs even if the engines blew up. The Government's position on the Preece, Cardew and Rider Report is clear. This is a confidential document to Government and will remain so like all other confidential documents, to whichever Government is in power. Let me remind the Opposition about the Beeching Report which was never published nor even made available to the Opposition members in confidence. Let me say finally, and I said this yesterday, that the provision of skid mounted generators never formed part of the Preece, Cardew and Rider Report and has been initiated entirely due to Government's awareness of the inconvenience to which the public have been subjected. That, Sir, is the answer to Question No. 255. The Opposition may now realise that they severely over reacted in yesterday's walkout, the day before, I beg your pardon. In my opinion this was a shameful demonstration by Members of the Opposition led by our travelling colleague. To sum up, Government is, however, satisfied that the situation has improved and is confident that it will continue to improve in the near future. Thank you, Sir.

HON AT LODDO:

Mr Speaker, mine will be a short contribution. It seems to me that Government forgets that this is 1980 and that we live in a better informed, more educated and more sophisticated society. A society where people cannot be fobbed off with bland statements which is what I believe we have been getting from Government on the question of the power situation. The catalogue of excuses given to the people of Gibraltar, as listed by my Honourable friend, Mr Gerald Restano, made very poor reading indeed. My attitude to the power situation, perhaps because I haven't been a Member of the House that long, is probably extra simplistic but I would think that if the Government has nothing at all to fear it would welcome a Commission of Inquiry and shut up the Opposition once and for all but I suspect the reason why the Government is reluctant to have an Inquiry is because it has something to fear. I recall that in this House we were told that the Government was not prepared or had not been prepared to make the Preece, Cardew and Rider Report available to the Members of the Opposition before the election because it might have been embarrassing politically for them to do so. The elections are now over, have been over now for a number of months, and we still haven't had this Report made available to us so if it is still a question of embarrassment I would suggest that the sooner they give us the report and get the embarrassment over the better and I ask this House is not the Government embarrassed enough already for having to admit that it needed to acquire 4 skid generators, and hired, at that. Is this House seriously expected to believe that the new generating station will be in operation in 18 months' time? I recall from the Hansard that the Chief Minister, in his statement of the 1st November, 1979 said that the 5 megawatt engine was supposed to arrive in May, 1981. We have just heard the Honourable Dr Valarino say that it will be commissioned in the first half of 1982. That is slippage of a mere 12 months in one year. I must say that I was extremely surprised that the Honourable Dr Reggie Valarino would not give way and answer questions after this House had been given to understand by the Chief Minister that he would. One other thing that puzzles me is that if these engines which we now have in King's Bastion, are to enjoy such longevity, I ask myself do we really need these four skid mounted generators? If the engines there are assured of so many years of useful life, what was the reason for hiring these skid generators? I ask myself these questions but I cannot answer them.

HON CHIEF MINISTER:

If the Honourable Member will give way.

HON AT LODDO:

Most certainly.

HON CHIEF MINISTER:

The point is that the mention is made in two different contexts.

The Minister has described the difficulties with regard to the engines but the mention of the longevity of the life was in respect of the fact that mention had been made, not here, I did say that, not here, but, generally speaking, that both engine rooms were completely unfit and should be scrapped. If they were all working now of course there would be no need for the skid generators but the Minister has explained the reason for the difficulties and the breakdowns that have caused the difficulties. I am very grateful to the Member for giving way.

HON A T LODDO:

I am grateful for the Chief Minister's explanation. Still I must say I am not convinced by the Minister for Municipal Services' explanation. As I said at the beginning we live in a far more sophisticated society, a society where people are better informed, better educated and they just will not be fobbed off with the excuses that have been given. With that, Mr Speaker, I come to the end of my contribution.

MR SPEAKER:

We will now recess and may I say that we will be starting at 3.15 promptly.

THE HOUSE RECESSED AT 1.00 PM.

THE HOUSE RESUMED AT 3.15 PM

HON J B PEREZ:

Mr Speaker, Sir, I would like to begin my contribution on this particular debate in connection with the electricity situation by saying that I was in fact quite impressed with the manner in which the Honourable Mover of this particular motion, Mr Restano, produced his arguments and his comments in support of this motion, although I must say that I cannot agree with some of the arguments and some of his comments but nevertheless I will begin by congratulating him on his presentation, on his research of this particular matter of substance and in fact it is quite clear to me and I think to all members of this House that, in fact, Mr Restano has done his homework as far as this particular motion is concerned. Mr Speaker, I think the main theme in the contribution made by the mover is that an inquiry is necessary because it is in fact in the public interest that we should have one. To that, Mr Speaker, I cannot agree. I would say, in my view, that it is not in the public interest to set up an inquiry as in fact suggested by the Honourable Mover in his motion. But I am not going to leave matters by merely saying that I don't think it is in the public interest because I intend to give Mr Speaker, what I consider, to be four very good and four very valid reasons why it is not in the public interest to do so, as he suggests. The first reason that I would give is that I do

not believe that there is anything practical to be gained out of this particular exercise. I would give, Mr Speaker, as reason No 1 that it is in fact a timewasting exercise and in fact involves a waste of public funds, that is reason No 1, because I do not believe that the people of Gibraltar, the public, are in fact concerned with the question of blame. What I believe is that the general public is concerned because they want a continuous supply of electricity. Reason No 2, Mr Speaker, is that I think that the setting up of an inquiry as suggested by this motion could lead to revive old scores, old problems, in the generating station and that, Mr Speaker, I don't think is conducive to an improvement of the present situation and neither do I believe it is in fact in the public interest to have this inquiry for this reason. Reason No 3: I think to set up an inquiry as suggested by the Honourable Mover may in fact result in a delay in the short term plan of the Government and that Mr Speaker, is not in the public interest either. Reason No 4 is that, as has been announced during the last six months, an inquiry is to be held following the inquiry into the efficiency of the Public Works Department, an inquiry is to be carried out as to the efficiency of the Electricity Department. In this respect, Mr Speaker, I would say that we would have a duplication, we would have two inquiries and it would result again in a waste of public funds. Mr Speaker, that is my fourth reason for saying that it is not in the public interest to have an inquiry on the basis suggested by the Honourable Mover of the Motion. Having given my reasons, Mr Speaker, I would like to make some comments on the contribution which was made this morning by the Honourable and Learned Mr Peter Isola, the Leader of the Opposition. In my opinion, Mr Speaker, I though his contribution was indeed a very poor one as compared to the Honourable Mover of the motion. I think the impression he gave me was that he himself had not done his homework on this particular motion, he had not done any research, he had not read questions and answers contained in Hansard, he had not read the press releases brought out by the Government, in fact, a complete and total distinction between the contribution made by the Leader of the Opposition was one more worthy to be made by the Leader of the Opposition was one more worthy to be made at Casemates before a general election than the one that he made in this House only eight months after a general election. I believe, Mr Speaker, that the Leader of the Opposition did not deal with any of the point which had been raised by the Chief Minister in his contribution of the motion. I think he completely disregarded the points which had been made, the very valid points that had been made, he has nothing to say on them.

HON P J ISOLA:

Perhaps the Hon Member will point out the ones that were not dealt with.

HON J B PEREZ:

Yes, I will not proceed to do so. Not only did he fail to comment or to reply to the points made by the Chief Minister but I think

Mr Speaker, that he twisted everything and many of the points which had already been raised in the debate and I think he did that being the good advocate that he is but let me remind the Honourable Leader of the Opposition, Mr Speaker, that he is not in a court of law. He is not addressing a jury, he is here in the Gibraltar House of Assembly and I would urge him to limit his contributions not on the finer points of advocacy or trying to dodge one, hedge this and not answer the question but to deal with the political issue which I would submit he has not done at all. The Leader of the Opposition said that he knew why Dr Valarino did not answer questions at question time. He suggested that it was a tactical approach because he didn't want to come under fire with supplementaries, that was the suggestion made by the Honourable Leader of the Opposition. I would suggest to him why he, in fact, failed to answer and to reply to any of the points made by the Chief Minister in the same manner as he has suggested why Dr Valarino failed to answer the questions. And the answer Mr Speaker, I think, is very clear. Because after hearing the points raised in the debate by the Chief Minister the Hon Mr Isola was fully convinced that it is not in the public interest to have a public inquiry on the electricity situation. I don't think it is a laughing matter, Mr Speaker. I honestly believe the Leader of the Opposition deep down realised that the points made by the Chief Minister were valid and it is not in the public interest to have an inquiry on the electricity situation in Gibraltar. That is what I suggest to him why he never made any comments to counteract or to reply to the points made during the debate. Mr Speaker, I also find and I feel that the attacks which have been made by members on the opposite side of the House or my colleague Dr Valarino have been most unfair in the past and I say so because most of the accusations levelled at my Honourable Colleague have been that he has failed to inform. He has been accused of failing to inform the public, failing to inform the House and that I think has been the major accusations levelled so far and I say I think it is unfair and I say so because if Honourable Members of the House

HON G T RESTANO:

Would the Honourable Member give way?

HON J B PEREZ:

Not at this stage.

MR SPEAKER:

Order.

HON J B PEREZ:

If Honourable Members opposite look at the Hansard as the Honourable Mover has done in moving the motion, if they would

have bothered to read press releases which I think is expected of a member of the House, they would have realised that explanations have been given continuously by the Honourable Dr Valarino on the electricity situation. Explanations have been given during every single meeting of the House of Assembly. I can understand that attitude, Mr Speaker, being taken by members of the public. Of course, housewives and elderly people and in fact the public in general are not concerned or do not read Hansard and do not really read every Government Press Release that comes out or even any press releases issued by the Opposition. Members of the public haven't got the time nor the inclination to read press releases and that I can understand because a member of the public is only concerned with having a continuous supply of electricity. I can understand that but what I cannot understand is for a member of the Opposition not to do that, that I failed to understand, if they are really responsible members of the House. I fail to understand that attitude. They know full well that the Honourable Dr Valarino has explained on many occasions why we have been suffering power cuts. He has said it in the House and as I say there have been numerous press releases in which the position has been explained. And that, Mr Speaker, was not the impression given to me by the Honourable Mr Isola neither was the contribution made by the Honourable Mr Lofdo. The impression they gave me was that they were still carrying on accusing the Honourable Dr Valarino of not explaining anything and that I thought and I think, Mr Speaker, is indeed unfair.

HON G T RESTANO:

Will the Honourable Member give way now?

HON J B PEREZ:

Not yet. Mr Speaker, the Honourable Leader of the Opposition also said that as far as he and his party were concerned they had asked questions in the House, they had even had a censure motion on the Honourable Dr Valarino and now they were, proposing a public inquiry and the Leader of the Opposition went even further. He said that by the Government not accepting a Public Inquiry he would now tell the people: "That is as far as I can go, there is nothing else that we can do". Except, he said, that he could tell the people to remove the Government physically.

HON P J ISOLA:

If the Honourable Member will give way.

HON J B PEREZ:

Yes, I will give way on this one.

HON P J ISOLA:

Because that is going a bit too far. I did not say that we would tell the people to move the Government physically.

HON J B PEREZ:

Oh, yes.

HON P J ISOLA:

I did not say that. I would ask the member to withdraw that imputation.

MR SPEAKER:

Mr Isola, what did you say?

HON P J ISOLA:

I said there was nothing left for us to do. We couldn't ask the people to throw them out, we couldn't jump over the desk and push them out. All we could do was use words, that is what I said.

MR SPEAKER:

In the first instance I think I remember you said, "I think we have to advise the people to throw them out of Government". Those were the actual words that you used in the first instance but then you corrected yourself.

HON P J ISOLA:

If the Government thinks we would suggest to the public that they should throw them out physically, we would never make that suggestion and of course we haven't.

MR SPEAKER:

Order. All I am interested in is in clarifying at this particular moment what was said in the first instance. You must certainly corrected yourself.

HON J B PEREZ:

I accept that, Mr Speaker, in fact I was going on to say that I personally took great offence to that remark.

MR SPEAKER:

Offence should not be taken at the comment once it was corrected.

HON J B PEREZ:

The point was, Mr Speaker, that I sincerely hope we do not get a repetition of that in this House. That is the point I wanted to make. I admit that it was retracted by the Honourable Leader of the Opposition but I sincerely hope that that suggestion whether it was made in a jocular manner, I hope we do not have any repetition of that because I took great offence to that. The Honourable Leader of the Opposition went further and said: "Mr Speaker, what should we tell the public now, there is nothing else we can tell them." Well, I am going to suggest to the Honourable Leader of the Opposition two things that we can tell the public which are still open to him and which he has not done. No 1. I would suggest to the Honourable Leader of the Opposition to tell the public the truth. All he has to do is look back at Hansard and press release and find the explanations which has been given by the Honourable Dr Valarino. That is point No 1 which I feel we ought to do. That is still open to him to tell the public because the public, for reasons which I have explained, may not have read Hansards, may not have read press releases but at least I think it is the duty of the Honourable the Leader of the Opposition to inform the public of the statements and the truth of the situation which has been very clearly outlined by my Honourable Colleague, Dr Valarino.

HON P J ISOLA:

If the Honourable Member will give way.

HON J B PEREZ:

No, I will not give way. Not yet, Mr Speaker, I will not give way. I will not give way until I finish.

MR SPEAKER:

Order.

HON J B PEREZ:

Point No 2 which I would suggest, Mr Speaker, to the Honourable the Leader of the Opposition that he can also do since he seems to be lost as to what he can tell the public. I would ask him, I would suggest to him, to tell the public that the Government have in fact got a short term and a long term solution which he knows, which has been announced in this House and if he doesn't remember what they are I will now tell him again for his own

benefit. Short term solution; The skid generators which have been purchased. That is the short term solution, Mr Speaker. The long term solution; the new Generating Station which is to be built, that is the long term solution. Since he seems to be lost as to what he can tell the public, why doesn't he tell them that - I will not give way, I have not finished, Mr Speaker - why doesn't he tell the public the short term and the long term solutions which have been proposed?

HON P J ISOLA:

Will the Honourable Member give way?

HON J B PEREZ:

No, I will not give way. Not yet. I think Mr Speaker that the behaviour of the Leader of the Opposition can be very clearly seen in one example which I am going to give now which explains quite clearly the attitude of the Opposition in this connection. That happened yesterday when we were asking the House to vote the money for the skid generators. I forget the figure now but I think it was £81,500. The decision was announced that Government had made up its mind to hire and not to purchase this particular equipment. But what is it that the Opposition do, Mr Speaker? Instead of welcoming this measure, which I expected them to have done, they now tell us that we are wrong in our decision of hiring and that we should have purchased. What I say, Mr Speaker, is that with this Opposition and the manner in which they are acting in connection with the electricity situation, if Government had come to this House and said: "We want the £81,500 to purchase the generators", the Opposition would have told us: "Why don't you hire, that is the best thing". That is what I say. That, Mr Speaker, is a clearcut example of the behaviour of the Leader of the Opposition and his Party in connection with the electricity situation in Gibraltar. Let me say that I find that Mr Bossano's view and attitude and stand was much more honest than the Honourable the Leader of the Opposition because Mr Bossano

MR SPEAKER:

No, no, let us say much more responsible.

HON J B PEREZ:

I beg your pardon, Mr Speaker, much more responsible. I thank you for the correction. Because Mr Bossano criticised the Government's decision of hiring instead of purchasing but at least he was responsible, let me use that word, Mr Speaker, in abstaining on that particular vote rather than the Opposition voting in favour of that money after they had criticised the Government for hiring instead of purchasing. Mr Speaker, I would pose the question, is this the attitude of a responsible and constructive Opposition or are these not the actions of an

Opposition whose sole objective is in fact to discredit Government, to try themselves to get into Government at whatever the cost. And not only that but totally disregarding the real public interest in Gibraltar. Mr Speaker, I say that this particular motion or what the motion sets to do, to set up an inquiry is, in fact, not in the public interest.

HON P J ISOLA:

Will the Honourable Member give way before he sits down? May I tell the Honourable Member, in answer to what he said before, that if he guarantees me space in the two Government newspapers I will certainly give them extracts from Hansards, without comment, of everything the Minister has said on power, and the Chief Minister, for the last 18 months and let the reading public decide. Unfortunately the DPBG has no newspaper so we are not able to manufacture news in the same way as the Government does.

HON J B PEREZ:

I would like to tell the Honourable the Leader of the Opposition that I am not aware that the Government has two newspapers. I am not aware that the Government has even one newspaper.

HON P J ISOLA:

If the Honourable Member will give way?

HON J B PEREZ:

I have already given way, Mr Speaker. I am not aware of any Government newspaper in Gibraltar, as suggested by the Honourable the Leader of the Opposition. That is point one. Point two, I can only say that that is the impression that I was given from listening to what I said was a very poor contribution which he made in this debate and he is to blame if that is the view that I took.

HON P J ISOLA:

If the Honourable Minister will give way?

HON J B PEREZ:

No, I am not giving way.

MR SPEAKER:

Order. You have the chance to reply. The Minister has finished his contribution.

HON W T SCOTT:

Mr Speaker, I think I ought to start by saying that I am quite willing to give way to any member of the House, and I include the Honourable Dr Valarino who denied me the courtesy earlier on this morning and in fact I wanted him to give way because he was mentioning one kilowatt and then subsequently 3 and 5 kilowatts again misquoting as he did yesterday. He should have said 1 megawatt or 3 or 5 megawatts. Mr Speaker, the Chief Minister's discourse this morning appeared to present a very rosy picture. I think he went through each and every engine both in the King's Bastion South and King's Bastion North.

HON CHIEF MINISTER:

If the Hon Member will start giving way, I never mentioned King's Bastion South at all.

HON W T SCOTT:

I stand corrected, Mr Speaker. But in the engines that he did mention he went into great detail on period of life and so on, and so forth and in fact he gave an impression that there was no problem with the electricity generating situation in Gibraltar as, indeed, most contributions from the Government side of the House. It would appear, certainly to me, Mr Speaker, that the Government are entirely blameless that we have no electricity generating problem in Gibraltar but then one looks back over the last 2 or 3 years and one asks oneself; "Is this a myth or isn't it a myth?", because other than District No 5, I think it was, we had something like 400 odd hours of power cuts within the last few months. Mr Speaker, earlier on this year, round about September, I wrote a letter to the Honourable Dr Valarino soliciting some information and the

HON DR R G VALARINO:

Will the Honourable Member give way? Did he say District No 5?

HON W T SCOTT:

Yes.

HON DR R G VALARINO:

District No 5 have had no power cuts.

HON W T SCOTT:

That is exactly what I said.

HON DR R G VALARINO:

Can I explain why District No 5 has had no power cuts?

HON W T SCOTT:

I am not asking for an explanation but if the Minister will volunteer one I would certainly hear him.

HON DR R G VALARINO:

Well, it is the hospital so there is no need for the Honourable Member to bring it up at all.

HON W T SCOTT:

Mr Speaker, what I said was that every district, other than No 5, had experienced power cuts. We on this side of the House I think are aware that District No 5 contains the hospital. I wasn't asking for an explanation as to why District No 5 had not experienced power cuts but I am grateful to the Honourable Member. However, earlier on this year I did have occasion to write to the Honourable Dr Valarino soliciting some information from him. I wanted to know what the total capacity of King's Bastion Generating Station would be under optimum working conditions, that is assuming that all machines were capable of supplying their full load and in reply I had a figure in excess of 20 megawatts. My next question was what was the total connected load that might be expected under the most severe of all conditions in Gibraltar, for example, Christmas Day, very very cold day when everybody is using their heaters, etc., and I got the figure of just in excess of 14.3 megawatts which leaves the factor of something like a third in excess and that presumably has been there since 1972 as has already been mentioned in this House. Perhaps, Mr Speaker, in 1972 that excess would have been perfectly capable of having certain machines or standby certain machines on maintenance and so forth but it seems to me, as has also been said on this side of the House, that for 8 years very little has been done to increase the generating capacity, not only to increase the generating capacity given the development that we have had, but less has been done on ensuring that that generating capacity, which could have gone up, in other words, the one that we have now, seems to me to have gone down even further. Mr Speaker, the Chief Minister's contribution also mentioned, I think he admitted, in fact, that the next stage in this Government's Commission of Inquiry would be investigating the Electricity Department. It is obvious that Government recognises that there is a need to investigate it, that is obvious on their own admission. I cannot understand why if there is a need and it would appear that there is an urgent need to do this, why it should wait until the Public Works inquiry is completed before they start on the electricity one. They could run concurrently unless of course they want the same people involved in both.

HON CHIEF MINISTER:

If the Honourable Member will give way. I did not say it was the same people, I said that it could be the next one because of the servicing of these Commissions and the work that has to be done. I will have something more to say in another context later on.

HON W T SCOTT:

I am grateful to the Chief Minister but I would have thought that the need, the urgent need, would have put the Government in a set of circumstances where they would have carried out this inquiry as soon as possible. I wonder, quite frankly, Mr Speaker, whether the planned development which should have taken place up to next year what would have happened to that and the electricity generating problem, whether the cuts would have been even more severe. I wonder in fact whether in the 1981-84 development programme they have taken due regard of this as well. Mr Speaker, on Tuesday we were under the impression that the Minister for Municipal Services, Dr Valarino, as the Chief Minister suggested, would make himself available to answer any supplementary questions during the course of the debate. Unfortunately, because he denied us the right, this was no longer true and I wonder whether he ceased to take instructions from the Chief Minister on that. One final comment, Mr Speaker, because I cannot let this opportunity really go by without making a comment on something that had happened earlier on and, in fact, yesterday. Yesterday, in the course of the debate on recreational facilities and so forth, the Honourable Mr Zammit made an unwarranted personal attack on my colleague, Andrew Haynes.

MR SPEAKER:

This has nothing to do with this debate.

HON W T SCOTT:

It has nothing to do with the debate but it was mentioned in yesterday's debate and, in fact, another attack took place during the course of this debate earlier on this morning by Dr Valarino to the Honourable Gerald Restano. Quite frankly, Mr Speaker, we on this side of the House will not take the bait, we will not involve ourselves in any personal attacks, we did not do it, as they did, in February during the general elections and we will continue not to do it.

HON MAJOR F J DELLIPIANI:

Mr Speaker, my interventions are usually brief and I will make today's one as brief as possible. I think I must congratulate the Honourable Mover on the way he has moved this motion. He has certainly done his homework. I think that he has slightly

misquoted some of the things that I have said on the energy situation in Gibraltar. I have never painted a rosy picture of the energy situation in Gibraltar, what I have done in the past is give a realistic account of how things stood at particular times of the year with regard to energy.

HON G T RESTANO:

Mr Speaker, on a point of order. Is the Honourable Member questioning my quotation of his own quotation which goes back to the meeting of the 17th of May and it was question No 129? I did no more than quote from his own statement then. Is he questioning that?

HON MAJOR F J DELLIPIANI:

Mr Speaker, I am not questioning what is in the Hansard what I am questioning is the interpretation that the Honourable Mr Restano has given. What I have endeavoured to do in the past, is to give factual accounts as to the actual state at that particular moment of time of the generating station and its capacity to meet demands. I have also painted bad pictures at the time. I have also mentioned that even though the situation might be good at that time it has been good because the Dockyard have been giving us help that is why there haven't been any power cuts. I have mentioned that and I have also thanked the Ministry of Defence for helping us out during periods when we have been in trouble. But what I have done is to present the facts as they are at any given time because we are talking of machinery and you might have a marvellous Rolls Royce one day working in perfect condition and the next day that marvellous Rolls Royce could be absolutely useless. That is the situation that I have been presenting when I was Minister for Municipal Services. I have never tried to mislead the House in any way by painting a rosy picture, in fact, I might have been sometime too much of a pessimist and I have been accused of being anti-trade unionist. In fact I have been called the reactionary Major by my friends but I have never tried to mislead the House. I have given the facts as I have seen them at the time. I would point out, Mr Speaker, that some of the problems really are to be blamed on the Government Mr Xiberras and Major Peliza of 1969 and 1972 because one of the best run organisations in Gibraltar up to 1969 when they were in such a hurry to get rid of the Honourable Chief Minister as Mayor of the City of Gibraltar, was the Generating Station which was the pride of Gibraltar. You could actually eat from the floor, it was so clean. It was the City Council who met that demand - I will not give way - it was the City Council at that time, headed by the Mayor of Gibraltar, who was the Honourable Chief Minister, who planned during that great demand when it went up to I think it was 7% in demand, who planned that period between 1960 and 1969, when the demand grew by 7 megawatts. The figure of 10 years has been mentioned, well, out of those 10 years, 3 years they were in power. I will give way, certainly.

HON G T RESTANO:

I did not say 10 years, I said 8 years, from 1972, when the last engine was received in Gibraltar until 1980 where we are today. That is not 10 years it is 8 years and if I may say so I think that by 1972 the previous administration was no longer in power.

HON MAJOR F J DELLIPIANI:

Mr Speaker, when the generating station was in the capable hands of the Mayor of Gibraltar, the Chief Minister, we were able to meet an increase of demand of 7 megawatts. The increase in demand during the period 1970 to 1980 has only been in the region of 1.5 megawatts. In 1976 we had a total capacity between King's Bastion South and North of around 18 megawatts and the fact that we had 18 is proof that the Honourable Mr Bossano brought in the question that we wanted to change the shift work because we could do without King's Bastion South because we were able to meet the demand, we had 18, and our idea was to close it at night time because we only might have needed them at peak times during the day time. So in 1976 we had the capacity to meet the demand of today. But since then machines break down and no one would have expected a crankshaft to break down, no one can visualise it and once you see that it is going to break you cannot do anything to repair it, it is impossible to repair it. One would think that you had the Ministers there trying to break down cylinders and crankshafts. It is a fact of life that machinery breaks down. I have reported this and I have said this and I have given explanations of the problems that have been met. I will not go into the delays that have been explained already by the Chief Minister and other Members, but there have been delays because Government have been trying to see which was the best possible way and the most economical way to go into the future. Then we have problems with the foundations, the engines going out of realignment, the blower, cylinder brake, they are machines, they break down. But those are facts and those are the facts that I kept the House informed. I have never painted a rosy picture. I have given factual accounts of day to day happenings of all the machines, whether they were bad or good.

HON P J ISOIA:

If the Hon Member will give way. I think he is absolutely right there. Can he confirm, in fact, that during the course of the budget, I think it was in 1977 or 1978, he warned the House that a new generator was required. Does the Honourable Member recall that?

HON MAJOR F J DELLIPIANI:

I certainly recall that. You already have the explanations for the delay. I am not going to start repeating the explanations again. I always try to make my interventions as brief as possible.

so I will not repeat myself. I am concerned, like you are, because it affects my house too and it affects my pocket if we do not run an efficient service and there is need for improvement. I accept that. In that context, Mr Speaker, I would like to propose an amendment. My amendment, Sir, is to delete everything after "This House" and substitute the words "aware of the policy, previously adopted by the Government, of carrying out a programme of inquiries into the role, structure and organisation of Government Departments, welcomes the Government's intention to set up a Committee of Inquiry into the Electricity Department as soon as the Inquiry into the Public Works Department has been completed."

Mr Speaker proposed the question in the terms of the Hon Major F J Dellipiani's amendment.

HON G T RESTANO:

Mr Speaker, on occasions, the Honourable Mr Bossano has complained that his motions have been amended and that the only thing in his motion that has been left are the first two words which is "This House". I find that today even "This House", has been taken away and in the new amendment "This House" is included. Mr Speaker, the amendment, of course, is a ridiculous amendment. If we can compare the motion and what the amendment tries to achieve, we have two different situations. The motion is a responsible motion. The motion is a motion which asks for reasons, a motion which asks for examination and a motion which asks for long-term policy. What this amendment is trying to do is merely, and of course if it is carried out, the Government has a majority, but it is a ludicrous thing because what the Government is trying to say here is all praise to the Government. I don't know why the amendment doesn't say let us congratulate the Government for the power cuts that we have had during the past four years. I would gladly sit down and give way Mr Speaker, if it is an omission as the Honourable Mr Zammit says, and allow the proposer to include it in his amendment, I will gladly sit down and give way. It certainly gives me the impression, and if I can go through this amendment which in fact the Honourable Mover has said nothing about, he has talked on the motion, he has made certain points which I will reply to when my time comes to reply in winding up the debate, but he has brought out this amendment without giving a single comment as to why he is putting through this amendment.

HON MAJOR F J DELLIPIANI:

Will the Honourable Member give way?

HON G T RESTANO:

Yes, most certainly. We always give way on this side of the House, Mr Speaker.

HON MAJOR F J DELLIPIANI:

I explained that I shared that concern and that is why I want this amendment.

HON G T RESTANO:

-I am not debating that, Mr Speaker, what I am saying is that in my four years in this House I have never heard of anybody speaking on a substantive motion and saying this that and the other and then bringing an amendment without giving any explanation for that amendment. This amendment to a motion which really asks for a Commission of Inquiry says that the House is aware of the policy previously adopted by the Government of carrying out a programme of inquiries into the role, structure and organisation of Government departments, welcomes Government's intention to set up a Committee of Inquiry into the Electricity Department as soon as the inquiry into the Public Works Department is completed, but this leaves us the whole aspect of the motion, Mr Speaker. All this is trying to do is saying that the Government, perhaps, because the Opposition suggested that there should be a public Commission of Inquiry into the electricity situation, has thought "That would not be in our interest, so we are going to suggest another type of Inquiry. We are going to suggest a type of Inquiry which will be a secret inquiry". The sort of inquiry which will not see the light of day, the sort of inquiry that will not see the light of day just the same as the Preece, Cardew and Rider Report on electricity did not see the light of day in 1976 and from 1976 until today, which was the sort of inquiry which recommended to Government what it should do in order that the people of Gibraltar should have sufficient power supply during those years. But no, that sort of inquiry is not in the interests of the Government to have. The sort of inquiry which the Government is proposing, and which it is in its interest, is an inquiry which is going to be secret.

HON CHIEF MINISTER:

If the Honourable Member will give way.

HON G T RESTANO:

I will give way Mr Speaker. Of course I will give way to the Chief Minister and to any other Minister unlike the Minister for Municipal Services who refused to give way this morning, unlike the Honourable Mr Perez who refused to give way this afternoon and unlike, on one occasion, the Honourable Major Dellipiani. I will give way.

HON CHIEF MINISTER:

The question of giving way is as much a question of staying in a corner whilst you cross the road, and whether you want to push in or not. I think I am reasonably easy in giving way normally.

MR SPEAKER:

May I say that the matter of giving way is conditional on two things. In the first instance, of course, it is for the Member who holds the floor to be prepared to give way and, secondly, that I, as Speaker, authorise it.

HON CHIEF MINISTER:

I have just interrupted in order that the Honourable Member will not go on on a wrong tack, if I may say so, because I have the right to speak on the amendment and I propose to do so. I am not taking advantage because I haven't got the chance of taking the floor. There is no reason for him to say that this is going to be a secret inquiry. In fact, I think he ought to have reason to know that the one that we are setting up for the Public Works Department is not going to be a secret inquiry, and members opposite, at least the Leader of the Opposition, has already been approached by the Chairman of the Commission to see the people who are going to come to the inquiry and that is the sort of inquiry that is envisaged here, there is no question of any secrecy.

HON G T RESTANO:

It is not a question, Mr Speaker, of the Members of the Opposition being able to go to the Inquiry, it is the members of the public who should be allowed to go to the Inquiry and it is members of the public who should be able to understand and to find out what information and on what information the inquiry is going to be set up on. To my way of thinking this is certainly not envisaged or is not highlighted in this amendment which the Honourable Major Dellipiani has brought to the House. Neither, as I am reminded by the Honourable Leader of the Opposition is any mention made in this amendment that the report of the Inquiry Committee will be made public or not. Nothing of this is mentioned in this amendment. A couple of the Government contributors to this motion have been kind enough to say that I did my homework when I presented the motion but I am afraid, although I would like to return the compliment, I cannot do so on this amendment, Mr Speaker, I cannot return the compliment to Major Dellipiani on this amendment. I think this amendment is just about the poorest amendment that I have, in my four years in this House of Assembly, ever had from the Government side. I have never seen an amendment to a substantive motion which deals with the suffering, the misery that people are going through the power cuts that we have in Gibraltar, this amendment has been put in trying to amend the motion saying that the Government is doing everything right. And when I see 444 or 440 hours of power cuts in four months for the people of Gibraltar and the people of Gibraltar have had to suffer that, the misery it has caused, for an amendment of this nature to be brought to the House saying that the Government is doing everything right and without even substantiating what is in this amendment is, I think, a very, very poor performance from any Member of the Government. Mr Speaker, I, certainly, will not

brook any support for this amendment. I think it is not only ridiculing the motion, it is not only ridiculing the Members of the Opposition but it is ridiculing the people of Gibraltar who have suffered all these power cuts and not just the 140 odd hours in the last four months but the power cuts that have been suffered in the last four years. Therefore, Mr Speaker, I think it is wrong, it is not decent to have this sort of amendment put forward on this type of motion.

HON CHIEF MINISTER:

Mr Speaker, I can see that the Honourable Mover, having done his homework and having worked on this for a long time, he gets a little frustrated when he sees that the motion is traverse, which is what it is, traverse in the sense that there is a substitute motion, this is perfectly in order and it has been done many times, and no doubt will be done many times by successive governments here and in all parliamentary democracies. If we had voted against the motion then he would easily have said: "There you are, they don't want anything to be done about it. They are so happy that they don't want anything to be done about it". The motion itself does not have to state the suffering to which we have all agreed this morning. The motion is a matter of fact and procedure. The Commission on which the public are going to be invited to submit evidence, this is how it has been envisaged, I am talking about something else because it is the same as is proposed here. The Commission, as it is envisaged, is that the public will be invited to submit representations. I am sure that anybody who may have been affected, more or less on the lines pointed by the Public Accounts Committee, and other people, Unions, representative associations and so on, will be giving evidence and Members of the House of course. I would have thought that, certainly, the Members of the House, if they are asked to contribute to the Commission, will get a copy of the report.

HON G T RESTANO:

If the Hon Member will give way. Will the Members of the Opposition also be allowed to see the Preece, Cardew and Rider Report?

HON CHIEF MINISTER:

I am talking now of the Commission and I am not talking about the Preece, Cardew and Rider Report. I am talking of this commission. That was ordered by the Government, the support of the House is being asked on this one. Whether the Members opposite agree with it or not this is a motion of the House of Assembly. The other one is one of the many reports that the Government receives and I was going to make a reservation because it may very well be that any report, I don't say this one, I don't say the one of the Public Works Department, any report which goes in depth into any matter could well have part of it which though available to the Members opposite, may not be in the public interest to be made public. That is the

sort of procedure on which we ourselves have agreed in Government in respect of the Commission on the Public Works Department. Let me also make clear that it is not intended and it was never intended when I made the general statement long before we had any indication of this motion, that the same people were going to do all the inquiries nor that Sir Howard Davis was going to be the Chairman of all the inquiries of all the departments. This was an ad hoc one. This one is one which we would have other people and the reason I say after is because I wanted to see the other one launched, it doesn't have to be till the end of it and, seriously speaking, we were thinking in terms, particularly in this kind of inquiry, of an industrial relations expert to be a member of this Inquiry.

HON MAJOR R J FELIZA:

Will the Honourable Chief Minister give way?

HON CHIEF MINISTER:

Yes.

HON MAJOR R J FELIZA:

Has he read the amendment? Does he realise that it says "as soon as the Inquiry into the Public Works Department has been completed".

HON CHIEF MINISTER:

This is the member's amendment and I am telling you how it is envisaged.

HON MAJOR R J FELIZA:

Is this a Government amendment or is that a private member's amendment?

HON CHIEF MINISTER:

It is not a private member's amendment, it is not my personal amendment, it is a Government amendment. There is no question about it. I hope that if in fact we could make progress and we could get on with it before this is completed, there is not going to be objection on the part of the House because the motion said "as soon as it is completed". But if you don't say that and then it is not ready then we would be under fire for not having done that. One of the important factors that is envisaged in this inquiry, is somebody who may be a real expert on industrial relations because I think, as I said this morning, without apportioning any blame, this is one of the aspects of the matter that is very important in this respect. Of course, the new

Power Station will make that aspect of the matter much easier because the working conditions will not be as difficult as they are now at King's Bastion. It is a serious attempt to deal with a matter which concerns us but which is done for the public good. This will avoid all the difficulties that I mentioned this morning when saying why we were opposing the Commission of Inquiry. It avoids all that because it is a forward looking inquiry and not looking backwards to find and apportion blame and create animosity. The other thing of course is that it would not stop the progress of what is being done now which a public inquiry as proposed by the Opposition would do. Mr Speaker, this is a serious and proper amendment not to leave the matter, if we oppose as we do very clearly the motion of the Honourable Mover, not to leave the matter in vacuum, not to leave the matter as if we did not care but to reflect the thinking of the Government as expressed by me in opposing the motion.

HON A T LODDO:

Mr Speaker, to me, this amendment far from being a forward looking amendment is a backward looking one and one full of self-praise. To me, this amendment is a farce and makes a mockery of the work of this House. As a very junior member of this House, this amendment I find totally unworthy of a Minister. If I might borrow a phrase much handed about by the reluctant answering Minister, it is utterly shameful.

MR SPEAKER:

Mr Bossano do you wish to speak on the amendment?

HON J BOSSANO:

I wish to speak on the amendment but if you will allow me I would like to make some reference to the original motion since I am going to be contrasting the amendment with the motion. I don't see how I can do one without the other. In any case it seems to me that since the amendment is going to be passed by Government majority, when I stand to speak on the motion if I do subsequently, it will be the amendment that I will be speaking to because the motion will disappear. Let me say first, Mr Speaker, that I would have voted in favour of the unamended motion but I propose to abstain on the Government's amendment. Let me try and explain to the House why I propose to vote in that manner and how I react both to the bringing of the motion and to the contributions that we have heard so far on the subject. I do not like normally deviation much from the subject matter under debate, Mr Speaker, but it has been a very wide-ranging debate which has dealt with almost everything under the sun other than power cuts. The Honourable and Learned Member said he could not keep the public adequately informed because he lacks access to newspapers which he claimed the Government owned, two newspapers. In fact, he does have access to a bulletin where recently he has devoted more space to me than he has to the power cuts. The Honourable Member complained in that bulletin about my frequent absences from this House. All

I can say, Mr Speaker, is that if some of his Members made the habit of coming here and listening to what one has had to listen today all day, since this morning we have been talking about a motion that I think was brought seriously to the House and put forward with serious arguments initially by Mr Restano, but after that the debate just seemed to go completely haywire with one moment people debating about the way of giving way and another moment people debating about whether the motion was a Government amendment, or an individual Member's amendment, and it seems that we tend to have a situation where every time somebody speaks up the next speaker then devotes his entire attention to counteracting the previous speech regardless of whether it has anything to do with the subject we are discussing which is whether an inquiry into the history of the present situation regarding power supply and the policy for the future

HON MAJOR R J PELIZA:

Are you not doing the same thing?

HON J BOSSANO:

Perhaps I am guilty of doing the same and if I am let me say that I am doing so perhaps in a less emotional tone of voice than the Honourable and Gallant Member is wont to do. And if I am doing so, I am doing it in the forlorn hope, totally wasted, I accept that, that I shall be able to penetrate somehow through the intelligence of Members of the House and perhaps have some effect so that none of us have got to keep on doing it any more. If I fail on this occasion then I accept the validity of this criticism that I am being guilty myself of what I am criticising other people of doing by criticising them which is what I am doing, and stop doing it altogether. Then I shall probably limit my endurance of the ordeal even more than I am trying to do nowadays. Let me say, Mr Speaker, that essentially the original motion, as I saw it, had two elements in it and that was firstly, an inquiry into the history of the problems that we have facing us today in the supply of electricity. Secondly, an inquiry into the solution of the problems that we have, projecting it into the future. In that context the only argument really that has been used against an inquiry into the history and if one is going to say one is against the amendment, then one is against the amendment because that part of the original motion is not reflected in the amendment, so is it important that we should have an inquiry into the history and is there an argument against not having an inquiry into the history. An argument has been put by the Honourable and Learned the Chief Minister and I think picked up by the Honourable and Learned Mr Perez in his contribution and that is the question of raking up the past and opening old disputes and possibly creating friction in the Generating Station. There may be a risk of that happening but I think that even if there was a risk, the risk should be taken if the Opposition feel so strongly that the matter needs to be aired in public to the extent that even if that risk is pointed out it is a risk worth taking and I think it is a matter of judgement by the Government. What I do in the House when I

speaking, Mr Speaker, is to try and influence the judgement of the Government by expressing my opinions as dispassionately as I can, even if I manage not to please everybody. I think the Government should have taken into account that if they really feel that a great deal of the way that the problem is being tackled by the Opposition is effectively with an eye on electioneering and an eye on vote catching then, certainly, a refusal by the Government into opening up the past history of the situation is one that carries a political prize. It may be that they think that the risk of creating friction within the Generating Station is big enough to warrant paying the political price that has to be paid for it. I don't know that it is, I am not completely convinced in my own mind but I know that it is genuine to say that it is a sensitive area, that we have had extremely bad relations there and that they are on the mend and they have been on the mend now for I think well over a year and that it is in the interest of Gibraltar and of every member of this House of Assembly that we should have good industrial relations in the generating station regardless of whether that helps any Government to survive, whether it is the Government that is there today or the Government that hopes to get there next, which is that of Mr Isola, or if the GSLP ever gets there. It is more important, I think, for Gibraltar that we should have good industrial relations in that department. I certainly took the point when the Honourable and Learned Chief Minister made it as a serious point that he was making and not simply as a red herring in the context of the debate. Nevertheless, having given weight to that point, Mr Speaker, and assuming that the implications of what he was saying would be understood by members of the Opposition if they had wanted to go ahead with the motion that still went in to look into the past, I would have supported that motion because I think, on balance, it is better to air things publicly than not to do so. Let me say at the same time, and here I am guilty as the Honourable and Gallant Major reminded me a few minutes ago of doing what other members do, let me say at the same time that in fact the Opposition in their previous censure motion must already be convinced any way that the responsibility is the Ministers. It seems to me slightly contradictory first of all to censure the Minister for his incompetence and certainly to accuse me in their Bulletin of not being here to support them in it and then to hold an inquiry to establish whether there was incompetence or not. I would have thought that if the inquiry was going to be held it would be held for my benefit because they are all already convinced since they have already attempted to censure the Minister for the result of an inquiry which is not in fact now going to be held unless the Government changes its mind which is not likely. Let us then, Mr Speaker, pass to the part of the motion that looks into the future, the third element, which I think in fact was the element that was stressed most strongly both by the mover and by the Leader of the Opposition. The mover in fact said at one stage that he did not want to apportion blame, he said he would be careful not to point a finger at anyone. So we are not talking about a censure motion although in fact some of the contributions may have given that impression. We are not talking about that. We are talking about establishing the facts and I believe that that is a desirable thing and this is why I

fully support an attempt to do so. But if we are concerned about the people of Gibraltar rather than concerned about making speeches or scoring debating points or saying "Hear, Hear" and banging the table, if we are concerned about the people of Gibraltar then we must be concerned to restore at the earliest possible moment an efficient supply of electricity and to plan to ensure that that efficient supply of electricity subject to totally unexpected and unprecedented mechanical breakdowns which can happen anywhere in the world, subject to that which nobody can preclude, that that should last us well into the future. If that is our concern and that is what the third part of the original motion does, then I think we should try and see to what extent what the Government is proposing meets that or fails to meet it. I think the original motion is more specific and to that extent it is better because it sets as its objective specifically what the needs of the electricity generating station and the supply of electricity are. It talks about the short term and long term plans to provide a continuous supply of electricity and so on whereas the amendment that the Government has put, in the context of what was said in the Public Works, seems to me to be an application of a particular method of analysing how the department is working, that is, we are saying, "We will look to see how the department is working today in the Public Works and we will look to see how the department is working today in the electricity generating station". That, if the Government thinks it is a good thing, has nothing really to do with the power cuts. If the Government thinks that it is a good thing to do it in the Public Works it is not because there is a comparable situation in the Public Works to that in the Generating Station and therefore that might have been a good thing to do anyway in the Generating Station and in any other Government department, if it is a good thing, I am not completely convinced that it is a good thing because I haven't had time enough to think about it, I haven't had time to discuss it with other people to be able to say I am for it or against it this is why I am abstaining. If I was convinced that it was the right thing to do then I would vote in favour even if I was risking being accused of not being a socialist by supporting the Government on a particular amendment, that doesn't bother me. Therefore, I think that the amendment cannot be said to be doing the same job as the third part of the original motion. I think it would have been better, if the Government was not prepared to accept raking up the past for the fears that they expressed and I think if we are totally honest with ourselves I think that is probably not the only reason why they are not prepared to rake up the past, I think it is because there have been, I am certainly convinced in my own mind there have been serious shortcomings in decisions that have been taken in the past in the Generating Station. I think the Generating Station is suffering from past indecision from a long time in arriving at a policy, and I know that it is easy to do so from the Opposition, I know it is easy to say to anybody who is in Government: "You are taking too long to make up your mind" but when one has to take a decision then, on the one hand, you may be undecided between two alternatives with the best intentions in the world, Mr Speaker, and that indecision can create a more serious situation than if you chose the wrong one. I think the Varyl Begg Estate is an example of that. If the

original wrong decision had been to construct and pay and then sue, well, we might have on this side at the time considered it the wrong decision, I don't know, at the time in fact we were pressing for that to be done but certainly with the benefit of hindsight that would have been better than what was done but I think it is easier of course always with the benefit of hindsight to point out where the wrong decision was made and it is easier to do it when one does not have the responsibility for making the decision oneself. I accept that point fully, Mr Speaker. This is why I try in my own contribution to balance my criticism of where I think the Government is going wrong with an attempt to persuade them that I am doing so not in order to undermine their political support but in order to influence their political behaviour in order to improve their effectiveness as a Government rather than bring them down. For that reason I think that the original motion as far as the third part is concerned which is the part that was to my mind most congenitally defended by the Honourable Mr Restano and in fact by the Honourable Leader of the Opposition, who said that the reassurance that people wanted about something being done for the future could no longer be produced by expectations or fulfilment of Government hopes which have so often failed to materialise in the past. I think that is valid and I think that to the extent that people felt that something positive was now going to be done to plan for a continuous supply of electricity, that third part of the motion met it. I don't think, quite frankly, what the Government is proposing is a substitute for that unless, in the case of the generating station; this inquiry they are proposing is really going to be doing what the original motion wanted rather than the sort of exercise that we are going to be having in the Public Works. I think it would have been better if the Government didn't want to accept the motion as it was, if they hadn't done to the Honourable Mr Restano what they usually do to me, and taken everything out and instead let the last paragraph there and simply have taken out the first two paragraphs of the motion.

HON MAJOR R J FELIZA:

Mr Speaker, I think one bite at the cherry is quite enough for me and perhaps a bellyfull for the other side of the House. I think I would like to deal with both in one go and, hopefully, try and convince the Government how wrong they are in rejecting the motion that my Honourable Friend Gerald Restano has thought fit to bring to this House. One should start by realising how important power supply is to our community, perhaps one of the most important services of the Government. This affects us both domestically and also industrially. It not only causes inconvenience, it can also cause quite a lot of cost to people such as those who have frozen foods and it can cause a lot of disruption to our second major industry in Gibraltar which is tourism; it can drive away tourists, never to come back again, it is in any case a terrible image to our society what is going on now with electricity. I feel very sorry that this is happening in Gibraltar. I used to be very proud when we never had any power cuts, never. I remember the days when this was something very unusual and strictly because the area required

maintenance. In those days we used to remember what was happening at the other side of the frontier and we used to make fun of that situation there. Now, unfortunately, it may well be the other way round. I am very sorry to see what is happening, Mr Speaker. It appears that even the Chief Minister himself hasn't realised how serious the situation is. We heard him say yesterday that if you carry on saying that there is a critical situation in our supply people are going to believe it. I was really surprised that he made such a statement and then I thought that it was perhaps because he is lucky enough to live in a district where there are very, very few power cuts and therefore perhaps because of that he hasn't felt it. The same I believe, Mr Speaker, and you, by coincidence, also in that lucky position. I don't think it is because he is Chief Minister, I am not suggesting that, but that happens to be the situation. As the situation got worse, I think we managed to get, after many questions after a long period, we managed to get the Minister responsible to make a statement. I think it was on the memorable day of the 31st of October last year. Unfortunately, he behaved like a robot because it is very difficult to get him off the written statement and make him give lucid replies. This is very unfortunate. Either he is reading from a paper or he is being told by the Chief Minister sitting next to him what the answer should be. This, I think, is very confusing even for him because the poor fellow does not know what the next reply should be. In fact Mr Speaker, he said today "I echo the words of the Chief Minister" and after that I thought of a tune but I said I will not sing it. You all know which tune it is, I am sure.

MR SPEAKER:

Order.

HON MAJOR R J FELIZA:

And so, Mr Speaker, on that memorable day, my friend the Leader of the Opposition who has been accused of being irresponsible today, tried to get the Minister to let us know what is absolutely vital to get more generating power in Gibraltar as quickly as possible. The answer, time and again, was: "No, everything is under control". And so, quite honestly, Mr Speaker, I was sceptical about it and realising that the situation was going to get worse, not better, I thought of raising the matter on the adjournment. It was then, Mr Speaker, that the Chief Minister produced the rabbit out of the hat, the 5 megawatts engine which immediately, instantly, you have heard of instant coffee, Mr Speaker, this was really instant Government, immediately he said everything was under control, we shall have a 5-megawatt engine working in 18 months' time. I remember his words. I had given a date and he came flashing in through the door and said: "What the Gallant Major has said is nonsense. We are having a machine here in 18 months' time. And, quite honestly, coming from the Chief Minister, I said well, he must be right. Although having heard assurances before and not having seen them carried out I must say that deep in me I thought,

well, I hope that this is so. Of course, time continues to tick, and here we are now over a year since that famous statement. Is there any likelihood that we shall have this 5-megawatt engine in 'six months' time? I wonder whether the Chief Minister would like me to give way to give an explanation on that point, Mr Speaker, I gladly would. What did we hear later? I cannot remember the date but I will look it up, I think it was in March this year that we were told that it would take another six months. There was slippage, the usual slippage, Mr Speaker. Then we were told later on it would be round about the end of the beginning of 1980-81. The latest is, I believe, round about the middle of 1982. Mr Speaker, are we really going to have it round about the middle of 1982, are we sure of that or are there going to be other excuses for the matter being delayed? And are we going to be told by the Government that we are trying to play to the gallery, that we are just trying to make political capital of this, is that a fair comment Mr Speaker? Are they really convinced that we should sit down and accept delay after delay, agree with the Chief Minister giving assurances that are not fulfilled? We would betray the role of an Opposition if we were to behave in such a manner. I think we would even lose the respect of the Government itself and therefore Mr Speaker, we are more than entitled to raise this matter time and again as it becomes necessary. Perhaps this explains the walk out, Mr Speaker, which we were told was shameful. I know that my Honourable Friend on my left doesn't like it. I don't think he likes Members of the House moving from one subject to another but he does it himself and I think that before preaching he should set the example. If I may say so I have seen him sailing around the buoy most of the time, going round and round the buoy in practically every issue that we discuss here and finally abstaining.

HON J BOSSANO:

I am still waiting to hear the Honourable Member's views either on the motion or on the amendment and I have been listening to him for a long time, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, it is coming. He will hear about it and I hope I will convince him. In fact, I thought he was convinced about the motion. At one point I thought he was going to vote with us but then he said he would abstain.

HON J BOSSANO:

If the Honourable Member will give way. It wouldn't be the first time that I have been convinced of something and he has unconvinced me.

HON MAJOR R J PELIZA:

As long as I can make him vote, Mr Speaker, one way or the other, I shall be happy. I wouldn't like him to carry on abstaining, that is what I don't like.

MR SPEAKER:

Let us come down to the motion.

HON MAJOR R J PELIZA:

Mr Speaker, I believe that we have a responsibility not just to make sure that we have a supply in the future but that the people of Gibraltar have respect for our institutions. What do you hear when you go down town now? Some people say it is the Union that has caused all this trouble.

MR SPEAKER:

Yes, but we are not going to digress from the subject.

HON MAJOR R J PELIZA:

This is leading to the reason why we should have the inquiry Mr Speaker, It is very important.

MR SPEAKER:

It may be but it is for me to decide whether it is relevant.

HON MAJOR R J PELIZA:

I will say why it is necessary to have these details.

MR SPEAKER:

We are not going to go round the subject and we must come to the subject.

HON MAJOR R J PELIZA:

Let me start first backwards, Mr Speaker, and then I think you will see what I am driving at. I will get hold of the motion. "The reasons and causes for the failure of the Department for Municipal Services to ensure a continuous supply of power to the consumers of electricity in Gibraltar over the last four years". This is the motion.

MR SPEAKER:

Order. Perhaps you are misdirecting yourself. The motion is on whether a Commission of Inquiry should be appointed.

HON MAJOR R J FELIZA:

No, I agree with you. Let us start from the beginning. It is a question of having a Commission of Inquiry and one of the objections, Mr Speaker, from the Government was that it might stir up old problems in the Electricity Department. In fact, Mr Speaker, to make sure that I am absolutely right in what I am saying I am going to look at the notes. I will start with the Chief Minister. He said that one of the reasons why he objected to this was because it smacked of colonialism in that we were getting the Governor involved.

HON CHIEF MINISTER:

I didn't say that, I didn't give that as one of the reasons, I said that they had chosen what is typically a colonialist decision, that is all. I only remarked that, I didn't give that as a reason against it. I gave much more cogent reasons against it.

HON MAJOR R J FELIZA:

Whether he likes it or not that is what he said, Mr Speaker. If he wants to give a different interpretation now that is another matter. In fact, my Honourable Friend the Leader of the Opposition spoke immediately after him to refute that, to show that that is the way it had to be done legally in Gibraltar, there was no other way, and that if he felt that it smacked of colonialism he should alter the law. Mr Speaker, the other one was that it might start old industrial disputes in the Generating Station with the Unions. Another one was that it was for political reasons and no other that we were doing it. This is why I say it is important to clear the air as to where the responsibilities lie. There might be more than one reason of course, as to why we are going through these difficulties. One of them was, Mr Speaker, and I said this, you hear people say that it is the Union's fault. You hear other people say that it is all being flared up by the Opposition, to make it a political issue, and you hear some people say that it is the Government's fault. What better, Mr Speaker, than to try and put this in its true perspective because whatever happens it brings politicians into disrepute, the Unions into disrepute, the civil servants into disrepute. Isn't it better to find out what the real causes were and having found out then, in an absolutely impartial way, we shall know what has gone wrong. If it is an Act of God or a number of Acts of God, then we shall know as well. I cannot see that in any way can do any harm, Mr Speaker, in bringing about a better working state of our power supply of which in my view we are in bad need of doing and putting it right once and for all. Mr Perez, for instance Mr

Speaker, said that this was a waste of public funds. I don't think it is a waste of public funds if in fact what we are going to do is to ensure that there is no repetition of this in the future. He said many other things, Mr Speaker, which I was going to try and answer but, really, paying a bit of attention to what Mr Bossano said before I am trying to stick to the subject as much as possible and I will let what he said go by but not, Mr Speaker, because there are no answers to what he says. I think every accusation he made, particularly of my Friend Mr Isola, I think has got a very good answer. He talks about the bringing of alternators as being part of the short term policy, I think it was more of an emergency. I don't believe that by the haste in which the whole operation is being set up that there was any previous planning. The whole thing had to be done as an emergency perhaps knowing now that the assurance given by the Chief Minister that the generator would be in place in 18 months obviously couldn't take place, it was decided to bring the four skid generators. I think it is also unfair to suggest that simply because the Government has hired the alternators we said they should buy them. There are very good arguments as to why we think the four alternators should be bought. I think it is appropriate even now, Mr Speaker, that something should be said about that to make it absolutely clear that it is not that we are just negative but that we honestly believe that in the situation that we are in today, and in this I think my Honourable Friend, Mr Bossano, also agrees, it would be better to buy them. It is a much safer way of investing our money, it is a way of keeping some resources up our sleeve in case, as the Honourable Major Dellipiani pointed out today, that you never know. No matter how new the machines may be, no matter how new they may be, if a crankshaft breaks, it breaks, and it takes some time to put right. Well, if that is generally their thinking I would have thought that as a precaution I would have bought these alternators but, no, they hire them because they feel now that after the crisis is over there will be no more mechanical faults. That doesn't make sense. Then because we suggest buying them we are just trying to be anti-Government. I think the Government should realise that that is not the attitude of the Opposition. They may believe it, in their own defence, because, I agree, they are on a very sticky wicket with the electricity there is no doubt about it, and they feel that anyone who offers criticism, particularly from the Opposition, is just trying to get at them. That is not the case, Mr Speaker, we are not trying to get at the Government we are trying by every possible means to ensure that people get their supply as soon as possible, that people do not suffer a repetition of this and that we do find where the whole cause lies, or what the causes are. I think it is vital that we should otherwise we are sweeping the dirt under the carpet again and that does no good to anybody. The resentment will go on for ever, the discussions as to who is to blame will continue for ever. This is like a tooth that hurts you, you try to put a filling, it doesn't work, it continues to hurt, what is the answer, Mr Speaker? Pull it out. And we have got to do it in this instance. This is the only way to come to the end of this problem in a fair manner, free from any political bias, and we start afresh. That is to me the honourable way of tackling this matter. If you compare that with the amendment, where do we go

then? We continue the wrangling for ever, that is what it is going to be. Whether we like it or not the inquiry is going to be carried out by the Government. To me it means this: "This House, not wanting to face the terrible situation of the power supply in Gibraltar, wishes to keep the people in the dark." That is what this amendment is, Mr Speaker, and I do not believe that that is the way we should proceed. Mr Speaker, I have many, many points because a lot of accusations have been made at the Government, a lot of things have been said that really have nothing to do with the motion that we are discussing. I can understand that in debate it is natural for that to happen. I do not want to keep the House on this matter any more. I do hope and this I sincerely say although I don't suppose I am going to convince them, that it is in the interest of Gibraltar, it is in the interest of our institutions, of the Unions, of our civil service so that people have credibility in us and particularly of the Government, that we should carry out this Commission of Inquiry, we should set up this Commission to fulfil the functions that are set down in the motion. I don't know whether in their heart of hearts some of the members do not feel that it should be done. I don't think it will do any political damage to the Government, particularly if they are really not to blame. I do not believe for a moment that this is going to cause industrial upheaval. For all we know their inquiry may cause more upheaval because what will happen if they have that kind of inquiry and the inquiry finds, for instance, that there should be no overtime or that they should do away with a number of staff. What would happen, Mr Speaker, then? That could well create industrial problems. Mr Speaker, I do not believe that that is so serious so as to overlook all the other good points that the setting up of a commission has. I believe furthermore, Mr Speaker, that if this were to be a free vote, this is my honest belief, if this were to be a free vote, all the members of this House including members of the Government who really want to see this matter cleared up would vote in favour of the motion.

HON H J ZAMMITT:

Mr Speaker, I would not have spoken or addressed the House on this motion, Sir, because my policy has been throughout my time in the House of Assembly to refer to matters about which I have knowledge but this is an issue which I think deserves some contribution irrespective of one's particular knowledge of the intricacies of the present power situation in Gibraltar. What alarms me is the attitude of the Opposition. In two instances in this meeting of this House, we have come here with two solutions, the Varyl Begg and the power situation. The skid-mounted engines are going to relieve the misery that the Honourable and Gallant Major Peliza speaks about and which he has been already told he is possibly the least qualified to talk about the misery because, although the Chief Minister and the Speaker happen to live at a particular area where they suffer very few power cuts, the Honourable Major lives in a place where there are no power cuts and therefore he is completely unqualified to talk about the misery the people of Gibraltar suffer. I will accept it from any other Member of this House to say that but

certainly not from the Honourable and Gallant Major. I will now give way, Sir.

HON MAJOR R J PELIZA:

First of all, Mr Speaker, I was just going to save him the trouble saying that I do go to England and come back again. I had the intention, in fact, of saying that at the beginning of my contribution in order to save all the other Members repeating that. Secondly, Mr Speaker, I was just going to tell him that I am absolutely entitled to speak on matters referring to Gibraltar. I have been elected by the people of Gibraltar to stand in this House and no amount of shouting by the government to say that I come and go to England is going to shut me up. That I must make quite clear and so I think they could save their breath because they are not going to shut me up. I am entitled to speak, in fact, I have to because I have been voted here, not on one occasion but on two occasions, Mr Speaker, on two elections and the second one with more votes than the first one.

HON H J ZAMMITT:

Needless to say Mr Speaker, as long as I am in this House of Assembly and as long as the Honourable and Gallant Major lives his happy life in the United Kingdom, I will remind him that he is the least qualified to talk about the misery that the people of Gibraltar are going through, be it electricity, be it housing or be it any other matter. Mr Speaker, having said that, I feel that what I was saying about not being able to understand the Opposition in the two issues that we have brought to the House on this particular meeting is that although the Government, as the Honourable Mr Bossano has said, will never be praised, we will never ever be thanked but at least one would expect a certain amount of sympathy that here we have 4 skid engines that will get us over the hump of the present crisis. But rather than welcome that they pick on items that we should have bought instead of hiring. The Honourable Major Dellipiani said, rightly so, and I think the Honourable Mr Brian Perez mentioned it, if we had bought the engines and spent £340,000 to buy them, then we would have been criticised for buying them and accused of throwing tax-payers' money down the drain. That is why they talk of overspending and spending wrongly because the misery the people of Varyl Begg have gone through, I think, is priceless, whether it is £600,000, £100,000 or £1m. And the members opposite should welcome the fact

MR SPEAKER:

We are not going to go into the question of Varyl Begg. Major Peliza has been talking about the misery suffered by people due to the power cuts and as long as you keep to that you are quite able to continue.

HON H J ZAMMITT:

Very well, Sir. I was trying to say, Sir, that one would expect the Opposition when they see that the Government is trying to do something about it, to be constructive but, no, everything that we do apparently to the Opposition is absolutely wrong and that is the attitude that one sees in this House. I have reasonable experience in this House now, I am not here for the first time, and it is that, Mr Speaker, that puts the matter very much in doubt. The Opposition attack Government in every possible way to ridicule whatever we are doing just for political motivation. And that is what they must realise, that there are many people, as the Honourable and Gallant Major Peliza said, if you walk up the street some people say the Union are to blame but if he walks up Main Street and was here in Gibraltar longer to listen to what people say, there are people saying that it is political gimmickry on the part of the DPBG.

HON MAJOR R J FELIZA:

This is why I say we must have a Commission of Inquiry Mr Speaker.

MR SPEAKER:

Order. You will not give way any more.

HON H J ZAMMITT:

Most certainly, you are the Speaker, Sir, and I will abide by your ruling. I will not give way. That is why people equally say that it is political gimmickry of the DPBG in trying to stir a storm in every single teacup that is not sufficiently sweetened for the Opposition and that is what loses credibility as it has been attempted so many times to try and bring down the Government. That is what the Opposition must realise, that there are issues where one can make an issue of but when people see that there are attempts at trying to solve their problems, people are quite reasonable but not when they are led into believing that death is round the corner. That is why, Mr Speaker, I fail to understand the Opposition. I sympathise with them, I had power cuts, very severe power cuts and I have illness at home, Mr Speaker, but I realise the situation and I very much welcome the arrival of the skid generators. Mr Speaker I have seen some very healthy contributions from the Opposition and there are matters that one has to sympathise with but when they start talking on these issues without in any way trying to admit that there is an attempt to alleviate the situation then, of course, it loses all merit because if the skid engines weren't here, if we hadn't hired or bought or whatever, we couldn't tell the people within two or three or four weeks time there will be no power cuts. And that is what the Opposition should say to the people although they may disagree with it. I know most of the members opposite are very

inexperienced but I think the Leader of the Opposition is a man of high political calibre and I think, Mr Speaker, he would be very much advised to have a little get together now and again and talk seriously to his members as to the manner they should address the House and not try to cover over and pull wool over people's eyes time and time again with one sole idea and that is to discredit Government as much as they possibly can whenever they can. Thank you, Sir.

HON P J ISOLA:

I want to speak on the amendment only and nothing else. As a man described by no less a person as the Minister for Sport as being of high political calibre, let me say what I think about this amendment. I think it is a political hoodwink. I think that this amendment merely seeks to pander to the need and the desire which the Government is well aware of from the people to have some sort of inquiry because the Government knows that if the original motion was put to the vote and was defeated, as it would be, because the Government have a majority, there would be a lot of people and many among their own supporters and sympathisers who would say: "If there was nothing wrong, if everything was well and all the work had been done properly by all the Ministers, what are they afraid to hide? What are they afraid of? Why did they vote against the motion?". Therefore, there was a political need for the Government to put forward an amendment that included the word 'inquiry' so that people can say: "Well, at least they have agreed to an inquiry, they are going to have an inquiry. After they finish with the Public Works Department inquiry which may take three years, but don't worry, they are going to have an inquiry."

HON CHIEF MINISTER:

I think the Honourable Member knows that we said that it was expected that in the first quarter of next year the Inquiry into the Public Works Department will be ready. I mentioned the time.

HON P J ISOLA:

I know it is expected that in the first quarter of next year the Public Works Inquiry will be ready. It was also expected in October 31st that by June of 1981 the new 5-megawatt generator would be in operation. These are things that are expected but I don't know whether they will happen or not. The Government felt there was a need, as I said, to have an inquiry, they know there is a need, so the Honourable and Learned the Chief Minister remembered these committees of inquiries that he is going to set up to investigate the efficiency of the different departments and he says: "Let's put that one in and we will give it to the people that we are having an inquiry". That is why I call it a political hoodwink because if you look at the terms of reference, Mr Speaker, of the present Government Inquiry in the Public Works Department, it talks of inquiring into the role, structure and organisation of the Public Works Department and to

advise on the most appropriate, efficient and economical arrangement for carrying out the functions at present laid on the department. In other words, the organisation of the department, see how it is going. That is not what the people want. Mr Speaker, that is not the whole purpose of us being here today and arguing. As the Honourable Mr Bossano said, what we are concerned about is not how the department is run, what we are concerned about is the power situation and as to whether the department has made adequate arrangements not just now, we know that they haven't made adequate arrangements for today and we are not ungrateful for the skid generators, let the Government not get us wrong, what we argued about the skid generators was whether the Government should have purchased them rather than hired them and I am not going to go through the arguments, we argued this yesterday. And we voted for the money because we wanted the skid generators whether they were hired or they were purchased. I don't see the point the Honourable and Learned Mr Perez was trying to make, perhaps lack of experience made him make that point, I don't know. But that is why we voted for the money because of course we want to do everything we can do to give people continued power supply that is why we voted for the £81,500. We thought we should have been voting for £390,000 and bought the engines outright but we voted for the £81,500 because we thought that if that is the only way the Government is going to have them, by hiring them, alright, we will give them the money to hire them at least we will do that little bit on our part to relieve the power situation. But what we are concerned about, Mr Speaker, and what this amendment fails to provide for completely is (a) that an inquiry should start as soon as possible so that the Government is not caught, talking metaphorically, with its trousers down again. Because if the Committee of Inquiry that the Chief Minister hopes to set up is set up around June next year, and after it has been hearing everybody's recommendation and after it has seen everything that is going on, it decides that it needs another 5-megawatts generator for the future needs of Gibraltar, it will be too late, Mr Speaker. That is why in the Opposition we want an inquiry now, we said a Commission of Inquiry, well, we could have another kind of inquiry we do not mind, but let the inquiry, Mr Speaker, let the motion that is approved by the House, let it look at the power situation because that is what we are concerned with. We are not concerned with whether the generating station should have two engineers or three engineers or whether it should have 10 shifts or 5 shifts. We are concerned with ensuring a continuous supply of power to the people of Gibraltar now and we are also concerned that somebody independently, some third party, should be satisfied that the arrangements for the future are also adequate and therefore we have to vote against this amendment because for us to support this amendment, even in this stage, even though it concedes some sort of inquiry, would be a betrayal of the interests of the people of Gibraltar that we represent in this House and to whom we have obligations where power is concerned. I know that it is easy in a situation such as the power situation in Gibraltar, it is easy to make political capital but I would like to remind Honourable Members opposite that the last DFBG release on the power station situation was when the Government announced its intention to order four skid

generators and we expressed concern at how the situation had developed in the course of 7 days. We said this merits a public inquiry. From that day, even though power cuts had been constant for over, I would say now, over four weeks or even five weeks, the DFBG have done nothing else than put down a motion in the House for a public inquiry. We could have done a lot, I can tell you, because the complaints were coming through to us left, right and centre, and I think people say it is the DFBG's fault because a lot of people regard us as being Ministers as well, everybody in the House is a Minister as far as a lot of people of Gibraltar are concerned and we are being blamed for it, Mr Speaker, as well. So, Mr Speaker, as I said, I am only going to speak on the amendment because I am not allowed to speak on the rest as I already have given my views but the amendment is not acceptable to us because it fails to fulfil the important criteria of an independent Commission of Inquiry and an Inquiry into the future needs and that it should take place straight away. Finally, Mr Speaker, I cannot sit down without congratulating myself, if I may say so, of finding myself having moved two motions in the House consecutively and my Honourable Friend Mr Bossano actually supporting us twice running. That is an achievement. Let me assure him that although I believe there was one issue of the "News and Views" in which we are somewhat critical of him and I am sure he will agree, rightly so, on questions like the Varyl Begg Estate and so forth, let me remind him that against one issue of the "News and Views" we have quite a few issues of another newspaper to square against that one. But anyway Mr Speaker, we hope that the Honourable Mr Bossano will continue to support our motions where they are obviously in the public interest. I am glad to see that he, being a Union man himself, a member of the Transport and General Workers Union, is not afraid, although he recognises the dangers, is not afraid of an inquiry into the power situation. I think that is important. I think we are all conscious of all the problems involved but we think that an independent inquiry would clear the air for everybody. But as he said, and as I repeat, the concern of the Opposition is mainly to the third part of the motion which looks to the future. That is what we are concerned about and that is why we vote against the amendment because the amendment makes no provision of any kind for the future. This concerns us and is not a question of abstaining, it is a question of rejection as far as we are concerned.

MR SPEAKER:

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

HON MAJOR F J DELLIPIANI:

Mr Speaker, the last remark from the Honourable and Learned Leader of the Opposition attributed to the Honourable Mr Bossano in that though he saw the danger of the public inquiry especially in relation to industrial relations, he was not afraid, it might be because he is not afraid because he is not in Government and it is easy for him not to be afraid. But, certainly, we in

Government do not want to contribute to any situation where industrial relations will go back to the days of 1972. There has been progress in industrial relations and we want to maintain this kind of progress. It is certainly easy to say I see the danger but I am not afraid. I see the danger and I am afraid because I do not want the situation that existed in 1972 and in 1976 to happen all over again. This amendment of mine is a genuine amendment. If the Opposition thought that the Government were going to accept their motion, they must think we are stupid and I don't think I am stupid. I am not as astute as the Leader of the Opposition but I am not stupid. They knew that they didn't have a chance of getting this motion through and my amendment is a way of showing concern with them in the situation and having a kind of inquiry but not necessarily the same inquiry we are going to have with the Public Works Department. We can suit the inquiry to meet the requirements of this particular situation and, surely, that is better than an outright rejection of the original motion but of course they are not going to vote for this amendment because they are not stupid either. And so what it boils down to is making political capital out of the whole situation. They are concerned but they are talking to the public, the bigger the public there is the more they mention the old women the children and they go on and on and on. We are all aware of that because we all suffer from it. Even the Honourable and Gallant Major is suffering from it since last week. We have already gone into the future because we have ordered a 5-megawatt engine with the option to add another one so we are looking even further ahead and with the present position that we have now with the skid generators, when they are in operation by the end of the month we will have enough power to see us through right up to when we have the next 5-megawatt engine and the one after that because at the moment once they are all fully in operation we will have something like 18-megawatt which is more than enough. Thank you, Sir.

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

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Member abstained:

The Hon J Bossano

The amendment was accordingly passed.

The House recessed at 5.35 pm.

The House resumed at 6.00 pm.

MR SPEAKER:

I will remind members that we now have the motion, as amended.

HON A J HAYNES:

Mr Speaker, having listened attentively to the debate and taking into account everything that has been said, I console myself with the thought that one cannot fool all the people all the time and as such Government's efforts whitewash their bungling mismanagement will one day come to light. I reject the Government's proposed amendment.

MR SPEAKER:

If there are no other contributors I will call on the Hon Mr Restano, to reply to the motion as it now stands.

HON G T RESTANO:

Mr Speaker, we have been debating electricity since 10.45 this morning and I don't want to be very long but there are one or two points which I would like to mention in winding up the debate, and go through some of the contributions of the Government members. First of all, the Chief Minister in rejecting the motion as it stood, said that the Opposition in suggesting that there should be a Commission of Inquiry was abdicating its duties and something similar was also said by, I think, the Honourable Mr Perez. I would like to say that by asking for an inquiry the Opposition is certainly not abdicating its duties, on the contrary, the Opposition has been asking questions in this House for the last four years on the electricity situation and the point has been reached where Government continues giving what I consider to be misleading statements and the only way that the public of Gibraltar could really find out exactly on whose fault the power cuts lie would be in a Commission of Inquiry. The Chief Minister also said that to have a public inquiry would not be in the best interests of the public. My contention is that it is not that it would not be in the best interests of the public, it would not be in the best interests of the Government to have a public inquiry because their

failures would come to light and their lack of planning would be seen by the whole of Gibraltar. Instead of the type of inquiry that the Opposition has asked for and which the Government has rejected out of hand, the Government comes up with a proposition of a small inquiry on efficiency which they say is going to be public, well, I don't believe that it is going to be public. I don't believe that that inquiry which they propose to set up and which in any case as has already been pointed out by some of my colleagues, is only to look into the efficiency of the department, will certainly not be made fully public. I also know that that inquiry in the amendment has been said should be after the Public Works inquiry has been completed. It is wrong to wait for an inquiry on one department because an inquiry is required on one department before starting an inquiry in another department when it is absolutely obvious that an inquiry is necessary. Next, Mr Speaker, I want to talk about some of the points raised by the Honourable Mr Perez. He said that an inquiry was a waste of public funds. Mr Speaker, that to me was the most cynical statement for the Honourable Member to make, to say that it would be a waste of public funds to find a solution to the power problem in Gibraltar is nothing less than cynical and he should be ashamed of having brought out that statement. If there was any area in Gibraltar where public funds were worth spending it would be in the solution of the power problem. Mr Perez also said that old scores should be forgotten and this of course is the type of policy which the Government has held for many years, in other words, let us sweep any problems under the carpet. Any problem that comes up, any problem where they might be the slightest piece of Government inefficiency, well, let us forget about it, let us sweep it under the carpet and let us say: "Oh, why bring up old scores". He also said that the Opposition had accused the Minister for Municipal Services of failing to give information, this of course is untrue. We did not accuse the Minister of failing to give information, what we complained about and what we criticised the Minister for was for failing to give the correct information. It is very easy to say, yes, there has been a break in this in the crankshaft of such and such an engine and such and such an engine had a fire and there was this problem, but what we want to know, the explanations that the Opposition wants to know and I am sure the whole of Gibraltar wants to know is, is it just coincidental that all the machines have been breaking down consistently over the past four years, surely, there must be a reason for that. That is the sort of information we wanted the Honourable Minister to give but the Honourable Minister did not give that. Another point brought out by the Honourable Mr Perez this afternoon was that he felt that the Opposition was too critical of the Government and he said that because we have criticised Government's decision to hire rather than to purchase the four skid generators, the Opposition was only doing this as political convenience, shall we say. That accusation of course I want to reply to. The point is this. We were told that the skid mounted generators would be used for between 18 to 24 months. The facts are that the money which the Government will be paying out in the hire of those four generators is going to be wasted in so far as at the end of the two years Government will not have these machines, they will go back to the United Kingdom and that, of course, is provided that the Government doesn't need those

machines for more than just 24 months. But if the Government purchased those machines now, at an equivalent hire charge of three years those machines would then belong to Government, they would, still be relatively new and they would still have another 7 years approximately, of life. Therefore, at any future date when there might be a requirement for supplementary power those machines could be there for such an emergency and that is the reason why the Opposition feels that the decision that has been taken of only hiring the machines is the wrong decision and that the money will merely be thrown away, it won't be thrown away because obviously during that time we will have the use of those four skid generators but at the end of that time there will be nothing tangible that the Government would have for the £200,000 that will have gone towards the hire charges. The Honourable Major Dellipiani in his contribution said that it was not true what I had said that he had given a rosy picture. Well, I quoted what he had said in May, 1977, where he said that all the engines were virtually fine and in good condition and that was a factual account that I quoted. He may not have misled the House but his statement may well have been a miscalculation of the facts. Mr Speaker, very briefly I want to go back because I don't think that the contribution of the Honourable Mr Zemmitt is worth mentioning in any way. On the contribution of the Honourable the Minister for Municipal Services. I am sure the contribution of the Honourable Dr Valarino must have made the Government and the Chief Minister very, very proud indeed, it was such a good contribution. He said that the only reason why the Opposition was bringing this motion was for the political aspirations that we might have on this side of the House. I can assure him that that also is the most cynical attitude to take. If he thinks that the Opposition are prepared just to come to this House and put forward motions for political aspirations I can assure him that he is very wrong indeed. He felt all along, and we have been feeling all along, and the record of our concern on the power cuts, on the generating station, on the electricity situation in Gibraltar over the last four years is shown in the number of times that we have broached the subject in this House. He mentioned as reasons for the power cuts the backlog of work that there had been but he did not give us any reasons why there had been the backlog of work and that if he had been a responsible Minister is what he would have been telling this House about. He told us of fast deterioration in performances of engines. It is very easy to come and say that there is fast deterioration in the performance of engines but why is that happening and why is that not being put right. That is what he should have been telling this House, not bland statements perhaps written out by somebody else for him. He also confirmed that the skid generators did not figure in the Preece, Cardew and Rider Report in other words confirmed too that it had been a last minute decision, a panic decision of Government, because they had not followed the recommendations of the consultants a few years ago. One last point that I would like to make, Mr Speaker, is that the incident of the walk-out on Tuesday has been raised by a number of members and the Chief Minister when he spoke about this walk-out, said that he had advised his Minister not to answer questions in this House at question time because he would be answering questions during the debate

and that the Minister, of course, if there were supplementaries to be put would sit down and give way to any member of the Opposition who wished to ask any supplementaries. That, of course, has been proved absolutely false, Mr Speaker, because whilst the Chief Minister said on the one hand that his Minister would give way to answer supplementary questions, the Minister himself refused time and again this morning to give way at all. And I can only, Mr Speaker, repeat the Chief Minister's own contribution in the Budget debate of 1977, when he was referring to the Honourable Dr Valarino when he was talking about electricity and who is now the Minister that in those days and I think it is still true, didn't know what he was talking about and that he got all his information completely wrong. Thank you, Sir.

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

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Member abstained:

The Hon J Bossano

The motion, as amended, was accordingly passed.

HON A J HAYNES:

Sir, I have the honour to move the motion standing in my name which is that: "This House calls on the Government to take immediate action to alleviate the appalling living conditions of the Government tenants in Casola's Buildings and considers that nobody should be compelled to live in Government accommodation that has been certified or found to be unfit for human habitation". Mr Speaker, the motion is in two parts, the

first part is concerned with the resolution required of the House that immediate action be taken to alleviate the living conditions of the Government tenants and I shall address myself primarily to the present living conditions at the said building. One could start with the roof which is not at all waterproof, it is covered with tarpaulins which are laid in a haphazard fashion, some of these tarpaulins have perished and such serve no useful purpose. Again, some of the tarpaulins are bundled so that they are not, even if they haven't been perished, are not effectively placed. And again I question whether with the state of the roof as it is, the tarpaulins are of any use. Certainly inside the building one sees immediately that with or without tarpaulins and with or without well placed tarpaulins, the damp penetration and the rain penetration are acute. It is so bad that plaster come away from walls, that electrical installations cannot be installed on each and every wall which means that if the tenant is going to have any light in the room he has to have a cable brought in from another room lying loose which, of course, is unsafe. As you can imagine, and this House I am sure is aware, it is not easy to live in a place like this. Similarly, one cannot put wall paper on the wall because if one does it just peels away within a question of weeks, if one paints the wall one finds that it blisters quite soon and that as such it is expensive and demoralising to find oneself continuously having to repaint the wall. If one attempts to replaster it one finds that the plaster will not grip and it will come away and when one comes to the actual floor on the building these are marked with holes which in many instances are the entrances or exits to rat tunnels or nests for rats and one can see by close examination that these have been gnawed through. There is dry rot, rising damp and every other kind of slowly degenerating substance or formula. This means, Sir, that the corridors round the house which communicate one flat with the other are in many places dangerous. The wood is so slight that the weight of a mere child will go through. There have been some efforts by the Public Works Department to correct this particular nuisance and one can see wooden struts put up to hold the floor but of course, this doesn't give one much confidence in the building as such and these certain areas which are still dangerous to walk on. Similarly, there is no running water in the flats per se. One can, at personal expenditure of about £100, I am told, have piping installed but again the tenants who have no wish to live there, and are not of means, do not for the most part believe that it is a worthwhile investment. It detracts from the feeling they have and the wish they all have that one day they will leave. If they see themselves making a capital expenditure then the sense of permanence will further depress them. They will feel that if they instal pipes for water they will never leave. Then I come to the circumstances in which the tenants find themselves. Outside the building until quite recently, the Northern perimeter was heaped with piles of rubbish. These have been there for a considerable period of time, one can number it in years. Fortunately in the last month or so, a great part of this has been removed by the demolition gang presently occupied in the Gaswork site. Another circumstance which the tenants have to face is that of abandoned flats within Casola's Buildings and these abandoned flats have, so

I am told, been occasionally occupied by an alien, say, a Moroccan and his girl, they made the place squalid and then they leave. Of course, this has resulted in numerous vermin by way of rats, mice, fleas, cockroaches, mosquitos and every other nuisance existing in that building. Of course, these live on the rubbish that one can find outside and more especially in the

abandoned flats which are stacked with the piles of refuse. And when one comes to the actual refuse that the tenants produce which they store in the internal patio of the building, I have noticed from the numerous occasions on which I have visited the building that these are not collected, as elsewhere, on a daily basis. I have seen the traditional tin dustbins full of recent refuse stored in the correct place and left there for some time and it has not been emptied on a daily basis. Of course this helps perpetuate the difficulty and the hardship of living with vermin. The other condition that tenants have to face is that they have to collect their own water from a fountain opposite the building. This means that every drop of water you use you have to personally fetch and carry. One doesn't realise if one has the marvel of running water just how inconvenient it is and just how much water one uses, just how inconvenient it is to carry all that water and since these people as I have said before not people of means, they do not have servants or help to help them carry the water or to make sure that they have ample supplies which means that when you have children and they want to bathe in the summer in a tub, you pour the water into the tub and you cannot keep replenishing it when it gets dirty, the drinking water has to be collected, and for the old people living in Casolas who don't live with anyone else it is a genuine hardship. It has come to my notice that the system whereby they collect water has changed somewhat for the worse inasmuch as on Sundays it is not always possible to get water. Mainly my concern with the circumstances under which the tenants find themselves is that of hygiene and corresponding danger to health and, perhaps, more emotionally but certainly more ostensibly the lack of hygiene affects the children at Casolas Building and there has not been an occasion to date when on a visit I have not been informed of a new disease, illness or other disturbing account for one of the children there. The kind of illness I am talking about can range from colds to dysentery which has been diagnosed, analysed and treated. It is particularly worrying for the parents of these children to see that there is nothing they can do to protect their children and their children are forever suffering. On those grounds alone I would urge this motion to be passed. Having said all that, and again referring to the conditions, I may add that I was genuinely impressed as I was when I went to Varyl Begg where the rain penetration problems are of a comparable nature, there, as well as in Casola's, I was impressed with the genuine efforts taken by the tenants to make the most of what they had. The standard of tidiness was quite high. Their efforts in the winter which I have not yet had the misfortune to witness, however, are different. There they live in a tangle of buckets and basins which collect water which makes the whole place damp but the courage with which these people have faced these appalling conditions is remarkable. Among the hardships

of daily life at Casolas in the summer, for instance, one cannot put the fridge against the wall because it would become infested by cockroaches unless one draws it slightly away. The windows of the flats nearest to the abandoned flats are nailed shut the year round which is of course unpleasant in summer. Similarly, the doors that have to be open during the day at night are sealed with towels or anything to ensure that nothing gets in and again similar efforts are made with the floor and the ceiling but I have often been told there are occasions when the rats will not be denied entry and they gnaw a new hole or they break through the seal and there are plenty of rats. Similarly, if one leaves a plate of food in the summer for more than half an hour without attending to it it will become covered in ants and I have seen children's legs bitten and covered in sores and again, only recently a sewage pipe burst under the floor of a kitchen this of course leads to smells and it is intolerable that people should live like this. It is not possible for them to win the battle against the elements and so in winter the main concern is of rain penetration, in summer it is the vermin and for the old it is the same hardship all the year round. Mr Speaker, that these conditions should exist in Gibraltar today is an indictment not just of the Government but of our city because it is not a new problem this has existed for some considerable time. And I ask myself, why has this been allowed to exist and to remain? Generally, one can say that when the Public Health Department, now the Environmental Health Department, are notified of any nuisance they act with remarkable alacrity and I think the whole of the Bar will vouch for that dogged persistence and when it comes to a private landlord they hound him until he does effect the repairs they require necessary. But it is not the same, generally speaking, when it comes to a battle between the Public Health Department and the Public Works Department or another Government Department. One hears of notices or reminders being allowed to pile up in the Public Works Department, which are effectively and cynically ignored. Certainly this seems to be the case of Casola. As I said I went to Casolas Building following a complaint, an individual complaint. I was so shocked at what I saw that I decided that something must be done for the whole building and I wanted to do this without bringing it to the public attention so I wrote to the Minister for the Medical and Health Services, the Honourable Mr Perez, and if I may I will refer to my letter in which I asked: "Could you please tell me whether the Environmental Health Department has been informed by complaint or otherwise of the state of Casolas Buildings at Rosia Steps and, if so, for how long have they had cognisance of these conditions. Also could you please tell me what steps have been taken by the Environmental Health Department on this matter and what repairs and works have been recommended, if any. Could you kindly let me know the present position, i.e. whether works are to be effected in the near future and if so what these works consist of. I am asking these questions as I have visited Casola's Buildings recently and I am appalled at the state they are in and the conditions under which the tenants are living." This letter, Sir, was dated the 15th August. On the 2nd of September I wrote to the Minister for Housing and I said "I am writing on behalf of the above-mentioned tenants i.e. the tenants of Casola's

Building, in the hope that those who wish to be rehoused will be enabled to do so before this coming winter at the latest. You will appreciate that the conditions at Casola's Building are appalling and that as such the matter of rehousing tenants should be treated as extremely urgent. Accordingly, I request a meeting with you and I ask that this be convened next week at the latest." Shortly after the Minister phoned to inform me that he would receive me the next week. At this time I was still in the dark as to my request for information from the Minister for Medical and Health Services but on the very day that I was to meet the Minister I had a chance meeting with the Minister for Medical and Health Services and he told me that the letter would surely be answered but the gist of it and the main point that he knew regarding Casola's Building was that it had been certified unfit for human habitation. Then I had my meeting with the Minister for Housing and the effect of it was that though some individual tenants may be helped in the near future, that no action will be taken for the whole building except that in the next development programme that it should feature. He could not even offer a tentative hope in terms of years other than 4 or 5, which I interpreted from the next development programme. I informed him that I was not satisfied with his answer and I consulted the tenants of Casola's and arranged for a petition to be staged in the Lobby of this House. I also appeared on television and showed some photographs which I had taken of the building. Sir, the petition read as follows: "We the undersigned deplore the present living conditions of the tenants and residents of Casola's Buildings. We believe that no one should be obliged to live in premises which have been declared unfit for human habitation and that as such no one should have to live in such slum conditions. We ask for assurances that Government will ameliorate the position as regards Casola's Buildings and for an undertaking from Government that no Gibraltarian will in future be obliged to live in premises declared unfit for human habitation". This petition was made open to the public on a Saturday morning and in the short time that we were there I think it was two or three hours, we collected 578 signatures, it worked out at about four or five a minute. I felt somewhat ashamed at the time seeing tourists and others comment and look with horror at these photographs but I did not regret my decision to have a petition and, again, I was encouraged by the tenants of Casola's who showed courage as always. I sent the petition to the Chief Minister, since it was addressed to him, and I enclosed a letter saying: "I inclose herewith a petition to you. The petition, as you will observe, deplores the present living conditions of the tenants and residents of Casola's Building and asks that your Government give an undertaking to ensure that no one will in future be obliged to live in premises declared to be unfit for human habitation. I would note that our petition was open to the public for signing approximately two hours i.e. from 11.00 am to 1.00 pm on Saturday the 20th of September. The decision to campaign publicly on the matter was taken as a result of the House Minister's failure to give me any assurances on the above. I will also note that at our meeting on the 12th of September, Mr Zammit stated that he would refer the matter of Casola's Building to you. i.e. the Chief Minister. Mr Zammit in effect said that your Government's decision was to do nothing to ameliorate the position for the next four to seven

years. As you will understand and as I informed Mr Zammit, such a decision is unacceptable to our Party and as a result we have consulted public opinion and obtained popular support for our action. If, following this letter, your Government fails to act in accordance with our reasonable and humanitarian petition then we reserve our rights to proceed in whatever way we consider best to achieve the humanitarian objectives of this petition". Later on, Sir, I sent a reminder to the Chief Minister and I apologised for sending it under the wrong letterhead. When I realised I had sent it under the wrong letterhead I immediately rectified the position by again writing but, unfortunately, Mr Speaker, to date, I have still not had any reply.

MR SPEAKER:

What was the date of the letter sent to the Chief Minister?

HON A J HAYNES:

The 22nd of September. I received two letters, one from the Personal Assistant of the Chief Minister which acknowledged receipt of the petition and shortly after a letter from the Chief Minister saying that he had received it and would deal with it but he was waiting for Mr Zammit to return from the United Kingdom. Of course, Mr Zammit has been back for some time now but as I say, in effect, though they have acknowledged receipt of the petition there has been no answer to the request of the petition and I think though the Government should and rightly be given time to consider the affair i.e. they should be given time to consider that once they have accepted in principle that there is a need, an urgent need to deal with the matter, then by all means take a month to decide what they are going to do. On a sadder note, Mr Speaker, there are a number of things. My first expectation when I found just how bad Casola's Building was, was that Government would immediately do something without allowing it to go public. Then when it went public I expected that if not from a humanitarian sense of duty at least from a sense of shame they would act and still they have not acted as I have said but the only sad note in this affair is that recently one of the tenants has been given notice to quit. Is this, Sir, an attempt by Government to minimise the problem by reducing the number of tenants? If so, it is tantamount to political bullying.

MR SPEAKER:

I think that is a remark which is uncalled for. I don't think we should use those words in the House.

HON A J HAYNES:

Sir, I withdraw it but I would like an explanation. Mr Speaker, that is the first part of the motion, that immediate action to

alleviate the living conditions of Government tenants be a resolution of this House. If this House accepts this resolution then the second part should follow. It shouldn't be so difficult to have one with the other and that second part is that this House considers that no one should be compelled to live in Government accommodation which has been certified unfit for human habitation. Again, I feel that I shouldn't even have to make this point a resolution of the House. I should say it is obvious that no one should be obliged to live in premises certified unfit for human habitation but given the circumstances that there is at least one example where this is so, i.e. that at Casola's, I ask that Government ensures that it never happens again or that if it does happen again that those people be given immediate and steadfast rights and that is why I ask this House to also accept the second part of the motion. Lastly, Mr Speaker, I note again certain embarrassment that I have to bring this up but I hope that it will serve some purpose.

Mr Speaker proposed the question in the terms of the Hon A J Haynes' motion.

HON J B PEREZ:

Mr Speaker, Sir, I would like to first of all say that I will limit my contribution to the part for which I am responsible for and what is the Environmental Health Department and I would like to clear one point first of all and maybe I can give way to the Honourable Mr Haynes to help me on this one, and that is that he is speaking about Casola's Buildings. As far as my department is concerned we look at Casola's Buildings to consist of not only 17/19, Rosia Steps, but also to include 21/23, Rosia Steps. Perhaps, the Honourable Member could confirm whether he is referring either only to 17/19 or 21/23, Rosia Steps.

HON A J HAYNES:

Mr Speaker, I refer to the whole of Casolas, in fact, the people come from more than 17/19 Rosia Steps. It is the general area.

HON J B PEREZ:

The point is, Mr Speaker, that my contribution will be based on both 17/19 and also 21/23 Rosia Steps so I may be making some statements as to certain tenements which have been declared unfit for human habitation by my Department which may, in fact, not be 17/19, Rosia Steps, it may refer to other sections of Rosia Steps. I would like to make that point clear. Mr Speaker, the Environmental Health Department, arising from visits of inspection as a result of complaints by the tenants, are very much aware of the very bad living conditions which are quite clear at Casola's Buildings throughout the last few years and, if I may explain to the House what the position is as far

as the Environmental Health Department is concerned, what the procedure is and what has been done by the Environmental Health Department, I will then deal precisely with dates and with individual tenements which have been declared unfit and passed on to the Housing Department. The position is as I explained to Mr Haynes, I did meet him on one occasion apart from the letter which I also wrote to him, and that is that the Environmental Health Department proceeds in three ways. The first one is, after they receive a complaint from the tenant or from their own initiative, all the defects which are considered to be nuisances or prejudicial to health are in fact reported to the Public Works Department which, as the Honourable Mover well knows, is the department responsible for repairs in Government owned premises. These reports which the Environmental Health Department submits in fact contain detail of the defects and in fact seeks their abatement or their repair in a satisfactory manner. Once this report is made to the Public Works and the report is made in writing, it is then really up to the Public Works Department who decide on their own priorities in the context of other commitments they may have, availability of funds and, in fact, their own their actual manpower. That is one way in which the Environmental Health Department can proceed and has, in fact, proceeded in connection with Casola's. The second manner in which the Environmental Health Department can proceed is that when it finds that there is an urgent matter like things which are obstructed, they are reported verbally to the Public Works Department and they are asked to expedite the matter as soon as they can. The third manner in which the Environmental Health Department can proceed, Mr Speaker, is by declaring persons, individual flats, unfit for human habitation. In this type of case it is, in fact, the Director of Medical and Health Services or the Chief Environmental Health Officer who certifies to the Housing Manager that the tenement in question would be declared unfit for human habitation by a Court of Summary Jurisdiction and a Prohibition Order made under Section 84 subsection (2) of the Public Health Ordinance. Once such a certificate is issued, this in fact classifies the family as dispossessed for the purposes of Clause 9 of the Housing Allocation Scheme. Mr Speaker, as far as Casola's is concerned, and I include also 21/23 Rosia Steps, all these procedures have been carried out by the Environmental Health Department for the last number of years. I am informed, Mr Speaker, that some tenants in Casola's have in fact been given other accommodation throughout the years but, perhaps, the Housing Minister, the Honourable Mr Zammitt, can give more information than I can on this. The present position is that as far as the Environmental Health Department are concerned we have a total of 7 families which we have asked to be given alternative accommodation, in other words, there are 7 tenements within 17/19 Rosia Steps and 21/23 Rosia Steps that my Department has declared unfit. I think that was a question which the Honourable Mr Haynes had for an answer at this particular meeting and there he has the answer although the Opposition walked out at the time but there you are, there is your answer. As far as my Department is concerned there are 7 families which are categorised as dispossessed as far as the Housing Department is concerned. As I have already said, Mr Speaker, we are very well aware of the terrible conditions which at present exist at Casola's but there is one thing that I would like to make quite

clear and that is that the tenants of Casola's cannot expect that by having a motion in this House merely in respect of Casola's Buildings, that they enjoy or that they have priority over other tenants who are living in similar conditions. In other words, although we have full sympathy with the way in which they are living and I am sure my colleagues will in fact give more information as to what can be done or what will be done, I would like to make quite clear that although they have all our sympathy they cannot expect to jump over those who are living in similar conditions in other parts of Gibraltar.

HON MAJOR R J PELIZA:

Will the Honourable Member give way?

HON J B PEREZ:

Yes.

HON MAJOR R J PELIZA:

Can he indicate where there are similar living conditions in Gibraltar?

HON J B PEREZ:

The Honourable Mr Zammit will give the information he seeks. There is another point that I would like to add and that is, Mr Speaker, that as far as the Environmental Health Department is concerned there is no doubt whatsoever that Casola's is a slum. We have no doubt about that, we are not querying the position as explained by the Honourable Mover of the motion as to the living conditions there. We are very well aware of those conditions as far as this department is concerned but we must also realise that we in Gibraltar are not in fact immune to slums. The Honourable Members on the other side always like to refer to other European countries and around the world and I think every country has its slums and it is only a question of time, a question of availability of money, availability of funds, that the slums are actually demolished and the tenants are rehoused to new accommodation.

HON MAJOR R J PELIZA:

Mr Speaker, I think it is very important that we should hear what other Ministers have to say.

MR SPEAKER:

Members are free to speak as and when they wish to.

HON J BOSSANO:

I support the motion before the House and let me say, Mr Speaker, that I would like to take the opportunity to apologise to the Honourable Member, Mr Haynes, for having mentally misaligned him when he first started this campaign. I thought that it was in fact a political gimmick but I have been impressed by his sincerity in the way that he has presented his motion. It is clear to me that his social conscience has been moved by observing conditions which obviously have shocked him and as well as talking about the motion I would like therefore to take an opportunity to analyse how it is that places like Casola's Buildings exist and help, perhaps, to move the Honourable Member's political conscience more towards socialism now that his social conscience has been moved because it is clear, as far as I am concerned, that the essence of the problem, and we need to take urgent action to put right an area that is identified as one that is a blot on the community but we also need to know how it is that such areas exist and I think the Honourable and Learned Mr Perez is absolutely right when he says that the crunch is money. Therefore, if we want to help people in need we must also be prepared to support the provision of funds that are necessary to provide for that need and I am prepared to support the provision of the funds that may be necessary and to carry part of the responsibility that may be required if we need to take money away from those who have got more than they need to give it to those who have less than sufficient to meet their basic requirements. I also propose to move an amendment to this motion to insert the words "or private" after the word "Government" in the sixth line; between the word "Government" and "accommodation". In doing so, I am dealing with the second part of the motion which the Honourable and Learned Mr Haynes said followed logically from the first, if we accept that the conditions in that area are unacceptable and we accept that it follows that we cannot tolerate people living in Government accommodation that is declared unfit, then we must logically accept that people should not be allowed to live in private accommodation that is declared to be unfit and that is the reason for the amendment. I am not suggesting for a moment that Mr Haynes deliberately omitted private accommodation. I am just pointing out that there can be tenants living in private accommodation that is also declared unfit and if we are asking at the House of Assembly the Government to assume that there is a social and political responsibility for ensuring that people are not living in unacceptable conditions, then the question of the ownership of the property is secondary. It is, of course, I think, more reprehensible that it should be Government because after all you have one Government department saying that the place is unfit and another Government department tolerating that it should continue to be occupied. I am sure that the debate on this matter will gain from the Honourable Mr Loddo's contribution if he chooses to delve into his past experience of unfit accommodation in Gibraltar. I am not familiar with the exact conditions of the tenements in question but I can tell the Honourable and Learned mover of the motion that I know just how serious a housing problem we face in Gibraltar and for me essentially it is part and parcel of the inequality of society

which we continue to tolerate politically because we are not prepared to do what is necessary to put it right. I welcome a commitment of the House of Assembly to attack such inequalities. I welcome, in fact, the political education of the Honourable Member in the courage that is required in certain areas of the working class population to overcome the disadvantages which an unequal society present them. I think the Honourable Member placed emphasis on the young children living in that area and I would ask members to consider whether children born in that sort of environment are starting off with the same chance in life as others. This motion, for me, goes beyond merely a housing problem, beyond merely the unacceptability of saying that the place is unfit to live in and allowing that to be perpetuated, it goes to the root of what political commitment is all about. I welcome the motion, Mr Speaker, and I wholeheartedly support it.

Mr Speaker put the question in the terms of the Hon J Bossano's amendment which was resolved in the affirmative and the amendment was accordingly passed.

Debate continued on the Hon A J Haynes' motion, as amended.

HON M K FEATHERSTONE:

Mr Speaker, I would like to associate myself with the Hon Mr Bossano and congratulate the Honourable and Learned Mr Haynes on what was I would say for him his first major speech, free in most instances from his usual invective, constructive and to some extent, educational. Now, Sir, as the Honourable Mr Perez has said, lamentably Gibraltar like most other big cities, has its unfortunate areas, its depressed areas, what might be called slums. This is not a thing that we have been without ever but over the years successive Governments have done their utmost, and in their time the City Council, to try and get rid of them. I remember some 25 years ago when I first joined the City Council, we had a very bad area which was known as 'Patio Danino' one of the worst slum areas you could possibly come across, worse, I think, even than Casola's Building because the whole building was tottering and on the point of collapse, and eventually it was taken over and now we have the Police Barracks buildings which I think are a credit to Gibraltar and this, of course, is the intention to do with all the slum areas we have. The Honourable Major Peliza talks about are there any others? Well, we have one building which is again on the point of collapse. We have some people living in the transit centre in Town Range where they do not even have the benefit of electricity. They are living in an old building surrounded by wooden slats that they have put up themselves and the only illumination they have is by one of these little butane lamps. Cooking, again is a very difficult thing to do and they are living in the most miserable of conditions and it is our hope that they will soon be moved at least to some better area. We would like to support this motion but we cannot do so because, obviously, this would to some extent put one depressed area in advantage over other depressed areas and it is the Government's whole attitude that

all these areas must be looked at and as much must be done to remove them from the face of Gibraltar as quickly as possible. But this takes time. We have, as the House well knows, a vast modernisation programme. An area which was not as bad as Casola's or Rosia Steps but an area which was delapidated and which was in need of modernisation was the Lime Kilm Steps area and this has been tackled and has been approached. Castle Road area is another area which is again being modernised. It was an area which was falling into decay which was an insipient slum and therefore I do not think it can be thrown in the face of this Government that we are doing nothing whatsoever. But each one must wait its turn. We would like to do them all at once but unfortunately neither do we have sufficient labour or sufficient money or even sufficient space to do everyone at the same time. The one thing that I would take issue with the Honourable Mr Haynes was his remark that notices are sent to the Public Works Department and are - if I can read my own writing - effectively and cynically ignored. That, Sir, I would give the lie to forthwith. If the question had been put to me - Question No 294 - I would have followed the same procedure as my colleague the Honourable Dr Valarino and said that I would leave the reply to that question until a later part when the motion came and this might have had a second walk-out. But I am willing to give all the facts that I would have answered in that question. We have, over the last two years, been requested by the Environmental Health Department to do a number of jobs and these have been done. In No 19, treat walls affected with penetrating dampness; replace missing wall tiles; replace missing floor tiles; renew defective ceiling boards, repair leaking WC pans, replace window panes, repair cracked window-sill. In No 14, carry out repairs to sewage installation. No No 21/23; repair loose soil pipes, No 19 again, renew inter-septor.

MR SPEAKER:

Order. I am not going to tolerate any further interruptions from the public gallery. If I see that this is happening again I will have no hesitation in clearing the public gallery. The proceedings of the House of Assembly will be conducted with the decorum it is entitled to and without interference from the public.

HON M K FEATHERSTONE:

Thank you, Sir. In No 36 roofs were leaking, ceiling boards were loose, floor boards were affected with dry rot and the electrical installation was defective. All the above repairs have been carried out. Those were given to us on request from the Environmental Health Department but apart from that, 47 other requisitions have been done. This is no small amount and I do not think that it is completely true, as the Honourable Mr Haynes would say, that the Public Works just cynically ignored all requests if they happen to come from Casola's Buildings. But, of course, when requisitions do come in they have to be looked at with a certain measure of care because,

obviously, if a building is in such a dilapidated state that it is going to cost more to repair than really it is worth doing, one has to exercise a measure of judgement and decide whether to do it or not. It is the judgement of Public Works that Casola's Building, per se, is not worth repairing. It is a building which, sooner or later, and I hope sooner, will be demolished and a new building put in its place and this is part of the plan we have for the Gasworks or Vineyard scheme which is to go ahead in the next development programme and I will inform the Honourable Mr Haynes the next development programme is due to start in 1981 and it does not mean that it means four or five years waiting. This could be the first parts of the development programme so it might mean a wait of six to nine months before something was started. The intention of course is to start in April 1981. We have, and I accept this, a list of other repairs that have come in on the 24th of October from the Public Health Department and these relate basically to the WC's on the upper and lower yard, the rear of the lower yard and on the first floor and first floor North and I have given instructions that these are to be done expeditiously because they are real-essentials as they are detrimental to health if they are not done as a sense of urgency. If the Honourable Mr Haynes had got in touch with me and told me that the tarpaulins were in a dilapidated condition, or were not put in the most effective places, we would have done something. It is a pity that he didn't get in touch with me, he knows I am quite accessible and we would have done something to deal with that but I will see that whatever can be done to alleviate the roof leaks by improving the situation of the tarpaulins, will be done. The question of no running water. I accept that there is no running water there, this is not a thing which is so rare in Gibraltar, there are many areas without running water and of course, as the Honourable Mr Haynes has said, the tenants do not wish to invest any money in putting in running water because it would perpetuate the possible time they would be considered liable to stay in that type of building and that is exactly the same reason why the Public Works Department doesn't wish to pour in a lot of money on a building which in itself is not worth spending a lot of money. I take the point that the dustbins are not emptied on a daily basis. I will look into this and the Honourable Mr Haynes has my word that as far as is possible the dustbins will be emptied on a daily basis. I cannot see any reason why they should not be but if there is any specific reason why it has I will inform him and I will see that it does not occur again. A sewage pipe burst. Well, Sir, this is one of the things that can happen anywhere. We have had pipes bursting in Varyl Begg Estate, a reasonably new building, we have had pipes bursting in Humphreys, this can happen anywhere. I can only be of service by saying that should there ever be such a burst it will be repaired with the utmost urgency. I am happy to see that the expression "political bullying" was withdrawn. I am not sure, Sir, with regard to the fountains not being available on a Sunday. I will look into this and again I will see that the water should be available on Sundays because I do not see any reason why people should have to put up with the difficulty of no water on Sunday, they have enough difficulty with having to cart the water in anyway. As far as the abandoned flats are concerned, there is nothing

at the moment that Public Works can do other than to board them up to stop anybody squatting in there although this is not an easy thing because if the squatter is determined he will break down the barricade that we have put up and this has happened in the past. I think, Sir, that that shows that the Public Works does understand the position as far as is possible, is willing to help as far as they possibly can within reason and without pouring what one might say good money after bad and, as I have said, the situation is that the Government does appreciate that this is an unfortunate area, has got plans for it to be ameliorated as soon as possible and I can only ask the people living there to have a little more patience, they have been very patient up to now and this is appreciated. We do understand the difficult conditions in which people live but as I have said they are not the only area and if we were to accept this motion as it has been put it would put one area in advantage over others who are living in just as difficult conditions. Thank you, Sir.

HON MAJOR R J FELIZA:

Mr Speaker, I am very glad that my Honourable Friend, Andrew Haynes, did bring this to the notice of the House. He certainly captured the attention of this Assembly as I have never seen anybody else do it before. In silence, we all listened to what he had to say with very graphic description of the sort of conditions that there are still people living in. One, I think, can hardly believe this as most of the time we see the better areas of Gibraltar and one is inclined to forget that that even now there are pools of slums in our little Gibraltar. I think he has done a great social good by bringing it to the notice of this House, because notwithstanding that the Government may be aware of these conditions, there are many other problems that need attention and through silence these places where a lot of suffering is going on, are clean forgotten. He has done, therefore, a good social action by bringing this matter to the House. Of course, he tried by every means to bring this to the notice of the Government by other ways. I, personally, am not quite satisfied with the answers of the Government so far. There must be a way of giving first aid to the situation. We just cannot say that people in those conditions will have to wait until their turn comes. Personally, if I were living under those conditions, and I am sure the Minister himself who has spoken tonight would find it very difficult to accept the situation. I am sure that they would do something to try and face what is obviously very, very wrong. My Honourable Friend, Mr Bossano, pointed out that these things require funds. He went slightly off at a tangent to express how from seeing a situation like that you move into some sort of political philosophy, and I agree. But in this instance it is not due of lack of funds. We know we have had plenty of funds available for development programmes which unfortunately have just been sent back and we have not used it up. This I think is a great tragedy, that we have had the money in Gibraltar under the development programme to put this right and we haven't done so. We have had houses in Varyl Begg Estate empty because of the procrastination of the Government.

MR SPEAKER:

No. 1 am not going to have that under any circumstances.

HON MAJOR R J PELIZA:

Mr Speaker, we have had empty houses in Varyl Begg Estate, this is a fact.

MR SPEAKER:

Order. Let us speak about the subject before the House.

HON MAJOR R J PELIZA:

As I say, Mr Speaker, it is not due to lack of funds, I think you must accept that there have been empty houses.

MR SPEAKER:

I have not got to accept anything. I am here to play the game by the rules. I have called you to order and you will keep to order.

HON MAJOR R J PELIZA:

Can I say that there have been empty houses in Gibraltar for a long time in Gibraltar, Mr Speaker?

MR SPEAKER:

I have not objected to that.

HON MAJOR R J PELIZA:

That is what I mean, there have been empty houses, which if the situation had been properly administered, that would not have happened. And, equally, I think, if this Government had been more efficient with their development plan this situation might have been over by now. I think it is fair to say this because if we don't the complacency that has existed in the past may continue and it is all very well to talk in this House very quietly, very logically, if at the end of the day we are all going to go home and forget about it.

HON M K FEATHERSTONE:

If the Honourable Member will give way. I have given a commitment of what the Public Works are going to do and I do not intend to go home and forget about it. I shall be telling

the Public Works tomorrow morning that this must be done.

HON MAJOR R J PELIZA:

Mr Speaker, I am very glad to hear that and what I say will only help him not to forget. I am not really acting contrary to what he wants to do and therefore he should have no objection whatsoever but it is more than that and I am coming to that, Mr Speaker. It is vital that the Government of Gibraltar in its priority should put housing first, there is no doubt whatsoever about that, Mr Speaker, that must be No 1 priority. Secondly, they should build houses as fast as possible. Thirdly, something should be done for the people who are in those conditions today and it should not be looked at purely and simply on whether it is cost effective or not. The situation of those individuals has got to be looked into and if in the process it is going to cost more than in fact we accept that the house cannot be rebuilt because it is not I think economically viable that we should do so, I think some patching up, some money has got to be dedicated to make the lot of those people a little better than it is today for the period that they have to wait there. I don't think the Minister for Public Works put it that way and I would like him to take that into account and perhaps bringing an extra vote to this House. I think this side of the House will be prepared to support such an action because in fact the Minister has not given a definite time as to when these people, these and the others that are affected. Will be able to find decent accommodation. I would like to hear, Mr Speaker, and I think it would be very satisfying for the people living under those conditions, if the Minister could say with some certainty "You will be out of that hole by such a date". We have heard today that there are going to be plans for more housing and that they will come out eventually, that is what I interpreted, but no definite date. I think the people that are living under those conditions if they were given a date by which they know they are going to be changed into better accommodation, I think they would feel much happier and in a much stronger position to put up with the conditions that they are living in. Furthermore, Mr Speaker, I would say in the situation that people living in slums today are, the Department of Public Works should not leave it to those who make the complaints. I think it is in the interest of everybody that someone should be appointed from the Department to do the rounds and try and make sure that things are put right because although the Minister says that things are done, one has to accept that in a department where obviously they are very hard at work and lots of reports are coming in, it is possible that those who need most priority don't get it. We have the instance of the tarpaulins where the tarpaulins obviously have broken and the rain is coming in and it took some time from what we have heard here today before that was put right. If, because of the circumstances that this accommodation is in, we have someone doing the rounds, that would have been seen pretty early and perhaps would have been changed even before it broke. Mr Speaker, I think that that is another thing that if I were the Minister for Public Works, I would try to institute. Briefly, what I say is (1) the conditions are as they are through bad administration of the

Government in not carrying out their development programmes as they should have done, it is not through lack of money. (2) It is important that something is done to ameliorate the position even if this is going to cost more than was envisaged, and this side of the House is prepared to pay. (3) a definite date should be given to them in conjunction with the new development programme as to when they are likely to change accommodation. Finally, Mr Speaker, I would have someone especially dedicated to go round these areas to make sure that the position is not allowed to get worse than what it is today. I, of course, fully support the motion and I am sorry to hear that the Government is not going to.

HON H J ZAMMITT:

Mr Speaker, once again I too must say that the whole debate has been spoilt by the Honourable and Gallant Major because one cannot but say how sympathetic one has looked at this case from its inception, not only when the Honourable Mr Haynes came to see me after having written me a letter but because I am unfortunately in the hub of receiving constant letters and complaints from tenants from Casola's building. And not only Casola's building but many other buildings that are in Gibraltar that are worthy of particular attention. Mr Speaker, one of the questions asked is, why do such areas exist? The simple answer is that such areas exist because it was not until after the war, the Second World War, that the elected Government of Gibraltar began to construct housing for the people of Gibraltar. I am told that the only building that was erected by the then City Council was Harrington Buildings in Cumberland Road, and, therefore, Gibraltarians had to live in the old houses that were privately owned and a number of Gibraltarians lived in Spain and came over.

HON MAJOR R J PELIZA:

If the Hon Member will give way. Perhaps the Minister will correct me on this one but I think Humphreys Estate was built during the time of the City Council.

HON H J ZAMMITT:

It was done in 1947, Mr Speaker.

HON CHIEF MINISTER:

The City Council was very deeply concerned with the construction of Humphreys Estate.

HON MAJOR R J PELIZA:

Yes, but it was the Colonial Government who built it.

HON H J ZAMMITT:

It was done on a par basis with the Gibraltar Government in 1947. I think that Sir Joshua Hassan made his first civic triumphant walk into politics in 1944/45.

HON MAJOR R J PELIZA:

I happened to be a City Councillor at the time.

HON H J ZAMMITT:

Anyway, Sir, be that as it may, I think certainly Humphreys was built in 1947, shortly after the war. The old buildings all round Gibraltar, Willis's Road, Flat Bastion Road, Casola's Building, etc, have been standing in some instances, for well over 100 years. Some of these buildings, were returned to Government upon the termination of a private lease, have been returned to Government in quite appalling conditions. This is why I would ask the Honourable Mr Bossano that when he inserts the word "private" there is particular danger because we cannot control who a private landlord puts into his accommodation. We find in the Housing Department all too often that no sooner does the private sector put somebody in, that two days later the same person goes and complains of it being unfit and that person jumps the queue of people who have been waiting at Casola's Building for the last 7 years. So we have to be very very careful when we do this and how we do it because we certainly have control over our own dwellings but we have no control whatever on private dwellings and I can assure the Honourable Members opposite that I have encountered this in a particular patio on more than one occasion where the Public Health Department has condemned by Court Order only to find that the landlord is able to patch it up, paint it up, spray it up, in goes another tenant and three days later, because the house is in an appalling condition of dampness, as the Honourable Mr Haynes says, wallpapers cannot be put up, they cannot paint, the same tenement is condemned again and I think it is unfair that we should allow people to jump the queue of people who are patiently waiting as I say like the people in Casola's Building. I think the Honourable Member wants me to give way.

HON J BOSSANO:

I was just going to say two things, Mr Speaker, One is, in fact, that the motion reads "that nobody should be compelled to live in Government accommodation" and therefore it doesn't say that Government has to re-accommodate people who are living in Government accommodation, but I think it is logical if they are not compelled in Government accommodation they are not compelled in private either as a matter of principle. Secondly, I think that from my recollection, from my days in the Public Health, in fact a building is condemned when it is not repairable at reasonable cost. Therefore, it should not be possible simply to patch it up and say it has been condemned

and then to recondemn it. If that is happening then there is something seriously wrong and it should be looked into.

HON H J ZAMMITT:

Mr Speaker, I won't labour that particular point. I would just say, Mr Speaker, that I would like to talk about Casola's Building because when the Honourable Mr Haynes came to see me, I think it was early September, if I can remember correctly, he wrote to me on the 30th of August and he went through the list. At that particular time, Mr Speaker, I had no information in the housing department that Casola's Building or any tenement of Casola's Building had been rendered unfit. I can tell the Honourable Member in this House that we have had reports from Public Health dating back to 1975 when a Mr Davis was decanted. In November, 1977, on public health recommendations, we decanted a Mr and Mrs Chigley. In March, 1979, we decanted a Mr Hodges, in November 1979 we decanted a Mr and Mrs Smith and family, I assume. In December 1979 we decanted Mr Golt, senior; in January 1980 we decanted Mr Stuart and in October, 1980, we decanted Mrs Byrne and therefore on the 24th of October, this year, I received a letter in Housing from the Chief Environmental Officer and there are three tenements out of a total of 17 tenants in Casola's Building, but I must emphasize in all fairness that I am prepared, and I am only prepared on documentation for Casola's Building and not the 21/23 Rosia Steps that my colleague referred to. Casola's Building is 17/19 and that is the one that I know about because, may I say, Mr Speaker, the motion does mention Casola's Buildings and I certainly didn't come with material for Humphreys. I have certainly armed myself with information concerning Casola's Building. Now Mr Speaker, in the cramped situation that the tenants are living in Casola's Buildings there are in fact 36 tenements. We have been decanting people as I say since 1975 to October 1980, mainly on public health and public works requirements, but we have allowed no one to take over those tenancies and in fact I know that tenants there occupy, and we don't mind them doing it, occupy the vacant places purely because we don't want to put other people in houses in those conditions. So you can see, Mr Speaker, that we have certainly moved in decanting and when the Honourable Mr Andrew Haynes came to see me, I had the files and I was able to tell him that in one particular case; and I will not mention names, because I don't think it is fair Mr Speaker, in one particular case there is an applicant that stands with very high pointage. In fact, it is one of the 3 houses that have now been condemned as unfit by the Environmental Officers. In the other case, out of the four we had, we were able to decant one person earlier before the report came through. This leaves me, really, with urgency in looking into three families in Casola's Building. Mr Speaker, what happens here is that these tenements that have been certified unfit will go to the Allocation Committee who will then give them the necessary classification of points for housing.

(Interruption from the Public Gallery)

MR SPEAKER:

Order.

HON H J ZAMMITT:

Sir, so the action is that those 3 in Casola's Building will go to the Housing Allocation Committee for the Housing Allocation Committee to award the points necessary for further action. I was about to say that I must be absolutely clear and make myself absolutely clear that there are other people in Government housing who live in very similar if not worse conditions than Casola's. I was asked by the Honourable Major Peliza earlier on; "What other places?" There is a place in which we have to decant people within the next month. I don't think I should make reference to it, Mr Speaker, but if the Honourable Member would like to know I would be very pleased to inform him. There are other places that have been certified unfit in Devil's Gap Steps, in Willis's Road, in Crutchett's Ramp, that is on Government side only but there are many other places that receive equal treatment in the private sector. I don't think it is very easy to say that we should drop everything and just attend to these cases. These cases of course will be attended to in the best manner we can but things have to be taken in their stride. Mr Speaker, it is precisely because we find ourselves with an old housing stock that this Government took up a modernisation programme. It is precisely because there are people living without running water and communal toilets that the Government embarked on a modernisation programme and it is absolutely futile and ridiculous for the Honourable and Gallant Major to say that there were funds available

HON MAJOR R J PELIZA:

If the Hon Member will give way. This is the whole point. This is where the Government have gone wrong if I may say so, Mr Speaker, because modernisation takes a long time whilst if the effort were put in building new houses then I think there would be more houses available. Therefore, priority (1) is build more houses and then when you have the opportunity gradually modernise. It is not that we are against modernisation but I think the priorities are wrong.

HON H J ZAMMITT:

Mr Speaker, but we are doing that, we are doing two things simultaneously and modernisation cannot be such a bad thing because MOD down in Rosia Road has modernised flats. It is advantageous and it has its merits. Mr Speaker, the Opposition oppose and always have opposed modernisation and let me say one thing Mr Speaker, no one suffers more than I do as Housing Minister because, invariably, I am faced with two things. Does the scheme punish people on the waiting list and give advantage to people living in substandard accommodation? One isn't a magician and if you have three, you have three and you cannot make six, Mr Speaker. People must realise that there are many

people living in Gibraltar in quite appalling conditions and we are doing our utmost and I would ask the Honourable Member, or Members for that matter, that they may like to have a walk around Gibraltar and see the amount of decanting that we have done in preparation for both modernisation and new housing. In fact, it was but a few weeks ago that I walked around with the Chief Minister and although I see it in paper I had not seen it in practice. Road to the Lines is virtually decanted completely, all Tank Ramp is being decanted. Lime Kilm Steps has been decanted, Flat Bastion Road has been decanted, and slowly we are improving our housing stock, we are not perpetuating slums because I am afraid in all sincerity there are houses that I wonder somehow how they stand, never mind how people can live in them. But there are obviously restrictions, we haven't found the goldmine yet.

MR SPEAKER:

Let us return to the subject matter of the motion.

HON H J ZAMMITT:

Mr Speaker, one thing I would like to say is that under no circumstances would any tenant of Casola's Building be condemned to living there longer than he would have to live there if he installs his own fresh water supply. That is absolute rubbish. If a person in Casola's qualified on points he is out, he or she or they are out whether they have running water or no running water. I would advise them, as I do in many instances, not to instal running water because I do not think they are going to be there all that long. I also must make it a point, Mr Speaker, that I did not say to the Honourable Mr Andrew Haynes that the people at Casola's Building were condemned for four to seven years. I understood him to say that in the letter he sent to the Chief Minister that I had said that the people in Casola's are condemned to live there for the next four to seven years. That is not so.

HON A J HAYNES:

I did say that in my letter to the Chief Minister that in effect what the Minister was saying amounted to 7 years or so.

HON H J ZAMMITT:

Well Mr Speaker, that is not the case because there is one tenant there that the Honourable Member knows who will be out, I think, within a month.

HON A J HAYNES:

I did say that as regards individuals he did offer some hope but not treating the building as a whole.

HON H J ZAMMITT:

Mr Speaker I cannot treat the building as a whole because the building has not been condemned by the Public Health Department. All I can do is view those tenements that have been reported to us as being unfit for human habitation. Those are the three that I can certainly give hope to. And I can give hope to more than three because there are some that are going to qualify as soon as new houses come our way. On the advice of the Environmental Health Department I have three tenants living there now that I have to pay particular attention. I repeat that attention has to be paid in conjunction with the other 80 or so cases that we have in the Housing Department.

HON J ROSSANO:

If the Honourable Member will give way. He mentioned a number of previous tenants that have been decanted. Given what he said about what could happen in the private sector that somebody is brought out of a private dwelling and then somebody goes in, can he tell me, in fact, that this does not happen in Government accommodation?

MR SPEAKER:

The Minister has said that in Casola's Building it hasn't happened but you may wish to confirm that.

HON H J ZAMMITT:

Mr Speaker, I was coming to that point. If the Honourable Member will bear with me for a second because there is one particular point that I regrettably have to say and that is that my concern at this stage is that as a result of a letter dated 24th October, from the Public Health Department, it was the first time, subject to the people we had decanted earlier on, that we were now faced with an unfitness problem in three tenancies. What I did say to the Honourable Mr Andrew Haynes was that they were not going to be decanted, that is the entire block under this modernisation programme, they were not included in this programme and therefore they could well be in the next but by that time I would assume some of them would be out. Mr Speaker, I think the Honourable Member will now realise that when we have decanted somebody from Casola's Building, we have preferred purely to avoid having more people living in that condition not to allocate the vacancy left. I must say, and I would not like to have said this, but the Honourable Mr Haynes made reference to the Housing Department adding insult to injury by sending a notice to quit. Mr Speaker, the person that was given notice to quit happens to be a squatter. It is not a notice to quit in the legal sense, it is somebody who has been asked to leave. Mr Speaker, I know it is lamentable but that person has no right to be there. That person has not a tenancy agreement, that person moved in there and has stayed there and therefore I cannot, under any circumstances keep quiet about it because I

think it doesn't do us any good. If we decanted Casola's building and then found that people were going to move in there, and this is the point that the Honourable Mr Bossano mentioned, that we find that some of the places that are condemned by Government unless they have boarded it up are squatted straightaway. Then one finds purely from a sense of sympathy that everybody of course says there are children and one can cry one's eyes out. There are children, there are married families. But Mr Speaker, that is the situation. I can assure the Honourable Member and I thank him for his concern in this particular case, and I think the Honourable Major Peliza, for once spoke something which I listened to with interest and that is the attention that all members of this House gave to the Honourable Andrew Haynes because this is a very serious, emotive matter which we all sympathise with and we would all like to help. I would just like to say that as far as the Government is concerned we certainly sympathise with the tenants of Casola's Buildings as indeed we sympathise with the tenants of many other housing estates and patios inherited by Government over the years and the concern that Government has had in this has been very well exemplified in our modernisation programme in our decanting programme and I hope that the forbearance that the tenants of Casola's Building have shown in the past will not have to be borne for much longer.

HON MAJOR R J PELIZA:

If the Hon Member will give way. I wonder whether the Minister could say if the four points I put forward could be implemented by the Government?

HON H J ZAMMITT:

Mr Speaker, the four points made by the Honourable and Gallant Major Peliza are four of the many points that Government tries to do in housing. One couldn't say "Eureka" to what the Honourable Major Peliza has come up with. It is quite basic. Of course we don't like to see people living in Casola's Building. Of course we don't like to see people living in very bad conditions.

HON MAJOR R J PELIZA:

Perhaps the Honourable Member did not listen to my four points. There were four points which I think if the Government could give an undertaking I think it would make the position of the tenants there a happier one. Whether the Government can act on them or not is a different matter. I asked him because I thought he might be the last speaker.

HON H J ZAMMITT:

First and foremost there are priorities and my concern is that I

ask the departments concerned to tell me what their priorities are. I just cannot decant all Gibraltar.

HON MAJOR R J PELIZA:

I didn't say that.

HON H J ZAMMITT:

What the Honourable Major Peliza very well knows is that neither the Minister for Public Works or the Chief Minister or myself as Housing Minister, will tell somebody in Casola's that they are going to move into Humphreys in December, 1981. We cannot give a date Mr Speaker and the Honourable Member knows exactly why we cannot give dates. There are circumstances very much beyond Government's powers and I have made the mistake in the past, with the best possible intention, having been assured that something would be ready by such a date, to have told that person, that person goes and buys furniture and that day comes three months later, and that person calls me a liar. Never again will I tell a person you are coming out on such and such a date. Never again. I made that mistake once very much to my detriment. Therefore Government cannot, as much as it would love to, commit themselves to an exact date.

The House recessed at 8.00 pm.

FRIDAY THE 7TH NOVEMBER, 1980

The House resumed at 10.45 am.

MR SPEAKER:

I will remind the House that we are still on the motion on Casola's Building moved by the Honourable Mr Andrew Haynes.

HON P J ISOLA:

Mr Speaker, I would like to speak on the motion and keep myself to the terms of the motion rather than embark on a wide ranging review of Government policy or what Government policy should be on housing, generally because I am certain that the conscious of all Honourable Members must have been stirred by the presentation of this motion by my Honourable and Learned Colleague, Mr Haynes, who I think has gone through considerable and painstaking trouble to bring to the notice of the House, as indeed of the public of Gibraltar, of the plight of one section of our community and of the dreadful conditions under which they live. I don't think we have had a more lurid description of living conditions ever in this House than we heard from the Honourable and Learned Mover of the motion. I am glad, in a

way, that the response of the Government has been rather more sympathetic than I thought it might be and it is in the spirit of constructive criticism that I am speaking to the House today. I think the Honourable and Learned Mover can congratulate himself on having achieved quite a lot for the persons that he is genuinely trying to help and whose cause he is trying to further. I think the statements that we have had about the possibility of rehousing them are rather more encouraging than the statements that the mover made to me of what he had heard prior to bringing the motion to the House. I hope that the concern, not just of Members of the House but also of the great number of people who signed the petition to the Chief Minister, has had its effect because I think this is a genuine case of people living in appalling conditions. I think that the motion, from what we have heard and from what has not been denied by the Government spokesmen, demands that some action be taken to alleviate the appalling conditions of the Government tenants at Casola's Building. I was glad to hear from the Minister of Public Works that he himself would take immediate action on a number of points that were brought up in the debate by the Honourable and Learned Mover. I know they are small points but at least it is some improvement. That the fountains would be available on Sundays and not closed so that people can draw water, that rubbish would be collected every day, and so forth.

HON M K FEATHERSTONE:

If the Honourable Member will give way, I am sure he would like to. Instructions have already been issued.

HON P J ISOLA:

I am very glad to hear this and the only point I would say, Mr Speaker, is that I think it is a great pity that the Minister for Medical and Health Services, whose responsibility it is, as being the Minister responsible for the Environmental Health Department, that the Minister for Medical and Health Services has done no more than send notices of nuisances to the Public Works Department. I think the debate has shown a singular lack of cooperation between Government Ministers on this particular issue. I will give an example. It seems, from what the Minister for Public Works has said in the House that he himself has not been made personally aware by his colleagues, whose responsibility it is to look after, for example, environmental health, about the conditions of the people at Casola's Building, and it seems to me that if the Minister for Medical and Health Services, the Minister responsible for environmental health, had done a little more than just sign notices but had picked up his telephone and called for a meeting with the Minister for Public Works then, perhaps, something would have been done to alleviate the appalling conditions under which these people live earlier than now. And I myself feel, talking in the first part of the motion, I myself feel that it would be very useful if the Minister for Public Works were to pay a visit to Casola's Building, with one of his high officials, inspect the place and see in what way the appalling conditions there can be alleviated

because I am sure it must be the view of all Members of this House that nobody in Gibraltar should be compelled to live in premises that are unfit for human habitation. The plight of the people there should be improved. It seems to me from what I have heard that the Minister most able to do this is the Minister for Public Works. I would hope that he would take up my suggestion and visit the area and see in what way the conditions can be alleviated. Mr Speaker, I don't think this is a case of throwing good money after bad. I think it is a question of ensuring that certain minimum standards of health and hygiene are maintained in Government accommodation. If this is going to cost money, well, so be it, the money should be spent. Money is collected from taxpayers every year in huge amounts for the general good of the people of Gibraltar and I think it is a perfectly justified expenditure to use this money in alleviating the appalling conditions in Casola's Building. I would ask the Government and I would ask the Chief Minister in particular, to give us assurances that the Minister for Public Works or people from his department will go and visit Casola's Buildings and see what they can do to improve the living conditions of the people there.

HON H J ZAMMITT:

If the Hon Member will give way. I think one could not but agree with that particular statement that the Public Works should go around or for that matter Public Health but I wonder if the Honourable Leader of the Opposition is aware that a Minister during the Integration with Britain Government administration of 1969/1972 asked the Public Health Department not to condemn Casola's Buildings?

HON P J ISOLA:

I am not aware, Mr Speaker, I am not aware, I don't see the relevance of it to this motion what happened eight years ago or nine years ago how that can be relevant with this motion I just fail to see. I am talking about the present living conditions there and I was giving way, I hoped, to a helpful remark to make the living conditions better but not to remarks such as the one that has been made but of course I am always happy to give way even if the interventions are quite irrelevant. But I do hope that that invitation will be taken up because I think that all Members of the House are agreed that people should not be allowed to live in appalling conditions and if they have got to stay living there for 3 months or 6 months or 9 months, at least make it livable, and I am sure that the amount of money that is involved cannot be large as compared with the sort of general Government expenditure. I think that the Honourable and Learned Mover would be very happy to hear assurances from the Chief Minister these things will be done as quickly as possible. If we can have the sort of speedy action that we have had, for example, from the Minister for Public Works who gave the assurance yesterday on these two minor points but I think points of some importance, and is able to tell us today it has been done, if we can get that sort of action from the Public Works Department

then, I think, in this House, we would be at least happy that the motion brought to highlight the plight of these people has had some result even though it might not have been passed. Then I would hope, Mr Speaker, and I think the suggestion made by my Honourable and Gallant Friend, Major Peliza, that there should be some sort of supervision or an eye kept on properties such as Casola's Building that are in a bad state, some constant eye kept by a fairly senior surveyor in the Public Works Department, some sort of regular inspection, I don't say it has to be every month, but, say, every 3 months of whatever period of time is thought necessary, to ensure that certain standards are being maintained. I think that the Minister for Medical and Health Services should himself take his responsibilities where environmental health is concerned rather more seriously than, perhaps, he does. I do not think it is sufficient for him to be able to get up in this House and say he signed 47 complaints and that they have been lodged with the Public Works Department. He has ministerial status, he can go further than just through his officials, I think he should take the matter up in Council of Ministers and express his concern if his notices are being ignored and especially in places like Casola's Building where we know people are living in appalling conditions, we know it now after the visit of the Honourable and Learned Mover to the place, having been put on notice of this, I think the Minister for Medical and Health Services should go with one of his high officials, too, and see for himself the conditions and press rather more strongly than he has for the alleviation of the situation. Mr Speaker, I feel it necessary to say these things because I can see there is sympathy in the Government for the motion but I think that the sympathy should be translated into action and I think that in situations like this, especially with departments with wide ranging responsibilities and wide ranging duties, liabilities and so forth, unless the Minister personally takes an interest in areas such as Casola's Buildings, then nothing will be done, I think if this motion succeeds in getting Ministers to take a personal interest in what is going on in these areas and doing something about it then I think the Honourable and Learned Mover can feel satisfied about it. Mr Speaker, going to the second part of the motion, that nobody should be compelled to live in Government or private accommodation that has been certified or found to be unfit for human habitation, I think that is a sentiment with which we all agree and I agree with the amendment moved by the Honourable Mr Bossano entirely but I think, with respect to him, that there are two different situations with Government accommodation and with private accommodation. I think with the private accommodation what the Government should do, having heard what the Minister for Housing said, I think there is a fairly simple situation there. If premises in private accommodation are certified unfit for human habitation and on that basis somebody is given accommodation from those premises, I think the legislation should not allow those premises to be used again for human habitation without certification from the Development and Planning Commission and the Health Authorities, that those premises have now been rendered fit for human habitation to the satisfaction of the Development and Planning Commission. Not just that they have been dolled up a bit. The Development and Planning Commission

should have power to put conditions to the sorts of work that will have to be carried out in those premises. I think this would rid the Government of abuse which obviously we all agree should be got rid of. There should be stringent conditions. If the Health Department says that certain private accommodation is unfit for human habitation then I think the Development and Planning Commission should come into the picture and the premises should not be allowed to be used for anything until work to the satisfaction of the Development and Planning Commission have been carried out and, Mr Speaker, there is a case in point just along the road here about which my Honourable Friend, Mr Restano, has raised a number of question in the House. Those premises were not just unfit for human habitation but were a danger to the public and required protection. In that sort of situation the law should be that those premises, once an order for demolition for repairs has been made they should not be allowed to be used or let until they have been repaired to the satisfaction of the Development and Planning Commission. That is the way to get rid of abuse, in my view, in the private sector. I think in the Government the situation is very different because the Government is its own master and therefore unless the Government accepts the responsibility and says: "Here are premises that are unfit for human habitation. I either empty them or I improve them so that they are fit," there is nothing anybody can do and I think the policy the Government should adopt is obviously to accept the principle that nobody should be compelled to live in accommodation unfit for human habitation and having accepted that principle you either empty them or you make them suitable. I know this is not easy but I think this is a principle that the Government just has to accept. The Government cannot allow their own tenants to live in premises unfit for human habitation. It is just not moral, it is just mustn't be done, the money has to be spent to make them habitable. It is just as simple as that. So, Mr Speaker, I hope that this motion brought by my Honourable and Learned Colleague with the very best intentions to help a very much deprived section of our community, will have positive results even if it is not passed.

HON ATTORNEY-GENERAL:

Before the Honourable and Learned Member resumes his seat can I speak on a point of clarification. Mr Speaker, the Honourable and Learned Member referred to the need to go to the Development and Planning Commission if premises were unfit for human habitation but he will of course be aware that at the moment there is machinery for repairing premises that are unfit and for prohibiting their occupation until such time as they are rendered fit. I would just like to clear whether the Honourable and Learned Member is saying that that isn't an adequate machinery and that there should be improved machinery.

HON P J ISOLA:

I am glad to hear that, Mr Speaker, I don't know whether the machinery is adequate or not but having heard the Minister for Housing complain of what is happening, I assumed there was

nothing that could be done about it. If the machinery is there to do the sort of thing that I am suggesting, I am very glad to hear it and all I ask the Government is to use it and use it quite ruthlessly because there is no question about it that properties are valuable in Gibraltar and I think in certain areas the Government would be very justified in using that machinery.

HON CHIEF MINISTER:

I was going to deal with the point raised by the Honourable the Attorney-General because the position is somewhat different. In the first place I do not see why the Honourable Member who has just spoken should be surprised that we have shown sympathy in this matter. That is the whole purpose of Government, to try and better the position than ameliorate the suffering of the people. That is what we have been doing all these years but what was mentioned yesterday by the Minister for Housing must be taken into account and that is that it has fallen on this generation to house the people properly because nothing had been done in 250 years prior to the war. Nothing had been done except Harrington building by the City Council at the time when they were going to become the Housing Authority for the first time and then the war came and the whole thing was stopped and nothing was done except that building. Then the impetus that was given to the Housing immediately after by the then City Council and later by the Government, has re-housed I think about 4/5ths of the total population of Gibraltar that required housing. By any standard, in proportion to the territory, that is a very great achievement. But of course there are many black spots and I am afraid that whilst the debate yesterday and this morning carried on on lies which are understandable and I think the main benefit of this motion is really to draw attention to the public at large of the situation of some people rather than members of this House who are acquainted and if they are not acquainted they should jolly well be acquainted, certainly the members of the Government are. If we refer back to the earlier part of these proceedings when we were busy with the supplementary estimates, Honourable Members will see on supplementary estimates No 2 when £320,600 were asked for it said on the margin that it had not proved possible to redeploy to the extent previously envisaged the maintenance section labour force to the heavy maintenance programme and tenants' requisitions must be attended. These supplementary requirements will be partly offset by a saving of £150,000 on the backlog of heavy maintenance. We were asking the House for more money earlier on, before this motion came and before notice of motion was given, we are asking this House to divert money in order to do precisely what the Minister said he was doing in respect of Casola's Buildings and in respect of the others so that there is no question of lack of money in respect of repairs. There is, of course, the question of the limitation of the labour force and the demands that are brought on it. The other thing that I should like to correct is that the Minister doesn't sign nuisance notices, these are signed by the Chief Environmental Health Officer. This is a section of his department and this is done all the time. I have a letter here from the Chief

Environmental Health Officer when I asked for a report arising out of the motion, where he says, amongst other things; "The Environmental Health Department periodically inspects the premises and all defects discovered and tenants' complaints found to be justified are reported to the Public Works Department for necessary action". This is another proof that though the people have a perfect right and they do continuously lay complaints about nuisances which the Public Health Inspectors go and look, also they have the practice of going regularly without being asked to see these places and see what can be done. So the system is there. But it gets to a bottleneck when demands of the various black spots that we still have in Gibraltar, which gradually we are getting rid of, get into a bottleneck in the Public Works Department for lack of labour, I would have thought mainly. Money we have asked for, it has been voted, and monies will be available but, of course, there is the limitation in respect of labour which sometimes requires that things take a little longer to be done. I, myself, when someone brings to my notice a particular bad situation I write a note to the Minister. When he wasn't here, he was at the Commonwealth Parliamentary Association Conference, I wrote to the Director of Public Works. I had a note from him the other day explaining about a particularly bad flat for dampness and so on. We take a continuous interest in the matter. And as I say, the debate was going along and has come along good lines except, as usual, when the Honourable and Gallant Major goes into it like a bull in a China shop because he tried to explain yesterday that having a situation such as this is a sign of bad Government. I challenge him to tell me in which City in the World there are not black spots like this one. Whether in London, where he lives, there are no slums to be cleared, of course there are.

HON MAJOR R J HELIZA:

Mr Speaker, I cannot understand why he takes such a negative attitude to my contribution. Whether there are slums anywhere in the world, I think our aim should be not to have them in Gibraltar. If that is the attitude that I am taking I cannot see why he should object to that.

HON CHIEF MINISTER:

That, of course, is perfectly tenable but to try and tie that up to responsibility of Government who have not cleared all there is then I must tell him that this is inherent in every City, unfortunately, because population has grown at a quicker rate than estates and because the demands of people are bigger now and they are not happy with just anything as they were 20, 30 or 40 years ago and people are entitled to have proper accommodation and giving them proper accommodation slows down the rate at which the others who are waiting can get it, that is the question. Housing is a big problem in Gibraltar and has always been particularly since nothing was done for 150 years and to show that and to show the problem of housing, in two years and 10 months of the IBWP Government they had three

Ministers for Housing and when you change Ministers it is because something is going wrong. Three Ministers, Mr Caruana, Miss Anes and then Mr Xiberras. Three Ministers of Housing which shows the problems that housing brings. I really must pay tribute to Mr Zammit who has been able to put up with this department for more than five years and has stood up to the great pressures which are brought to bear on him and on all members of Government but much more to him because he is primarily responsible. Therefore the Government has got a good record of which we are proud in respect of relief of housing. As he said the other day we went up to Road to the Lines where we have vacated there virtually a whole block of flats, this slum area has been cleared and will be built into proper housing and what he has had to do is to provide houses for about 200 people, to decant them, in order that either the houses can be rebuilt or modernised and that has been a great strain on the people on the waiting list and, of course, people in Casola's Buildings and others whose pointage has been high and who have not reached the stage because of the other demands on the housing requirements. There is no question about the fact that we are sympathetic and we understand the problem of Casola's Building and other similar places in Gibraltar. If the motion was in general terms, that the Government's aim should be to clear everybody out of slums, that we would accept because that is what we are doing but if you put one motion and then you put it in such a way that it highlights a particular area against the other then it breaks the whole of the priorities and it would not be fair for others who have not had the advantage having a Member to highlight their particular difficulty to get behind because of this. So the fact that we cannot subscribe to the motion is not because we are not sympathetic and because everything that can be done will not be done. Of course it will be done but as the Chief Environmental Health Officer said Casola's Buildings are a badly designed pre-war Communal Services tenement which over the years has unfortunately become a slum because of the way that part of the premises have been used, that is the overcrowding and so on. Therefore that one, together with others, will have the priority and the fact that the Minister has taken an interest, the Minister will take an interest in anything that is brought to his notice but to expect people to believe that the Minister for Health must know of every nuisance notice that is served by the Public Health Department, or that the Minister for Public Works should know of every item, every requisition, that comes into this department from repairing a door knob or a water closet system and so on is, I think, expecting too much.

HON P J ISOLA:

If the Honourable Chief Minister would give way. The reason why I made the complaint with regard to the Minister for Medical and Health Services is that these things were highlighted in public, he did have a letter from the Minister and I would have thought that in this particular area he might have taken a closer interest than just finding out how many reports had been made, that is the only point I was making.

HON CHIEF MINISTER:

I wasn't dealing with the Minister for Public Health at this stage, I was dealing with the Minister for Public Works. I first of all said that the Minister for Public Health cannot know all the nuisance notices and the Minister for Public Works cannot know of all the requisitions. What I am saying is that it does not require a motion, with the greatest respect, it does not require a motion, though we do not resent in any way that the motion should have come, I think it highlights the position. I hope people will get more conscious of this generally so that when the taxation has to be paid for the loans that have to be made in order to bring further housing is brought to the notice of the people, they also know that this is done also in order to be able to carry the benefit of housing to the people who deserve it. In that respect this motion has a good educational value. I am reminded that in fact the first letter of the Honourable Mover was acted upon because, as a consequence of his letter, 3 further flats were certified unfit and therefore placed higher in the priority list. In a problem of this vast nature of course anything that is brought to the notice of the people at the top ameliorates the position. It happens to me, people approach me and I take note and I write and perhaps something is done earlier because it has been brought to one's notice, but we must not forget that the department has got to deal with notices of people who haven't got either the advantage of being able to tell either a member of the Opposition or a member of the Government and that is going on all the time. That is what I would like to make quite clear, that we are compassionate, we are conscious of the matter, we have shown that over the years by the amount of money that is being spent and let me give you notice that the next Development Programme, as has been decided already, will carry housing as a top priority but let me put you on notice that according to whatever we may receive by way of development aid, we are going to go on with housing as a top priority even if we have to pay for it. Let me tell you that the cost of building nowadays would make the economic rent of a flat not being able even to be paid by people in the high income group and they still will be made available at rents that can be paid by people in the lower income group. I don't know whether there are any lower income groups but, anyhow, of the type that have not been able to have a house before. That is the policy of the Government because I entirely agree that the question of housing is not just individual comfort, it is a social problem, it brings about unhappiness amongst families, it brings about quarrels, unnecessary quarrels, it brings about stresses and strains with people suffering from depression and all sorts of things not only because they haven't got proper accommodation but because they have to share it with people with whom sometimes, for reasons that one should not interfere, cannot get on together and they have to live together. All these matters are very much in our minds, all these matters are the matters that we have been fighting for all the time since we have been in Government and there are the monuments of the work that has been done all over the place by one and the other, everybody has thought that housing was a problem. We were talking in the previous motion about the identity of the people.

More people would remain in Gibraltar and make good contribution to Gibraltar if we could have more housing. My colleague tells me that from England 300 Gibraltarians have applied for housing accommodation in Gibraltar. Well I think, economically, apart from the strain that they would put on the funds as will be seen later on when we deal with the programme, Gibraltar could become economically more viable if we had Gibraltarians who were committed to Gibraltar, who came here not just in order to spend a period but to come here and commit themselves to living in Gibraltar and making Gibraltar the ideal place that we all want it to be and part of which is still, despite everything, the envy of many people from outside.

MR SPEAKER:

Well if there are no other contributors I will call on the Honourable and Learned Mr Haynes to reply to the motion.

HON A J HAYNES:

Mr Speaker, notwithstanding all the kind words and ideas and promises I still feel that Casola's Buildings is like Humpty Dumpty that had a great fall and all the King's Horses and all the King's men will not put it together again. Generally stated the argument of Government is (1) that they are doing the best they can but that Casola's will have to wait its turn. That sounds reasonable and I suppose it is feasible but how long do they have to wait and how long do they have to wait before they are even the next on the list? If Casola's was the product of a recent disaster then Government would be entitled to say: "We cannot deal with it just now because we have other commitments of long standing to which we have to attend". That is not the case of Casola's, Casola's has been a slum for some considerable time. This brings me to the point made by Major Peliza which I feel is a valid point and which I endorse wholly which is that a date, a target date should be given to the inhabitants of Casola's. That, I know, will give them the kind of hope that they need in order to continue living there. It would also help Government to keep it firmly in their minds by having a date. This question of date and morale bring to mind a point made by Mr Zammit that it doesn't make a difference to the points of an individual tenant whether or not he installs water pipes. As I said it would give him a sense of permanence, that is my point, it was not that they would lose points if they made a capital outlay and buy pipes, it is just that these people can only live there in the hope that they will not be staying and as such if they make a capital outlay then, per se, they will be convincing themselves that they are going to stay and that is intolerable. The point as to whether they would have more or less points does not come into it. We have heard from Mr Rossano that he is prepared to vote money to deal with it as soon as possible and I am grateful to him for that and his amendment and I hope that the Government will avail itself of the willingness of the Opposition, generally. Again on this point that they are doing the best they can, I can only say that I believe that they are doing the best they can but I do not

think it is good enough and I have a firm belief that members on this side could do better. This boast, more or less, of the Chief Minister that here is Mr Zammit who has been putting up - those were his words - with the Housing Ministry for five years. Well, I think when one comes to say that he is putting up with a Ministry it is time to leave and I hope that in the day when I as Housing Minister start feeling as though I cannot do it any more then I would have the political courage to resign.

HON H J ZAMMITT:

If the Honourable Member will give way. I can assure the Honourable Member, and I told him when he paid a visit, if the Honourable Member at the next elections promises the people of Gibraltar that he will solve Gibraltar's housing problem within his four years, I gave him my assurance, and I stand by it, I will vote the 7 AACR members, leave myself out and vote for the Honourable Mr Haynes.

HON A J HAYNES:

Sir, I don't intend going in my own. The other point that was general in the argument of all the Ministers was that one should not give the tenants of Casola's priority since there are other places just as bad. I think that was a quote from the Honourable Member, Mr Perez, and perhaps at this juncture I should note I did not in my speech yesterday acknowledge that I had received a reply from him which I had, in fact. I note also that the Honourable Member is concerned and he has on the various occasions when we have spoken privately shown a genuine concern as I think everybody in this House has shown. However, I will not accept that statement that one cannot give the Casola's tenants priority because there are others just as bad. We have heard the Minister himself say that when premises are certified unfit for human habitation then the tenants are classified as being dispossessed. The law itself gives them priority. Where that the tenants of Casola's have that status, there is no need to give them priority, the law has given them priority because they are classified as being dispossessed.

HON H J ZAMMITT:

If the Honourable Member will give way. Of course they are given priority together with the other tenants that have also been dispossessed but I dare say there must be 80 or so in the same bracket. They obviously are assessed by the unfitness certificate and they are given points but not because the house is rendered unfit today does that person get top priority. I mentioned places such as Devil's Gap Steps, Lower Castle Road, where there are equally bad cases.

HON A J HAYNES:

Sir, I am not quite sure that I understand the point made by the Minister.

MR SPEAKER:

The point made by the Minister is that people who are dispossessed go into a particular list and they take priority in accordance with the points that they have and the time they have been dispossessed. Just because a person has been dispossessed he is not entitled immediately to jump the queue. I think that is what the Minister is saying.

HON A J HAYNES:

Unfortunately with an ideal government of course the mere fact that one is dispossessed will automatically entitle one to a house and that is the kind of priority that I ask for the people of Casola's. There is no point in being given either a priority rating if in fact it is just hypothetical and nothing will come of it. Certainly, I think the people of Casola's would feel that until they see something concrete, until they are given a date, until they are offered genuine accommodation, they will feel that whether or not they are given priority it would be just so many words and of no value and that is why I believe that the Government should commit themselves and should accept this motion. I think they should take the bull by the horns because that way they will force themselves to comply with the measures contained in the motion in the same way that if they give a date to the people of Casola they would be (1) helping the people of Casola's, giving them hope and (2) they will be committing themselves to a target. Again, if they commit themselves to the terms of this motion, as amended by the Honourable Member, then, perhaps, all those other people who live in appalling conditions will come forward, they will be given some hope by this House.

HON CHIEF MINISTER:

If the Honourable Member will give way. The opposite will happen, that is, that the people who are in as bad a condition will say: "Why have the people at Casola's Building got priority because a Member got interested while we have to wait?" If it is a matter of priority it must be on merit and of course they have a lot of merit but there are also other people with merit.

HON H J ZAMMITT:

Could I ask the Honourable Member to give way one last time. Could I have it from the Honourable Member if he feels the priority should be such 'to the detriment of the general housing waiting list'. In other words, people who have been waiting 10, 12 years in the normal waiting list, is the Hon Member saying he would like Government to stop the waiting list and give priority to all those cases that are unfit for human habitation?

HON A J HAYNES:

Mr Speaker, this is a point which I have often thought over and it is something I give much importance to, I don't suppose the Minister would expect me to say that I expect them to be given no priority i.e. to wait their turn living in their appalling conditions, wait their turn at the back of the queue which seems to be endless but, again, as I said yesterday in the USOC debate it is Government's role to find a solution, it is for us to point out the mistakes. I know your problem is not an enviable one. You have so many people waiting to be housed that whether in fact you give priority to one or another you will still be discriminating against many but I believe our Government would not fall into such a trap. If you give the whole of housing the importance it requires, then you will solve the problem and this brings me really to Government's political and moral obligation to support the motion. I found the Chief Minister's speech was entirely consistent with the motion and yet at the end he shied away. Similarly, in the 1976 AACR manifesto, the Government committed itself to proceed with the construction of new flats and at the same time carry on with the modernisation of old houses coupled with an exercise of slum clearance to the whole of Gibraltar's benefit. Well, if they expect a mandate from the people, if they expect the votes to go with a statement to the effect that they will clear slums, then they must commit themselves to this motion. On a last point, Mr Speaker, yesterday I did mention the case of an individual who was going to be evicted for being a squatter even though he contested that and I was wondering whether the Government had any information on that, whether they are going to go ahead with that.

HON H J ZAMMITT:

We have sent this tenant a letter that he must quit the premises. This particular family were in Gibraltar some time ago, he was a member of the Police Force, had accommodation in the Police Barracks, left Gibraltar, came back I do not know exactly the date, I would say about 10 or 9 months later, had no accommodation and went into Casola's Building. As a result of the motion brought by the Honourable Mr Haynes and the exchange of correspondence in this matter, and may I say a letter was sent to His Excellency the Governor by this particular person it was brought to light that this particular person was writing from an address which had not been allocated to him and, accordingly, a letter has been sent asking that person to vacate those premises which in fact, may I say, Mr Speaker, was one of the places where we had to decant somebody because of its unfitness.

HON A J HAYNES:

Mr Speaker, my information is other than this. I believe that the Chief Minister in fact personally gave authority to those people to move into that house and as such they are not squatters.

HON CHIEF MINISTER:

I do not give authority or tenancy to people. I can not tell them to go away, that is for the department to say that. If they can stay a little longer and that is going to solve the problem, that is a different matter. One can be tolerant in these matters, but that does not mean that I can give the right of tenancy to anybody, who am I to do that. If people talk to me about this matter and I say: "Well, if a little longer is going to solve your problem, we will see what can be done in order not to execute the Order, that is compassion, it is not legality.

HON A J HAYNES:

Again, that is not what I understand happened, Mr Speaker.

MR SPEAKER:

We are not going to get involved in particular cases.

HON A J HAYNES:

Mr Speaker, I find that in the interventions since I started this winding up speech, that I have been hadgered with the statement by Government to the effect that we should not give priority to these people because there are others equally bad and again the question of which does one favour, these people or others. This I just do not accept how bad should a place be allowed to get before it is given priority. I think Casola's as it is today, without considering whether there are other people who are in the waiting list, or whether there are other places just as bad, just going and seeing as it is today, you say this needs priority treatment and then you try not to prejudice the development programme we have at the moment, you just add, you just build more houses which is what we believe should be done and we believe that you are stuck in your own development programme which is not good enough. I don't accept this argument whereby you encourage other people who have got equally bad accommodation to say: "We won't let them get priority because we are just as bad". You shouldn't pull one off against the other. You should apply a building programme which will cover all and that is why having been to Casola's Building, having seen how bad it is, having heard that you yourselves understand how bad it is, I will not accept that it is not bad enough for you to give it priority. That is all I am saying. Mr Speaker.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipianil
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The motion was accordingly defeated.

HON MAJOR R J PELIZA:

Mr Speaker, I hope that my motion meets with more support in this House from the Government benches than all the others we have introduced so far.

As you know I have been appointed by my party as Shadow Minister for Tourism, and in that respect my first objective is to try and do what I can to implement what is in my party manifesto, even if we are in Opposition in that we believe that this is in the interest of Gibraltar. The best I can do, Mr Speaker, is to read the extract I refer to from our manifesto.

MR SPEAKER:

Could you perhaps read the motion first.

HON MAJOR R J PELIZA:

Mr Speaker, the motion in my name is: "That this House urges the acting Minister for Tourism, in consultation with the Traders' Associations directly connected with the tourist trade in Gibraltar, to set up a Tourist Board to advise the Minister in all important matters connected with tourism in Gibraltar, and to do so with a sense of urgency." Coming back to where I left, Mr Speaker, the reason why we are suggesting this is because in our manifesto as I said earlier, we said "We will have a realistic approach to tourism and will carry out a complete review of the tourist department expenditure. We feel that this is an area in which the money voted by the House of Assembly could be put to better use. We feel that all those involved in tourism must be brought into the way the money is spent. We propose to involve all sections of the tourist trade in the way money is spent on tourism." Obviously, I do not think we need to emphasise that tourism is the second major industry in Gibraltar after the services that we provide to the Ministry of Defence. I think, it is the duty of all the elected members to try and nurse this industry which is bringing a considerable amount of money into Gibraltar, I believe about 25% of our income and giving quite a lot of employment and doing quite good socially because of the contact that Gibraltarians have with people coming in and the cultural influence and the general amenities that are derived from the tourist trade which can be shared by the local population. I don't think one need expand more than that, I think it is acceptable to all. The last figure that I have of income spent by tourists in Gibraltar was £9.5m which I believe was in 1979. That is good money, as we can see, but we do not want to leave it there, certainly we want to keep it there at least and there is a danger that this may come down this year for reasons not necessarily connected with the tourist promotion of Gibraltar but also because the value of the pound has risen and since we derive most of our tourism from the United Kingdom, the people from Britain find that the pound fetches much more in other areas other than in the sterling area. For instance, America is doing extremely well because

of the ratio of the pound to the dollar. One knows that even Spain is suffering because of this and many other European countries. I think we are coming in for bad times. I have already had the opportunity of approaching most of the associations connected with tourism that I know of and they all feel very pessimistic about this coming winter. Apparently, by and large, the drop is about 30% and this is serious because if we accept that 30% which is about 1/3rd of £9.5 million the income is going to be reduced considerably from the point of view of Gibraltar unless we do something about it and it is not going to be an easy task. I have already seen what I consider to be the associations that are mostly connected with the tourist trade in Gibraltar. I have had the opportunity of having a chat with the President of the Chamber of Commerce, with the Hoteliers Association, the Secretary of the Taxi Association. I have also had a chat with the Chairman but I had a meeting with the Secretary of the Taxi Association. I had a chat with the Chairman of the Gibraltar Licensed Victuallers Association and the President of the Travel Agents of Gibraltar. I have had a chat with all of them and I can tell this House that they are all very concerned with the state of the tourist trade in Gibraltar particularly because of the hard time ahead. They feel, and this was unanimous that it is very important that there should be more consultation between the Minister and themselves. They all feel that there should be an Advisory Board which perhaps, the Minister should chair and in this respect if this were possible there would be a common interest round the table in which of course there would be the different association interests, one must accept that, but notwithstanding that I think there would be compromise, there would be many instances where there would be absolute common interest in a decision and in the policy and in any case there would be better understanding even if the Minister could not do everything that every particular association would like to see done. The reason why it couldn't be done could be explained there and then and I think it would improve relations very considerably. Some of the points that really worries them and that they would like to consult the Minister on, I think I should point out because they are I think of general interest to tourism and also I believe it strengthens the case for this House to agree to have an Advisory Board on the lines that I consider to be best formed after the Minister himself has had consultations with all these associations so that if the Board is decided upon it should have, in my view, the blessing of the people who are going to sit on it and that could obviously allow it to start on the right foot. I know that the Minister had a meeting with the Hotelier Association. It took place on the 19th of September. I saw the Chairman of the Association about 3 or 4 days ago and he still has not received the minutes of that meeting. I think he was a little bit disappointed because it seemed as if whatever was discussed had not been given the attention that it deserved. One has to remember that if we have not got decent hotels in Gibraltar we just haven't got a tourist place and that no one is going to invest in hotels unless they know they are going to get a return. It is a vicious circle and therefore it is vital that

above all hoteliers should have the full confidence of the Minister himself to see that the money that they have invested and the money that they can carry on investing by improving their hotels, is going to be safeguarded, is going to have the full support of the Minister regardless of what the Government itself might think. That department is there to look after the hoteliers and the hotels and the tourist trade as a whole. In my view priority (1) if we want to have tourism in Gibraltar must go to investors who put money in our hotels. Equally, I think, after that, one can think of the travel agents who are going to bring the tourists to Gibraltar. Whatever we do, in the end it is the man behind the counter who tells the tourists where to go. I think every salesman knows very well how he can more or less decide for the client what he should buy. Equally, I think the people who are going to bring the tourists by air or by sea should also be encouraged and win the loyalty of the Minister and we must also think of the people who provide the amenities in Gibraltar who are also going to be spending money on other investments so that when the tourists come to Gibraltar they find that they can have a nice night out, or the person who is going to carry him from the hotel to the bar or the restaurant or the Casino, the taxi driver. The impression of Gibraltar that tourists take away after their holiday depends on all these factors. How better than for the Minister to be in constant touch with those people who are going to promote tourists with money and with their personal effort. I believe that this can best be done by having an Advisory Board. I am sure that in other countries nothing would please the Minister more than be able literally to be in constant touch with the very individuals who are selling the product. It is impossible there because it is too big and unfortunately the Minister has got to remain remote because physically he cannot do it. Happily, we are in a situation in Gibraltar where the Minister can do it because the place is small, the distances are short and you might say that almost at any moment he can meet one or two or all the associations depending the way he wants to do it. I think that if he were to start doing that he would find very quickly points that I have already found are of great concern to them. For instance, I discovered that the running costs of energy in Gibraltar is 11.3% of their income as against in other places, 3.9%. That is a lot of money and straight away we find that our industry is starting with a great disadvantage with regard to price. This is not just a hoo-kwink, these figures can be found out and I am sure the Minister can find out and verify it. If this is so he must pay a lot of attention because five minutes ago we were talking about the need to improve the housing stock in Gibraltar and we know that very likely in future we shall have to finance it ourselves. We will not be able to finance it ourselves if the income is not coming into Gibraltar to enable us to do it. So it's all pie in the sky if we talk about improving things and we don't do the first thing which is to improve our industry because it is only through the productivity and the income that we are going to get from our industries that our standard of living is going to be maintained and, hopefully, even improved. I think this is an industry that is important to Gibraltar, this is an industry that must have the full

attention of our Government and little things like the one I have mentioned now have got to be looked into. In days when everything is going well, fine, nobody is going to worry, not even the people in the trade, but when things are going down then everybody is going to worry and then it is even more important than ever for the Minister to try and do what he can to support it. I spoke to a chap who runs a restaurant and he told me: "Do you know that our electricity bill every month is over £800?" Well, I don't know what the income of that place is and perhaps notwithstanding the £800 he may be doing very well, but I think, prima facie, one has to accept that £800 on electricity bills is a lot of money.

HON H J ZAMMITT:

I am sorry, I was talking to the Chief Minister and I didn't hear. I understand you said that somebody has an £800 monthly electricity Bill.

HON MAJOR R J PELIZA:

In electricity bills I think he said for last month it was over £800. Straight away you realise how difficult it is for that chap to be able to manage. Obviously the prices in his restaurant will have to go up to meet those expenses, the tourists who go there say it is very expensive in Gibraltar and they may never come back. If you realise that out of the £9.5m that we are getting from income, if we say that 10% comes in as revenue to the Government - these are the figures that I have £9.5m.

MR SPEAKER:

We are debating a motion for the purposes of appointing a Tourist Board and we must not go into the details of what the Board could do or what it couldn't do.

HON MAJOR R J PELIZA:

I just mentioned these two things, Mr Speaker, as an example and the Minister should be interested in finding out more about that. If I can really spark interest in the Minister which he may already have but if I can put more into it, I am sure that he will be inspired. This must not be seen as a political move, it must be seen for what it is. We are in the Opposition to try and help tourism in Gibraltar and whether we are in Government or in Opposition it doesn't matter. It is our duty to see that this particular side of the trade prospers and therefore it is in that spirit that I am speaking here today. The other thing that people are generally worried about is the product, the general state of Gibraltar. The Minister will find that the Hotel Association will tell him that they are all very concerned about the general appearance of Gibraltar. The Government has already found a committee on that under the

Chairmanship of Mr Montegriffo and I think perhaps that would be a good weapon in the hands of the Minister to be used to try not just to keep Gibraltar tidy but to give it a local appearance which somehow has got to be projected into our streets, into our narrow lanes, into our ramps, into our steps. This has got to be done, this is the product. I am sure that if the charm that Gibraltar has and which is inside our houses could be turned out and put out into the streets Gibraltar would be a lovely place to come and visit because the warmth of the Gibraltarians is there, the warmth of the Gibraltarian in his home could turn Gibraltar into the people's home and we would have a really first class holiday resort not spoilt by tourism because, happily, we have a very high proportion of population of our own as against tourists coming in and therefore our character is there and it is not just one more mass produced holiday resort. It has a character of its own and we want to preserve that. I know this is going to be difficult at this stage but another thing is the standard of accommodation itself. I know, for instance, that one particular firm, Blands, is going to invest no less than £320,000 in improving their hotels. That, I think, is facing the situation in a confident way when times are bad and unless other people do the same our standards are going to come down because there are in Gibraltar, unfortunately, other places which you might say are not fit to be rented to tourists and of course it is not fair to mention names but I think it is proper that the Department of Tourism should start investigating and looking at standards and making sure that one way or another those standards are improved. I know it is difficult at this stage and I do not propose that this should be done in a bulldozing fashion but through I think influencing the thinking of the other side, proving that there is a future in the whole business of tourism, I think that those people who are reluctant to invest now may do so. There are other places, for instance, where they rent accommodation and there are no telephones.

MR SPEAKER:

I must call the mover to order. We are not going to review the whole tourist industry in Gibraltar under the pretext of a motion to appoint a Tourist Board.

HON MAJOR R J PELIZA:

The other point is the importance to improve ourselves as a shopping centre. Tourists leave a considerable amount of money behind and to do that, Mr Speaker, it is absolutely necessary that the prices of the type of goods that tourists buy should be competitive with those of other surrounding areas. I have ideas about that and I have suggested them before in this House at Budget time. I still believe that the Minister who obviously now has a special interest in this matter should try and see if there are means of ensuring that people who come to Gibraltar find Gibraltar as a tourist centre. This will bring a lot of money and this would bring a lot of tourists in and a

lot of revenue in so all this I think, Mr Speaker, must be looked at. The Taxi Association complains that when tourists are arriving from ships they haven't got places where to park to receive the tourists. This is an elementary thing that the Minister will very soon find out if he has this Advisory Board and of course not only will he find out but because they will meet regularly he will be reminded if things are not going well. This is the way to keep an eye on our tourist trade. They also feel, and this I found very general, that at the moment we are concentrating what you might call our sales force, in Gibraltar instead of the United Kingdom. That is, that they have, for instance, 17 people working for the tourist office here and four in the United Kingdom and all the sales are taking place in the United Kingdom.

MR SPEAKER:

With all due respect to the mover we are deviating from the motion and opening the scope of the debate.

HON MAJOR R J PELIZA:

Finally, Mr Speaker, our advertising is very low compared with the income that we get. If it is true that we have £9.5m, Mr Speaker, and if revenue is derived from there of 10%, 10% is £1m, approximately, we are spending on tourism £455,000 and it seems to me that it would be a sound investment to put more of that money into advertising to be able to bring more people here and so start the whole thing rolling again. I have tried to give some indication as to why it is necessary to have an Advisory Board and I think that the Minister will probably agree that there is a need to get the people directly concerned with tourism involved in the promotion of tourism, that there is a need to maintain this trade at its highest level, that difficult times are ahead and therefore it is all the more necessary to try and get the people concerned not only to advise but also to invest. I thought, when I put my motion down, that it would be the people directly concerned with tourism but if the Minister thinks that perhaps other people should be included, I certainly would welcome a suggestion and am prepared to accept an amendment to the motion, it is not that I am rigidly saying it must be done this way. As I said my whole intention is that he should consult the people concerned and then arrive at who should sit on the Board. That is up to him. What I would like him to accept, in principle, is that there should be an active Advisory Board in Gibraltar, that there is a need for that and that if this Advisory Board is going to be implemented, and I hope urgently because the situation is getting worse, it is up to him, of course, how he goes about it.

Mr Speaker proposed the question in the terms of the Hon Major R J Peliza's motion.

HON J BOSSANO:

Mr Speaker, I support the motion and I propose to move an amendment to the motion which I think completes the motion rather than change it, in the sense that if we want to take the views of those involved in the industry into account then clearly we have to take the views of those who work in the industry as much as the views of those who own the industry. I think in terms, for example, of advice being given to the Minister on changes that would have implications from employment practices, there is no point in the Minister getting that advice unless the advice came with a commitment that the thing would be carried out. I think it is important, obviously, in terms of planning how the industry is going to develop in Gibraltar, to have a clear feed back from that industry as to its employment composition, as to what the supply of labour is, as to what cooperation you can have from the labour force, for example, if you are going to introduce training schemes and that sort of thing and therefore in my mind an essential element of effective advice being given to the Minister in planning the way the industry develops is the involvement of the representatives of the people working in the industry and therefore I move that this motion be amended by the insertion of the words "and representatives of employees" before the word "directly" in the third line thereof.

MR SPEAKER:

I have to remind you again, is this all you want to say on the motion?

HON J BOSSANO:

Mr Speaker, I support that there should be an Advisory Board for that industry as indeed I think has been clear from my own views expressed in other matters in this House where I believe that the participation of the people who are affected by Government decisions is an essential widening of the democratic process beyond the voting once every four years. To me this is consistent with something I believe in but taking up just for a few minutes the wider issues raised, I think, by the Honourable and Gallant Member with the role of the tourist industry, generally, I think he was making a case about the tourist industry, generally, which has got nothing to do really with the Board in the sense that whether the tourist industry is expanded or contracted or big or small, really, it is a good thing to have the people involved in it advising the Minister so that he is aware of their problems and so that any policies that he implements do not, in fact, become frustrated by virtue of things happening, in the industry of which he is ignorant. For his own benefit I think the more information he gets the more effective he will be as Minister for Tourism but on the wider issue of planning the role of the tourist industry within the economy I think it is something that the House could do well to devote perhaps some attention to a

different stage on a different motion, I think it is important that we see the economy of Gibraltar as an integrated whole and I think it is important that we see that if we have got social expenditure, if we have got a problem in housing then that is a problem of using up wealth in a particular manner and then we have to see whether that wealth is going to come from and what is going to create it. In particular, when we are talking about the expansion of the tourist industry we have got a difficult task in front of us because on the one hand we have to say to ourselves right perhaps if we get more tourists coming to Gibraltar that is going to create more money for me to build more houses for the people who are permanently resident here but then that is not a net gain out of that equation you have to take out the call on resources which we have to import into the system and that may mean more water and more fuel and more food and more labour and we have to see what is the net effect left and not just the gross effect on the economy and of course there is one particular commodity which we find very difficult to increase which is land. We have got a finite amount of land and when we are left with the net benefit to the economy of an expansion by so much percent of the tourist industry, against that net effect we must set off any loss of space for building to accommodate tourists which then might not be available to accommodate local people even if we now have the money to do it. It is, I think, a highly complex area which would benefit from a serious debate in the House of Assembly, a debate where we should all be using our abilities to try and resolve the problem jointly for the benefit of Gibraltar rather than to try and score points in terms of showing that we are better at governing than the other side and I think the Honourable and Gallant Member has shown quite clearly that that is the spirit in which he has proposed this motion and I think that if he were to bring a motion dealing with the question of tourism generally perhaps many of the points that he has raised on this occasion could be developed more fully.

Mr Speaker proposed the question in the terms of the Hon J Bossano's amendment.

HON MAJOR R J PELIZA:

Mr Speaker, I am just going to say that I welcome the amendment. If it is felt that the position of the Board could be more effective by having representatives of employees, I really do not know enough as to who they would represent since obviously as far as the employers are concerned, they would have the views of their own employees and that undoubtedly would be reflected in their decisions but if there is such a thing as a Union which takes these employees under their own umbrella, or if it were possible to somehow have a representative who would be speaking for the employees as a whole I think it would be a good idea. The problem is, how large is that Board going to be? Whilst I welcome this I know my Honourable Friend would probably agree with me that finally, as I said before and I stand by that, although I welcome the amendment I stand by what I said before, Mr Speaker, that finally it is up to

the Minister to decide on the composition of that Board. If the Minister would like to find out if I agree with his final decision, I am not afraid, Mr Speaker, of grasping the nettle so if he wants to, before he finally agrees. I would be delighted to tell him whether I agree or do not agree. He is responsible and I cannot for one moment try and get myself into his place, it wouldn't be fair. All I am saying is that it is up to him, through consultation, to arrive at a composition of the Board which in his opinion is going to be effective, is going to work. If, for the sake of pleasing everybody we are going to have a Board which is not going to be workable, quite honestly it is better not to have it at all, that is my view, and I am saying it here openly. I welcome the amendment but I still say that it is up to the Minister to decide what the composition of the Board should be after consultation which of course will include representatives of the employees. Perhaps I should add, Mr Speaker, that I also welcome the suggestion of bringing a motion to the House where we could discuss tourism in depth.

HON H J ZAKMIR:

Can I refer briefly to the amendment and then I will answer on the general motion. I am not completely convinced that the Hotel Association will be very pleased with the amendment. I think Mr Bossano, who knows much more about these things than me knows the difficulties and problems. I wish to go no further than this, Mr Speaker.

HON P J ISOLA:

I think the amendment is a perfectly valid one, representatives of employees. I think that if in any area of Government activity everybody affected within reasonable bounds should be represented. I think I ought to say that we regard by definition from traders associations we include in that sort of definition the Taxi Association. They are in anyway as traders associations but representatives of employees, I see no reason why people should object to that, after all the Tourist Board will presumably be working towards particular aims, it won't be an industrial board between both sectors, it would be working towards a particular aim. I agree with the amendment, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I do not know what the Honourable Member is going to say or what he has up his sleeve but I would like to say, Sir, that whatever comes out in the form of a Board, if we do have it or we do not have it, I do hope that the Board will become a closed shop in other ways, either a closed shop for employees or a closed shop for existing hoteliers and people in the trade. I hope it is a board for the benefit of the whole of Gibraltar and not a board for the benefit of the people in the trade themselves.

HON J BOSSANO:

I take the point that the Honourable Major Dellipiani has just made. I think it is very difficult, in fact, in an Advisory Board where you are representing the interests of the people in that particular area for those people to look at anything other than their own interest, quite frankly. The trade associations involved in the tourist industry cannot really be expected to be thinking of the general good of Gibraltar, they are thinking of the general good of their own trade. And the people representing the employees tend to think of those interests. In effect, we are supposed to be above those considerations and to somehow apply the wisdom of Solomon and balance all the different pressure groups and all the different interests that finish up in the House of Assembly. But I think it is an inevitable thing that the advice that the Minister gets will basically be self-interested advice. In that respect I think to the extent that that advice is coming from the employers only without the employees then it is going to be an even narrower thing than if it is balanced. It is difficult, of course, to have this sort of Board with representations from the people working in the industry and the people who own the assets, without it becoming sometimes a point of overlap and friction from wage negotiations and problems in the industry. It shouldn't be like that, one should be able to divorce the relationship between employer and employee when one is arguing about the share of the cake and yet be able to sit down when one is working to enlarge the cake because obviously the bigger the cake the bigger share one can take, that is a principle on which good trade unionists work. I know that there may be some misgivings in the industry, I think I can draw my own conclusions about that, but of course representatives of employees is a wide enough phrase not necessarily to imply any particular Union or association. It doesn't even say that it should be through the trade union movement. There is no reason why the representatives of the employees should not be selected in some other way from the people who are working within that industry themselves. It doesn't have to be the shop steward. If one wants in fact to keep the two things as divorced as possible, the relationship between employer and employees when they are arguing about pay review or conditions of service although as I say this sometimes can have a detrimental effect on the workers in Gibraltar. I have known when I was in the Dock Labour Board that sometimes the friction between the employers and the employees got to a stage where the Board was not looking at things objectively and pre-conceived attitudes had already been taken. On the other hand, it is also good for the Minister, even if this interferes with the work of the Board to know that there is something going wrong in the industry or in one particular sector of the industry because if in fact there are problems that could lead to bad industrial relations in one hotel, well, OK, the Minister is not charged with the problems of industrial relations but as Minister for Tourism he certainly would want to know and help to avoid if it is possible a potential strike in a hotel because it has an effect on tourism and on the name of Gibraltar as a tourist industry and on the possibility of people coming back for a second holiday

If they find that they have to carry their own cases and do their own meals and that sort of thing. Although the spilling over of any problem into that can interfere with the working of the board, I think that there should be problems in one particular area and that those problems should not come to the light of day and be ignored, is also a best thing. On balance, I think the benefits are greater and I commend the amendment.

Mr Speaker then put the question which was resolved in the affirmative and the amendment was accordingly passed.

HON H J ZAMMITT:

Mr Speaker, Sir, for once I may say that I have paid particular attention to the Honourable and Gallant Major Peliza because it is the first time, and I say this quite sincerely, it is the first time I haven't seen him with his hair over his forehead and losing his cool. I think he has done a very good job in his presentation and I think that obviously one can do no better than try to reply to the proposal, I hope, in the same cool, calm and collected way that he has done. Mr Speaker, I think we all accept that tourism is the second major industry of Gibraltar and therefore it is of particular concern to all Members of the House, to all connected with tourism and to Gibraltar as a whole. When I originally read the motion he had me worried because in the manifesto of the DPBG it said that money would be put to other better causes. I read in the last page where tourism is given, may I say 1½ lines of the manifesto despite the fact it happens to be the second major industry.

HON P J ISOLA:

If the Honourable Member will give way. The AACR gave 7 very much shorter lines.

HON H J ZAMMITT:

I was worried, Mr Speaker, because I thought that the members of the DPBG were saying that we should not spend money on advertising particularly when they said in their manifesto and I quote: "We will have a realistic approach to tourism and we will carry out a complete review of Tourist Department expenditure. We feel that this is an area in which the money voted by the House of Assembly could be put to better use."

HON MAJOR R J PELIZA:

If the Hon Member will give way. I gave an example of how we should change the load of the work from Gibraltar to the United Kingdom. That is an example of how the money can be put to better use.

MR SPEAKER:

Members must not give way so easily, particularly to the person who has moved the motion and who has got the right of reply.

HON J BOSSANO:

Perhaps I can help because I think his reading of the manifesto not my manifesto, but I think he has misinterpreted that when they were talking about putting it to better use they didn't mean to better use outside tourism but using it within tourism to better benefit.

HON H J ZAMMITT:

I accept that I may have confused myself but I think I was justifiably allowed to be confused because one thing was not consistent with the other. Mr Speaker, I think I ought to start by saying that if we would have been allowed to provide answers I would have given a breakdown of what the Gibraltar Tourist Office is spending on advertising.

MR SPEAKER:

No, I am not going to allow you to do that, most certainly not. We can speak on the advisability of appointing a Tourist Board, and nothing else. We are not discussing the Tourist Vote and we are not discussing whether money is being well spent. We are discussing whether we should or should not appoint a Tourist Board, otherwise we enlarge the scope of the debate.

HON H J ZAMMITT:

Mr Speaker, if my memory serves me right there was mention by the Honourable and Gallant Major Peliza that we should increase our expenditure on advertising.

MR SPEAKER:

That does not entitle you to go into the whole expenditure of your Department. I did call the attention of the mover at the time. We must keep to the question before the House.

HON H J ZAMMITT:

May I please have your guidance, Sir. How am I now able to tell the Honourable Member if we should increase our expenditure or if we should not?

MR SPEAKER:

When the Honourable and Gallant Major Peliza touched on that particular subject I called his attention and said that it was out of order because it was beyond the scope of the debate and that is what I am trying to tell you.

HON H J ZAMMITT:

Mr Speaker, may I then say that on the 17th of September this year, I held a meeting with the Hotel Association which is the meeting that the Honourable and Gallant Member made reference to. I should also inform the House that even before September, because I think we are all aware that I presented the tourist estimates here at estimates time this year and I was acting Minister as Mr Abecasis was absent from the budget session. It was then, Sir, that the Lisbon Agreement came round, or didn't come round, should I say, and I gave instructions and we sent circulars that I would like to meet every single association concerned with tourism to try and find out (a) their views and (b) how could the Tourist Office assist them, not only with an open frontier situation but with a closed frontier situation. There were two meetings held and then we all found that the Lisbon Agreement began to drag from the 9th of July right the way until today, nothing has occurred and the thing froze down. But I did have two meetings with the Gibraltar Hotel Association and at these meetings the Hotel Association made three points. One was that a special bulk rate for municipal charges, that is water and electricity should be levied until the hotel occupancy level increased by 25%. (2) They wanted additional funds to increase advertising and that is, Mr Speaker, why I made reference to the advertising earlier on.

MR SPEAKER:

Yes, but when the Honourable Mover touched on the question of the electricity charges I called his attention.

HON H J ZAMMITT:

I am not touching on electricity charges, Mr Speaker, I am referring to advertising.

MR SPEAKER:

What I am trying to tell you is that we are not going to get involved in either the expenditure of the department or how it is spent or whether the department is properly run. We are exclusively debating the advisability of appointing a Tourist Board for the purposes of advising the Minister to improve the tourist trade, no more or less. We must not fall into the temptation of going beyond that scope.

HON H J ZAMMITT:

Very well, Sir. The third point was the setting up of a Tourist Advisory Board. I will not comment on the first one, that is, the special bulk rate for electricity, nor on the second point which is the increased advertising as I am only allowed to make reference to the third point which is the setting up of a Tourist Advisory Board. Mr Speaker, this was looked at and I will dwell very briefly on this question of the representation from the workers. I certainly, and I am sure my party cannot be accused of not wanting or allowing that because we have trade union representation in virtually every Government Committee. I will go no further than saying that it did not receive the enthusiasm that I would have expected but that is not for me to say and it is not for me to interfere. Mr Speaker, what the hotel association were quite alarmed to learn is that there is a Gibraltar Travel Association which is drawn up from people from all the trade including the Taxi Association, of which the Director of Tourism is a non-voting ex-officio member, which hasn't met. When I said this they were quite alarmed. All that it required is for a re-vitalisation of this particular organisation. I think the last occasion they met was over two years ago to discuss greenwich mean time. Certain things came to light and one was that they were of course seeing me to try and improve the down trend of tourism as it is today. I commend the Honourable Member for saying, quite rightly, that irrespective of whether we had a hotel painted in gold walls today let me assure the Honourable Member that it is not just the value of the pound that has gone up, there is a recession in Great Britain where there are two million people out of employment and because of that and because of course and, I agree entirely, the pound is of some standing, people are going to America. But let me tell the Honourable Member that the advice that I have received is that if we were to spend £4m in extra advertising, tourism is just not there at this stage. They hope, and I think the Honourable Mr Bossano will confirm this, that assurances have been given in the Conservative Party that the thing will come back within 18 months but that is a thing we will have to wait and see. The years 1978 and 1979 were both boom touristic years and the hotel arrivals increased by 24% in 1978 compared to 1977 and by another 14% in 1979 compared to 1978. Mr Speaker, what happened is that the tourist trade has dropped.

MR SPEAKER:

No, I am going to stop you, with due respect. This has nothing to do with the motion.

HON H J ZAMMITT:

The substance of the motion is that an Advisory Board is warranted or wanted or required. All I can say is that we are willing to go along with this Mr Speaker, because there exists this committee and I think the Honourable Member may not have known this.

HON MAJOR R J PELIZA:

If the Honourable Member will give way. I saw the Chairman of this Committee.

HON H J ZAMMITT:

Well, then, Mr Speaker, it does not require a motion to set up what is already there. It requires a revitalisation, possibly, an undertaking from me or my colleague, Mr Abecasis, to make sure that this is revitalised. The Travel Association could get together and include members of the trades council or the employees or employers. This goes back to 1960 when it was originally formed Mr Speaker, it goes back to Mr Scrase's days when he was the Director of Tourism. Mr Speaker, I think that all that is required is to bring this committee back, get them together and if they want to add and include any other section of the community which they feel forms part of the industry, we would certainly have no objection, Mr Speaker. I think that possibly the Honourable Member might feel that there is no need for a motion and all that is required is to bring this Committee back into its life.

HON P J ISOLA:

Mr Speaker, I think that the Honourable Minister hasn't actually outlined the history of these bodies. I agree with the Honourable and Gallant mover that there is a need for a Tourist Board so called, in Gibraltar. This is what they have got in other successful small territories like the Isle of Man and the Channel Islands. A Tourist Board with specific terms of reference and a Tourist Board which will probably be chaired by the minister. When tourism was first thought of as an area of Government activity but not a department in its own right. I think it was in the time of Mr Seruya, he set up a Tourism Advisory Committee, which he used to sit on as Chairman, and gradually the question of tourism developed. I don't know what happened with the Tourism Advisory Committee, I don't know whether there was disagreement between the chairman and the committee, and a department was set up in Government and then the Travel Association was formed separate to the Minister. That I think is the history, and as the Government became more political and spent more money on tourism, I suppose the reason for the Travel Association seemed to have disappeared and they meet very little and I agree. I think the trade themselves have downgraded the Gibraltar Travel Association but I think it is mainly because its terms of reference and its use and what it does is not exactly what one would expect a Tourist Board to do. The sort of Tourist Board that we are thinking of is a Tourist Board that for example, will help the Minister in the formulation of departmental estimates of expenditure of the following year not just in advertising but generally in relation to the department because tourism is, I think a legitimate area of Government activity but it is an area that affects very much trade, not just hotels, I notice the Minister keeps talking about hotels but I think tourism is

not just a question of hotels, it is not a question of getting people to Gibraltar, it is to do with the final product as well, what happens in Gibraltar, the people involved in tourism like the travel agents, the tour operators, the taxis, transport, all these people and of course, as I am reminded by the new conservative, so called by the Minister, not by me, also representatives of employees, I know it is a problem in a way to get them sitting together but I would have thought that the Gibraltar Tourist Board as I would hope it will be called, would not be an Industrial Relations Board, there are acknowledged avenues of negotiation between employers and employees, but I think one would look at it and it would be so set out I would hope in the terms of reference, that its basic raison d'être would be to promote tourism as an industry in Gibraltar and to advise the Minister in all these various matters, I don't think it should be just the hotels, the hotels of course are a very important element, I agree entirely, but I think anybody involved or interested in tourism, it could even be the Chamber of Commerce or the shops side of the Chamber of Commerce. I think that traders representatives, shopkeepers, put it that way, representatives should be there and answer, for example, allegations by hotels that their prices are too high and so forth. I think it should be a board that generally represents anybody involved in the industry, not just the hotels, although as I say they are an extremely important part of it. I think one has to look for something new if you want to give a fillip to an industry and I think although the Gibraltar Travel Association is there, I think to say revive it, especially if it is considered by those connected with it to be a dead duck or a dead body, is the wrong way of approach, I think the thing to do is to scrap it and say: "In future, the way to the Minister for Tourism will be through the Gibraltar Tourist Board so you, the Gibraltar Hotels Association, for example, will not be coming to see me on matters that are essentially tourist matters, you come through the Board. If you have a particular problem that is another matter but not on general Government policy in tourism." It will all be channelled through the Board and it would have the advantage that different sectors would be able presumably to get agreement as to the best way of promoting Gibraltar and the best way of using the funds available to the Tourist Department.

HON H J ZAMMITT:

Mr Speaker, the Honourable Member said that in the setting up of this new Tourist Advisory Board we should scrap the other one. I don't think it is ours or Government or mine or even the Tourist Office to scrap because no one could prevent them from carrying on work and what I would certainly not like to see is duplication. I don't think it would be in the interests of tourism to have a Tourist Committee or Advisory Board and have somebody call themselves the Gibraltar Travel Association with possibly, conflicting interest.

HON P J ISOLA:

Mr Speaker, I don't know whether the Gibraltar Travel Association is a Government Body or if it is an independent body. If it is an independent body of course the Government can just ignore it and say: "We are setting up a Tourist Board and it is through this one that we expect to operate tourism. This seems to be the general consensus of the House of Assembly and it seems to be the general consensus of people in Gibraltar and that's it." This is the way I would look at it. I think there is a need, Mr Speaker, to set up some sort of new-dynamic committee in tourism (a) for the reasons that the Minister has said, the recession generally in the world and (b) there is a possibility of the opening of the frontier. I think a certain amount of work should be done on that and the people should meet and discuss how they are going to cope etc, etc, etc. With regard to the recession I can only recall that in 1977, in December, we were told that there was recession and scheduled flights to Gibraltar were cut by the scheduled operators because they said there was going to be a decline to 25% in tourism, the recession by January disappeared and there was in fact an increase of 25%. I don't think the Minister should take too much account of what people say is going to happen. What I think the Minister has to do is to try and grab the biggest part of the market and again it might require changes in advertising policy, and that is why I think that a Gibraltar Tourist Board, something new to be set up now to deal with the obvious new situation that is arising in Gibraltar, a possible opening frontier, plus recession and its possible effects in the economy as a whole, I would have thought it would be welcomed by the Minister to be able to have a Tourist Board which he would chair and from which he would be able to obtain advice and so forth. He is nodding his head that he agrees so then I suppose the Government will vote for the motion. Then I will say nothing else, Mr Speaker.

MR SPEAKER:

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

HON MAJOR R J PELIZA:

Mr Speaker, it seems to me as if the Government is well disposed to the idea. I think what is really troubling the Minister is how can he dispose of the Gibraltar Travel Association, this is the problem that he sees and I think he probably believes that this is going to be a problem. I don't really see the problem because if this is a Government committee the Government obviously can do away with it. If it isn't and a Tourist Board is created, and the Tourist Board is the one that is going to be effective, then obviously the other one will die a natural death because it will not serve a purpose.

HON CHIEF MINISTER:

If the Honourable Member will give way. Perhaps if I make clear the way we look at this broadly because I think that debate has not been particularly easy to follow, it has been a bit of a haphazard debate with too many interruptions and so on. Certainly I would want to read the Hansard of this debate and particularly the original intervention of the mover on the matter. I only want to make a reservation that this does not mean that the Tourist Board is going to be set up immediately, there must be consultation and in those terms he can have it easy because we are going to vote for it.

HON MAJOR R J PELIZA:

Nobody is suggesting, Mr Speaker, that it should be done without consultation. As I have said before, it is up to the Minister finally to decide what he wants to do. He is going to carry the can, Mr Speaker and the last thing I would like to do is to try and get him committed to something which I obviously don't know about as much as he does because he is the person who eventually is going to get aye or nay of the people who are going to work in the Board. If he makes a decision with which I agree I will support it, if he makes a decision which I don't like then I won't. What I am trying to get at the moment is a sort of extension of his department through a Tourist Board. The word "Board" is not quite the same as Travel Association. The word "Board" immediately identifies it with something to do with the Government which is created by the Government if the Minister is the one who is going to chair it as I hope he does. A Travel Association sounds very much like a Travel Agents Association which doesn't identify itself with the general feeling of the tourist trade in Gibraltar and everybody else concerned with it. I think a Tourist Board is much more identifiable to the tourist trade than a Gibraltar Travel Association, the grading of one is obviously much higher than the other. I also believe that to build on something that has been defunct for so long and which obviously has not worked is much more difficult than to start afresh with a new idea, a new impetus, a new enthusiasm to meet the situation that is round the corner. The Chief Minister said it will not be done immediately, well, I obviously understand it cannot be done immediately but I hope that it won't take very long because what the motion says that if they are going to vote for it, it says it very clearly, "with a sense of urgency" and that sense of urgency if they vote in favour, I hope, Mr Speaker, will be maintained. It is really pointless in my carrying on speaking because it looks to me as if the Government is in agreement and the sooner we get through this the better.

Mr Speaker then put the question in the terms of the Hon Major Peliza's motion, as amended, which was resolved in the affirmative and the motion was accordingly passed.

HON A T LODDO:

Mr Speaker, I have the honour to move the motion standing in my name which reads: "This House welcomes the advent of the Gibraltar Sports Council, a Body fully representative of the various sporting associations, and calls on the Government to encourage, support and foster the Gibraltar Sports Council." Mr Speaker, when I move this motion I had hoped to have the support of the whole House but I much fear that I won't be getting the support of the whole House, definitely I will not be getting it from the Minister for Sport. I believe the motion is worthy of support because of the actual content. It says "the Sports Council, a Body truly representative." Well, when one considers that this Sports Council was set up by the sportsmen themselves and that the different associations voted for their own representatives on that Council, then one must admit that it is truly represented. Perhaps it is, Mr Speaker, because I have lived in the shadow of a dictatorship for so many years that I am always wary of nominated bodies. I might be wrong but I am always wary of that and I much prefer to see a genuine democratic election as this seems to me to be the case. Therefore, if we accept the first there should be no reason why Government should not encourage support and foster the Gibraltar Sports Council. As far back as March 1980, in answer to a question by my Learned Friend the Honourable Mr Haynes, the Minister for Sport was at great pains to explain to this House that when we were presented with the Sports Committee it would be on the same lines as the Sports Council in Great Britain and that is that the members of the committee would be appointed by him. However, whereas in Gibraltar the Minister sits in the Sports Committee, in England the Minister does not sit in the Sports Council. That is a pity because I think that if he had followed the pattern in England fully we wouldn't find sport or the idea of a committee in the shambles it is today. The DPEG's idea of the Sports Council, as we explained in our manifesto, is of course at variance with the Government's idea. We believe that sportsmen should have a Minister for Sport and that the Minister for Sport should be there to see that no injustice is done. He should be the court of appeal and that is why we welcome the Sports Council, it is more or less what we had envisaged. As to the reasons for the birth of the Sports Council this will come as I develop my argument. After months of waiting we do get the birth of the Sports Committee. In fact, it was still born because it has died almost before its first breath and the reason why this Sports Committee has died appears to be not because of the terms of reference of the committee which were good enough and not for the composition of the Sports Committee because, in fact, as it has turned out most of the members of the Sports Council were members of the original Sports Committee. It is not a question of terms of reference or of composition. The reason why the Sports Committee has died before it could breathe is because the Minister did not accept the terms of reference. The Minister was not prepared to take the advice of this Committee which brings me to the question of the charges which the Government

MR SPEAKER:

That is something that I must call your attention to. We are not going to discuss the question of charges under the guise of welcoming the Gibraltar Sports Council, and that is all that the motion does. You are entitled to comment as to whether charges should or should not be made and whether this is a matter to be dealt with but let us not go into the intricacies of the charges.

HON A T LODDO:

I wasn't going to go into that, I was just going to point out that the question of the charges which is the bone of contention has been the reason why the Sports Committee did not get off the ground primarily. There again, on the question of the charges, which we try to equate with the United Kingdom, the reasons why we have the charges is because we try to equate with the United Kingdom. In Gibraltar we are at the moment under siege conditions which puts us immediately at a disadvantage certainly with the United Kingdom and in a different light. In Gibraltar we have no playing fields, open areas like we do get in the United Kingdom so, again, we are at a disadvantage and in Gibraltar we only have the one Sports Centre, so we again are at a disadvantage. In fact, it is thanks to the Services in great part that we have a stadium in Gibraltar today. In the AACR manifesto we were promised encouragement of sport. I cannot reconcile that with the fact that boxing, for example, which is one of the up and coming sports, one of the most popular sports in Gibraltar today and a sport in which, together with hockey, Gibraltar is making a name for itself, boxing is penalised by having to pay 35% of its gate money to Government and possibly this is part of the encouragement that we were promised. There is another interesting point and that is the question of the use of the Sports Stadium by school children, again another source of friction. We must not forget that the condition of the building of the Sports Centre was that it would cater about 55% for children and yet children using the Sports Centre cannot use the changing room and cannot use the showers although the Boys Comprehensive School has insufficient rooms and showers. In fact, the Victoria Stadium should give priority to the children. And again the question of charges crops up because children can use it in the mornings free and yet if they want to play in the afternoon they would be charged. Of course, being the only Sports Centre, I suppose it is easy to say: "I need money and therefore I charge." It is like a business if you are the only one with

MR SPEAKER:

I am going to have to stop you again because we are now deviating from the motion.

HON A T LODDO:

Mr Speaker, the question of the Sports Council cannot have come as a surprise to the Minister. The surprise is that the Sports Committee hasn't resigned already.

In fact, I suspect that when the Minister nominated his Sports Committee he was hoping for a rubber stamp Committee and he must have been disappointed. I believe that we should welcome the advent of the Sports Council, as being truly representative because it does represent over 12 or 13 different sporting associations. The Minister should welcome it as well and he should let the Sports Council get on with the job. I know that the Minister who has managed to stay 5½ years as the Minister for Housing will, of course, not be alarmed at being called a spoilsport. I am afraid that is what he is being called now. I think, Mr Speaker, that the Minister should let the Sports Council get on with the job and he should play Solomon. Thank you, Mr Speaker, I commend my motion to this House.

Mr Speaker proposed the question in the terms of the Hon A T Loddó's motion.

THE HOUSE RECESSED AT 1.05 p.m.

THE HOUSE RESUMED AT 3.15 p.m.

MR SPEAKER:

Gentlemen, I will remind the House that we are now on the motion moved by the Honourable Mr Anthony Loddó in respect of the Sports Council.

HON J B PEREZ:

I must say that the first impression that I was given on first reading this particular motion that has been put in by the Honourable Mr Loddó was that I said to myself, here you have a motion which was in fact praising the Government but then, Mr Speaker, when I read it over a second time the penny dropped and I said to myself: "I know what Mr Loddó's intention behind this particular motion is." I think the intention of the mover has been made very clear when he spoke this morning in moving the motion before the House. I would say, Mr Speaker, that the mover's intention clearly is not only to undermine the Sports Committee which has been set up by the Minister, but it is also his intention to undermine the Minister himself. I think there can be no doubt about that after listening to the contribution which he made this morning. I find, Mr Speaker, that it is indeed regrettable that Mr Loddó, the Shadow Minister for Sport, should have decided to embark on this particular course of action, that is, to undermine the very recently formed Sports Committee, which after all the opposition has been pressing for quite some time. I say so because I believe that by embarking on this action, as the

Honourable Member has done, he himself is acting against what I would say he is against the interest of sport in general in Gibraltar. I listened very carefully to the very brief contribution that he made in moving his motion and I was very surprised, Mr Speaker, to find that he gave the House no information as to who the Sports Council is. He gave no information at all of who this body is and yet he brings a motion to the House and he has the audacity to ask Members of the House to vote in favour of this motion. The motion reads: "This House welcomes the advent of the Gibraltar Sports Council" about which I say, Mr Speaker, he has given no information at all. "A body truly representative of the various sporting associations." Well, is it, I don't know, "and calls on the Government to encourage, support and sponsor the Gibraltar Sports Council." I would have liked for the Honourable Mover of this motion to have told the House what will the Sports Council do. How is the Sports Council constituted? Is it properly constituted? Have they got a set number of rules? Have they got a written constitution to which the members subscribe to? Has the constitution been drawn up formally? What powers will this Sports Council have? What are its intentions? What are its terms of reference? Who are the members of this Sports Council? I don't know.

HON A T LODDO:

If the Honourable Member will give way. There are a number of things on which I would like to answer him.

MR SPEAKER:

You will have the right to reply.

HON A T LODDO:

I did say who the members of the Sports Council are. If he had been paying attention he would have found out.

MR SPEAKER:

May I ask, because I have been given notice of an amendment. Is there such a thing now constituted in Gibraltar as the Gibraltar Sports Council?

HON A T LODDO:

In fact, I believe there is.

MR SPEAKER:

Does it exist under the particular nomenclature of the Gibraltar Sports Council?

HON A T LODDO:

Yes, Mr Speaker.

MR SPEAKER:

That is what I wanted to know.

HON J B PEREZ:

The point I was going to make, Mr. Speaker, in a way was really corroborated by the question you yourself put which is what I was trying to obtain from the Honourable Mover of the motion. And I carry on asking him questions. What support does this so-called Sports Council enjoy in Gibraltar? He hasn't told us. And, finally, who do they really represent? All these questions, Mr Speaker, I feel, at least the information should have been put forward by the actual mover of the motion. I know he tries to be brief in his contributions but he gave the House no information and yet he is asking us to vote in favour of this motion. I have only been in the House for 4 years but it is indeed a very strange precedent for a Member to put a motion to the House and not give any information as to the composition of the body, who its members are, what he intend to do and yet ask the House to vote in favour. I ask myself, how can any Member of the House vote in favour of this particular motion since the Honourable Mr Loddo has in fact not given us any information on it at all? On the other hand, Mr Speaker, this House is well aware of the Sports Committee which has been properly constituted and set up by my Honourable Colleague Mr Zammit, the Minister for Sport. We all have information about this committee, we know what its terms of reference are, it has been debated before in the House and, in fact it has been asked for by Members opposite. I would say, to sum up, that what this Sports Committee does is in fact, after the House of Assembly votes money for sport, the Committee are told: "You have X amount, you decide to which associations or to which teams you are going to give that money and you decide how much each particular association is going to get." Mr Speaker, after all, the Honourable Mr Zammit, the Minister for Sport, has been criticised on many occasions, not only by the Opposition of this House of Assembly but the previous Opposition, he has been criticised because they were saying and accusing him of taking it on his own shoulders to decide who was getting the money and how much each team got. Now you have a situation whereby we all know what the Sports Committee is and yet Mr Loddo now seeks to bring a motion asking us to accept a Sports Council which I say I have hardly ever heard of. Let me remind the Honourable Mover that I am not only a sportsman by name but I am a practising sportsman because I participate in several sports in Gibraltar even today and I belong to quite a number of local well known sporting associations like the Gibraltar Hockey Association, the Gibraltar Squash Rackets Club which I have been a member of and a year ago I was a member of the Gibraltar Football Association so I know what I am talking

about because I practise sport in Gibraltar, I am not just a spectator. As I said, Mr Speaker, the function of the Sports Committee is very clear. But there is one thing I would like to remark on and possibly this is where the Honourable Mr Zammit may not be in total agreement with and this is why I feel it is indeed regrettable that Mr Loddo should have put this motion. As a practising sportsman that I am myself I feel that a Sports Council which may come about purely on the sporting angle, could very well work hand in hand with the recognised Sports Committee which has been set up by my Honourable Colleague Mr Zammit and I am going to give some examples to the House of some grey areas where I feel that another body, apart from the Sports Committee which will deal with monies voted by the House of Assembly can be of use to sport in general in Gibraltar. The first example or the first reason why I think this body could be set up properly is because it would liaise with associations at present existing in Gibraltar. We would do away with friction between the Gibraltar Hockey Association and the Gibraltar Football Association and let me inform the House that there is friction between associations in Gibraltar, there is no doubt about that. Also, Mr Speaker, I think it would be useful to have a body of all different sporting associations purely for sporting reasons in which they could make arrangements to have matches against, let us say, visiting naval ships. The present position today is that as soon as a ship comes in the footballers try and get a match with them, the squash players try to get a game with them and it is completely haphazard. If all the sporting associations in Gibraltar had another committee to deal with this matter I think it would be good for sport because all these matches could be arranged by them.

HON W T SCOTT:

Mr Speaker, if the Honourable Member will give way. As far as I understand it the Gibraltar Sports Committee which the Honourable Minister instituted does not have that function, it is not under its terms of reference the question of allocation of any ground, let alone the Stadium or USOC.

HON J B PEREZ:

The point I am trying to make, Mr Speaker, is that one thing the recognised Sports Committee which was set up by the Minister which will handle the financial side, the money voted in the House, apart from other terms of reference which I am sure the Honourable Minister for Sport will outline to the House later on during the debate. The point I am trying to make is that it is regrettable that Mr Loddo should have moved the motion as he has done today because I honestly believe that a Sports Council, or call it what you may, can work closely with the Sports Committee and I am trying to highlight certain grey areas which I think if associations got together purely as a matter of sport, we are not talking about financial commitments at the moment, it would foster sport in Gibraltar. Another example could be when clubs from the

United Kingdom come over to participate in sport in Gibraltar. I have met throughout the years different representatives of these clubs and I have talked to them about other sports, let us say a football team comes over or a cricket team, and I am a keen squash player and they say: "We didn't know you played squash in Gibraltar, if we had known this perhaps we could have brought a team along." That is where a Sports Council, I think, could be very useful, in that aspect. That is another element where I think it could work hand in hand. Another example could be, Mr Speaker, on the question of arranging block bookings in MOD sporting premises. I know, as a fact, that the way it works today is that some associations do better than others for the simple reason that the Secretary of a particular association may have better relationships with, let us say, the person who is in charge of sport at Rooke. This is why I think an association of all sporting bodies could be useful in Gibraltar. But, Mr Speaker, what I cannot agree is with the actual motion presented by Mr Loddo. I honestly believe that the intention behind this motion is to undermine the Sports Committee. We know what the Sports Committee is. We know what it does. But Mr Loddo has not told us whether the Sports Council has been properly formed or what its intentions are. When I tried to outline where I think it could work hand in hand with the Sports Committee is my own idea. I don't know what the Sports Council, if there is one, would do. These are only my suggestions but as the motion stands I honestly cannot see how any member, including members of the Opposition belonging to the DPBG, on Mr Loddo's performance this morning, can honestly subscribe and vote in favour of this.

HON MAJOR R J PELIZA:

Mr Speaker, I think the Minister is less than fair to say that my Honourable Friend Mr Loddo is coming out with this motion with the sole object of undermining the position of the Minister. If that is the way the Government thinks of all the things that the Opposition tries to do that is a sort of bias and obsession in the minds of all the Ministers it is really not going to be either in the interest of the good Government of Gibraltar or in the interest of their successful own personal departments because that is not the case. I think that it is obvious that all is not well in the sporting world in Gibraltar, one does not need to live here all the time to know that and I think the Minister himself who just spoke referred to that, he accepts that there are contradictions within the sporting associations and between the sporting associations. In fairness to my Honourable Friend I think what he is trying to do is to see if there is a way of trying to bring some harmony in the sporting world in Gibraltar for the benefit of all concerned. I think the very essence of sport is fair play. If we haven't got fair play in the administration of sport or if people don't think that they have fair play, if people don't feel that there is fair play in the sporting world then I think it is not in the interest of anybody in Gibraltar who is interested in sport and above all, I think, it is not in the interest of the Minister that that should carry on. We, as a party, formulated a policy which again was stated

in our manifesto under the heading "Sport and Education" and for the benefit of the Minister I think we dedicated 6½ long lines to sport. To Education we dedicated 12 lines and to sport about half of that. Not because the proportions is like that does it mean of course that we attach double the importance to education that we attach to sport obviously but just to relieve his thinking there is a limit to what you can put in the manifesto as they well know by their own manifesto, at least ours is very clear and people can read it.

MR SPEAKER:

We are not going to discuss Party Manifestoes.

HON MAJOR R J PELIZA:

I will not carry on with the manifesto but I would make the point, Mr Speaker, that it is not something that has been produced out of the hat.

MR SPEAKER:

We are talking about whether we want to welcome the advent of the Gibraltar Sports Council.

HON MAJOR R J PELIZA:

There have been accusations that the reason why we are introducing this motion is to undermine the position of the Minister and I want to make clear that that is not the case and to put my case I have to bring out the evidence. I am just trying to produce the evidence. The evidence is clear, it is there.

HON A J CANEPA:

If the Honourable Member will give way. From this side we accept that their manifesto is always better than ours, they seem to have more money to lavish on it but it still doesn't make any difference, we still beat them.

HON MAJOR R J PELIZA:

There are many other reasons why, Mr Speaker, one is because they do not allow people to stand for election.

MR SPEAKER:

Order. Let us get down to the subject of the motion.

HON MAJOR R J PELIZA:

Mr Speaker, to me it is obvious that if we are going to have a representative body, I don't like the word 'committee' because straightaway it downgrades the status of the body. Perhaps even if the Minister doesn't agree with the motion he might agree to change the name. Committee, Mr Speaker, is not really representative of a wide ranging responsibility in which all sport is represented. It is like a forum, its a little House of Assembly, you might say, in miniature, dedicated for that but imagine, Mr Speaker, if in a House of Assembly instead of having representatives here who were truly representative in this instance, of the different interests, instead of that we had people nominated to it, immediately you would think that that is colonialism or dictatorship. Therefore, Mr Speaker, the whole essence of my Honourable Friend trying to introduce this change, my Friend obviously is talking of a Council the constitution of which is going to be completely different to the one that exists today in the same manner, Mr Speaker, if I may say so, that I was suggesting an Advisory Board earlier today instead of the Gibraltar Travel Association.

HON M K FEATHERSTONE:

Did the Honourable Mr Loddo say they were the same people in the Council that were in the Committee?

HON MAJOR R J PELIZA:

I don't know whether they are the same people or not.

MR SPEAKER:

You will not give way again.

HON MAJOR R J PELIZA:

It is basically the principle behind it that we are thinking about and no doubt my friend will be able I think to develop in greater detail later on. My purpose of rising, Mr Speaker, is not to go into the details because that obviously is up to my Honourable Friend to do but just to try and convince the Government of one point that was made by the previous speaker on the Government side that the whole idea of this motion being introduced into the House was to undermine the position of the Minister. That I categorically say is not the intention. In fact, the intention is to strengthen sport in Gibraltar, the intention is to strengthen the position of the Minister. Who knows, in a couple of years time we may well be on the other side of the House and we want to make sure that if we do take over, the foundations of that Ministry are in a strong position. Therefore, Mr Speaker, I think the Honourable Mr Brian Perez is very mistaken if that is the view he takes and I hope he

never again, when accepting a situation, instead of giving the benefit of the doubt, condemns the other side without even hearing the case. I think that as a lawyer he should know better, Mr Speaker. I say to the Minister and the Government to try and see this thing in an impartial way, not to be biased against an idea that I think is well intended. Someone has got to plant the seed, the seed is planted here, it spreads, it goes out and gradually, Mr Speaker, popular opinion begins to press, that is democracy then it has an influence with Government and then perhaps the Minister may change his mind. We can do no more than plant the seed for the good of sport in Gibraltar, for the good of the Minister, for the good of the future of sporting activities in Gibraltar. I think the suggestion of my Honourable Friend is a very laudable one and I hope that, above all, that whatever views they may have they will not attribute ill intentions, to the suggestion because then I think really it is not being progressive or objective or, I think, fair play.

HON H J ZAMMITT:

Mr Speaker, Sir, first and foremost I must say to the Honourable and Gallant Major Peliza that I am convinced that he doesn't know what he is talking about. Completely and utterly convinced that he hasn't got a clue of what he is saying and I am more convinced as I said in my intervention the other day, more convinced that the DPBG do not discuss the Agenda of the House before they come here. None of them seem to know exactly what each other is talking about. Mr Speaker, first and foremost, I must refer to a few historical facts on the Sports Council, Sports Committee etc. At question time, Sir, before the Opposition decided to leave the other day, the Honourable Mr Gerald Restano urged my colleague Mr Brian Perez why he didn't have a family planning unit because in England hospitals have family planning units. The Honourable and Learned Leader of the Opposition asked the Honourable Financial Secretary why he didn't consult the Customs and Excise in Britain with reference to a question about Waterport Passenger Arrival Terminal. Well, Mr Speaker, for once this side of the House has taken heed of the constant requests from the DPBG, I can never get the initials right.

HON P J ISCLA:

Mr Speaker, if the Honourable Member will give way. The initials are rather shorter than the GLP/AACR.

HON H J ZAMMITT:

Mr Speaker, I have said that introduction because members may feel that they have nothing at all to do with the Gibraltar Sports Council or with anything else on the motion. Sir, I have a letter here from the British Sports Council and I would remind the Honourable Mr Loddo and the Honourable and Gallant Major Peliza, particularly Major Peliza, that when he goes

back to England he might like to tell the Minister for Sport of England that he is a dictator and that the British Sports Minister is also a great believer in colonialism because the Sports Council correspondence to me said: "The members are appointed by the Minister for Sport" - that's colonialism and that is dictatorship. I have nominated members to the Sports Committee. Now Mr Speaker, you yourself Sir asked the question, have we a Sports Council in Gibraltar? Mr Speaker, there is nothing to stop me tomorrow changing the word "Committee" to "Council". It would not be so good because in questions asked by the Opposition over the past months, and I say the past months I will be going further back later on in my contribution, the reason why I did not call this a Council is because the advice we received is that members appointed should not have any direct interest with any sporting association. Mr Speaker, now we are different because the Gibraltar Government which owns the Victoria Stadium can only make ourselves responsible for the users of the Victoria Stadium because as a Minister for Sport I have no power whatever to interfere with the Royal Yacht Club, the Sandpits Lawn Tennis Club, it isn't mine, I cannot tell anybody what to do even on cycling because we do not provide cycling activities, or motor cycling facilities, but, Mr Speaker, in 1976 the Government was told that we should set up a Victoria Stadium Sports Control Board and that was brought, Mr Speaker, by the Honourable Mr Xiberras who had, may I say, a very active sporting interest and we decided that to have a Victoria Stadium sports body or control board was because there appeared to be discontent amongst the associations using the Victoria Stadium and I think it is no secret, there are members here who have sporting interests, that football said that there should be no cricket at the Victoria Stadium.

MR SPEAKER:

You are quite entitled to say that there were differences, but let us not go into details of the differences.

HON H J ZAMMIT:

I won't go into the differences. There were differences between the GFA and the Cricket Association, there were differences between the Gibraltar Football Association and the athletes using the track around. There were differences between hockey and football and Mr Xiberras to a degree was right. If we were to have a Control Board, because accusations were made against management and I could accept that Management could have been wrong but the trouble was that every association was complaining purely because they wanted, and rightly so, more and more facilities and we just couldn't cater. So it was agreed that we should set up a committee that would have interest in the running of the Stadium to see for themselves that it was not the manager or the Minister who did not want to grant more allocations but to see for themselves the difficulties and we formed a Sports Advisory Committee and things began to quieten down. Mr Speaker, later on, since 1976, there has been talk of a Sports Council and no one

could have stopped me, Mr Speaker, from having called the committee which I nominated on instructions from the British Sports Council, a Committee and not a Council or I could call it a Board if the Honourable and Gallant Major feels that the word 'Board' is better than committee, I could change it tomorrow. But I cannot see the logic of having to have support for a Sports Council particularly the way that the Honourable Mr Loddo has put in this motion because he does not disagree with the terms of reference that the Sports Committee which was constituted recently has and that is; "To advise the Government on the improvement of sporting facilities in Gibraltar, generally; to receive and consider representations from sporting organisations in Gibraltar with a view to such improvements and, to consider and advise the Minister for Sport on applications for financial assistance from sporting organisations." Mr Speaker, the members were appointed by me and in fact it was published in the Gibraltar Gazette of the 11th of September. Way back since 1976 we have been in correspondence over this matter and we were advised not to call it a Council because, and I think members will agree, it is very difficult in Gibraltar to find 11 or 12 men or 7 or 8 people who would be prepared to serve in a Sports Council but who have no interest in sport. The advice was that because we could find people who have an interest in sport and who are the main and general users of the Victoria Stadium instead of calling ourselves a Council, and I have no objection to calling ourselves a Council or a Board or anything else, and that is the reason why we did not select the word "Council." But I will tell the Hon Member there is nothing legally to stop me tomorrow changing my Committee to the Gibraltar Sports Council and if that pleases him I will do so accordingly.

Mr Speaker, having nominated them the way that it is done in Britain, not calling myself a Council because Britain says that they should be completely and utterly divorced from sport and have no interest, I fail to understand, particularly from an integrationist Opposition how they can now suggest that we should have a Sports Council contrary to the constitution of the Sports Council in Britain. So much for the setting up of our Committee. I do not think I have to mention names, but the people nominated by me to serve in this Committee were people who have served either previously in the Committee set up to consider financial applications, or people who are either presidents, chairman or committee members of all the associations using the Victoria Stadium and you cannot go further than giving every association there the right to express their views or to bring their views to the attention of the Minister. There could be no fairer play than that. I cannot see the logic behind the Hon Mr Loddo's argument that this committee of mine died. I have not received a single resignation from any member of the Sports Committee. I cannot see his argument because he himself admitted that it was not because I had nominated, it was not because he was not happy with the terms of reference, yet out of the people that I nominated three or four of them are on the Sports Council so they cannot have been rubber stamp men as he suggested because we are really talking of the same body, virtually the same people. I noted that you stopped the Hon Member when he mentioned the

question of charges and I will not argue charges at all but I do not think it is fair that the Hon Member should say that, for instance, boxing has to pay 25%. Mr Speaker, I will remind the Hon Member, in case he has not been informed, that boxing makes 75% of their takings and Government makes 25% and when we have boxing at the Stadium I shall tell him for his sporting interest that we have to paralyse the Hall the day before the tournament, the day of the tournament and the day immediately after the tournament so the Hall comes to an absolute stop because we have to prepare the Hall the day before for the actual bouts and the subsequent dismantling. Mr Speaker, although we are told constantly that we should do everything and consult everything with the United Kingdom and get all the advice from the United Kingdom, in this case we have done it and now we are told we should not do it, it should be a la DEBG, it must be their way on this occasion. Mr Speaker, the fact that Gibraltar is under siege conditions, which is the point which the Hon Member made earlier on in his original contribution, and because we are different because we only have one Victoria Stadium or one national playing field, we have one tennis club in Gibraltar, we have one yacht club in Gibraltar, it does not mean to say because we have one, and I will remind members opposite that if any of them are under the illusion that every 25,000 inhabitants of an area in Britain have a Sports Centre within a 25 mile radius, they are utterly mistaken and they may have to travel miles before they can get anywhere to any sporting facility of equivalent standard to the Victoria Stadium. The fact that they have fields and they can play sport is indisputable, Mr Speaker, but the kind of facilities that the Victoria Stadium provides is not under any oak tree or under any willow tree in any field. The fact that the Hon Major Peliza said that he accepted that there were differences between the associations is precisely why the Gibraltar Sports Committee was constituted i.e. to bring them together so that they can see for themselves the difficulties and if they want to argue one way or the other, God be with them and bless them, it is nothing at all to do with the Minister. We have facilities to offer and it is up to them but what we cannot allow is that when Government does something, somebody shoots off and form themselves into a committee which can do no more than duplicate what is already provided for under a properly constituted Committee. That is, Mr Speaker, what I call a la Beltran and I think Members know who I am referring to, commonly referred to as Ed Garcia and Jim Garcia.

HON P J ISOLA.

I think that is totally uncalled for.

HON H J ZAMMITT:

It may be uncalled for but I am saying it, Mr Speaker. Probably you yourself, Mr Speaker, may think I am talking absolute rubbish because you are not aware of what I am talking about but I think members opposite know what I am talking about.

MR SPEAKER:

I would never dare express an opinion as to what I hear in this House.

HON H J ZAMMITT:

I take your point, Mr Speaker, but I think members know who I am referring to. Mr Speaker, I am not going to tolerate anybody trying not to discredit me personally because I was looking through Hansard since I have been in this House in 1972 and I note with disgust and shame that the Opposition, of course I am not blaming this present Opposition of which only two members

MR SPEAKER:

Nothing that happens in this House is disgusting because I would not allow that.

HON H J ZAMMITT:

No, Sir, I said that I was disgusted. I felt great shame considering the importance that is attached to sport and yet since 1972 to 1976 only two Questions on sport were asked by the Opposition and that is there to be checked, Mr Speaker. In the question we have had recently as to why doesn't Government form a Sports Council, when we do it we are told, no, it is wrong and we are told to give our blessing to a breakaway group. Therefore, Mr Speaker, every time we do something we are wrong. Here is a blatant case, if ever there was one, of doing things through the advice of the United Kingdom Sports Council and now it is labelled dictatorship and colonialism. I wonder, Mr Speaker, if I had nominated other members into this committee if this motion would be here today. I wonder if I would have selected somebody else instead of the Chairman of the Gibraltar Football Association, I would have this motion here today but I selected and nominated people whom I consider not to be yes men. In fact, it is no secret that one of the members there is a very strong supporter of the Opposition. I did it with full knowledge of that, Mr Speaker, but there is no logic at all in the Opposition trying to bring a motion here for this House to give its blessing to a Committee or a Council as my Hon Friend very rightly said whose terms of reference we do not know, nor do we know who they are or what is their constitution. I did not call it a Council. As the Hon Mr Leddo mentioned in his contribution this morning I have constantly referred in answers to questions to the word "Committee" and the advice from England was that we should be a Committee and not a Council but if Hon Members feel that I should change the word then I will do what they want me to do, say no to the Advisory Sports Committee and call myself a Sports Council and then, I am sure, I shall have the blessing of the Opposition. Mr Speaker, let me assure Hon Members on the other side that I have no difficulty at all in getting on with the members of my

Committee. Despite the fact that those members may express the view or views of their associations individually, those members are four square behind me. Although I know they are pressed by their associations on a particular issue, those members are four square behind me.

Mr Speaker, I think the Hon Member will be pleased to hear that I intend to submit an amendment and it is not that I am going to cross every word out after "this House". In fact, I am going to add to his motion and I am sure that for the benefit of Gibraltar and for the good of sport I will be able to have their support. Therefore, Sir, I wish to move an amendment as follows:- To delete the word "council" wherever it appears and to substitute the word "committee" therefor and to add the words immediately after "associations" on the third line "making use of the Victoria Stadium".

MR SPEAKER:

I am not quite sure that the amendment is in order. May I say that in so far as the second part of the amendment, most certainly, but if there is a motion before the House to welcome the advent of a particular body which exists in Gibraltar, then I am not quite sure that it is in order to amend the motion to the extent that it may be welcoming another body which exists. That is why I asked the Hon Mover whether such a body as the Gibraltar Sports Council exists.

HON H J ZAMMIT:

It certainly does not exist legally, Sir. There is no registration of a Gibraltar Sports Council anywhere in Gibraltar, whereas there is a registration of a Sports Committee in Gibraltar.

HON W T SCOTT:

On a point of clarification, Mr Speaker, is there a legal requirement for a council of this nature to register itself?

MR SPEAKER:

Let it be said that I am not here to advise on legal requirements. We might ask the Hon Attorney-General. I think the answer is no but it is not for me to say.

HON CHIEF MINISTER:

I think that it has formed itself and there it is but it has no Government recognition, if it means anything, it is a self-constituted body of which there can be one every day. This is a free society, they can do what they like, but what they certainly cannot do is get us to welcome them if we do not want to welcome them.

MR SPEAKER:

I would be happier if you were to delete all the words after "that" and then substitute them for whatever you like. May I read from Erskine May on amendments to questions which says: "The object of an amendment may be either to modify questions in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original question." By changing one word it does not improve its acceptability because we are talking about two different bodies. It goes on: "The latter purpose may be effected by moving to omit all or most of the words to the question after the word "that" and to substitute in their place other words of a different import provided, of course, it deals with the same topic and matter," and it does because it is dealing with sport in Gibraltar.

HON CHIEF MINISTER:

If the words "Sports Council" are substituted by the words "Sports Committee" it certainly makes it acceptable to the Government.

MR SPEAKER:

I must not take into consideration whether it is acceptable to the Government or to the Opposition but whether it is acceptable to be able to achieve the object which is being sought. What is being sought in this particular motion is to welcome one particular body.

I will then propose the amendment which is that the motion moved by the Hon Mr Loddo should be amended by the deletion of all the words after "this House" and the substitution therefor of the following words: "welcomes the advent of the Gibraltar Sports Committee, a body truly representative of the various Sporting Associations making use of the Victoria Stadium, and calls on the Government to encourage, support and foster the Gibraltar Sports Committee."

HON A T LODDO:

Mr Speaker, I am absolutely amazed because this again is a self-congratulatory motion patting themselves on the back for the sporting fiasco they now find themselves in. They have turned my motion completely round to mean entirely and absolutely what it never was entitled to mean. This is like something out of "Comedy Capers".

HON G T RESTANO:

Although I do not want to contradict my Hon Colleague, I am not amazed because I have seen this happen very often in this House. If the Chief Minister wants to speak let him get up and

ask to speak and I will certainly give way.

HON CHIEF MINISTER:

Thank you very much. We will continue to amend motions to suit the policy of the Government and not the policy of the Opposition. I am very glad that he has reminded his new colleagues that this is the practice here.

HON G T RESTANO:

I am glad about that statement of the Chief Minister but what I do not agree with, Mr Speaker, is that the amended motion is not a truthful motion because it says that the House welcomes the advent of a Gibraltar Sports Committee, a body truly representative, and I do not believe that in any way Mr Zammit's Sports Committee in the way that he has presented it, is in any way truly representative of the whole of sport.

HON H J ZAMMITT:

If the Hon Member will give way. I mentioned in my contribution that I had no control over the Yacht Club and other private clubs which are sporting clubs and therefore it is purely because the Government only has and can only benefit through the enthusiasm and the advice of this committee the facilities that Government provides, they are truly representative of the associations making use of the Victoria Stadium and let me give you an instance.

HON G T RESTANO:

First of all, Mr Speaker, I was not aware that there was any representative of the Royal Gibraltar Yacht Club on either the Sports Council or the Sports Committee, why that point has been brought up I think is quite irrelevant.

MR SPEAKER:

Let us not go round in circles. The Minister has brought in the Yacht Club and the other associations to show the difference between the sporting associations that he is referring to and those he is not. He is referring to sporting associations which make use of the Victoria Stadium.

HON G T RESTANO:

My contention is that the motion is not a truthful motion because it does not really represent the realities of what we are discussing. He says, in his amendment, that the Sports Committee is a body truly representative of the various sporting associations and I do not think that is true. If I

may, Mr Speaker, I will speak on the amendment and the motion and I shall not speak again. What my Hon Friend Mr Loddo was trying to say in his motion, and I think it was an absolutely correct statement, the way that the motion was originally presented, was that the Sports Council was the true reflection of what sportsmen wanted in Gibraltar, not Mr Zammit's Sports Committee. Mr Zammit's Sports Committee was not elected by anybody other than himself it was appointed by himself whereas the Sports Council which the Hon Mr Loddo mentioned in his motion was elected not by a few people, it was elected by all the users of the Victoria Stadium. In the case of Mr Zammit's committee, he personally appointed not the people whom the different types of sports wanted to have representing them, he appointed those he thought should be representative of those associations and those different sports. I think I heard objections to the undictatorial and so on but this is dictatorial and we have had this out in this House before, Mr Zammit, when he declared that he was going to appoint this committee, said that he would not be prepared for the different sporting associations to appoint their members, he wanted the right and he insisted on the right to appoint whom he wanted so that if there was somebody on a particular committee of one particular sport that he did not like and he thought that that association might appoint this member, he was not going to allow that, he was going to appoint the person that he wanted. So that for him to say today that the Sports Committee is a body truly representative of the various sporting associations is, to me, a complete misnomer. It is not correct at all. What is correct is what has been formed out of Mr Zammit's forming a Sports Committee and that was that the Sports Committee appointed did not agree with the Minister, did not agree with his policies, perhaps, and they decided that they would form a really and truly representative body of sport. Many more associations have been represented and have voted in favour of this Sports Council than the ones that Mr Zammit called in. But what does he say? He says, who are they, who is this Sports Council? I rely on my Hon Friend Mr Loddo who I am sure will be able to say how many sports associations are included in the Sports Council and they have all been elected by their members, all using the Victoria Stadium, the GFA, the Gibraltar Hockey Association, the Squash Racquets Club, the Basketball, the Volleyball and I could mention the whole lot, I think it is about 13 or 14, certainly many more than what the Hon Mr Zammit took into account when he formed his Sports Committee, a Sports Committee which he says is representative and a Sports Committee which in fact, from what I gather, is on the point of resigning from that Committee because they do not agree with the policies of the Sports Minister because he will not take their advice. Just to other points that I would like to mention, and that is that the Minister for Sport said that between 1972 and 1976 there had been little consideration for sport. I was not in the House in those days, I was not in the House with the IWP Government, but what I do know is that the first Government in Gibraltar, whoever instituted a Minister for Sport, was the Government of Major Peliza, not the Government of Sir Joshua Hassan who had been in this House for many years.

HON A J CANERA:

If the Hon Member will give way on a point of clarification. The Ministry was called Recreation and Education, not Sport.

HON G T RESTANO:

Recreation, and that was definitely sport. I was in a Sports Committee and I at the time had dealings with the then Minister of Recreation and it was for Sport. It was the only time since the inception of the Legislative Council and then the House of Assembly in Gibraltar, where there had ever been a person nominated as representing sport in Gibraltar and that was not done by the AACR Government, it was instituted by my Hon and Gallant Friend Major Peliza. The snide remark of the Minister of Sport that between 1972 and 1976 nothing from the Opposition had emanated on sport is unfair. Why doesn't he put the whole picture, why doesn't he say that between the 1976 and 1980 Elections there were 27 Questions on sport and two substantive motions on sport from this side of the House. That, of course, he fails to do because he only likes to put forward what he thinks is in his own interest but not what is correct, not what is an accurate picture of what has happened. He only says what he thinks is in his interest. The other point I wanted to mention was the Chief Minister's statement that we wanted to force the Government to welcome the Sports Council when they did not want to welcome them. I can understand that perhaps the Chief Minister and the Minister for Sport do not want to welcome this Council because the Council is truly representative of the sports associations of Gibraltar. I know that very often the Government does not like to recognise people who are truly representative of their own sectors. I am convinced that if the Government could they would say, "Let us do away with the Union and with the Chamber of Commerce, let us do away with anybody who in any way is going to interfere with Government business." In this case this is what they are trying to do, they are trying to suppress the natural evolution of sportsmen in Gibraltar and their natural say in their own sporting associations and their own sporting facilities and if that is not dictatorial I do not know what is.

HON W T SCOTT:

If I may speak on the amendment and then perhaps if I might have an opportunity to speak on the main motion later on. I only have one point in fact to bring on the amendment because the amendment has two changes, the substitution of "committee" for "council" which has been dealt with quite amply by my colleague the Hon Mr Restano, but the other one that really bothers me is the addition of the words "making use of the Victoria Stadium" after the words "sporting associations" because, quite frankly, if one is to read and I'll read "a body truly representative of the various sporting associations making use of the Victoria Stadium", I cannot find any consistency with that and the third term of reference given to us in answer to Question 163 by the Hon Minister for Sport which

states: "To consider applications for financial assistance from sporting associations." If I might go a bit further in explaining that. If the committee is only composed of sports making use of the Stadium and some sports have to play outside the Stadium, like table tennis, darts, etc, these sports will not be represented in that committee and when they come up annually to ask for financial assistance they will have nobody representing their interests within that committee.

That is my point, Mr Speaker.

HON MAJOR R J PELIZA:

Mr Speaker, I am very sorry to see that the Minister, knowing that there is a conflict in the sporting world here, knowing that this was an excellent opportunity to have used statesmanship and introduce an amendment which would bring about some kind of compromise which is what democracy is all about, no one can always have his own way, the Opposition very seldom has its own way as we all know, simply because there is no sense of compromise. This is the essence of good government particularly if we are trying to resolve the kind of clash that today exists in the sporting world when there are in fact two different bodies trying to compete with each other in the sports activity. I would have thought, Mr Speaker, and I can see now why certainly I and I am sure my colleagues will not be able to accept this amendment, there is no intention whatsoever of trying to find some reconciliation in this amendment. It does away with "council" and puts "committee", reduces it down to making use of the Victoria Stadium and therefore he doesn't realise what is required in Gibraltar, and this was the whole essence of the difference of his approach to sport and the approach of the Opposition, is the need to bring sporting activities into unison in some way or another, into common effort, into some coordination and this cannot be done just by having a little committee to run the Victoria Stadium. After all, sport in Gibraltar is absolutely vital in the conditions that we are. In fact, one of the reasons why I instituted a Minister to look after sport was because in the confined way that we are living in Gibraltar sport is absolutely essential. The Minister has a very, very responsible job.

HON H J ZAMMITI:

If the Hon Member will give way. The Hon Member must be somewhat forgetful in saying that he instituted a Minister for Sport. The then Hon Chief Minister, Major Peliza, introduced a person to look after sport because the Victoria Stadium came into being because prior to 1969 the old Victoria Stadium was not Government's, it belonged to the GFA.

HON MAJOR R J PELIZA:

I do not think the Minister can possibly have been able to have read my mind 11 years ago, Mr Speaker. The reason why I did

that is because I saw the importance of sport in Gibraltar. You can see the importance that we attach to sport by the amount of time that we dedicate to it. His amendment is very narrow, it is like a person with blinkers and I think it is about time the Minister took the blinkers off and realised that sporting activity in Gibraltar is much more than just the Victoria Stadium and therefore it is obvious that the different bodies who are responsible for sport in Gibraltar, who are obviously elected by their membership within their own autonomy want to see some kind of coordination. I do not believe that it is in the best interests of sporting activity in Gibraltar that people should be selected by persons and planted into a committee when it should be representative of the different bodies selected by the bodies concerned. Whether this is done in England or is not done in England is neither here nor there, the position is that as we see it today in Gibraltar, in a practical way, that is the answer to our problem and all the Opposition is trying to do is to try and overcome that problem. It is a great pity that the way the amendment has been put it is impossible to vote in favour of it.

HON M K FEATHERSTONE:

Mr Speaker, I am going to make a very brief intervention. It seems that the Opposition do not wish to accept the amendment because they feel that the Sports Committee is not truly representative. I think I can say, on the Minister's behalf, that if any sporting association using the Victoria Stadium feels that they have been left out and that they should have a representative, he will be very willing to entertain their application and make the committee a little wider so that it is truly representative and I think on that assurance the Opposition should be able to accept the amendment.

HON A J HAYNES:

Mr Speaker, I think the House will remember the remarkable insight shown by the Hon Mr Zammit when he opened his U.S.O.C. contribution by saying that he was standing on two legs. I think he must have written the amendment with his foot.

HON P J ISOLA:

Mr Speaker, the amendment introduces a new element in Government policy. I am surprised it is introduced in this way. The new element is that it appears that in this particular area of activity in Gibraltar only those people who use the Victoria Stadium are going to be in the privileged position of advising the Minister of Sport generally. The Minister for Education had a Council from which he deliberately excluded certain sections of the community dealing with education. It is exactly the same position. A Sports Committee advising the Minister for Sport but exclusive to a certain number of sporting people and anybody who wants to get assistance in their sporting activities, be it a yachtsman, be it a tennis player,

be it a snooker player, will have to rely entirely on the goodwill of a politician because he knows that in that committee there will be people representing other sports who want money for their sport in a position of influence over the Minister because they have always got it over his head that they could resign if they disagreed with his rulings and if that is what the Hon Chief Minister wants for sport in Gibraltar I am amazed that this amendment should be put in. I can imagine an amendment being put in to save the Minister from the obvious embarrassment he is in that at the very first meeting of his Sports Committee they walk out. I know that it is embarrassing for the Minister to find his concept of the Sports Committee in ruins. What is the empire he is trying to build, the Victoria Stadium empire? Only those good boys who use the Victoria Stadium will have the benefit of financial assistance from the Government unless you are particularly friendly with the Minister? And I say, Mr Speaker, unless you are friendly with the Minister because the Minister has thought fit in this House to make attacks on people who do not support his party. He has mentioned the name of a sportsman, and I do not want to repeat it, whom he knows jolly well does not support his party and he has gone out of his way to attack this person. What am I to do? Am I to circulate all DPBG members and tell them to be careful, to please be nice to the Minister otherwise he is going to single them out for retribution!

MR SPEAKER:

Order. I will ask you to withdraw what you have just said. You are insinuating that the Minister is using his position for the purposes of furthering his own interests.

HON P J ISOLA:

That, I most certainly withdraw but I was telling the Minister that he is putting us, as a party, in a difficult position by singling out members of our party and mentioning their names publicly in relation to sport, he is putting our Party in a very difficult position as to what we must advise our members because the Minister for Sport is the Minister for all sport, whether it is AACR sport or DPBG sport, and I would expect the Chief Minister to reassure the House and to reassure all members of all parties that whatever their political inclinations they have nothing to fear if they oppose the Minister for Sport on his sporting decisions.

HON CHIEF MINISTER:

There is nothing to fear, Hassan is here. Just before we came in I have made a deal with the GSLP that we will support their sportsmen if they support our candidates!

HON P J ISOLA:

We think, Mr Speaker, and we are alarmed by this amendment and I am not talking on the general principles of the motion yet. But on this one, at this stage, what I attack is the sectarianism in the amendment that the Hon Mr Zammit, if this amendment is passed, will not be entitled to call himself Minister for Sport, he will be Minister for the Victoria Stadium, with the little empire that he has built there. This Sports Committee is a sham, the Sports Committee is going to be chosen for people in sport but only certain people in sport. Unless you use Victoria Stadium then you are not going to be in the inner council of the Ministry for Sport. That is wrong in principle and I am surprised that the Government is going to vote for an amendment of that nature because if I was a sportsman in other activities, whether I am a sailor, a snooker player or anything else that does not use the Victoria Stadium, I would rise up in arms and protest vigorously to the Chief Minister because I am not being given the same representation in the administration of sport that other sportsmen are being given. So, Mr Speaker, after the amendment has been passed, I would like to talk about the whole concept of the Sports Council. I hope the Government will not attempt to pass this amendment without amending it further to take away the sectarian element inherent in it.

HON J BOSSANO:

I am not about to reveal the deal, Mr Speaker. Let me say that I have had no reports, of course, from GSLP members being discriminated against in their sporting activities because of their party political affiliation. Since I try and keep a sense of balance perhaps I can assure my supporters that they will not be discriminated against by either of the two other parties. I am speaking on the amendment.

I am quite confused by the debate. I do not know a lot about sports. The policy of the GSLP in respect of the original motion was to support it and in fact to suggest an amendment which would strengthen the role of the Gibraltar Sports Council. What we have been able to do in this House of Assembly is that because there was previous notice of the motion, I was able to consult my committee on every motion and therefore every time I stand up to speak I do so with a policy decision having been taken by our party as to how I should vote on any given issue. However, the sudden appearance of the Gibraltar Sports Council puts me in a situation where I never questioned that the Gibraltar Sports Council was a body truly representative, I assumed that the Hon Mr Loddo had taken the trouble to find out whether it was so before he brought the motion to the House and I took it for granted that he did. I find myself now being told by the Hon Mr Zammit that the Sports Committee is the one which is truly representative and my Party favours the existence of a body that is representative of all sporting associations, that is democratically elected by them, and that the Government will consult and seek the advice of in any decision they have to make concerning sport. In order to

reflect that policy decision of my committee I am, at the moment, not sure which way I should be voting and what I should be voting for, but it seems to me that perhaps too much is being read into the Government's amendment in that the Government is not setting up the Gibraltar Sports Council in this amendment, it is describing it and limiting its definition of how representative it is. The Hon and Learned Leader of the Opposition has said that he hopes that the Government would further amend this amendment by taking out "making use of the Victoria Stadium". I could move such an amendment to the Government's amendment but, to my mind, that is in conflict with what the Opposition is saying because if I take out that it is a body truly representative of sporting associations making use of the Victoria Stadium and I take out "making use of the Victoria Stadium" then I leave behind that it is a body truly representative which I am told by them it is not. What should I do then? Should I do the last thing I have suggested and try and make it more truly representative on paper when it is not in practice? I support the philosophy that I have explained and I want to do so honestly in this House of Assembly and I am very confused about the issue. I do not know enough myself, I do not know who the people are in either of these two bodies. I know about splinter groups, if they tell me that one is an officially recognised trade union and the other one is a splinter group I will know how to vote straightaway. In this area I am not quite sure which is the official organ but I think that if we are talking about a body existing to represent the interests of the Victoria Stadium users then there should be no conflict between having one for that limited task and then having a body in which that particular committee is represented which represents the whole of sport. My point really is in regard to this amendment, Mr Speaker, that if we take out the words "making use of the Victoria Stadium", then you widen your definition of how representative the Gibraltar Sports Committee is and consequently we on the Opposition would be saying that the Gibraltar Sports Committee is more representative than the Government says it is and the original claim that was being made was that that isn't really representative, that the representative one is the Council.

HON P J ISOLA:

If the Hon Member would give way. What I am saying is that the least they could do is take those words away and then make sure the Sports Committee of the Minister, such as it is, is more representative but we would still vote against because we believe that, in fact, it is not a representative body. That, I think, explains our attitude.

HON J BOSSANO:

If it was a question of widening the Sports Committee to carry out the vote that we want the Sports Council to carry on then I would say let us take out "Victoria Stadium" and say that what the Government should do is to expand the Sports Committee to take in all associations whether they use the Stadium or

they don't. I am not sure what it is that the House wants either with one stand or the other stand.

HON W T SCOTT:

If the Hon Member would give way. I think he might perhaps be a little bit confused as he started off with, as the difference between the Committee and the Council because there have been arguments on both sides. As I understand it, the Committee, and obviously I shall be corrected immediately if I am wrong, the Sports Committee was constituted by Government but appointed as individuals by the Minister for Sport. The Sports Council arose as a result of circumstances that I need not go into at the moment and the individuals composing the Sports Council were elected at a public meeting of all sporting associations, I think it was at the John Mackintosh Hall. I do not know whether that makes the position any clearer for the Hon Member.

HON J BOSSANO:

I am grateful for the clarification. I would say that it is difficult to know how representative a body the Gibraltar Sports Committee is, if it is an appointed body. Whether we say it is representative of the Stadium or not, I think is an irrelevance in that case. I shall be voting against the amendment after hearing that.

HON H J ZAMMITT:

Mr Speaker, first and foremost, I would like to answer the Hon and Learned Leader of the Opposition on what I term the very uncalled for personal attack on me in saying that I only benefitted those individuals who had access to me and of my particular political inclination. I would like to remind the Hon and Learned Member that it is not so long ago that this Government provided funds in excess of £5,000 to the Gibraltar Hockey Association to go on their trip to Germany when the Hon Dr Valarino, Chairman of the Gibraltar Hockey Association, was a Member of the GDM and the Manager of the GHA was Mr Maurice Xiberras, who happened to be Leader of the Opposition. Mr Speaker, I only wish that if every political opponent of the AACR could do as well in only that particular way then I think the Hon Leader of the Opposition has to eat humble pie. The Hon Mr Perez was secretary of the GHA at the time so we had two members of the GDM and one IWBP. I have not heard of any association that has complained as to the manner in which they have been treated by the Minister, with or without a committee, and I must say that the grants have always been given in conjunction and in discussion with a committee set up to provide grants. I do not think there is one association that has complained that they have been left out because of my political inclinations.

Mr Speaker, I take great exception to the Hon Leader of the Opposition's reference to the empire of the Victoria Stadium.

If the Hon and Learned Member was to go to the Victoria Stadium he would see that some 7,000 people go through there and that the Stadium is functioning from 8am until 11pm, seven days a week. If the Hon Member thinks it is an empire, it is as a result of staff inspection and union agreement. Perhaps, Mr Speaker, the Hon and Learned Member can tell the Government how we can provide a service, I would like to know how the Victoria Stadium can run and provide the service it is doing with the curtailing of hours of work and a reduction thereby in manpower. I would also like to remind Members opposite, when we talk of a body truly representative of all sport in Gibraltar, that there are something in excess of 30 governing bodies of sport and, Mr Speaker, the Committee set up to provide grants has provided grants in the past and I am sure will continue to do so in the future.

MR SPEAKER:

We are going beyond the point. You may speak about the fact that the Gibraltar Sports Committee is truly representative of all sports in Gibraltar but that Committee is not the Committee that gives grants, is it?

HON E J ZAMMITT:

It is, Sir.

MR SPEAKER:

Then I am more confused because you are limiting it to the users of the Victoria Stadium.

HON H J ZAMMITT:

If one looks at the terms of reference which I made reference to you will see, Sir, that the third term of reference is to advise the Minister in the allocation of Government funds to the various sporting organisations and the members opposite, as I understood it, said that because not every single sport is represented on the Sports Committee at the Victoria Stadium, which is the committee set up to allocate grants, that those outside the Victoria Stadium would have no one to support their claim,

MR SPEAKER:

I think that what the Opposition are saying is that you are limiting the Gibraltar Sports Committee to bodies which use the Victoria Stadium because the Motion as you have amended it reads: "Welcomes the advent of the Gibraltar Sports Committee, a body truly representative of the various sporting

associations making use of the Victoria Stadium".

HON H J ZAMMITT:

That is absolutely correct, Mr Speaker, but the Sports Committee appointed by me, which is the one we are making reference to, has terms of reference and amongst these terms of reference one is the allocation of funds.

MR SPEAKER:

What you are being accused of is the fact that you are limiting the committee to those sports which are using the Victoria Stadium and that therefore it is contradictory with the terms of reference.

HON H J ZAMMITT:

No, it is not, Mr Speaker. It does not restrict them at all. The grants issue has nothing to do, it is Government money provided for all sport in Gibraltar not only for the users of the Victoria Stadium. I was going to say, Mr Speaker, when you called my attention, the fact that we do and have provided funds for GARA, Rowing Association, of course, they do not row at the Stadium, and we have provided funds for cycling clubs, they do not cycle at the Stadium, we have provided money for the motor cycle trials, clay pigeon shooting.

I as chairman of this Committee will make sure, as in the past, that no single association is not considered, because it is taxpayers' money that is being given out. It is precisely because it is taxpayers' money and there is somebody who has got to come to this House and be answerable that I have made myself chairman of this particular committee. I do not think it would be appropriate to have anybody throwing public money out who is not answerable to Members of this House. In fact, Mr Speaker, this has been a matter which has been given a lot of thought to. Let me tell the Hon Mr Bossano that this could well be termed as a splinter group because the Hon Mr Loddo mentioned earlier on that there were members within my group who, apparently, were dissatisfied, but I have not heard of any of them being dissatisfied in any way.

Mr Speaker, if the Opposition feel that we should have a Sports Committee, a Sports Board or a Sports Council, call it what you like, which is representative of all sport in Gibraltar, may I say that it shows a lack of knowledge because although we have supported these people in the past, in the schedule of the Sports Council there are certain games that have been interpreted by the Opposition as sport. Certain games which are not registered in the schedule as sports but as games but nevertheless, Mr Speaker, again we have supported that and I am not going to identify the number of them but there are over 30 governing bodies of sport in Gibraltar and if we are going to have a committee of thirty people, Mr

Speaker, then that would be completely and utterly ludicrous.

The second point, Mr Speaker, is that there is absolutely no reason why the Opposition should not welcome the advent of the Sports Committee as set out in amendment to this motion. I would like to remind him that of the two motions on sport, one was because of the industrial dispute at the Stadium. It was not very much about sport, it was just because there happened to be an industrial dispute at the Stadium. But it is precisely because the Opposition have been pressing that there should be a Control Board or Sports Council that we do it and when we do it again we are wrong.

Mr Speaker, I am sorry that members have not found it possible to vote for this amendment. I wonder if as the Hon Mr Loddo says he does not oppose the terms of reference of the Committee, he does not oppose the structure of the committee and those people nominated, then what, Mr Speaker, is the Hon Mr Loddo opposing? I would also like to remind members opposite, Mr Speaker, that the members on my committee have not, to this day, told me that they are dissatisfied. I heard members opposite saying they had resigned. I have not heard of anything like that. Mr Speaker, I am afraid I can contribute no more to this but I would have thought they would have welcomed the advent of the Sports Committee that they themselves have been pressing for for so long.

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

The Hon I Abecassis
The Hon A J Caneps
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The amendment was accordingly passed.

HON W T SCOTT:

I was a little bit surprised in fact at the emotional outburst before he introduced the amendment that the Hon Minister

for Sport made. I thought his emotional outburst was below the dignity of this House in particular his reference, and I must state it again, to the individual who has nothing at all to do with this House and is probably only involved in one sporting association. I will not mention his name because it has been mentioned before. He used an expression; he said a "break away group" when referring to the Sports Council. I can see no reason why he used the expression "breakaway group", the Sports Council is something which has never ever existed in Gibraltar. It is a democratically-elected body of sporting associations within Gibraltar. Let us make no mistake about that, it is not a group of people appointed by one man. The Hon Minister for Sport also went to great lengths in bringing out a letter or letters from the Sports Council in the United Kingdom and I took particular note of the words that he used. He used the words "I take instruction" referring to a letter received from the British Sports Council. He used the word "instruction" and I thought that was a word that perhaps one would not have thought that the Minister would have used. Referring to the Sports Council in the United Kingdom, although they might be appointed by a Minister, it is a national body with other sub-committees divided regionally. We are not talking about that here in Gibraltar because the Minister surely does not appoint the regional sub-committees within the United Kingdom. Certainly, the Minister does not sit in the Sports Committee as would appear to be the case in Gibraltar.

Mr Speaker, we have had two committees involved in sport within Government for a number of years. We have had the Sports Advisory Committee but we have had another committee dealing with financial contributions, etc. I question, in fact, whether there has been a change of policy in Government on this since the last General Election because if we are to believe what Government has been saying that there has been no problem with sport, how come the Government now suddenly decide to appoint a Sports Committee, the function of which presumably would have been the function of the Sports Advisory Committee prior to 1980? As to the 25% gross receipts which are received by the Stadium authority, Mr Speaker, I think I must make some comment here, and that is that it is 25% of the gross receipts, not the net receipts.

HON H J ZAMMITT:

If the Member will give way I will explain. No, Sir, he is absolutely wrong. The 25% charge is not on the gross receipts. In the case of the Boxing Association or Football Association, the deduction of police, attendance at turnstiles or any other expenditure including, in the case of boxing, transportation of chairs from St Michael's Cave, it is after that that Government takes 25%.

HON W T SCOTT:

I was under the impression, quite frankly, Mr Speaker, that it was the Gibraltar Football Association, the Gibraltar Amateur

Boxing Association, that had to meet the expense, for example, of the Police Force out of what was remaining of the gate receipts after Government had deducted its 25%.

HON H J ZAMMITT:

That is not so.

HON W T SCOTT:

Mr Speaker, I cannot see why Government cannot agree to our motion because certainly on our side of the House it is the Sports Associations that have always administered sport in Gibraltar. The Stadium authorities have administered the sporting facilities, not the sports. The sports have been administered by sportsmen through their sporting associations and what we want to say is that the sporting associations should have more of a say in the facilities and that is why we consider the Sports Council absolutely and totally justified, not the Sports Committee appointed by the Government.

HON A T LODO:

Mr Speaker, as a newcomer to the House but a newcomer who is learning daily, I must first of all give my thanks to the Hon Chief Minister for having enlightened me this morning. I am grateful to him for letting me know that in fact the Government will totally amend motions which are controversial and perhaps the policy in future is also to leave unanswered questions that are too embarrassing. I will admit that I was a bit disappointed this morning because in my naivety I thought there were certain things I could bring forward in my motion which I subsequently found I could not. I would like to answer the Hon Mr Perez first of all, and I will assure him that the Mover's intention in bringing forward this motion before the House is not to undermine the Minister for Sport in any way. I think the Minister for Sport is doing a very good job in that direction himself without my help. Further, I will say that I regret that my intervention was brief, I would prefer to call it succinct. I do not believe in repeating myself ad nauseam. I have found out in the six months that I have been in this House that apparently it is common practice and perhaps in time to come I will fall into the habit of repeating myself ad nauseam. If the Hon Mr Perez had been wise when I made my intervention this morning he would have realised that I did say who the representatives of the sporting associations as embodied in the Sports Council were. They were in fact the same virtually as the ones who were representatives in the Sports Committee. The Hon Mr Perez said that he did not see why we could not have a Sports Committee running parallel to the Sports Council. I shall tell him why, because this will all depend on what the Minister for Sport will do. If, what he wants is an emasculated Sports Committee going under the guise of a Sports Council then I am sure he will be only too happy to have them running parallel.

Another point brought up by the Minister for Medical and Health Services was the question of bookings. I am a little bit older than he is, not too much, but I remember that before we had this sports centre at the Victoria Stadium there were never any problems as regards bookings, it used to work admirably. Nine months of winter, the GFA did the bookings and the other three months the GCC did the bookings and there never seemed to be any problems. I admit that now the thing is a bit more complex but to bring up the question of bookings is quite pointless really.

The Hon Mr Featherstone, in his brief contribution, was interesting because he admitted that the Sports Committee as constituted might not be truly representative because of some sports which might have been left out. The Hon Mr Zammit likes to use the word "games". At a moment's notice I jotted down tennis, snooker, billiards, table tennis, clay pigeon, swimming, cycling, rowing, sailing, motor cycle trials, car rally and, if you take the Hon Minister for Sport at his word, in due course we might even have skiing and that is not included in the Sports Council. I am grateful to the Hon Mr Bossano for agreeing with me. I do not know if this is reciprocity, if it is I am very grateful because he agrees on the basic, fundamental thing that the Sports Council, as opposed to the Sports Committee, is freely elected, the Sports Committee is nominated. Since living in the shadow of a dictatorship I am wary of nominated committees or bodies. If I may, I would like to answer some of the points raised by the Hon Mr Zammit. The first one, which I will say this once and I hope I never have to say again, is that I never was an integrationist. I might be sorry now that I never was but the fact is that I never was. However, I was an AACR member who saw the light and left. I will also point out to the Hon Mr Zammit that the Opposition did not decide to walk out. The Opposition earlier on in the proceedings of this House was forced to walk out and they were proved right, as in a subsequent debate the reason for our walkout was proved conclusively when the Minister, the Hon Dr Valarino, refused to answer questions during the course of the debate despite the assurances given to this House by the Hon Chief Minister that he would be answering questions during the course of the debate. Another point which the Hon Mr Zammit keeps on plugging is that in the United Kingdom the Sports Council is nominated by the Minister. It is funny, and I have mentioned this before in the House, that in Gibraltar we like to equate with the United Kingdom when it seems favourable and suitable but we do not always use the same yardstick. The Hon Mr Zammit is at pains to point out that in the United Kingdom the Minister for Sport nominates his Council but he is never too keen to admit that the Minister for Sport does not sit on this Council. Again it is a pity because if he adopted the same policy in Gibraltar we would not find ourselves in the position we do today sportwise. The Minister admits that he cannot interfere with outside sport, referring to sports that are not played in the Stadium and then I ask myself, why is it that we have a Sports Manager, not a Stadium Manager. To me a Sports Manager would seem to be the umbrella under which all sport comes. In fact, he should be a Stadium Manager.

The Minister pointed out, that I did not disagree with the terms of reference and I admit to that, I could not disagree with the terms of reference. They are very good. They could be improved by one further term of reference and that is that sportsmen should administer their sport, which has been left out. On the question of the 25% I am grateful that football and boxing do not have to pay 25% of gate receipts. I had been under that impression and I am grateful to the Minister for correcting this wrong impression but I also know that now during the impasse about the charges they will not be allowed to charge which means that the Government is being deprived of certain revenue.

MR SPEAKER:

Yes, but that is a new matter which you must not bring in when you are exercising your right of reply.

HON A T LODDO:

The Minister referred to clubs in Gibraltar but the important thing in a club is that at the end of the year you have the Annual General Meeting where the members get up and take the members of the committee to task. He is in the fortuitous position where he will not be taken to task by the members of the different sports associations.

Another thing that worries me as a newcomer to this House is the ease with which certain Ministers insist on referring to people who are not able to defend themselves in this House. I am referring to the references made to the Hon Mr Xiberras, which have been quite numerous in the last six months, and earlier on this evening to Mr Beltran.

HON H J ZAMMIT:

On a point of order, Sir, I have not said anything adverse about the Hon Mr Xiberras. In fact, I was very complimentary to Mr Xiberras and I was complimentary to the Hon Dr Valarino and the Hon Mr Brian Perez. I did not say anything adverse and if I did not take everything I said back, but I did not, Sir.

HON A T LODDO:

Mr Speaker, I take the point. One is not in Gibraltar and the other two are sitting on his side. The final thing to which the Minister for Sport took exception was when we referred on this side to his little empire in the Victoria Stadium. Perhaps the word "empire" is a bit too big. I would call it a "feudal kingdom" with the Hon Minister as feudal lord.

Mr Speaker, my motion has been completely and utterly changed. There is nothing left of the original motion. In fact, it is

a back slapping motion on the part of the Government which I am told they are entitled to do and they will continue to do whenever they find it necessary and I am sure it is going to be on many occasions. In conclusion, what I would like to say is that to me the essence of the first motion is irrefutable and that is that it is the Sports Council as it was originally presented in the motion that is truly representative and it is truly representative, Mr Speaker, because the members of this Council, regardless of whether they were the same ones that the Hon Minister, Mr Zammit, felt was going to be his rubber stamp, regardless of the fact that they might be the same ones, the Sports Council members are truly elected because they have been democratically elected by their peers and not nominated. I must salute the members of the Sports Council in proving that they were not the puppets that it was hoped they would have been. Thank you, Sir.

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

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Members voted against:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The motion, as amended, was accordingly passed.

The house recessed at 5.20 pm.

MONDAY THE 10TH NOVEMBER, 1980

The House resumed at 10.35 am.

HON W T SCOTT:

Mr Speaker, I have the honour to move the motion standing in my name: "This House considers that if a student passes the apprenticeship examinations that such a student should be awarded an apprenticeship with the Official Employers." By way of introduction, Mr Speaker, certain disquieting rumours reached me during the summer recess concerning the apprentice-

ship scheme, the recent apprenticeship examination and the examination results. At that time I asked for an interview with the Hon Minister for Economic Development, Trade and Labour and Social Security who was good enough to see me shortly afterwards and from that meeting I gathered the following. Every applicant is required to sit two examinations, one in English and one in Mathematics. The result of these two exams are taken in combination with the school assessment report which in past years took the place of a general knowledge paper. As I understand it, the School Assessment Report relies entirely on the suitability and behaviour of each applicant. The pass mark on each of the two examinations is 60% but there again I was informed that this is quite flexible because of the report submitted by the school in the assessment. I might add that a peculiarity of these exams is the timing of them. They take place in the summer before the 'O' Level results are known and perhaps an intending apprentice applies to join the scheme, who after having known and having passed his English and Mathematics paper and also having been made aware of the success in his 'O' level papers, subsequently either withdraws his application or possibly does not take it up at all. A complication that did arise this summer was that a number of students within the apprenticeship scheme, having already been informed that they had been successful in their English and Mathematics papers, were offered an apprenticeship. Subsequently, when the School Assessment Report was received, they were informed that that offer that had been made to them was withdrawn. This, quite frankly, Mr Speaker, we consider to be unjust and a disappointment and a heartbreak that the young men and their parents were subjected to. That was obviously callous and totally unnecessary. There is clearly a need, Mr Speaker, at least to improve the administrative arrangements to ensure that these circumstances do not occur again. Youngsters must not be submitted to the situation where their hopes are raised falsely and particularly to these two youngsters who, as apparent from the School Assessment Report, need a sense of justice and responsibility to them. The method, Mr Speaker, chosen to fill the vacancies in the different trades offered by the Official Employers takes the form of past students, that is, students who had passed their apprenticeship examinations, being offered these vacancies according to the results of their English and Mathematics examinations. For instance, forty students in any particular year might have applied for an apprenticeship and twenty five might have passed the scheme but yet only fourteen vacancies are available. Of those fourteen vacancies we might have four electrical fitters, two masons, three carpenters, &c. adding up to fourteen. The top four students, for example, might well have chosen the four vacancies existing as electrical fitters. Of the remaining ten students they can choose any other of the vacancies again in order of examination results but not that of electrical fitter and it leads to the situation where, say, thirteen of the vacancies have been taken up by the first thirteen successful applicants, and we come to a situation where candidate number fourteen is offered, for example, the blacksmith apprenticeship or nothing at all. That is the first point, but the second, which is the real purpose of this motion, is that the eleven young men are not offered any apprenticeship whatever. They are offered nothing at all. History, Mr Speaker, in past years within

this scheme, shows that it is obviously the brightest and more able student that is offered this opportunity. We find that shortly after completion of that apprenticeship scheme which lasts, as I understand it, four years, the likelihood is that these young men will either go into the technical grades or perhaps apply for a clerical post once that arises. This is fine as we are a progressive society and as the Hon Chief Minister said himself in the Indenture Ceremony last Thursday evening, and I quote from him: "This has always happened and no doubt will continue to happen for as long as we live in a free society and young men seek to improve themselves". But, Mr Speaker, we must not lose sight of the responsibilities that we have to those other young men who were not found wanting and yet were denied the opportunity. We have a Construction Industry Training Centre at Landport Ditch that is now, I think, in its eleventh year. Throughout those years over 200 successful applicants for apprenticeships have been passed through this scheme and this Training Centre was started particularly to fulfil the needs and future needs of the requirements of Gibraltar craftwise shortly after the closure of the frontier. We consider that that need is still there and that Gibraltar, as far as possible, should be put in a situation where it can supply, as far as is possible, its own needs and here again I quote from what the Hon Chief Minister said on Thursday night on the same occasion: "Gibraltar should be as self-sufficient as possible in good craftsmen, without whom not only would all this development not be possible but we would be unable to maintain what we already have, our blocks of flats, our schools, our hospitals, &c". It seems such a ridiculous waste, Mr Speaker, when we have these young men who have the capability, who have not been found wanting, we have the Training Centre and we do not seem to be utilising it as far as we can. I think there is another Government scheme in fact, Mr Speaker, an academic scheme, which bears comparison to this one and that is the academic scholarship scheme where albeit with a twelve-point system, Government gives the opportunity to these young people, on being successful to undertake the course of their choice without any restrictions being placed either on suitability on Government vacancies at a later stage, or a pre-requirement of them returning to Gibraltar, because we consider that the apprentices for the most part, even if they should move on to the technical grades, do remain in Gibraltar. Therefore, in our opinion, Mr Speaker, there are very valid moral, socialist and realistic reasons for presenting this motion. We recognise that obviously there must be a substantial number of administrative and financial reasons for Government not agreeing with the motion as it reads "awarded an apprenticeship with the Official Employers". We are aware of this, particularly with the PSA and their recent moratorium in defence cuts but we think that if the Government were to take a lead, the PSA in time, would find it very, very difficult not to follow.

Finally, Mr Speaker, in this meeting that I mentioned earlier on that I had with the Hon Minister for Labour and Social Security, he did suggest that this subject was more of a philosophical nature than anything else and that he would be quite willing to debate this subject in this House. I look

forward very much indeed to what he has to contribute and indeed to what the Hon Mr Bossano has to say on this matter because we consider it is a subject that is very much in line with the socialist principles that we have heard both from the GLP/AACR and the GSLP. Mr Speaker, I beg to move.

Mr Speaker proposed the question in the terms of the Hon W T Scott's motion.

HON A J CANEPA:

Mr Speaker, whilst congratulating the Hon Mr Scott on the presentation of his first motion in the House, I really feel that I must say that the Motion, of course, has got far wider implications and much greater ramifications than what he has developed in his supporting address. I will deal with some of the points that he has made initially and then develop those wider and more serious ramifications that the motion has arising from which I hope he will be convinced that there are very sound reasons as to why the motion cannot be accepted and I will be calling upon him, in the light of those explanations, to consider withdrawing the motion. He spoke about the timing of the intake of apprentices starting, in fact, up to a point, with the GCE results which are not known until August. Apprentices have got to be taken on in September and the selection process is a lengthy one and it would be impossible to wait until the GCE results are received in August to start that process of selection which would, therefore, have to end in about January. If apprentices were not taken on until January the advantage of the two month break in the school year during the summer would have been lost. The other thing, of course, is that one does not anticipate that people who will do well in their GCE will be particularly interested in taking up an apprenticeship. Those who have a bent for technical subjects and who will do reasonably well in the GCE ought to be thinking in terms of the "G" course in the Technical College where the horizons are much wider. He referred to two cases of would-be apprentices who after successfully passing the examination and being offered apprenticeships had had that offer withdrawn as a result of adverse assessments received from the school. This is true and I know that there has been an administrative hiccup in this case, this should not have happened. In fact, the examination, the interviews and the assessments from the school should be seen as a whole and it is a mistake to tell any student that he has passed the interview and the assessment, but that he has failed the exam, or that he has done well in the exam but he has failed the interview in spite of the good report from the school. I think that no one has any business to identify where a student has failed because that only leads to trouble as happened with these two cases where the school had to deal with many difficulties and with irate parents as a result of the students having been told that it was the school, in a way, that was to blame because the assessments from the school had been very adverse. I would insist that the exam, interview and school assessment must be viewed as a whole. Arising from these two cases, the

circumstances of which I think I explained to the Hon Mr Scott in detail when he came to see me, arising from that I am sure that the administrative arrangements through the Gibraltar Official Employers Apprentices Board will be tightened up considerably to ensure that there is no recurrence of this. But, of course, the fact that that happened this year with two students is certainly no argument for moving a motion that everyone who successfully passes the apprenticeship exams should be offered an apprenticeship and employment by the Official Employers. The Hon Mr Scott also made reference to the Training Centre at Landport and to the remarks of the Chief Minister on Thursday, remarks which, let me say, I had something to do with, and I do not hide behind the Chief Minister because I thought that it was a good thing that at such a Ceremony advantage should be taken of reminding all the Official Employers and all the major employing departments in Government that at this juncture in our lives we had to be careful that the clock is not put back and we do not become dependent on labour from Spain as we were ten or eleven years' ago. I think it is true to say that the Training Centre at Landport has gone a long way towards fulfilling its objectives. It is unfortunately with the DOE where there has been a considerable cutback. In the early years of the Centre the ratio of users as between the DOE and the PWD was about two to one. They were paying, therefore, for about 65% of the running costs and the Government was paying for 35%. Over the years that ratio has altered very, very significantly so in fact the use that is now being made of the Training Centre is in the ratio of three to one in favour of the PWD, so we are paying for about 75% of the running costs and the DOE 25%. The DOE, over the years, has been taking on fewer apprentices and that was one of the main difficulties this year in taking on apprentices for the construction industry. We should not lose sight of the fact that the Private Sector does not train apprentices in spite of the fact that over the years many offers have been made by the Government to employers in the Private Sector to send apprentices there whom we would train free of charge. The Government would not charge them, they would be regarded as Government apprentices. Very little advantage has been taken of that offer - only a handful of apprentices have been trained over the years. It seems that the Private Sector of the building industry prefers to have the apprentices trained at the expense of the Gibraltar Government and whilst in employment with the Gibraltar Government, or the PSA, and then try to induce or entice them away from Government into the building industry. That was much more so the case in pre-parity days and in the days when employment with the Official Sector was less attractive than what it is now. It is a pity that the Private Sector should adopt this attitude because, after all, it is the private sector which gets the contracts awarded under the Development Programme of the Gibraltar Government. Making reference also to what happened this year, I think I ought to inform the House that in the event six vacancies remained unfilled, two for blacksmiths, one for an iron worker in HM Dockyard and three for masons in the DOE, in spite of what I have said about the few apprentices that they are taking on, and that was because those lower down the list of successful examinees did not wish to take them up.

But the motion, as I said initially, goes very much deeper than that and it has, to my mind, two very fundamental flaws. It implies that if all the 137 applicants this year, say, had been of sufficiently high standard, the Official Employers would between them have had to give them that number of apprenticeships, 137. But the proposal does not take into account at all the extent to which training facilities may or may not be available for such a large number of apprentices, not only in the initial year at the Training Centre but subsequently at the place of work when arrangements would have to be made to cope with such numbers, arrangements which it might be impossible to undertake given the work programme that the major departments have for their own craftsmen. Even if this difficulty were to be overcome it would mean that the Official Employers would be virtually committing themselves to employing young men as craftsmen on completion of their apprenticeships irrespective of their number and irrespective of the distribution of those numbers amongst the various trades. Alternatively, therefore, what would happen would be that many of these young men would find themselves perhaps without a job after four years training and that is even more frustrating. Mr Speaker, the number of apprentices that an employer can take in any one year I think is governed by the following main considerations: in the first place financial considerations; secondly, the availability of sufficient craftsmen in the particular trades to train them to give them on-the-job training in the course of the second, third and fourth years of their apprenticeship when they are in fact gaining practical experience at the place of work. The third consideration would, I imagine, be the need to maintain a balance of trades related to the foreseen and anticipated requirements of the particular employer. This is one of the many subjects which within the limitations of Gibraltar has to be looked at realistically and not merely idealistically. Year after year the Official Employers continue to take on a very considerable number of apprentices, on average about 50 a year, and they continue to do everything possible therefore in the interest of Gibraltar generally as well as in their own interest as employers, to provide as many apprenticeships as is practically possible. I honestly feel that the motion calls upon employers to commit themselves to something which is impractical, not to say impossible. As far as the United Kingdom Departments are concerned, we do not have any control over the funds provided by HMG and in a situation against the background in which there are expenditure cuts this is even more difficult and I cannot see the two United Kingdom employing departments committing themselves to this policy. I shall have something more to say in a moment because I have bothered to go to the trouble of ascertaining the views of the MOD to the proposal in the motion. As far as the Public Works Department is concerned their attitude is that, and this is where the philosophical approach which the Hon Mr Scott referred to, comes into it, the attitude of the Public Works Department is perfectly clear and it is that apprentice training falls under the ambit of industrial training and not further education and it is in fact the same recognised and established practice in the United Kingdom. The training offered and provided is that which is required

by the employer to meet his current and the future workload. Apprenticeships should, therefore, continue to be dealt with under the ambit of industrial training and not as an extension of either secondary education or as coming under the umbrella of further education. In the meeting I had with the Hon Mr. Scott, I used the words "it is a mercenary activity", it is not so much for the educational advancement of the individual but for the benefit of the employer who is going to employ him. In fact, one of the cardinal principles of industrial training is that employers only afford such training both in the numbers trained and the level of training given to meet their own requirements. Generally, what happens in the case of the Public Works Department is that they will offer vacancies to cater for their envisaged requirements, for their estimated growth over the years and having regard to their future workload. But this is not an easy exercise. It is not easy to foresee what future requirements are going to be and therefore the factors the Public Works Department normally takes into account when considering their requirements are the following:-

- a. the particular shortages which they have in specific skills;
- b. the ratio of skilled to unskilled personnel employed, for it would be uneconomical and inefficient to have more craftsmen than the requisite proportion of attendant unskilled labour;
- c. the availability of funds; and
- d. a point that I have mentioned before as well, the ability to provide the necessary on-the-job training.

I am not aware, Mr Speaker, that anyone who passes an apprenticeship examination or meets minimum academic or skilled entry requirements is automatically given an apprenticeship in the United Kingdom or anywhere else for that matter, I do not think that this happens.

The motion, as I said, also requires the Government to adopt a policy decision on behalf of the United Kingdom Official Employers and I cannot see against the background of the cutting down in the numbers of apprentices being taken on by the DGE, that the United Kingdom Employers would accept a situation whereby the adoption of this policy would give them no say whatsoever in their employment training policy. As I said, I ascertained the views of the MOD on the matter and they can be summarised as follows:-

Firstly, that no employer, not even the Government, they considered, can be put in the position of having to create jobs to provide employment for people simply because they have achieved a certain qualification. Again, the three main factors which in their case determine their apprentice intake each year, and again which apply as I clearly pointed out already, to Public Works Department as well, are:-

- a. manpower planning, which takes account of the build-up or the rundown and wastage or trade shortages or trade surpluses;
- b. whether the cost of training can be met and it is the estimate of the MOD that the cost of training one apprentice when all the staff facilities and wages are taken into account run for them into a figure not far short of £20,000; and
- c. whether the resources for training can be provided and frequently the number of apprentices that can be trained in a given craft, and they make the same point again and I repeat it because it must be grasped, that the number of apprentices that can be trained in a given craft is limited by the number of craftsmen available that are suitable to undertake such training.

They go on to say that it should be the aim, finally, of every responsible employer to offer employment in his craft to every apprentice who completes his apprenticeship in a satisfactory manner. No one would willingly train young men or women only to discharge them to the ranks of the unemployed on completion of their training. I had what I thought was a useful meeting with Mr William Scott and I think from what he has said that he also regarded it as a useful meeting. I only wish, Mr Speaker, that he had probed perhaps a little bit more deeply because then it would have saved him having to move his motion. I think he would have realised then that what he is proposing really is not on. There is a danger, at least in my approach to politics, in pressing from the Opposition benches for something which, when in Government, there would be no way that you could implement that and if the Hon Mr Scott were to be in Government and were to be responsible for the Ministry of Labour, I think that he would find himself getting opposition from the Public Works Department, and from the Minister for Public Works, for what he is proposing. He would really come up across such opposition because it is not practicable and as far as the United Kingdom Employers are concerned, the situation is not just within the control of the Minister for Labour. The Minister for Labour does not have much more than moral influence over the Gibraltar Official Employers Apprentices Board where the Government is very well represented, the Director of Labour is a member and each of the three heads of departments of the major industrial departments, i.e., the Telephone Department, the Electricity Department and the Public Works Department are represented on that board and I think we also have the Youth and Careers Officer. We have five representatives on that board. What happens with the Government is that a joint view is always presented because whenever matters which are likely to be controversial come up at the Board they are discussed by the members at a meeting which the Minister of Labour invariably calls. But that is as far as you can go, you are not going to be able to commit the Official Employers to policies which they cannot implement because there may be very serious financial constraints as is the case at present.

I do not know whether the Hon Mr Scott is aware of a certain lack of consistency if Hon Members opposite of the DFBG support the motion as I imagine that they must do, (on the part of some of the members with respect to what they have been proposing or criticising from those benches over the years. Between 1976 and 1980 this Government or the previous administration, who are all more or less the same people, was criticised by Hon Members opposite for employing too many people, the size of the bureaucracy was getting, we were taking on more and more people who were not very productive, we have been criticised and we continue to be criticised in certain quarters in the press. I am not going to mention any names but one of the minions of the DFBG who writes in VOX in September in a front and back page article made the point again and criticised the Government for employing too many people. That is a lack of consistency. You cannot on the one hand criticise the Government for employing too many people and on the other press for the adoption of a policy which will entail the Government having to employ many more people, some of whom it may not require because you would be virtually giving a blank cheque and you would have very little control in that case over your requirements with regard to trades and you might find yourself with far too many carpenters and with very few masons or the other way round. I think that is as far as it goes that I would want to make this motion a party political matter but I think we have to be consistent, Mr Speaker, otherwise we run into trouble in this House and I certainly am not an advocate of pressing from that side for what I know cannot be done on this side. If ever I find myself on that side, I hope I will bear in mind all the difficulties that I had during the years in Government and I will not press for policies that I know cannot be adopted. That is why I would call upon the Hon Mr Scott when he exercises his right to reply and when he has considered interventions from other members of the House, I would ask him seriously to consider withdrawing the motion in the knowledge that but for a few administrative hiccups which can always occur and which need to be tightened up, the apprenticeship scheme is a good one and provided the Official Employers continue to commit themselves to a policy of taking on as many apprentices as possible and provided we all bear in mind the overriding requirements that Gibraltar has and the need not to again put ourselves into a situation when we become dependent for our craftsmen on our neighbours across the way, then provided we get that right I think that good progress has been made over the last decade and it should continue into the next one.

HON J BOSSANO:

Mr Speaker, let me say first of all that I welcome the Hon Member's willingness to adopt and support socialist policies and let me tell him that the GSLP is quite willing to have its policies adopted by either or both the two other parties. I think the arguments that have been put by the Minister for Labour are very accurate ones and I would have liked to have listened to any counter arguments before speaking in case any other member of the DFBG had already taken into account the

points put by the Minister for Labour and had an answer to them. This is why I was hesitating as to whether I should stand up at this point or not. In fact, I think that there is a certain inconsistency as the Hon Member has pointed out, between a policy of limiting the size of the Public Sector on the one hand and the policy on the other hand of saying that the Public Sector must guarantee a job to every school leaver who passes an apprenticeship examination, the two policies are in conflict with each other. Either we say that the public sector must be run as efficiently as possible to do the job it has to do and that means using its manpower to the best advantage, or else it must be used as a means of guaranteeing full employment in which case the efficiency and the output takes secondary place. Therefore, as the motion stands on the surface, it appears too revolutionary even for me, Mr Speaker. However, I believe the fundamental philosophy which possibly the Hon Member has tried to place before the House even if it is in my view not adequately reflected in this motion, is one which I support fully and therefore I will propose an amendment which I think achieves what the Hon Member wanted to achieve much better than his motion does. Here I am going to find myself guilty of doing to his motion what is usually done to mine by taking most of the text out. I hope the Hon Member will realise that in doing so I honestly feel that my amendment will bring about the sort of objective which he has stated he wants. Before doing so, perhaps I can just make a couple of points as to why I think the present motion cannot be supported. I would like for the benefit of the House to confirm from my information the situation as I understand it this year from the Official Employers. The Ministry of Defence claim that they had 27 vacancies filled and 3 unfilled because the candidates were not suitable for reasons other than their academic attainment, the mention of one of the vacancies being that of blacksmith, it is obvious that not everybody can manage to be a blacksmith, no doubt people of my size will find it very difficult to be a blacksmith. I think they look for certain physical qualities in certain jobs which do not necessarily mean that they can offer that job to a person who has passed the entrance examination. PSA have claimed that they have had nine vacancies filled and three unfilled because the vacancies were to learn the trade of mason and apparently the apprentices that were successful in the exam but were not able to obtain the trade of their choice because what happens is that after the exam people are given the right to pick the trade they like according to their success rate, ie, the people who come top on the exam list are given first choice at the more attractive trades which generally are the electrical and mechanical trades for some reason or other, and as those are taken up it is the construction trades that are left behind and one must understand that if a young lad who has passed the entrance examination really detests the thought of being a mason, then it is no good forcing him to be a mason if he is going to be a bad mason but the opportunity apparently was there for three people who were successful and it was not taken up apparently because they would rather be unemployed than be masons. So I think in terms of just how bad a situation we have got in Gibraltar in the question of offering employment to potential apprentices, it would appear that the version of

the facts put out by the employers is in conflict with the version of the facts put out by the unsuccessful applicants, because I myself have had the feed-back from parents of saying: "We are facing mass unemployment, kids are leaving school and they cannot find work. We have got 3,000 foreigners in Gibraltar and yet we have not got employment for our own lads," but I think that sort of emotional reaction has got to be tested against the facts to find out whether it is an accurate reflection of the situation or not.

To that extent the information that I have had from the employers appears to corroborate what the Hon Minister for Labour has said. I also think that in terms of obvious basic logic no employer can commit himself to employing people in the trade of their choice without a ceiling. If tomorrow 137 people came out of school and all 137 wanted to be electricians, no employer will take on 137 electricians just to please them. Nor do I think it is that consistent even with a commitment to socialism because socialism is about basic planning of an economy and it is impossible to think of an economy that can provide unlimited jobs in an area that people chose to be in and that it can be done just like that because obviously the demands for labour reflects the demands of society and if there are enough electrical installations to be serviced by 100 people we cannot employ 1,000 just because 1,000 would like to be doing that job any more than we could employ an unlimited number of teachers, or doctors, or any other profession. I think that we need to look at this in terms of the opportunities that we are giving to people in our society and the needs of society, the balance between the two. There are a number of points that I disagree with, however, with the Minister of Labour. One that I disagree with, because if I accepted that argument, it would be totally in conflict with the amendment I propose to move and that is the argument that it would be wrong to offer training to someone as an apprentice in the craft of his choice simply then to discharge him at the end of his apprenticeship to the ranks of the unemployed. The argument being that in the case of an apprenticeship, in the case of industrial training, if there isn't a guarantee of employment at the end of the apprenticeship then it is better not to train the people, because then why should it be OK, Mr Speaker, to send somebody at public expense to do a BA in Spanish and then not offer him a job at the end teaching Spanish.

HON A J CANEPA:

If the Hon Member would give way. This fits in with the philosophy behind it that industrial training is more for the benefit of the employer, mainly, whereas a University degree is for the benefit of the individual. Whether he finds a job or not, he is a far better individual through having been given a wide and a liberal education. I would also admit that I think it is a very useful thing for a young man to have been trained for four years because at the end of that he is also academically better educated because during those four years he does get academic education. That is looking at it as an educationist.

HON J POSSANO:

Mr Speaker, then perhaps the Hon Member will explain to me where that philosophy applies, where in one case one is training somebody to be an electrical engineer, which we do and then not offer them employment, and in the other case where he is training to be an electrical fitter. That might be the case if one is teaching somebody Renaissance literature which is part of his education which will enable him to understand how much better they performed in the 13th Century in Italy as opposed to the 20th Century in Gibraltar, that is a very useful thing to learn but I think there is a great deal of University studies today which could be said to be vocational as opposed to purely liberal education. I do not think if one is learning to be a doctor or one is learning to be an engineer, one is doing the same thing as if one is learning about literature or history or a particular period of human history, of human development, which do not necessarily qualify anybody to do a specific job other than the very narrow job of passing that same knowledge on to someone else. We do send people to do degrees in engineering and we are not able to offer them employment at the end because I have known of cases like that. I think if we accept a political responsibility to offer somebody the opportunity to learn to be an engineer without necessarily being able to offer him employment, then the less gifted person who can only learn to be an electrical fitter will nevertheless presumably have a better opportunity in life if he leaves at the end of four years, if we consider the four years of his additional training as an extension of his education and therefore his education finishes at 20 instead of finishing at 16 and he finishes his education with a craft certificate, presumably, his prospects of employment in Gibraltar or outside Gibraltar would be enhanced. Therefore, if that is the point, which I assumed it was, then in my view, Mr Speaker, the motion should read as follows: By the deletion of all the words after the word "if" in the first line, and the substitution thereof by the following words: "any school leaver passes the apprentice entrance examination set by the Official Employers and is not offered employment as an apprentice because of insufficient vacancies, the Gibraltar Government should assume the responsibility for giving such a school leaver the opportunity to learn a trade by providing the necessary financial support and training facilities".

The difference, Mr Speaker, is that I am putting the responsibility in the first instance on the Gibraltar Government and not on the Official Employers because I am not talking about employment looking at the needs of the employer, I am talking about opportunities in life looking at the needs of the individual. If that is what we really want I do not think we can ask the United Kingdom Departments to accept what is basically a political commitment because it is not their responsibility to do so. I think we can expect them to offer the maximum number of apprentices consistent with their own needs so that eventually they have a totally local Gibraltar labour force and that therefore they should plan for enough apprentices coming into the system to replace the craftsmen that they employ today through natural wastage. For example, in PSA we have got at the moment 650 employees, of whom 40 are United Kingdom

craftsmen. It would be logical that the PSA should be expected to employ sufficient apprentices so that eventually the 40 United Kingdom craftsmen are replaced by local craftsmen. In fact, there is agreement already between the PSA and the Union to achieve this objective. This is already an accepted policy on the part of the United Kingdom Departments, that they will localise every post in Gibraltar as long as there is a supply of local labour to do the job. If the job cannot be done then we cannot ask them that the job should not be done because we cannot supply their needs. But if there is a shortfall between the employment that can be offered by the Official Employers looking at their needs as employers and the people who are leaving school, who are of a standard to profit from training to learn a craft, then should that shortfall be ignored, or should we ask the Government of Gibraltar to assume a political responsibility in that respect? Well, Mr Speaker, the policy of my party, adopted at its last annual assembly, was that every school leaver should be guaranteed a job or a place in further education. Therefore, the motion as I understood it and as I have tried to reflect it in my amendment, in my view, is totally consistent with this philosophy that there is a political responsibility that looks upon the planning of the use of labour in a community not purely and simply as an economic function within an economic plan, which I think it is necessary to do from the point of view of the obligations that the Government has got in providing certain services to the Community, but also that there is a political responsibility to ensure that school leavers do not go straight from school on to the unemployment queue. I think that, which is the most serious problem facing Western Europe today with seven million people out of work and with something like 30% of those under the age of 25, with massive unemployment amongst school leavers in every European country and with nobody at the moment knowing quite how to deal with the problem or perhaps having the resources to do something about it because of the magnitude of the problem, is one we may not be facing yet in Gibraltar but we could be facing in the not too distant future. Therefore, Mr Speaker, my amendment seeks to obtain from the House of Assembly an acceptance that we in Gibraltar would not allow this to come about and that in fact we have got the political will to do something that nobody else in Western Europe is doing, I accept that, they may not be able to do it because the problem in their case is of enormous proportions, we have got an important source of strength within our economy and that is that as opposed to having a surplus of labour compared to every other Western European economy we have a shortage of labour, we have a situation where 33% of the total labour force of Gibraltar is imported, where something like 55% of the industrial workers are imported. In that situation we should not accept that purely short term considerations as to the immediate needs of an employer should not prevent us from looking at the thing in a much wider context than purely the relationship between employer and employee and therefore, Mr Speaker, I commend the amendment to the House because I think it is the political commitment that the Government should accept and taking one specific point that the Hon Minister for Labour said, it is one that I would be prepared to defend equally in Government

as I am today from the Opposition.

Mr Speaker proposed the question in the terms of the Hon J Bossano's amendment.

HON W T SCOTT:

Mr Speaker, I welcome the contribution made by the Hon Mr Bossano. The object of introducing the words "Official Employers" in my motion was basically to encompass all Official Employers within Gibraltar. However, if the Government would agree to take the lead on this occasion we would find that perhaps in time to come should this be passed, which obviously it will not, the other Official Employers like the MOD might perhaps follow suit. I was also very grateful to hear the Hon Mr Bossano saying that the DPBG in this instance is more revolutionary than his own Party. We support the amendment to the motion, Mr Speaker, because it deals as the Hon Minister for Labour and Social Security said, it is philosophical in nature. There is a political point here to be made and that is that when awarding a scholarship it seems to me also that you are awarding a job. In our way of thinking because there are sufficient vacancies the training to the young men is denied them which I think the amendment says succinctly and we have no hesitation at all in supporting the amendment, Mr Speaker.

HON A J CANEPA:

Mr Speaker, the amendment moved by the Hon Mr Bossano, as he has clearly pointed out, places the responsibility squarely on the shoulders of the Gibraltar Government only in its wider functions, not just as employers, but as Government. I think the policy that successive Ministers of Labour, and here I would include Mr Xiberras, have been trying to follow over the years, has been to try and bring the Official Employers along with us, to try to commit them if not politically, at least morally to the task that we have of providing as many opportunities for employment for Gibraltarians as possible and I think that, by and large, we have succeeded and we are succeeding at present because this was confirmed at the last meeting of the Manpower Planning Committee, the Dockyard in particular have as a result of representations made by the Department of Labour at the official level and more so by the Youth and Careers Officer, the Dockyard are being very cooperative in taking on young men who have not been successful in the apprentice entrance examination, not just those who have not been taken on after passing the exam but even the ones who have not been successful and they are endeavouring to take these young men on as boy labourers. One would not like to see as a result of a motion presented and accepted by the House of Assembly, that the United Kingdom Employers should divest themselves of what I would consider to be, if only, a moral responsibility that they have to cooperate with the Gibraltar Government in this joint task. The Ministry of Defence is the largest employer of industrial labour in Gibraltar, the DOE is a very considerable employer, in fact,

the Regional Director was telling me privately the other evening that perhaps they have not projected their image and we do not take sufficient account of the fact that they do employ 650 industrials which is almost as many as the Public Works Department, so they are a very considerable major employer. I think we have to bring them along with us rather than just put the responsibility squarely on the shoulders of the Gibraltar Government only which could be counter-productive in the sense that they would feel that they could come back and say they do not feel particularly bound to cooperate with us, that the Gibraltar Government have accepted a resolution in the House of Assembly and it is their responsibility and therefore that is the flaw that I find with the amendment and I would therefore move an amendment to the amendment to substitute the words "the Official Employers" for "the Gibraltar Government" where the latter appear in the Hon Mr Bossano's amendment. I move accordingly, Mr Speaker.

MR SPEAKER:

I understand then that what you wish to move is to substitute the words "the Official Employers" for the words "the Gibraltar Government" where they appear in the amendment, is that correct?

HON A J CANEPA:

Yes, Mr Speaker.

Mr Speaker proposed the question in the terms of the Hon A J Canepe's amendment to the Hon J Bossano's amendment.

HON J BOSSANO:

Mr Speaker, as regards the amendment proposed by the Minister for Labour, of course I have no hesitation in accepting it but I can no longer say to my colleague, the original mover of the motion, that his party is too revolutionary for me because I must now include both parties as being too revolutionary for me because my original contention was that the idea that we could place a political responsibility of this nature on the Official Employers was too revolutionary a concept, at least that is what I thought, this is why I thought I was being more moderate than the Hon Member initially but it appears now that I am too moderate even for the AACR. I accept the amendment gracefully, Mr Speaker.

HON W T SCOTT:

Mr Speaker, of course we agree to the amendment to the amendment because it falls totally in line with what we think which is what I said in my original contribution to the motion and again to what I said in reply to the Hon Mr Bossano and we support the amendment to the amendment. I note that it is

in line, in fact, with what we said in the original motion.

Mr Speaker then put the question which was resolved in the affirmative and the Hon A J Canepe's amendment to the Hon J Bossano's amendment was accordingly passed.

HON CHIEF MINISTER:

I hope the Hon Mover of the amendment really does accept that the second line should read "any school leaver who passes the apprentices entrance requirements" otherwise we would have two sets of people, people who pass part and did not get a job and people who only pass the examination and did not get a job. I think in order to be able to say that but for the fact there would have been a vacancy he should get the opportunity, that the word really should be "requirement". I do not propose to move an amendment to the amendment to the amendment but I will ask the Member if he means that if he will say it and that would be quite satisfactory and acceptable.

HON J BOSSANO:

Mr Speaker, I accept that in interpreting the meaning of the word "examination" it should be understood that it is not necessarily a written examination but the required standard in order to qualify to be taken on as an apprentice. However, let me just say that in the specific cases that we have heard about, it is a point I did not take up before, but I think I should take up now, that my understanding of the situation was that the question of the suitability based on the school report was a factor influencing that decision. I think that it is not enough to say that it will be tightened up so that people don't get to know what stops them getting it. I think what one has to question is whether a school report can be given to a school leaver which considers him to be unsuitable for employment. That is certainly something that perhaps the Minister for Education should be looking into.

HON CHIEF MINISTER:

If the Hon Member will give way. As I understood the problem when I was first approached, it was not thereport to the student, it is really a combination of the requirement for the apprenticeship Board to consider, ie i. the examination; ii. the assessment report of the period of pupilage in the school; and iii. a school report. So there is not just the last-minute decision of the Headmaster to make an adverse school report but it follows on the unsatisfactory or satisfactory term reports of the individual and it is not for the individual it is really, and this is where the thing went wrong, that because the examinations were held earlier they appeared in the list of those who had passed the examination before the school was able to tell the Apprenticeship Board and when already they had given the man an appointment for the interview or rather the school requirement is three, the interview is one, and the school

report is based on an assessment. All these three things should be before the Apprentices Board when they draft it and these are what I would call loosely the requirements but certainly not on a school report only given at the last moment. It is a school assessment report that now, having regard to what has happened, will all go together rather than one before the other and giving people ideas and then getting the disappointment that in fact though they are good for one thing they are not good for another aspect of it.

HON J BOSSANO:

I am familiar with how the system works, what I am saying is whether it has happened or it hasn't happened and because these things are not accessible, the information is confidential and one cannot get hold of it, even the person affected by the report cannot see the report, what I am saying is whether it has happened or not what must not be allowed to happen is that a child is given a report at the end that virtually disqualifies him from employment because then any employer will go back to his school because he has not got a previous employer to go back to. Normally when one person changes jobs the next employer asks for a reference from his previous employer. If his first employer asks for a reference from the school and the school says he is very unruly, very disobedient very difficult to discipline etc, and basically it says that he is not fit to be employed then whatever we are trying to do to counteract the situation of schoolleavers' unemployment we will find ourselves frustrated by it. I am not saying that it has happened because I am not in a position to know what has happened.

HON CHIEF MINISTER:

There is a very slight confusion, he talks about employment, at this time it was assessment for apprenticeship which is different.

HON J BOSSANO:

Yes, Mr Speaker, I am well aware of that but, in fact, if the employers are looking at their potential intake of apprentices from an employer's point of view then no employer will saddle himself with a potential apprentice who is going to give him a lot of trouble and disrupt all the other apprentices. It is understandable because he is looking at his own interests and he is not going to take on somebody on board that is going to give him headaches. We have to look at it from the point of view of the needs of the community as a whole. I am not saying that I know that this has happened because I am not in a position to back up any such statement with facts, all I am saying is that it is something that should not be allowed to happen and consequently, although I accept that the definition of requirements of entrance exams must involve all the different elements in it, I would certainly not accept it if one of the elements operated in the way I have described, I am not saying that it

is happening like that, I am saying it should not happen like that so that if what I am saying now is going to be taken as an interpretation of what "requirements" means then I am widening the interpretation in one way and limiting it in another.

Mr Speaker then put the question in the terms of the Hon J Bossano's amendment, as amended, which was resolved in the affirmative and the amendment was accordingly passed.

HON MAJOR R J PELIZA:

Mr Speaker, I am very pleased that the Government, after listening to the arguments used in this House, seem to be coming round to the idea behind the original motion, in different words but I think achieving the same aim. The original motion moved by my Friend here, I think, would have been more definite in achieving what we wanted in that it would have fallen squarely on the Government of Gibraltar to give a fair opportunity to those of the ranks of apprentice educationally-wise as almost now it is to those of professional standard. In that respect we may have slightly missed the point a bit in that now, whether we like it or not, it will have to come about through an agreement with all the Official Employers. I think, in fairness to my friend, he saw it right from the beginning that there were inherent difficulties as to the means of our local Government achieving that. This is why he phrased it the way he did in the hope that the Government might have been able, as obviously it is going to do now, to try and enlist the cooperation of all the Official Employers. Let me tell them that it is not impossible, Mr Speaker. I remember when the Training Centre was first started that this would not have been possible if the then Minister for the DOE, Mr John Silkin, had not taken a special interest in that. He insisted that that should be done so I think that if the Government can use its influence in the right quarters it might not be so difficult as they thought originally that it was. Also it might be worth bearing in mind that one of the best investments we could make in Gibraltar from Development Aid would be this kind of technical aid which it is obvious is very necessary after hearing the figures which my Hon Friend on the left has said. Such a big number of tradesmen are imported in Gibraltar which shows that there is plenty of room for that kind of expertise. I would therefore suggest to the Government that they could allot or obtain directly some technical aid in that respect. I think the British Government might feel themselves much better disposed to help us in that respect. I think the Minister mentioned the question of the private employers, the difficulties of getting them to accept apprentices. Gibraltar's private employers are, by and large, very small here. It is extremely difficult for the employer himself to assume responsibility in that when all is done perhaps the individual decides to go somewhere else and he has got to start all over again. It is very difficult for private employers in Gibraltar to do it directly but I think they do welcome and I am sure they would like to see many more apprentices coming out fully trained from Government to join the private employers. I know there is

a scarcity and I know that Gibraltar employers would rather have a Gibraltarian well trained than outsiders. Luckily, some of us have managed to get to that stage but it has not been easy so I do not believe that the Government will be wasting its efforts by having within the total number of tradesmen coming out trained, having a surplus of that because I am almost certain that they will be absorbed very quickly by private employers. Also, particularly in Gibraltar, we should try and do away with this distinction of industrial training and further education. This, perhaps, again is applicable to much bigger societies than ours but in a small place like Gibraltar to try and distinguish between one and the other may be very well bureaucratically but I do not believe that it does the individual himself all the good. I think that we have the duty to see that it is that individual that should be helped. I hope the Minister will be able to reconcile these two conflicting principles and bring them together under one umbrella. I am very pleased, Mr Speaker, that the motion introduced by the Hon Mr Scott is getting so much attention and it seems to me almost unanimous support in this House.

I support the Motion.

HON M K FEATHERSTONE:

Mr Speaker, I would like to sound one or two words of warning although I do accept the motion as it has been amended. The first word of warning is, I do hope that the gentlemen opposite who will remain in Opposition for a long time, in three or four years' time will not be coming forward with another motion saying that everybody who successfully completes his apprenticeship and becomes indentured should be given a job with the Official Employers, because obviously this is something that might sooner or later mean that the number of employees in the Official Employers should increase considerably far beyond the actual needs of the departments concerned.

The second word of warning that I would put is that although we are going to give the opportunity to all youngsters who pass the apprenticeship qualifications to carry on and obtain their training we should not shut the door on all the other youngsters, the boy labourers, who after going through their period of being boy labourers and becoming labourers do have the opportunity today to go to the Training Centre and qualify themselves and become craftsmen through experience and through a period of time. I would not like to see the advent of more apprenticeships coming along, spoiling the opportunities of these other youngsters. We have to do the two in parallel. The third warning I would give is an administrative one. If the numbers were too great, the position might be that there would be serious difficulties in being able to implement their training. At the moment, as far as Public Works Department is concerned, we have some 226 craftsmen. Assuming that a craftsman has an operative life of some 40 years, then the replacement rate would be some six per year. That would mean you would need to take in to replace them some six apprentices yearly but allowing for wastage it could be as high as ten. Over a four-year period this would give you some 40 apprentices and you would have sufficient

craftsman who could train them. At the moment we have some 70 apprentices who are being trained by 91 craft operatives and we can cope with it but if the numbers were to be too heavily inflated we might find that we did not have sufficient craft operatives to give adequate training to the apprentices. This is something that must be kept in mind as we proceed with this new scheme. The new scheme is a revolutionary scheme, it is perhaps the first step that we are making towards seeing that our labour force is as highly trained as we can possibly make it beyond the absolute industrial needs. You may find a time in the future when we have a number of skilled persons for whom jobs are not immediately available at least in the public sector but this, of course, would perhaps need further co-operation with the private sector that they should take on as far as possible trained Gibraltarian operatives rather than outsiders who at the moment they employ to a great extent. This is a new scheme and as far as the Public Works Department is concerned we will do our utmost to see that whatever training we can give will be of the best and I wish it every success.

HON MAJOR F J DELLIPIANI:

Mr Speaker, this motion has been treated by all in a very logical manner and there have been no heated exchanges and I will keep it in that tone. I think I should emphasise what my Hon Colleague Mr Featherstone has said that when we talk of apprenticeship training we must relate them with the number of craftsmen available to give them that guidance which they need during their initial period of training. This must be borne in mind ever though I support the second amendment and I support the motion as a whole, the idea behind it, but we have to bear this in mind, that we have to keep this in mind, that we have to have the number of craftsmen to have the time available to give guidance during the initial four-year training period. The other point that I would like to bring up is that the weakness I see, even though I accept the motion, is that one of the problems is that every apprentice wants to be either a mechanical fitter, an electrical fitter, an electrician, all the more popular trades and not the real requirements of what Gibraltar needs and that is in the construction industry, bricklayers, plasterers, renderers, carpenters for sites, shutterers, metal benders, etc. The Hon Mr Bossano is very well aware of the shortages we have in the construction business. I think the danger in offering apprenticeships to all who pass the exam will be that even fewer people will try and gear their career towards the construction business. I see this danger and I hope that the members are aware of these dangers. It is the background that we have been brought up in, to look at the construction industry as something below our dignity and getting your hands dirty with mortar, etc. It is something that is slowly breaking but we have not reached that stage yet, we still tend to look down at the site work in the construction business and I see the danger that this will be accentuated when we accept this motion. Our whole Development Aid is really based on construction and we are dependent on foreign labour. What we should try and do by whatever means possible is that the people involved in the construction industry have a stake in

Gibraltar so that they stay in Gibraltar and that productivity is based for the benefit of Gibraltar and this is the way that I am warning the House of the danger of accepting this even though I agree with it. I agree with the logic behind it, that people should be trained even if there is no employment for them, people should be given that opportunity but I see the danger that more people will want to become electrical/mechanical fitters, Etc.

HON J BOSSANO:

I think it is a point that can be taken into account and, of course, I would welcome an opportunity to be involved in any discussion as to the turning of the motion into a practical reality at a later stage which we can do outside the House, to iron out the practical problems.

HON MAJOR F J DELLIPIANI:

I am glad of the attitude the Hon Mr Bossano has taken. I did not expect anything less in questions of the future employment of the youngsters of Gibraltar. This comes under the Youth and Careers Office of my Department and again the danger of the boy labourers is something very much involved. It is true that employers do give a chance to boy labourers who have not had the academic qualifications to go through an apprenticeship and after a period of time turn out to be quite good craftsmen and again we must not lose sight of this.

HON W T SCOTT:

Mr Speaker, I am very pleased to have heard all the contributions in this House on this debate and in fact the amended motion expresses, in a different way, the generality and the specifics contained within my original motion, because my original motion said "awarded an apprenticeship", in other words, we were looking for a training programme, not necessarily on the trade vacancies available within the different trades and the different departments. I am very glad that the Government have shown the lead here and all we can hope for is that all the Official Employers will follow suit and take their place and assume their responsibilities. I must, however, take a couple of points, Mr Speaker, that the Hon Mr Canepa said earlier on when he was talking about the private sector not taking up the opportunities of free training offered to them by the Construction Industry Training Centre. The construction industry in Gibraltar over the last 4 or 5 years has suffered a substantial recession. I think the Hon Minister is well aware of that. There have been a substantial number of redundancies, perhaps due to the lack of development during the last 4 or 5 years. The fact of the matter is that there have been a substantial number of redundancies. I am not going back over 6 months or a year, I am going back to about 3 or 4 years ago, slowly and progressively. The redundancies that were effected by the private employers within the construction

industry to a very great extent were employees who were subsequently employed by Government. A number of them within the Public Works Department, perhaps to avoid an unemployment situation and quite rightly.

MR SPEAKER:

We must not bring any new matters into the debate. You have got the last word and it is unfair to bring matters on which Members will not be able to reply.

HON W T SCOTT:

Mr Speaker, it really only requires one last expression and I hope that all subsequent subjects on motions dealing with this nature, the greater entity of Gibraltar, the future needs and the responsibility of Government, will be taken in the manner that this debate has taken place. I am very glad to have introduced the original motion and I hope that in time to come Government will accept more of our policies.

I beg to move, Mr Speaker.

MR SPEAKER:

I will then put the question which is that: "This House considers that if any school leaver passes the apprentice entrance examination set by the Official Employers and is not offered employment as an apprentice because of insufficient vacancies, the Official Employers should assume the responsibility for giving such a school leaver the opportunity to learn a trade by providing the necessary financial support and training facilities.

The question was resolved in the affirmative and the Hon W T Scott's motion, as amended, was accordingly passed.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that the Government house building programme should be accelerated to take advantage of the slack created in the construction industry by the moratorium on the United Kingdom Department contracts thus helping to alleviate the recession in the industry and meet the unsatisfied demand for suitable housing for people on the Housing Department Waiting List."

Mr Speaker, the motion seeks an adoption of a policy on the part of Government in order to meet two objectives. The Government has already indicated its commitment to an increase in the house-building programme as compared with the last few years in order to try and meet the demands for housing that are obviously still unsatisfied in Gibraltar. Therefore, in terms

of building houses we are not talking about building houses to create the jobs, we are saying we need to build the houses anyway, it is obvious that the Government recognises the need to do so because it has said that this is going to be given top priority in the next Development Programme. We are not effectively misusing our resources if we concentrate those resources into the production of assets which are houses. That is something the Government has already said; it proposes to do, it recognises there is a need to do that. It is a need that has grown over the years and it has grown, Mr Speaker, I believe, because our housing programme has been insufficient to meet the demand. If we look at the statistics we will find that although the Gibraltarian population has not grown all that significantly in the last decade, the rate of growth according to the Government statistics for the period 1970/79 is an increase of 642 Gibraltarians resident in Gibraltar, making it an average of 65 a year. It fluctuates between 102 in 1974 and 35 in 1977 and in the same period there has been an addition to the Government housing stock of 1,198 houses, again according to Government statistics. In that decade we see that we have been producing two houses for every additional Gibraltarian and yet the housing problem seems to be getting no better. But, of course, the same period has seen an increase in other British residents of Gibraltar from 5,162 to 6,760, ie, an increase of 1,600 as opposed to 600 Gibraltarians, and if we look at the total population the increase over the same period is 2,927, so that in fact we see that the increase in the housing stock, if we look at the total increase in population, works out at something like three persons per unit and this is considered to be a high level, for example, in the United Kingdom. In the United Kingdom the occupancy rate nationally, is below three per household. Perhaps, in a way, our inability to meet the housing demand has been brought about because the demand itself has been increasing as a result of our population increase over the period over the last ten years and also because as part of the improvement in the standard of living, part of that improvement has been reflected in a demand for improved housing and this is something not only that we should expect but that, in fact, we should encourage. I think it is better that people should want to spend more of their increased purchasing power on better accommodation than that they should want to live ten to a room and in whatever space they have left have it jammed with colour television sets, if there is any other space left after ten in a room. So I think the shift in consumer preference towards housing is natural and to be encouraged but it is no good encouraging it unless we make it part of our planning and our provision for the future as to what sort of supply we need to produce in order to meet the expected demand. Although I am saying this as background to the analysis that I make of the unsatisfied demand for housing, that is part of my Motion, Mr Speaker, I consider that the Government itself, in saying that it is giving the highest priority in the next Development Programme to housing, must already be conscious of the fact that there is an unsatisfied demand and that it is only by increasing the total quantity of houses, by increasing the housing stock, they are going to be able to meet that demand and that also we need to have, in a housing situation, really more houses than there are people adequately accommodated at

any point in time. I think we need to recognise that for a housing market shall we say, although it is perhaps not a very applicable word in the case of Gibraltar because of the very low proportion of owner/occupation, we are talking about 4% owner/occupation in Gibraltar as opposed to something like 55% in the United Kingdom but, nevertheless, whatever success the encouragement of owner/occupation may have or not, even if we are talking about a situation where the bulk of the houses are Government-owned, the process of allocating houses really is no different from the process of ownership as a result of owner/occupation through changing family circumstances and that requires a certain amount of leeway of having a number of unoccupied houses at any given point in time just like there is an inevitable element of transitional employment when people are between jobs. In any sort of supply and demand situation there has to be an element, a margin, of houses which have been left by some people and not been occupied by somebody else yet and the house is empty in between one party and the other. That can only be achieved by having a situation that is not so tight that before anybody has even left a house, there are twenty persons chasing it, which is the sort of situation we face today. A situation which, to my mind, gives rise to extortionate rents in the private sector, where people are being asked to pay incredible sums of money just to obtain access to a house and then rents which would be considered scandalous if the Government of Gibraltar attempted to charge those rents for post-war accommodation, rents like that are being charged for pre-war accommodation without any facilities and it is all very well to attack the Government for high rents but I do not think we can do that and ignore what is happening in the private sector. But one way of weakening the bargaining power of the property owner as opposed to the tenant, of course, is to improve the supply and demand situation by doing something to increase the supply of houses where people would not be under such enormous pressure sometimes where they have to choose basically between the break-up of their family or getting themselves into enormous debt in order to salvage their family life. There are sound economic and social reasons for doing something to make an impact on the supply of housing in Gibraltar. But the reason for doing it at this particular point in time, Mr Speaker, which is why I am bringing it now as opposed to at any other stage to the House, is that we face a situation today which cuts across the argument that we have heard so many times in the past about the limitations on our ability to fulfil the development programme because we have slippage and we have got problems of labour and we have got a situation where employers are unable to meet target dates in the private sector construction industry because of the workload on them. I have always been very sceptical of their argument as the records of Hansard will show in successive Budgets, Mr Speaker. I have often argued that if we are talking about the physical capacity of the construction industry then the first step we should take should be to identify that physical capacity because it is nonsense to try and measure the capacity of the industry to build purely in money terms because it is not the same thing to spend £200,000 in building one luxury home as it is to spend £200,000 in building ten units of £20,000. The demands are not the same and therefore we cannot talk about the

impact on the industry of the Girls' Comprehensive School and equate that with the impact of building a housing estate for £5m which might well be an impact requiring twice as much labour. But one thing we are able to say at the moment in time is that whatever the validity of the arguments in the past they certainly do not hold water today. They do not hold water today because the construction industry has been faced with a sudden blow to its viability, completely unexpected, an overnight decision by the British Government to end all new works, a moratorium on the issue of all new contracts overnight, without prior warning to the industry. It has happened in the United Kingdom, it has had a devastating effect there where something like 300,000 construction workers are out of work at the moment and the situation is expected to get worse rather than better and in Gibraltar although the impact numerically, obviously, is not of the same magnitude, when we talk about 100 construction workers we are talking about 12% of the construction industry being unemployed and we in Gibraltar have been used to working and taking it for granted that the unemployment level should be about 2%. In the construction industry the immediate effect of the moratorium has been 12% unemployment. That is very high unemployment by any standards, Mr Speaker. Of course in the United Kingdom we are talking about 25% unemployment in the industry. The moratorium, as I say, had an immediate impact on the issue of new contracts but of course there were contracts in existence which are due to run out and there is no indication that more work is going to be supplied by the United Kingdom Departments to take over from where those contracts finished off. So the situation is expected to get worse rather than better. The employers themselves have done their utmost to avoid redundancies, I think partly because in a place like Gibraltar they tend to be a closer relationship between employer and employee, it is not such an anonymous situation and any employer that has had somebody working for him for ten or twelve years does not like putting that man on the dole because there is a personal relationship when we are talking about small firms. Apart from that there is a purely logical long-term economic argument in favour of retaining the employees that employers in the construction industry know that it is not an easy thing to replace labour once it is lost because a great deal of the labour in the private sector construction industry is immigrant workers and those immigrant workers who come to Gibraltar to earn a living to support their families at home, obviously are not going to stay in Gibraltar unemployed because they have the additional expense of having to support themselves here and their family and if they are going to be unemployed here they might as well go back and be unemployed there enjoying the company of their wife and children, there is no point in staying in Gibraltar out of work. Once they go from Gibraltar there is no guarantee they will come back again and therefore if the situation is changed as undoubtedly it must change, that moratorium cannot be kept up indefinitely, particularly when we think that we are talking about the maintenance of Crown Properties held by the Ministry of Defence in Gibraltar, that maintenance can be put off for a certain period of time but unless the Conservative Government in the United Kingdom, with its obvious bias against the public sector, is prepared

to see the physical collapse of public property, not just the collapse of the whole fabric of employment in that sector, it has, at some stage, to devote public expenditure to the maintaining of those buildings. When that happens in the United Kingdom we are bound to see a resurgence of employment in Gibraltar. The moratorium, as we understand it within the industry at the moment, both on the employees and on the employers side, the information that we have is that it is expected to last for the rest of this financial year but there is no guarantee to what extent it will be relieved in the next financial year because it is being done purely for financial reasons, purely in order to control the public sector borrowing requirement and the money supply as a basis for controlling inflation in the United Kingdom based on an economic theory which I consider to be completely haywire.

The Gibraltar Government is being asked, therefore, to bring forward work that they intended to do in the future in order to keep alive the construction industry, in order to maintain its viability through this period. In doing so it will do several things and those things that it will achieve must be set against the cost to the Gibraltar Government and it is my submission, Mr Speaker, that consideration of these factors will show that bringing forward this expenditure is money well spent from Government's point of view. First, Government is already embarked on such a policy by virtue of the action taken by the employers themselves. We have had a supplementary estimate where we have had a number of votes of extra money being put on projects because of accelerated work progress. That accelerated progress is because employers, as I have said, rather than have redundancies, in the hope of better times ahead have put their surplus labour on the few remaining sites. This has meant that those sites are progressing at a faster rate and that we have voted extra money to do that. It means as well that the completion dates are going to be sooner and if nothing is done to have more work in the pipeline for those earlier completion dates the problem will get worse than it is now because if today we have 100 men on a site where previously there would have been 50, it means that when that site finishes we will find that we have 100 unemployed instead of 50 unemployed. The motion, therefore, seeks to prepare the Government for that day. In putting the work out to contract earlier the Government itself will be making a saving in that it can expect legitimately to be facing lower costs because its materials would be at current prices rather than the prices we are going to have to pay a year hence, lower cost of labour because the job will be priced at today's construction industry labour rates, rather than those of the future and, thirdly, more keen tendering because of the highly competitive situation in the industry today where in order to get the work employers are likely to pare their profit margins to the extent that they can in order to beat their competitors to be successful in the tender. Those three factors should make for cheaper costing which, to some extent, would offset the cost of bringing the work forward in terms of additional financing costs of having to borrow money now at today's rates of interest in order to fulfil such a programme. Therefore, if on the negative side we have the additional cost of borrowing the

money to carry out this work, to the extent that it has to be financed by the Gibraltar Government, on the positive side we have lower capital costs given the circumstances in the industry that I have described. Secondly, an additional positive element which must be taken into consideration, is that the payment of the wages to the people who would be given employment in itself produces a tax yield for the Government whereas the having of these people unemployed produces a tax rebate even if in the case of the Gibraltar Government it takes two years to eventually get it but nevertheless it is a liability that will be there for the future and, of course, it means paying unemployment benefit even if this comes from a different fund from the Social Insurance Fund, it is still a negative balance in the accounts of the Gibraltar economy as a whole. So those two factors have also got to be set aside. Thirdly, and perhaps the most important of all of them, which still makes it essential to do it even if there is, after taking all that into account, a net additional cost to the Government at this stage, is that it would be tragic if we allowed the industry to contract to such a stage that at a future date the United Kingdom Departments had the money to spend and the labour was not here to spend it and then the Government found itself, as it was suggested happened when the development of the Europa Project came along, which was discussed in this House, when there was a peak of demand in the industry and we were told that unless they specifically imported 200 Filipinos for that project it was impossible to carry out the development project and the expenditure programme of the United Kingdom Departments. We certainly do not want to see ourselves contracting the industry now and then supporting the policy proposed by the Government, the policy of which an indication has been given by the Hon and Learned the Chief Minister, that the main emphasis in the new Development Programme will be housing, and we find ourselves supporting a housing programme which looks very expensive on paper and then it is incapable of being fulfilled because the much-contracted construction industry we are left with within a year's time cannot cope with the work of the United Kingdom Departments and the work of the Government of Gibraltar. That, itself, Mr Speaker, is a clinching argument which justifies it in terms of the long-term economic planning of the economy of Gibraltar which is not a static thing but a thing that has got to be seen as having long-term objectives but capable of short-term corrections in order to reflect changing circumstances like the one we are faced with today. I think that justifies amply whatever net costs there may be after taking into account the factors I have mentioned.

I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J. Bossano's motion.

HON M K FEATHERSTONE:

Mr Speaker, this is a motion which again Government has a certain measure of sympathy for, although we cannot vote in favour of it. However, I think perhaps the Hon Mr Bossano has been painting too black a picture and it may be that he is not

aware of one or two facts that perhaps I can enlighten him. I do not think I am giving away any official secrets but the understanding that we have is that the moratorium has been lifted and although we do not have the details these should be coming through fairly shortly. The number of workers who became redundant when the moratorium came into effect was not immoderate but not too great and a number of them were already being taken up. For example, I understand Taylor Woodrow took fifteen of them up even before the agreement to do the Varyl Begg roofs had come into effect. But with the advent of the Varyl Begg roofs they should be taking up more people in the near future. There was also two other projects which will get off the ground fairly soon which will have some demand on labour and that is the power station, I am not sure how many they will employ, and the extension of the airport which should go out to tender January. This will take up some of the slack if it still remains. I accept that possibly some of the contractors have put more people into their present jobs to take up some of their slack and the Hon Mr Bossano sounds a note of warning that this may mean that they finish their jobs earlier and then the slack which has been taken up now is only going to show itself up in six months or a year's time. However, the Development Programme that we hope will come to pass through the period that we are budgetting for 1981/86, although possibly it will have to be amended to 1981/84 since ODA, whom we hope will help us again on a generous basis, normally only works on a three-year period. There is ample scope in that development programme to keep our labour force going very strongly over the next three years even if not the next five years. As the Hon Mr Bossano has said, something he is well aware of, the great emphasis in the next programme is going to be on housing.

HON J BOSSANO:

I know I have got the right of reply, Mr Speaker, but since he has made a statement to the effect that there is enough work to take up our labour &c, perhaps he can explain why the quota for labour has been cut down by 12%?

HON M K FEATHERSTONE:

I think that has been done on the basis that this is one of these things that is looked at on the temporary situation rather than to leave it at the higher level while you have a period of unemployment. It is easier to cut it down but it can still be restored. As I was saying, Sir, the intention in the next programme is to put the emphasis on housing. I think, quite rightly, in the present programme the emphasis has been two-fold, partly on housing and partly on education. We have now seen that education is doing very well indeed and will come to its end approximately around late 1981, early 1982, with the finishing of the Girls' Comprehensive School. There is already the fact that we have pushed into our recurrent expenditure some £300,000 to see that there are no redundancies in our own labour force and, of course, there is a limit to the amount of money that the economy can put into various works. Although it is not difficult to say that we shall accelerate our

programme, we can always go out and borrow, there is a limit on the borrowing we can do. This, of course, is subject to agreement by the United Kingdom and for the present year I think we have got pretty close to our total limit. The tenders that have come in for the power station are somewhat higher than we had anticipated and are going to strain our position on borrowing to the absolute limit. I do not think we can borrow any more in this present year so that even if we were to wish to accelerate the programme the money is just not there. There is also the administrative side that to accelerate the programme as such we would need to have certain spare capacity in the Public Works Department Quantity Surveyors etc and again this we do not have. I think that there are practical difficulties inherent in accelerating a programme very much beyond what has already been calculated. So, Sir, having given these facts and assuring the Hon Mr Bossano that the problem is very much in our minds at all times and that we are doing our utmost all the way through, I would suggest to him that he would be satisfied with the fact that Government is well aware of the situation and, perhaps, he would like in due time when he replies to ask for leave to withdraw his motion.

HON A J HAYNES:

Mr Speaker, I notice that in this motion there are two parts as outlined by the Hon Member. The first is that he notes that the Government commits itself to an increase in the housing and which he thereafter records the Chief Minister's statement that it is going to be main priority following his announcement at the Ceremonial Opening. Then he goes on to the second point which he makes concerning the physical capacity of the building industry and as to whether or not this is being affected by the recent announcement. Normally, we find that Mr Bossano acts as a sort of second Speaker in the House and admonishes either side for debating with party policy in mind. We tend to accept this role and in fact occasionally he commends us for having greater or lesser social policies. On this occasion I would remind him of the meeting of this House in March of this year when the Hon Mr Isola proposed a motion which initially read "This House calls on the Government to improve upon its plan for a new housing as announced in the election manifesto of the governing party and at the meeting of this House on 25 February 1980." Mr Isola then went on to comment on the discrepancy between the planned houses to be built by Government as reported in the manifesto which totalled 200, to those stated in the Ceremonial Opening speech which amounted to 216 and which later on in the course of that debate became 219, so that Government has increased its target figures for the two year period. This motion is not relevant to the second part of Mr Bossano's motion, ie the physical capacity of the building industry, is certainly clearly on the lines of the point mooted by the Hon Mr Bossano, ie that Government has committed itself to an increase in housing. In this motion we ask them to not only give it the priority that they said they had but to further increase their capacity and the aims of the Government and we said that we found that housing is the main social problem of the people. It is something which is sadly behind the required

standards. We have very high waiting lists, we offer very few people on the waiting list remarkably conservative hopes as to when they may expect housing and we asked this House to strengthen its approach to try as hard as it can to increase the output of its plans. In this motion quite a number of the members addressed the House and stressed their concern at the paucity of Housing and in fact even questioned whether the Government's statement of priority was of great importance and I remember myself when education was the main priority because the Chief Minister told us and that it was and that the school had suffered considerable slippage. Unfortunately, Mr Speaker, the Hon Mr Bossano did not make a contribution in this debate and when the Chief Minister then replied to the motion and said: "Therefore I think this motion is very ill-timed, unjustified and unfair and not warranted," he then proposed an amendment and this amendment was to read "that this House notes the plans for new housing announced in the election manifesto of the GLP/AACR and of the meeting of this House on 28 February 1980; endorses the Government's intentions to make the provision of additional housing one of its main priorities in the next Development Programme and looks forward to an early announcement of the Government's detailed plans." This amendment was poorly received by the DPBG and Mr Isola tried to reject it and in fact we voted on that amendment but of course we were defeated and unfortunately the Hon Mr Bossano was not there to give his considered opinion on the amendment.

HON J BOSSANO:

Mr Speaker, I am not questioning whether the GLP/AACR programme is good, bad or indifferent. I am saying it should be accelerated.

HON A J HAYNES:

Mr Speaker, the point I am trying to make is that we ourselves have espoused this policy of increasing the housing programme and we have committed our policy to a motion which was heard in this House in March and we question now, though we welcome this motion, it gives us another opportunity to reprimand Government

HON J BOSSANO:

If the Hon Member will give way. I welcome any support I get from the Hon Member but if the Members of the Opposition propose to turn this into a censure motion on the Government then I put it to them that it is not intended to be and I am capable of producing my own censure motions without any help.

HON A J HAYNES:

He may be capable of putting his own censure motions but he does like to interfere with ours as well.

MR SPEAKER:

Let us speak on the motion, because we have not spoken on the motion yet, with due respect to the Member.

HON A J HAYNES:

On the motion I may say that we fully endorse the Hon Member's hopes the Government will increase and accelerate its housing programme. We have ourselves stated this in the past and this is the point I am trying to make. But, similarly, we regret that the Member has come to this realisation rather late in the day.

HON J BOSSANO:

If the Hon Member will give way. Mr Speaker, I do not know if the member listens to anybody other than himself. The first thing that I said was that I was bringing this motion now rather than at any other point in time because there was a recession in the industry now. I am not saying that the housing programme of the Government is good, bad or indifferent or better than the DPBG or worse than the DPBG. I am saying that now there is a recession and now there is an argument which has nothing to do with party politics, it has got to do with something different. I would welcome the Hon Member's views on the validity of that argument and his support for it on the basis of the argument that I have put and not on the basis of what has been said last March.

HON A J HAYNES:

If somebody comes asking for more housing just to employ people then you could ask them to dig holes and fill them up again. The point is that if he asks us to build houses and really all he is trying to do is to keep these people employed, we should question whether he really wants us to build houses. Why didn't he come in March and tell us he wanted houses then. If he wants to employ people why not give them purely nominal work, filling holes again.

MR SPEAKER:

You are the person who has suggested that they should be employed in filling holes, the Hon Member has not.

HON A J HAYNES:

What I am saying is that his motion is principally on the lines of employment.

MR SPEAKER:

No, his motion clearly states that Government should take advantage of the moratorium in the United Kingdom Departments to accelerate its building programme and thus alleviate the situation in the Government Waiting List. That is the motion and that is what we should talk about.

HON A J HAYNES:

As to the moratorium itself, I accept that there is a worrying factor if the employees of the construction industry are going to be dissipated by the measure. There is some confusion as to whether in fact this is a genuine alarm or not since we have conflicting reports from Government and the Hon Member. Perhaps, we require time to decide which is the correct interpretation of the facts but, certainly where the Members' fears could be of a rational nature or were they to be proved as valid, then we would certainly like to see the Government make all efforts to ensure that the building industry is not further contracted. I think this would enhance the motion passed only an hour ago in which we asked for more apprenticeships, more chances to be given to people. Certainly there will be a higher risk of unemployment if the moratorium takes the turn that the Hon Mr Bossano has said it will. But, Mr Speaker, we do not know for certain whether this moratorium will affect the employees of the building industry and we either wait for more information or time. Lastly, I would note that this side of the House has evinced a genuine worry and concern for the building industry not as a result of any moratorium but as a regard to the genuine requirement in Gibraltar for more housing. We believe that whether or not there is a moratorium which will affect the building industry it is necessary to go ahead and make further plans to build more houses.

I commend the motion, Mr Speaker.

HON E J ZAMMITT:

Mr Speaker, I am not going to answer the Hon and Learned Mr Haynes because I do not think he has spoken much about the motion. I will, of course, refer to the Hon Mr Bossano who, may I say, makes things very difficult because normally he is so logical that there is very little that one in Government can throw back at him. I would say, Mr Speaker, that this Government, as outlined by the Hon and Learned the Chief Minister at the Ceremonial Opening of the House of Assembly, did commit ourselves to give housing the top priority, because it is the greatest social problem we have in Gibraltar today. Secondly, Mr Speaker, I think that since then it has been seen that there are a number of projects off the ground, no longer in plan form, but there is actual physical work taking place, St Jago's, St Joseph's, Tank Ramp, Lime Kiln Steps, Road to the Lines, and in the general construction there is the Girls' Comprehensive School, the Garage etc. There is a certain amount of activity which, to me as Minister for Housing, is quite enthusiastic as

opposed to what was happening for reasons that we all know, over the last year or so.

HON P J ISOLA:

If the Hon Member will give way. Is the Minister saying that the slippage before was justified? What circumstances last year stopped the Government from getting on with the housing development programme?

HON H J ZAMMITT:

There was nothing to stop the Government getting on. It was a question, Mr Speaker, that they required a certain amount of planning and financial resources and we have taken our priorities as best we thought.

HON P J ISOLA:

There was a Development Programme announced by the Government in 1978 of £22m which has undergone a lot of slippage. I do not know what the Minister meant when he said the situation is now different than it was for reasons that we all know. The only reason I know is that the Government just did not do it. I do not know any special reason for the serious slippage there was in the housing development programme.

HON H J ZAMMITT:

Mr Speaker, there were a number of problems that I think the House is well aware of. There were the technical reason of Quantity Surveyors which required uplifting to bring people in to assist this. But be that as it may, Mr Speaker, the whole situation when we talk about housing, and I have said so here, I am not very sure if I have said this during this particular term of Government, and I say so for the benefit particularly of those new members on the Opposition who may not have heard me. There is of course a housing problem in Gibraltar, no one would dare refute that. The Housing problem as such will not be alleviated just by the statistics that the Hon Mr Bossano has mentioned, although we do know that there are 1,700 applicants and not 1,900 as was the case 4 or 5 months' ago and I think I should explain that it is not that we have given 200 houses out, it is that as a result of a reappraisal of the housing application forms, there are many people who no longer require housing, no longer wish to move and therefore we have now got it down by another 200, but this does not mean that we require 1,700 houses. I must emphasise that, Mr Speaker. About 70% of the present waiting list they are not at all expecting to get housing, what they require is an exchange from one house to the other. In most cases it is larger accommodation because the family composition has increased. Taking that into account, it is not such a bad picture because if we are able to carry on with Government's

policy, and I am sure we will be, Members will see that Government has paid particular attention to the building of bedsitters.

MR SPEAKER:

With due respect to the Minister, we are not going to go into the justification of the Government's record on allocation of houses. We are talking about the acceleration of the building programme which will ameliorate the waiting list. We are not going to get involved in the housing allocation scheme because otherwise it will widen the scope of the debate.

HON H J ZAMMITT:

Very good, Sir. Therefore, Sir, although as Housing Minister, one would want and wish and desire that we should have more than enough housing for the present situation on the housing list, it is not such a gloomy picture. Mr Speaker, I would like to mention the mal-distribution of Gibraltar's housing stock, the wastage that we have of sole occupants of very large accommodation and that in itself produces, may I say, some 300 tenants occupying excess accommodation. That is another item which will greatly diminish the present requirements that the Hon Mr Bossano made reference to and the Hon and Learned Mr Haynes made reference to earlier on. I am quite convinced, Mr Speaker, that although one would obviously not allow, as a progressive Government, we would not wish for a decline in the building industry at all, I feel, as my Colleague the Minister for Public Works mentioned earlier on, I feel that the Hon Member opposite with great socialistic beliefs need not worry. I think he has been told that the moratorium is more or less off its hooks now and therefore I think that the Government in its building programme, not only in housing but in construction generally, has some very good plans and I am sure the Hon Member will see that nobody will be out of a job. Mr Speaker, in answering the Hon Mr Haynes very briefly, I would say that he has jumped on the bandwagon of the Hon Mr Bossano's motion by bringing out issues which are not relevant to the particular moratorium problem and I think that he will realise that the problem of housing is not as simple as he originally thought it was and I hope that he will see that everybody is trying to do their utmost to alleviate the situation. Mr Speaker, I think that the motion really cannot be supported despite the fact that we sympathise tremendously with the Hon Mr Bossano's sentiments. His main concern which is the building of housing is going ahead and the other one, the possibility of unemployment, I think has now been watered down and therefore, Mr Speaker, I feel that the Hon Mover need not worry very much about the situation.

HON CHIEF MINISTER:

We wish it would be possible to agree to the motion and that it could be implemented quickly. The logistics of it would take a

considerable time and therefore, really, the acceleration would not be much more than one is hoping to do now. Of course, there is the money side of it which is very important, all the resources available now are being devoted to this. I would just like to say something about slippage which has been mentioned before and that is that this happens all the time everywhere. In the course of considering applications for development aid of private enterprises, at the time application is made the applicant states what the expected time for the development is and on the strength of the applicant's own estimate of the expected time for the development, the licence is given for that period. If somebody has a big scheme and says he is going to take two years then the licence is given so that it will be finished in two years. Of course, if the scheme is not finished by that time then the licence must be extended at Government's discretion, naturally, if there are good reasons. If there are no good reasons then, of course, they are urged to get on and we invariably have every Wednesday, applications for extension of Development Aid licences on the basis that people have not been able to keep up to their original contract time or the original time for completion. That is happening all the time and therefore it is not characteristic only of the Government's programme, it is typical of everything nowadays where one's expectations on paper states what the time would be and then, in practice, for a number of reasons, Ramadan, the Feast of the Lamb, or whatever you call it even though those should be factors that should be taken into account in the construction industry, they don't. They don't seem to and if they do then the calculations are bad and that is the reason for slippages but what the Minister for Housing was saying was that once we had had the logistics of the back-up which took a long time to get off, in fact, the progress of the Programme now is very much ahead and there were earlier supplementaries where we had to ask for money because better progress was being made than had been anticipated. The difficulties about accepting the motion are of course mainly the fact that it could not be implemented immediately and we hope that with what the Minister for Public Works has said about the two or three big projects that the Government has in hand, and now the power station and the pitched roofs etc, that there will be an acceleration and the need to employ more people and we hope we will not have any serious unemployment and much less, of course, if as indicated by the Minister, I don't know on what authority but, anyhow, one hopes the moratorium, if it has not been brought to an end now, will last a very short time.

The House recessed at 1.05 p.m.

The House resumed at 3.15 p.m.

HON MAJOR R J FELIZA:

Mr Speaker, I sincerely hope that once again we can find a formula through another amendment subsequently which will enable the Government to go along with this motion which although presented by the Hon Mr Bossano I think has the full support of the rest of the members of the Opposition. I

cannot believe for one moment that the Opposition can be against it. If one analyses the motion, one can see that I cannot possibly believe that the Government is not interested in improving the lot of the people on the housing list. I am sure they are as eager as anybody else is in trying to produce more houses to enable those people who are on the waiting list to have a better chance of getting a house. What I am really beginning to wonder is, Mr Speaker, to what extent is the Government finding consolation in the case of other people all over the world. We are now beginning to hear the Hon Chief Minister and other Ministers saying that this is happening everywhere else in the world. That, I think, is small consolation for the people who are waiting for a house in Gibraltar. We all know that there is slippage, we all know there is a problem of slippage perhaps everywhere but that does not mean to say that the Government, because in other places they are just as bad as we are here, are going to find an excuse for going against suggestions from this side of the House which are perfectly legitimate. I think it is perfectly legitimate to ask the Government to try and speed up building and if through, you might say, an opportunity they can accelerate it, I cannot believe why the first thing we hear the Minister for Public Works does is find reasons why it cannot be done. Of course it is not easy but this is where you assess the ability of the Government and the ability of the Minister, taking full advantage of an opportunity that may come our way. Unfortunately, I do not think we do want the other developers in Gibraltar, whether they are official or not, for one reason or another to slow down their programme and even to come to a standstill but if unfortunately that happens, I would have thought that the Government would be only too eager to find a way of overcoming the problem and I would have thought that the Government would have gone along with the motion notwithstanding whatever reservations they might have made in their support of it. I understand it is not easy suddenly to find oneself with an opportunity of building houses with perhaps not having everything already worked out to do it. But, surely, the same way as we engage consultants for other matters it might be possible to get the right architects available, if not in Gibraltar abroad, who are prepared to proceed with plans and make all the other arrangements that will make it possible for this to go on. I think it is very much a question of there being a will. If the will is there, Mr Speaker, things follow. Without any promises on the part of the Government, and I accept this without any promises on the part of the Government, I think that the Government should reflect, there is still time for this, reflect and see if they can go along with the motion. Perhaps my Honourable Friend the Leader of the Opposition will be able to produce an amendment which will be of the satisfaction of the Government. The Minister says that the moratorium is over or about to be over. If that is so all the better, but one new dimension has been introduced into this House about development and the new dimension is that the Government should now be prepared for an eventuality such as this and should always have something extra up their sleeve to meet a situation such as this one. Perhaps they should have done this before, I am not trying to be clever after the event nor can we suggest that the Government should have been clever after the event. But the event is here with us now and if, as

the Minister says, the moratorium is lifted and all goes fine, OK, but whether it does or doesn't, the lesson has been learnt and the situation for the future should be faced with the thought that things might go not according to plan in other sectors of Gibraltar's development other than the Government's. From experience I know that it is extremely difficult to get big developments, particularly in housing, under way without a lot of preparation. One of the most important things is to have the labour force in Gibraltar. Once the labour force disappears it is much more difficult to bring it together again, as I am sure the Minister for Labour knows, equally, once the equipment is taken back, if it does go back, it is much more expensive to bring it over and overall future development costs much more if neither the labour, the tradesmen or the equipment is readily available in Gibraltar. This is why, Mr Speaker, a development programme must be so arranged so that our labour force is continuously available in Gibraltar to proceed from one project to another in such a way that they are all linked up and the labour force remains all the time with us. This is, I think, what my Honourable Friend Mr Bossano was trying to say before and this is in fact what has moved him to bring it forward because if the labour force goes then we are in trouble. I would like to remind the Government that it is not only the advantage that the people would get for more houses, but it is also the economic factor of it which is very important. The construction industry is perhaps the third largest industry in Gibraltar, after tourism, so we have; defence, tourism and construction. A lot of money comes in through construction, Mr Speaker, a lot of that money stays in our economy all that money is spent and goes round, it is part of an essential economic activity and it is just as important I think for us to see that all the other industries work as well as this particular one of construction. I would ask the Minister not to find all the difficulties of why it cannot be done and dismiss it overnight as it were, but, perhaps, to accept the motion with the amendment that my Honourable Friend is going to move and then see to what extent he can meet the aspirations of the Opposition, if not of the Government.

HON P J ISOLA:

Mr Speaker, as you know we support this motion, and indeed we support any motion that has as its primary aim the acceleration of the housing programme. This is obvious, we have been pressing in this House for many years now in the Opposition for the Government Housing Development Programme to be pushed as fast as possible and we have expressed concern at every Budget at the rate of progress of the development programme. I don't think we can be fobbed off at this late stage of the day with the usual Government excuse of slippage and being told that this is quite normal everywhere. Of course, one can accept a certain amount of slippage in any development programme but one cannot accept the slippage of the order as it has occurred in the Development Programme of this Government over the last 8 years. I am not going to go obviously into this aspect of the matter at all but merely to make the statement that perhaps we are in the situation that we find ourselves now, anxiously

trying to finish or spend as much in the last year of the development programme to do the impossible and that is to catch up with all the slippage there has been during the last 3 or 4 years. I know that is an impossibility, unfortunately for Gibraltar. But I don't think one can talk of the slippage there as something that is excusable, I don't think it is for one minute. Mr Speaker, we, as my Honourable Friend Mr Haynes said when he made his contribution, we are very concerned with the housing situation in Gibraltar, with the lack of progress there has been over the last few years in this very important part of the economic and social wellbeing of our people. We recognise that an effort is being made and has been made during the current year by the present Government. We recognise that, we assume it must have happened from the supplementary provision that we were asked to vote during the course of this House for accelerating the housing programme. However, I believe and we all believe that if the construction industry is slack for any reason whatever and there is a bit of recession in that industry, we believe that the Government should take full advantage of it as far as its own housing programme is concerned. It must not allow the construction industry to go into recession, not just because of lost jobs and lost opportunities, not just because of that but also because of the very grave housing problems that the community has. If all that is bothering the Government is the fact that the moratorium is soon to end, then I think that the motion might usefully be amended and the purpose of it not be lost by having a short amendment which perhaps I would move now. I don't want to speak more than once, really. I accordingly move that the motion be amended by the deletion of the words "the slack created in the construction industry by the moratorium on United Kingdom Department contracts" between the word "if" in the second line and the word "thus" in the fourth line and the substitution therefor of the words "any slack there may be in the construction industry." I was appalled, Mr Speaker, to hear the Minister for Public Works telling us that his department has not got the capacity to deal with an accelerated housing programme because the question of the capacity of his department has been in the forefront of many debates in this House especially when the Government has come for provision for more technical staff in the Public Works Department. I don't think I have to remind the House that in 1976, 1977 and 1978 there were some pretty high increases in the technical staff of the Public Works Department and indeed in 1978, when the Chief Minister announced the development programme in the course of the budget, a programme of £23 million he informed the House that the department was now staffed sufficiently with experts and technical experts and professional people to be able to cope with the development programme and to make sure the development programme was completed between 1978 and 1981. The development programme, as we all know, is short by quite a few million pounds so if the technical expertise was there for the whole development programme which hasn't been carried out there must be some spare capacity in that department. I am very surprised to hear that in order for the Public Works Department to accelerate its housing programme it would require additional staff at professional level because this has been a cause of argument in this House during the last four years, well,

not during the last four years, the argument was deemed to have been completed in 1978 in the budget session, when we were told that with the increases suggested in that budget for the technical staff, the department was able to cope satisfactorily with the development programme that was announced during that budget session and I am surprised to see that the department is now saying that they cannot cope with any acceleration of the development programme. If that is the position I would hope that the Committee headed by Sir Howard Davis would certainly look into this aspect of the capacity of the department where development is concerned because the increases there have been in the staff in that department have all been justified on the basis of a much bigger development programme than is actually being executed now. In other words, the increase in staff was geared for a development programme of £23m which hasn't come off and therefore they should be able to cope with an accelerated housing programme. I thought that that excuse should be nipped in the bud because if every time the Public Works Department is going to be asked to do something more at technical level they are going to say they require extra technical staff, I don't know where we are going to get to. We were told that that technical staff for whom we voted for, was sufficient, amply sufficient, to meet the Government's obligations under the development programme of 1978-81. The question of money, Mr Speaker, of course is another matter. I appreciate that in questions of development I appreciate you cannot suddenly turn on the tap and give a contract out for £300,000 for a scheme that doesn't exist. What the motion is seeking is acceleration, not new plans, it is acceleration and the plans should all be there. It should all be there because it is all part of the development programme. We don't know enough actually of the cash limits that have been placed on the development programme by the British Government, it only came out really as a sort of an aside in the Supplementary Appropriation Ordinance, that of course we do not know enough about but certainly the money seems to have been committed by the British Government and I would have thought that even if you start accelerating the development programme, at least start the work on acceleration, you are not actually spending money until you get a lot further. I would have thought that with the motion as amended at the moment the Government should be able to go along with it and let it act as a spur on them to try and remedy the recession if there is one that we are told exists in the construction industry. We mustn't allow construction industry to reduce its size and its capability because then future plans will inevitably be prejudiced. Mr Speaker, I commend the amendment to the motion to the House

Mr Speaker proposed the question in the terms of the Hon F J Isola's amendment.

HON J BOSSANO:

Mr Speaker, I welcome the amendment by my Honourable and Learned Friend the Leader of the Opposition because it seems to me that it meets the only argument that has been put by the Government which could be said to have any validity in the

context of the original motion. I think that my main case initially was to show the economic logic of an acceleration of the programme and I must emphasise that I am not talking about a radical change in Government policy or a criticism of the adequacy of that policy, I am talking about that policy being carried out at a faster rate than was originally envisaged and the cost and the benefits of moving at a faster rate and therefore when I have my opportunity to exercise my right of reply I will answer the points made by the Honourable and Learned Mr Haynes dealing with the original motion. Given, therefore, that we are talking about whether there should be a political commitment through an acceleration of the existing programme, we have on the one side the question of economic restraints which I think has been to some extent treated by the Government at a low key approach. They have not made a strong case against economic restraints, they have just mentioned the possibility that borrowing requirements, given other commitments, may be difficult if one is talking about raising extra money to move the programme forward, the main argument really has been that the cause for concern may be unjustified if the moratorium of the United Kingdom Departments is about to end. May be this is the case, maybe the British Government intends, or has given an indication that it proposes to lift the moratorium as suddenly as it introduced it. But, effectively, the amendment of the Hon and Learned Leader of the Opposition says that regardless of what happens to the moratorium, if there is slack in the industry the slack should not be allowed to continue. That does not commit the Government to doing something to the same extent as the original motion did, Mr Speaker, because the original motion stated as a matter of fact that the slack existed and that consequently it had to be filled. The amendment of the Hon and Learned Leader of the Opposition says that if it does exist it should be filled but if the Government is right and it doesn't exist then they don't have to do anything even if they support the amendment and they support the motion. I believe that it exists from my own personal knowledge of the state of the construction industry and from the fact that the quota under the Control of Employment Ordinance for construction workers has been reduced by 100 workers. Those workers that previously could obtain a work permit in the industry can no longer do so, so if today we have a situation where slack does not exist then what the Government should be doing today is to convene an extraordinary meeting of the Manpower Planning Committee in order to restore those 100 work permits because presumably the situation that we have today is that there are 100 jobs, 100 unemployed persons and an inability to fit those people into those jobs because the work permits cannot be granted. If, in fact, this is not the case then the slack does exist and we should be doing something to put it right.

I support the amendment completely, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I have been trying to follow the logic of the Hon Mr Bossano and I agree with him, having spent time in the construction business, that there is a slack period at the

moment. Whether the moratorium is there or not, there is a slack period. What I cannot follow logically is what he wants the Government to do. Does he want the Government to start immediately on new projects and put them out to tender or does he want projects which are not yet completed to be accelerated but not in the building sense, in the planning sense? Or does he want the present building programme, as it is going, to make the contractors employ more people so that the work can be accelerated and therefore there is more employment?

HON J BOSSANO:

If the Hon Member will give way, Mr Speaker. If we look at the Supplementary Estimates we have, for example, on Fleet Bastion Road a situation where there was an original amount voted of £100,000 and a balance to complete of £263,000 and a supplementary vote in this meeting of the House of £60,000. We had on Lime Kiln Steps an original vote of £80,000, a balance to complete of £270,000 and an additional amount voted of £50,000 in this House, another £100,000 at the previous meeting of the House, giving a total of £150,000 since the Budget. There are similar sums in connection with St Jago's and Naval Hospital Hill projects. There we have in Naval Hospital Hill £69,000 out of £165,000, in St Jago's £327,000 out of £827,000, on St Joseph's we have got a balance to complete £1¼m. and no supplementary estimates so that there are ongoing projects today in the course of construction where there is an opportunity to accelerate those projects and I imagine that apart from the projects that we have voted in March of this year there must be projects that the Government has already got at the planning stage ready to introduce at next year's Budget. I imagine by this stage the Government itself must have an idea of the nature of the composition of the Improvement and Development Fund as it is going to operate in the year 1981/82. Those projects, plus the ones that we have already got in the course of construction, do not involve a request to the Government to change direction. All that they involve is that they should use what they have already got, as it were, in the pipeline but to accelerate the pace at which they move from the planning stage to the stage of sending out tenders, to make use of an opportunity that may exist at the moment where they will be helping themselves by getting the work done earlier and cheaper and they would be helping the industry by giving it a continuity of work flow.

HON MAJOR F J DELLIPIANI:

I am grateful to the Hon Mr Bossano for his explanation. But he still hasn't really answered to me of there is an on-going project which a contractor has and it is not going as fast as it should, how do you accelerate that particular programme? And if it is going at the pace that it should, how can you make it go faster other than providing more cash which we haven't got. The only possible way that I can see, and I am trying to be as logical as the Hon Mr Bossano, is by any work which is in the pipeline at this stage and might be almost on the point of conclusion, is by asking the Department to move even quicker

on that and throwing it out to tender. Let me tell you that in my own Department I have experienced with the Public Works Department and the first excuse that they use, and it might be a legitimate excuse and I am being frank about it, is that they haven't got the Quantity Surveyors, etc and this is quite true. I find that a little job which you think is going to take £5,000/£6,000, all the different branches of departments come along and it escalates to £30,000 and then you have to have a proper Bill of Quantity then it has to go to tender and if it does not go to tender we have the Hon Mr Restano saying why hasn't it gone to tender? Has it been published? Has it been gazetted?, and these are all delaying things. With the best will in the world if you want to accelerate things you get this bureaucracy that exists in all Governments which tends to slow down the forward-motion of any new programme.

HON J BOSSANO:

Mr Speaker, I think the point was picked up by the Hon and Learned Leader of the Opposition. There are a number of ways one can assess the possibility of doing something or not doing it. We have had, on the one hand the argument of the physical capacity of the industry which, clearly, is not true now if it ever was true. I have had my own reservations because there has always seemed to me to be a conflict between what one hears from the Government about saying the industry cannot cope with more and what one hears from the industry that says that if there was more work they could take it on. But that is one argument, saying the industry cannot do more work and there we are talking about the craft skills, the total labour force, the number of immigrant workers &c. There is also the argument of finance, saying the Government can only afford so much work in a given year either because of the money coming in through taxation or because of the money it is able to borrow and finance and service. The third area which is the area that the Hon Member has now pointed out and the area that the Hon and Learned Leader of the Opposition questioned before, was the area of the technical expertise within the Public Works Department to produce the necessary documents for things to go out to tender. That is an area where there is no question of any compromise, where the political commitment must be absolutely clear. We cannot have a situation where people are not getting the houses or the construction industry is not getting the work because there are not enough Quantity Surveyors, if there aren't enough there must be more.

HON MAJOR F J DELLIPIANI:

But the fact exists that if we want to accelerate any of the projects that are on the pipeline you are going to need more staff because the staff that we have now are planning ahead for other development but not for projects that are almost to be completed. If we start doing this we are going to get accused at the next House of Assembly that we are not planning ahead again. There is another argument that I would like to bring up and that is the question that the construction industry say that they could take on more work. Somehow or other they always manage

to give very high prices for the work that they do for Government and very low prices for the work they do for private developers. If you compare flats built for Government it is usually twice the price of a similar flat built for private development. Probably the Government is hesitant and is thinking of other ways to be able to tell the contractors that they are queuing too much.

HON W T SCOTT:

I think the Hon Member, Mr Speaker, was less than fair when he said that there was a difference between private development and public development. There might well be in the question of price and tendering and so forth but the specifications are obviously as well very different. The type of finishing in a private dwelling is very different to those in a public one. For example, over the last few months we have heard that the Government houses no longer have any tiles put on. I think it is an unfair comment.

HON P J ISOLA:

Mr Speaker, I do not want to say very much in reply. I am worried about the argument that is being put forward on behalf of the Government as to the capacity of the Department. I am worried about it because the arguments that we have had in the past when the question of the requirements of staff of the Public Works Department has come under close scrutiny in the House the assurances that we have had do not seem to measure up with what we are being told today that the Department would require more staff just to accelerate the programme that is anyway behind. Because the Development Programme is behind, they may have made some progress this year on it but the Programme as a whole is behind. If the reason for the Programme being behind is because the Public Works Department has not got proper staff or the right staff, then some mistakes were made in 1977/78 when assurances were given to his House that the Public Works Department had all the professional and technical expertise it required to put the Development Programme into effect.

HON M K FEATHERSTONE:

If the Hon Member will give way. I think I said in 1978 more than once that we were short of Quantity Surveyors and it was taking us a long time to recruit that staff. We did not have ample staff in 1978, that was why there was slippage in that year. We are now running on current trends with our staff fully occupied either in the design stage where they have to prepare documents, or in the checking stage on work that is actually being done at the time.

HON P J ISOLA:

Mr Speaker, whether the professional staff is fully occupied on the work of the Department is a matter I am sure the Commission of Enquiry will be looking into. The information that we have is not the same but I remember the Minister for Economic Development, Mr Serfaty, holding forth on the requirements of the Department. I do not remember the intervention the Minister referred to, no doubt if he says he did say it then he must have said it but I do remember clearly in my mind the intervention of the Chief Minister on the development debate on the question of staffing of the Department and the categorical statements that were made that the Department was geared to be able to plan and execute the Development Programme within the time schedule of three years. I cannot understand the argument that is now brought on this matter when all we are asking is for the Government to accelerate a programme that is behind. That is all I have to say on my amendment.

Mr Speaker then put the question in the terms of the Hon P J Isola's amendment and on a vote being taken the following Hon Members voted in favour:

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon Major R J Peliza
The Hon W T Scott

The following Hon Members abstained:

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon H J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon G T Restano
The Hon Dr R J Valarino

The amendment was accordingly passed.

HON A J CANEPA:

Mr Isola said earlier on that in any development programme one can expect a certain amount of slippage and that there has been slippage in this one. That is very true but it is a fact that in this third financial year of the development programme the programme is already accelerating very well indeed and I do not want to give figures and then find at the end of the financial year that my estimates have not been that accurate but on present form the progress we are making after a rather slow start on the current development programme is extremely good and on present form it may well turn out to be either the best development programme that the Gibraltar Government has ever had in terms of slippage or if not the best very nearly so, but as I say we are still only in November and there are some 4 or 5 months to go before the end of the financial year and anything can happen between now and then to set back progress. We are doing pretty well, I would say, all things considered. Mr Bossano spoke about a meeting of the Manpower Planning Committee being called in order for there to be more work permits available in the quota, it is not necessary. There are enough work permits available because we were working on an extremely high figure 6 or 9 months ago. I think we were making provision for a very large labour force in the building industry and the numbers never came up to that expectation so even now, after the most recent cut in the quota, there are ample work permits to employ immediately for work permits to be given to the number of people who have become recently unemployed. The number is 40, we are talking of about 40 people who are involved in the redundancies arising from the moratorium. Some of those people have already been employed, others are in receipt of unemployment benefit, about 20 of them, and there is no difficulty whatsoever in granting work permits immediately on request. We only wish that in respect of some on-going projects in fact some of these labour were to be taken on. Consider what is happening with the school where the contractors ought to be spending £1m a month. They are not spending £2m, they are spending £180,000 and my colleague who is responsible for the implementation of the development programme, is urging them to accelerate the pace because the money is there and the money is UK money, it is not local funds and they do not seem to be to have the wherewithal to accelerate and keep pace with the estimated rate of expenditure that is essential. Much has been made about the capacity of the Public Works Department. The staff have been fairly busy on plans for the next programme. The next programme is a vast development programme and if we follow the practice of previous years we will probably design a five year programme regardless of whether it is acceptable to Her Majesty's Government or not, ODA may in principle say that they only want to work to a 3-year development programme but it is better from the Gibraltar Government's point of view to work on a longer programme because what is carried over from one to the other then dovetails rather more easily. It is a vast

programme and they are pretty busy in addition to the fact that the Quantity Surveyors have to vet the bills that come in for expenditure under the present programme and they are coming in fairly well in the current programme because there are months when we are spending £800,000, of that order so that has got to be vetted and checked very carefully. Both in the course of this debate and when we were considering the supplementary estimates, Mr Isola expressed concern at the extent of funding from local funds. The position is that there have been cash limits imposed by Her Majesty's Government during the current financial year so even though there are commitments on the part of Her Majesty's Government to project in the current development programme, the cash limit means that funds are not available beyond that cash limit and therefore what you have had in respect, for instance, of St Jago's and St Joseph's, has been a much greater injection of local funds than what otherwise would have been the case. In this financial year, out of projected expenditure on housing of £3½m, ODA are providing £2m and from local funds we are already providing £1.5m and that is why we are coming, if we haven't reached that already, to the limit that we can borrow, there isn't a great deal more than you can borrow. The power situation doesn't make matters any easier having just received a tender well above the anticipated estimates and money has got to be found for that. It is no use planning to build hundreds of new houses in the next development programme if you haven't got the infrastructure for that. If we had done what was suggested by Members opposite at the beginning of this financial year during the budget and we had not raised the revenue that we did raise, our ability to finance even our maintenance works programme would be severely limited. In this Meeting of the House we have voted over £300,000 for our maintenance programme. If we had not done that those people would have become redundant, the Government would have had to dismiss its own employees. We are able to come to the House readily for this kind of money because the financial situation today is much happier than what it was about 18 months ago. But it has already been eroded by this £1m that we have had to vote, by less revenue anticipated because of the fiasco, as I would call it, over the Police and also the other similar fiasco of the amount of money that we have had to spend in connection with works for the anticipated opening of the frontier. All that has curtailed the buoyancy of our financial resources this year. And with borrowing already at 17% being a daunting proposition, there is no way that we can inject £2m or £1m from the recurrent budget into the Improvement and Development Fund. May I remind the House that the contribution from local funds in this year's Improvement and Development Fund, which is £10m, the local contribution is £4½m already so we are making a very substantial contribution ourselves. Faced with these constraints we do not just say that we cannot accept the motion because my Honourable Friend is already, even before he is seriously considering the motion, finding all sorts of excuses as the Honourable Major Peliza said. That is not what we do in Government. You look at

matters objectively and you go into them in depth and you see whether something can be done about it. It is popular to build more houses, we are not going to gain any votes or any kudos from putting back the programme. We are political animals and we react as such and therefore we try to see whether there are ways and means of doing things but there are severe indications, mainly of a financial nature, and therefore what we have to look is to a vast development programme beginning in April next year in which housing will undoubtedly have the top priority and gear ourselves up so that between the carry over from the present development programme into the next one by way of St Jago's, St Joseph's and so on and the new works, the new projects that will be coming in, the transition will be a smooth one and we will be able to have 3 or 4 years of an accelerating building programme in housing. May I, as a parting shot, inform the House that a certain tender which has recently come in involving the modernisation of 25 units, the tender price is £160,000 higher than what we had estimated for and therefore that is adding over £6,000 to each housing unit. That is why my Honourable Friend Major Dalliipiani spoke about the dichotomy or the divergence of approach in the end result that there seems to be between work which the Government puts out to tender and work which, apparently, the private sector is able to have at cheaper prices. I don't know whether it is a question of finishing, here we are talking of modernisation, and our own technical experts tell us that you can expect a certain price and you find nearly over £6,000 more per housing unit. The money has to be found, it has to be met because you have to meet the tender so that we can get on with it. These are the limitations and that is why, with all the best will in the world, we are not able to accept the motion.

MR SPEAKER:

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

HON J BOSSANO:

Mr Speaker, obviously, I regret the inability of the Government to accept the motion but I welcome the honesty and sincerity with which the Minister for Labour has explained the Government's position and I have no wish to embark on a speech which effectively makes political capital out of the Government's discomfort or problems. I think if we have serious financial problems in providing the sort of level of construction and provision of houses which Gibraltar needs, then that is a matter that should concern all of us in the House of Assembly and not just those who today sit on the Government benches. I try and make the motions that I bring to the House and the arguments that I use in support of those motions sufficiently palatable to the Government so as to get

their support because I know that I can only translate those wishes into reality by obtaining a majority of support in the House for them. I welcome the support that I get from the Members of the Opposition but they must understand that as far as I am concerned if all I were to do in 4 years in the House of Assembly was to embarrass the Government with the support of the rest of the Opposition and never get anything done, I would feel at the end of the day I would have done very little for the people who put me here. Therefore, although I regret that the Government feels unable and I think if I understood the Minister for Labour correctly, they feel unable to do it because of their assessment of their many other commitments rather than from an unwillingness to do what I am urging them to do in this motion, then I regret that this should be so. I think that it is a mistake not to accelerate the programme, I think that the net cost of accelerating it would not be as high as it might appear superficially although it might well mean that the extra financing cost comes at a particularly awkward moment for Government, that I can understand. I feel that the situation in the construction industry, even if the moratorium is about to be lifted, is already one where there is a gap in the continuity of employment which we can ill afford to have in Gibraltar because we are so dependent on immigrant workers and the Honourable Member may say that there are only 10 unemployed or 20 unemployed out of those who were declared redundant but this is only because some of those have gone into the public sector. We cannot escape the fact that we have reduced the quota of permits in the private sector construction industry and that is an indication of a lower level of activity than was envisaged originally. I can understand the economic restraints, I can understand the inadequacy of, perhaps, an over bureaucratic system in producing planning on time in order to go out to tender but if we are talking about the physical capacity of the industry we should be seeing that construction industry as an entity which in order to be viable has got to be of a certain size and below that size it ceases to be viable. This applies to all the sectors in our economy, it applies to sectors in any economy anywhere in the world. There is a size below which the Dockyard cannot function and if you allow it to drop below that it ceases to be capable of carrying out a certain task. The same is true of the construction industry and I think that my main concern is that we should not allow that to happen and even if the Government is unable to support the motion at this stage, I would urge them to keep a very close look to see how the industry is performing and the Minister for Labour in particular who is required to be informed of impending redundancies under the requirements in our own law following that of the EEC Regulations which provides for prior notice of up to 90 days of impending redundancies, that he should keep a very close look on how the industry is developing and if necessary, whatever the extra burden that may have to be placed on Government finances temporarily, if he sees that the situation is deteriorating, he should have a second look at the possibility of pushing more work on to the construction industry to ensure that we do not find ourselves with a loss of irreplaceable

skills which later on may in fact inhibit the Government from carrying out the level of construction that it is today envisaging in its proposal for the next development programme. Before ending my contribution, Mr Speaker, I would just like to answer the points made by the Honourable and Learned Mr Haynes which I think were different from that of anybody else, in respect of his criticism on my belated, I think that was the basic point that he was trying to make, my belated idea that the programme should be accelerated when in fact his own Party brought the motion last March criticising the Government for the inadequacy of their development programme. I would like to say to him that in his contribution today he seems to have reverted to his pre-Casola's days and that I prefer him in the mood he is after a visit to Patio Casola than in the mood he was in today. I think that if he analyses what he said today and what he said the last time and the effect that he has had in the House of Assembly, he will realise that if he had taken the stand in the case of the Casola building problem of condemning the Government for their failure to resolve the problem rather than appealing to the Government on behalf of the people concerned, he might have been much more successful in scoring political debating points but far less successful in defending and protecting the interests of the people concerned. I was apologetic to him on that occasion and moved by his speech because I thought that he had put aside completely any purely self-interested view as a politician and was concerned entirely by the welfare of the people involved in that situation. I think he will realise that the impression he made on the House of Assembly was precisely because of that, because not only did I recognise it but every other Member of the House also did. I myself, Mr Speaker, am conscious of the fact that I can attack constantly the Government for their mistakes and achieve nothing. I prefer instead to give the Government the benefit of the doubt and hope that by my contribution I will influence them to be a better Government for Gibraltar. I commend the motion and my own attitude to the Hon and Learned Mr Haynes.

MR SPEAKER:

I will then put the question which is that: "This House considers that the Government housing building programme should be accelerated to take advantage of any slack there may be in the construction industry thus helping to alleviate the recession in the industry and meet the unsatisfied demand for suitable housing for people on the Housing Department waiting list".

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddó
The Hon Major R J Peliza
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon I Abécasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Hon Member was absent from the Chamber:

The Hon Dr R G Valarino

The motion was accordingly defeated.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that the relevant Ordinance should be amended to allow the personal representatives of employees who die in employment, having completed a nomination form to obtain payment of any money due from their employer automatically without the need to obtain Grant of Representation". Mr Speaker, this is a matter which has been outstanding for a number of years in the sense that the trade union movement in the Public Sector where, generally speaking, a person who dies in employment is owed a sum of money amounting to several thousand pounds at today's rate of pay, as regards the gratuity, and also they may be owed money for wages and annual leave and the payment of a pension to a widow and all of these things, apparently, as far as we can understand from the employers, cannot be paid to the widow or to anybody else in the absence of the employee concerned having a will. The matter was raised in the Joint Industrial Council in January, 1977, and the Official Employers then indicated their willingness to have a system introduced whereby the employee could, on taking up employment in the Public Sector, sign a nomination form which would enable the person nominated to collect from the employers whatever money was due without having to go through a procedure involving the employment of a lawyer and the expenditure of money and a certain amount of delay. The position of the employers, since 1977, has been that this was something that could not be done in Gibraltar because the law here differed in some respects from the law in the United Kingdom. I raised this in the House of Assembly some three years ago in a Question and the Attorney-General at the time, the Hon Mr Havers, said he would look into the matter but nothing has been done to establish whether an amendment is required to our laws and, if so, to introduce such an amendment.

Therefore, we have a situation where there is clearly a position where a great deal of anguish and to some extent hardship is caused to the dependents and relatives of the person that dies in employment. We have had such a situation, to my knowledge, in the last week where we have had two elderly persons who are relatives of two members of the Executive of our Union, who died in the last week and whose widows are unable to obtain the payment of the gratuity because the workers concerned, both of them in the employment of the Gibraltar Government, one was a labourer and the other a craftsman, had not left a will and there was nobody that could be established as being the heir to the money that was owed. This is something that has been going on for a considerable period of time. There seems to be a certain amount of confusion as to what the exact legal position is but there is no question about one thing, that the money cannot be obtained immediately, that there is a considerable period of delay and that invariably people are advised that they have to obtain the services of a lawyer which means the money not being available at the time of greatest need when the funeral expenses and so on have to be met. The second thing is that the people who have had traumatic experience of losing a very loved person within their own family then have the added complication of having to go through a legal procedure to obtain money which comes emotionally at the worst possible moment, when people really are concerned about the loss of someone that they love and they really do not want to be involved in having to go to a lawyer, or go to court and therefore it seems, to them, as if the "system", if I can use the word in inverted commas, the Government or the employer, was totally insensitive to their needs. There is no need for something like this to be continuing to be part of our laws in Gibraltar. I am convinced myself that Members of the House and, indeed, members of the legal profession would not wish to retain this situation even if it means what must be a fairly small proportion of the incomes of those who are involved in defending cases like this. I am sure that if lawyers take these cases up it is because there is no other way of doing it, they have to but I am sure they must understand that it is the worst possible moment. I have no hesitation in saying, Mr Speaker, that I have on more than one occasion approached the Hon and Learned the Chief Minister for his assistance professionally free of charge for people who have been particularly needy and he has never had any hesitation in giving it. I think the point is that it is not a question of a motion attacking any particular sector or interest group in our community, it is a question that it is a long-standing problem, I do not think the House of Assembly would wish it to continue if it is possible to put right. I commend the motion to the House in the conviction that in the sentiments that I express on behalf of the people who have made representations to me in this matter I am bringing something to the House which must enjoy the sympathy of all Members.

Mr Speaker proposed the question in the terms of the Hon J. Bossano's motion.

HON CHIEF MINISTER:

Mr Speaker, as the Hon Mover has said, he need have no cause for alarm. We fully agree with the motion and, indeed, I must apologise if the Attorney-General of the day answered a question affirmatively and we have not got on with the legislation. There may be some limitations, which the Attorney-General will refer, to the extent to which this can be done and I would like to remove a misunderstanding from the Hon Mover about the question of whether there is a will or not. Whether there is a will or not, either Probate, which is when a Will is found and must be regularised by obtaining a Grant of Probate according to the Administration of Estates Ordinance from the court, or if there is no will the procedure is to obtain what is called Letters of Administration which means in the absence of a person having decided by will what is done with his property, the law has certain ways in which to distribute the property first by £1,000 to the widow, half of the rest for life for the widow and half for the children. The law does a distribution for somebody who left money and did not say what he wanted done with it. I do not think there is any quarrel about the way that is done, it follows the practice in the United Kingdom except that the amount that the widow takes is much higher there because perhaps they are dealing with much bigger amounts but the reason for the legislation is two-fold. One is to ensure that whoever takes charge of the will of the individual pays the debts of the individual out of the monies that are received as part of his estate. The other one is, if the estate is very large, that there is sufficient machinery to ensure that Estate Duty is paid. On the present form and as a result of a recent amendment we brought to this House, Estate Duty is only payable when the gross value of the estate is over £5,000. It used to be £2,000 and then precisely in order to obviate the making up of inventories and making a very detailed declaration of the assets and the liabilities, if you just make a declaration to say that the gross value is worth less than £5,000 you automatically get the certificate if it is true, of course, from the Estate Duty Office to say that no duty is payable which Certificate you take to the court with the application for either a Probate of the will or Letters of Administration. It is true that very few people of those mainly referred to or which cause concern to the Mover, bother to make a will or to make any provision and sometimes it creates very great hardship. Sometimes people who are very close if they have the opportunity would obviously leave the property to somebody who may not be a blood relation but who has got more moral right to the property than somebody living in England who has not seen his wife for 25 years then if he had made a nomination or a will. In respect of nomination there is already the provision, I suppose under the Post Office Ordinance, that you can make a nomination of any amount of money in the Savings Bank and you can get the money without getting a grant of Letters of Administration or, indeed, of Probate. Some people make a nomination and then make a will later on and therefore there would be no difficulty in amending the Ordinance but there are limitations which the Attorney-General will refer to. Whereas now, and I

think under directions of the Government, if the value of the gratuity or something like that is under £500 or £300 it is paid without a grant because the amount of money is hardly enough even to pay for the funeral if that is the case, apart from the funeral grant which is quite alright but is not enough to pay for a funeral, the position now is that you have to satisfy the Government or the DOE or the MOD, that the person is the person who is entitled, the widow in the case of somebody who dies with a wife, or the children, so that really the person who pays wants to get a proper discharge for the money he pays to ensure that nobody else comes along and says that he is entitled to that gratuity and that it was paid to the wrong person. We made provision in the Administration of Estate Ordinance that no Probate will be required or Letters of Administration for an estate of more than £5,000, and gratuities nowadays are pretty high for people with long service, but still they will have to make a declaration of what the Estate is so that the Estate Duty is paid. It inevitably takes a little time but whereas the Government can, in implementing this, ensure that if there is a nomination it will be paid much quicker than it is now with the need of employing the services of a lawyer and it is required, it is not a closed shop situation of the lawyer, it is a necessity of the system that somebody must draft a note to lead to Probate and you could possibly if you have got a couple of precedents you might be able to do it in the Union for people but you might find that after all there is a little technicality about it that you must do it the right way otherwise it is sent back and it takes longer. Certainly, there would be a considerable amount of acceleration in the payment of gratuities and wages locally but once this is done I must commend to the Hon Mover that he must also ensure that the procedures on the side of the MOD are accelerated because we have, as the Hon Member knows, quite a number of people who come to our Chambers, as any other lawyer has, and in practice I find that even in a small gratuity, there was one the other day of £3,700 whilst the widow swears that it is under £5,000 and gets a certificate and then swears the oath to say: "I am the widow, I am entitled, I should be paid", whilst we get that when they tell you in the PSA/DOE: "Now that you have got the grant we have to send it to England to get approval in order that we can pay you here". That is another element of delay which no doubt once the procedure is changed could help the Hon Member. The Government in Gibraltar, like any nomination in the Post Office, if you provide the nomination and you say: "I am the person named", it is virtually like a will although it has not got to have all the formalities of two persons in the presence of each other or in the presence of the testator, you go to the Post Office and say: "The book is in the name of so-and-so. I am the person nominated", which is normally filed in the Post Office itself and so long as you do not have to pay Estate Duty you show that or if you have to pay it you have paid it then you get the money and it would happen the same way with the Government but it would not be so if present procedures are followed. My experience of the Ministry of Defence is that once they get the grant they don't start saying: "Send us the money so that when the grant is here we can pay it". Once they get the grant of Probate they say: "Let us have a photocopy and the original. We must send it to England and when it comes back we will pay you".

HON J BOSSANO:

If the Hon Member will give way. I welcome very much his contribution and the point that he is making but I am sure he will agree with me that if we can sort out the legal framework then the logical sequence to that would be to have a standard system introduced by agreement between the Union and the Official Employers which then the United Kingdom Departments would have to follow the same procedure as the Gibraltar Government.

HON CHIEF MINISTER:

That is why I am warning the Hon Member that this has to follow whatever amendments are made. Any savings can be obtained provided they are specified and the Attorney-General will elaborate on this in his contribution. I am very sorry that if an affirmative answer was given some time ago that we have not pursued it and we will certainly not take time this time to see to it if there is approval to it subject to the conditions the Attorney-General will put down.

HON ATTORNEY-GENERAL:

Mr Speaker, I, too, was unaware that this matter was raised three years ago. I should have done that and I regret the delay in the matter. Following on from the Hon and Learned the Chief Minister, Mr Speaker, I see no reason why technically an amendment of this nature cannot be made. As the motion is worded, without in any way detracting from the spirit of it, I think it is rather wide because there are points which I would like to refer to. I do not think they are insuperable, but I would like to refer briefly to them. If I can just come back to the role of the person representative just to be quite clear on it. Somebody must take charge of an estate and manage the estate, pay off the debts, distribute the proceeds and as the Hon and Learned Chief Minister has said it does not matter whether there is a will or not. In the case of a will the deceased person will have nominated his executor. In the case of a person who dies without making a will then the law provides for persons to apply and normally it will be a person with a close connection. I am sure the Hon Member will accept that principle that somebody must manage the estate and be responsible in law for the management of the Estate. Therefore, it seems to me that what we are talking about here is a limited derogation from that principle to cover that difficult period after a person dies, with his bereavement there is a need for money, the funeral expenses and so on. We are looking for a limited derogation from that, a limited regime, if you like, within that to cover the situation. If, as the motion expresses it, it is the personal representative at large who is going to be the person to whom this derogation is to be granted, then it is not necessary to nominate him because in law that is his role anyway. You do not nominate your personal representative,

he exists as a matter of law. Were that the approach to be used, to say that the personal representative may obtain this money to tide the estate over, then to me it would seem to be more appropriate to say let us have a statutory provision for that to be the case within the Administration of Estate Laws and possibly within the Wills law as well. I have reservations personally as to whether that might not be a little wide and in fact wider than is needed to meet the point that the Hon Member is making. There is another way of doing it and I am grateful to him for having given to me the precedents from the system that works in England and I see that they do follow the other alternative and that is to nominate a person specifically, and logically where the deceased is married it would seem to be in normal circumstances desirable that it be the wife. Perhaps, speaking more generally one would provide for the nomination of next of kin which term could be defined.

HON J BOSSANO:

If the Hon Member would give way. As I understand it, it is not an area where I can speak with any great deal of authority because of the technicalities, but the basic argument that has been put in the discussions between the Official Employers and the Trade Union movement on this point has stemmed around the fact that the employers have maintained that as the law stands at present if somebody were to nominate a person whom they want to be paid whatever money is owed to them, the employers have got no protection against their liability against the claim from someone else on the basis that the money should have been paid to the person making the claim rather than to the person that has been paid and the unwillingness of the employer to put themselves into that position of potential liability, so that seems to be really what needs to be changed to give that protection.

HON ATTORNEY-GENERAL:

Mr Speaker, under either option one could include a provision for an indemnity, I would imagine, on the making of a declaration by the person who comes along and says: "I am the widow or I am the son", or indeed if we have the personal representative option. If the person who is claiming makes a declaration then I think the law should provide for the employer to be indemnified. I personally prefer the second alternative of nominating a specified person as being the next of kin. I think that is a narrower and therefore a more controllable way of doing it. I think it should meet the practical considerations that arise because they are the people who are going to be needing money. I think it is necessary to control that as strictly as possible because there are valid interests, there are the interest of creditors and it follows that one should desirably limit the class of persons who can be nominated, and I think it also follows, Mr Speaker, that one should limit the

amount to a sum which is functional, in other words, reasonably enough to cover funeral costs, to cover living expenses, for that period of time which would normally elapse before the Estate can be brought under a formal control by the obtaining of Probate or Letters of Administration. For myself, Mr Speaker, those two criteria would be desirable, a definition of the class of person who can be nominated and also some upper limitation on the amount of money that may be advanced. I think it should be on a functional basis and the rest I think would be machinery but obviously one would need the indemnity clause because that is the most important aspect of it, one would also need I think to have some sort of sanctions to make sure that the proper person applies for it. If those criteria were taken into account I myself see no reason why it could not be done, Mr Speaker.

HON P J ISOLA:

Mr Speaker, we sympathise with the motion. I think the wording of it is not the right wording because the personal representative as has already been said, you never know who the personal representative of somebody is until the Court has said who they are because you might find the wife saying she is the personal representative and the sons saying they are and somebody else saying that they are. As I understand the nomination procedures, what happens is that an employee lodges with his employer a nomination form and he says: "In the case of my death give the money to my wife or my children, named next of kin". I think that if there is a cash limit as to what can be paid under this, I would not like to see a need for the person before he gets the money to clear with the Estate Duty Office in Gibraltar that any estate duty has been paid because then you are back to the same procedure as in the courts. What one could do is that in the legislation you could make it a legal obligation on the person who pays to notify the Commissioner of Estate Duties as to the person to whom the money has been paid, and the amount, so as not to interfere with the actual payment. If the person who has received the money does not receive much else but this particular gratuity of £3,000 or £4,000 which does not attract Estate Duty, if the Estate itself does attract, in fact, because it has much more money, the person can be chased up, I would have thought. The idea of getting the money quickly to a person would require it to be paid on proof that that person is the person in the nomination form, to a limited extent. I agree with the Hon and Learned Attorney-General that there would be a need in the law to indemnify the person who pays. I can visualise quite easily the situation of somebody who has signed the nomination form in 1980, dies in 1985, having forgotten he signed his nomination form, has divorced his wife, there are other children, and people coming along and saying that belongs to them. To make this work there has got to be a legal obligation from the employer to pay the person nominated but, equally, he must have a legal indemnity otherwise it just does not work because the question of representation, as the Hon and Learned Attorney-General has said, the question of going to court for

representation is a very sensible procedure because it is the only way you can ensure that somebody who is dead and is no longer there to say what he wants done with his money, that his money is not dealt with except by people who have been recognised as his personal representative. That is, Mr Speaker, for bigger estates but not for the sort of estate that the Hon. Mover talks about and certainly we would go along with the system of nomination provided we have the safeguards that the Hon. and Learned Attorney-General has set out. We support the spirit of the motion but we cannot really support the motion in those words because personal representative means somebody the court has recognised as personal representative.

HON CHIEF MINISTER:

The only point I would like to make on the contribution of the Leader of the Opposition is that for that to happen, for payment to be made straightaway irrespective of Estate Duty there must be a limitation in the value that has to be paid. Somebody could have a gratuity for £4,500 and £15,000 or £20,000 on Savings Bonds and therefore the estate duty that the money would call for would not be inconsiderable and therefore there should be a limitation of the money that a person can receive related to his gratuity and to his benefit at work; the rest must follow the usual procedure.

HON P J ISOLA:

That is why I said that there did not seem to me to be any point in holding back the money because if there was no other money than that there would be no death duties payable anyway but if there was £20,000 or £30,000 tucked away somewhere then the Government can get its bite from there through the normal procedure.

HON G T RESTANO:

One very brief suggestion that I would make and that is on the question of the nomination form. The nomination form first of all nominates wife or husband but there may be cases where people may wish to nominate other people. It seems to me that this nomination form which is a very good thing because at least on paper it would be recorded who the person wishes his money to go to, it is a form of executorship but I feel it should be the onus of the employers to send reminders every year whether the same nominee is intended because it may well be, Mr Speaker, that persons may at the beginning of their employment when they may not even be married in those days and they may decide that their executor or their nominee should be their parents and then during the course of the years they may get married and then they might wish their husband or wife to be their nominees and it may well be that they might even

get separated and I think it is very possible that they might forget to inform the employers that it is no longer their parents in the first place and their husband or wife in the second place. I think that it is quite natural that this may well be so and I think it will be a very small administrative point which would not take a lot of effort for reminders once a year to be sent to employees asking them to confirm that so-and-so is still under their nominee or executor.

HON J BOSSANO:

Mr Speaker, if I can just take the point made by the Hon. Mr Restano, I think the mechanics of how the introduction of the nomination form takes place is a matter for agreement between the employers and the staff representatives. The point, basically, is that the employers have been unwilling to move on this issue because they feel themselves unprotected under the existing law against a liability arising out of an unknown will existing so that if they pay to a person that they think they should pay and then find themselves with a claim from someone else they then feel that they have got no way of avoiding paying twice. That is basically what has held up the situation until now. Consequently, what I am asking the House with my motion, and I apologise to the House if it is not particularly well drafted, I do not claim any technical expertise in this matter, what I want basically is to remove that obstacle so that the necessary negotiation can go ahead between the employers and the Unions to enable an agreed form of nomination to be signed so that the employer can pay whoever the employee wants to be paid and the onus of responsibility must be on the employee. Quite frankly, I think the employers would be very reluctant to accept a greater responsibility than the one of saying: "OK, if an employee comes and tells us he wants so-and-so to be paid then it is up to him to come and tell us if he changes his mind". I think that would be the attitude of the employers, quite frankly. Effectively, I do not think we in the House can do anything to change their minds one way or the other. As far as we are concerned if we move into a situation where the main obstacle is removed then it should be possible to introduce a system acceptable to both sides. I commend the motion to the House and I am grateful for the support that it has found, Mr Speaker.

Mr Speaker then put the question in the terms of the Hon. J. Bossano's motion which was resolved in the affirmative and the motion was accordingly passed.

HON J BOSSANO:

Mr Speaker, I beg to move under Standing Order No. 60 the suspension of Standing Order No. 19 to enable me to move a motion of which I have given notice, in view of the fact that there has not been enough time since the lapse of the original notice.

Mr Speaker put the question which was resolved in the affirmative and Standing Order No. 19 was accordingly suspended.

HON J BOSSANO:

I beg to move that: "This House considers that in selecting the successful tenderers in the sale of land for private development, the major consideration should be the impact on Gibraltar's housing problem taking into account the number of units that will become available subject to compliance with statutory requirements". Mr Speaker, the motion effectively calls for a declaration of policy by the House to be taken into account by the Government and by the Tender Board in exercising their judgement as between competing tenders for land for development. The principle involved in the motion and the principle which I would urge upon the House to support, is one which is related both to the motion that we have had on the construction industry and, indeed, to the views that have been expressed by the Government and by other Members of the Opposition as to the importance of increasing the output of houses to meet Gibraltar's housing needs. We have to understand that in a situation like we have in Gibraltar where we have got very limited land available to house adequately the population, where we have a situation where over a ten-year period our total population has grown from 26,800 to 29,700, an increase of 3,000, we cannot effectively look upon land purely as a commodity that should go to the highest bidder regardless of the opportunities inherent in developing land in a particular way. Once a piece of land is used in one way there is a price that is paid which is not just the price paid for the land, it is the price that is paid for the opportunity that is lost by developing that land in some other way and consequently what I am saying is that the Government, in looking at the promotion of private sector development of land as a part of a programme to increase the supply and the stock of housing, and I believe that one cannot develop an adequate programme for housing in Gibraltar without such a programme being comprehensive enough to cover the public and the private sector, this is in fact one of the fundamentals of the policy of my Party on housing, again it is a motion carried at our last Party Assembly, that there should be development in the public sector and encouragement of the private sector in the development of housing and that the two things should be complementary rather than in conflict with each other. I would maintain, Mr Speaker, that if one allows a plot of land to go to someone who may pay a few thousand pounds more for that area and then develop it as one unit with extras like a garden and a swimming pool that very few people in Gibraltar can afford to have, that would be the wrong way in which to use land in Gibraltar if there is someone else willing to develop that area more intensively to provide cheaper units that can accommodate a greater number of families. The last part of the motion effectively ensures that if that is the sort of priority that is given, that priority will not be to jerry-building or to sub-standard housing which I do not think we should encourage or want. We do not want a situation where

we have land speculators wanting to make a fast buck by putting a lot of unsatisfactory housing on a small piece of land in order to get the maximum return in a very short period, Mr Speaker, and therefore the Government itself should ensure that the standards are adequate although I hesitate to say that the standards should be those of Government housing in the light of recent experience. Nevertheless, Mr Speaker, I think that the Government should not accept, obviously, plans which they consider would provide housing that might be cheap only because they are built with inferior materials or because the standard of workmanship is below that which is required by building regulations, etc. But within the context of what is considered necessary in the United Kingdom very many years ago, Mr Speaker, the Government introduced what was known as the Parker Morris standard in public housing which I do not think we have got the equivalent of in Gibraltar. I think it would be desirable to have a standard of housing and that people should not be allowed to build below that standard. But within our existing statutory requirements, if the Government has got to choose between the development of a piece of land which in the end will produce less units, then they must consider that it is in Government's own interest to see more units produced because that affects the total supply/demand equation which I was making reference to in my previous motion on the construction industry where I drew the attention of the House to the growth of the population over the last ten years, the growth of the number of housing units over the last ten years, we must see, of necessity, that if the population is going at a certain rate, then if we are producing houses above that rate, taking into account both public and private, then there will be a spin-off on the demand on public housing which redounds to the Government's benefit. In addition, no doubt, the need to subsidise houses would then move more into the area of subsidising those in need rather than having to subsidise virtually everybody now because 70% of the population is housed in Government housing because basically there is no alternative within the means of many people of the middle income. We should have an unusual situation for Western Europe in Gibraltar where it is only basically the relatively very well-off who can afford to own their own homes and a lot of professional people who would anywhere else consider it natural to be owner/occupiers in Gibraltar, look to the Government for adequate housing because there seems to be no choice. It is either getting into debt to an extent that they cannot really afford to or else having to go on to the waiting list which makes the Government's task in providing public housing much more difficult than it needs to be if we compare our own situation with that of anybody else. I think there are two basic arguments, Mr Speaker, that it makes economic sense within a comprehensive housing programme to encourage private sector development that is compatible and not in conflict with public sector development. Secondly, that we have got a limited amount of space in Gibraltar on which we all have to live and that it is in my estimation totally immoral to allow anybody just because they can afford to do so, to take too big a share of the space that is available. I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON A J CANEPA:

Mr Speaker, the Government is very happy to be able to give full support to this motion. We concur fully with the objectives which it seeks to achieve. In fact, it has already been a consideration with Home Ownership Schemes that the Government has tried to get off the ground that priority has been given to people who could return to Government other accommodation that would enable the Government to direct it towards making the greatest impact on the housing problem. The safeguards at the end of the motion, namely, that the number of units that would become available should be subject to compliance with statutory requirements is a very necessary one because it will avoid the temptation of someone submitting a tender for a rather low price for a very substantial number of units to be built in the hope of being successful. I think what will happen if the spirit and the letter of the motion is applied will be, I imagine, that the Tender Board will be seeking the advice of the Development and Planning Commission in respect of particular tenders and the Commission, in giving their advice, will take into account town planning requirements. There are already limitations, however, in respect of various plots of land which are put out to tender as to the number of units that can be built. For instance, in the case of Buena Vista Cottage the plot there which I think the closing date for tenders, I believe, is sometime in the middle of next month, there there is a limitation in respect of the fact that provision for only four parking spaces can be made and therefore, perhaps, four dwellings could be built there so really you are speaking in this case of rather low density. There are also zoning considerations to be taken into account. I imagine the Hon Mr Bossano perhaps doesn't go along with me to the same extent that I do but I think that I have a duty as Chairman of the Planning Commission to take all these considerations into account and it is not entirely compatible, say, in an area like Buena Vista Cottage to attempt to build a block of flats of 14/15 storeys just because you can maximise the use to which that particular plot of land can be made. Adjacent to that particular site there is another one for which the Government has plans which Hon Members will see about soon, that is mainly Woodford Cottage where there is a combination of a cooperative housing scheme that we have in mind which will make very full use of the land and which will provide people with the opportunity, on a cooperative basis, to get together and build some 16 or 17 dwellings with priority being given to people who are able to give up either Government housing or even private sector housing if their landlords are willing to accept a Government nominee so we are moving very much in this direction. There is one problem here and that is that a limitation cannot be placed in respect of Gibraltarians either by way of a successful tenderer or in respect of what the developer might subsequently do with that accommodation. A plot of land

at Naval Hospital Hill was put out to tender a year or 18 months' ago and a restriction was made that priority would be given to Gibraltarians and that would have been unconstitutional. We cannot do that and neither can you guarantee that the developer will sell or rent their accommodation to Gibraltarians. In fact, there are some indications, one of the recent problems that is coming up with private landlords, I am sorry to say, is that the Gibraltarian is being discriminated against. I know of one or two cases that have been brought to my notice where furnished accommodation has not been hired to Gibraltarians because the Gibraltarians are likely to remain permanently in Gibraltar and therefore people are looking to outsiders, UK residents or others, so that there is a constant turnover which brings greater benefit to the landlord. That is a constraint and a problem but nevertheless I would view the matter much more broadly and I think that if we optimise the number of units that can be built on a particular plot and therefore we are adding to Gibraltar's housing stock generally and overall, in time that ought to be of benefit and it should make an impact on the Government's housing problem. With those considerations in mind, Mr Speaker, the Government would be very happy to support this motion.

HON F J ISOLA:

Mr Speaker, the Hon Mr Bossano is having a field day. We will support this motion. I was listening with interest to the Minister for Economic Development and I hope that he will learn from the mistakes that come from not looking at a situation realistically. I think that being realistic, the most that the Government can hope is to increase the housing stock of Gibraltar. I think that if the Minister thinks that he can do a scheme, for example, of Woodford Cottage on a cooperative basis, that people are going to give up a flat and then they are going to get a house there for themselves to live in, he will find at the end of the day that he gets such people who then subsequently sell or let it to a relative. This is what happened, if I remember rightly, with the Gardiner's Road development. That development, and my Hon and Gallant Friend will tell me whether I am right or wrong, was originally put out for development as one unit, somebody was going to come in and develop the whole lot and when he developed the whole lot he could then sell it. What happened was that somebody came in, I do not know whether it was in one area or in two, and he was selling the options. Before he paid the Government he had already reaped all his money and made a profit on the land. This is what happened, this is fact, and then the land was built upon and the villas have changed hands very often at greatly increased prices. Let us not have illusions that by putting lots of restrictions at the beginning you achieve what you want to achieve, you don't, because property development being as it is in the end it is the property developer, the acknowledged property developer, who really takes over because they know the market, they know how to build more cheaply than other people, they know how to deal with the situation. I

agree entirely that any land that is put out for building should be put out with the consideration of maximising the housing stock and therefore put conditions on the number of units, put all those sorts of conditions to ensure that the housing stock is increased but don't think in terms, in my view, this is practical experience over many years, that by putting lots of restrictions all that happens is that you sell the land cheaply and the profit that the Government could have made will be made by somebody else. That is what has happened in the past and an example of restrictive conditions, of course, is Engineer House, that is a famous example where it was put out to tender by the Ministry of Defence for an outright sale and eventually the Government took it over and put lots of conditions and the developer never did anything and that land has lain undeveloped over something like 15 years. Now it is going to be developed at much greater cost. If one had allowed the market forces to move in the normal commercial sense perhaps today we would have had a block of flats there and the housing stock would have been improved. It is not an easy matter, Mr Speaker, and I agree, having heard the problems that the Development Programme seems to be running into, I think there is a need to allow private development in housing, encourage private development in housing, but I agree with the Hon Member on a realistic basis, not on the basis of giving a piece of land over for a single dwelling if you can have five or six there. I do not know about this site that has gone out but my recollection of the site that has gone out is that it is for a sort of three villas as opposed to a block.

HON A J CANEPA:

There are three blocks. It is a largish plot which is being divided into three.

HON P J ISOLA:

But is the sort of condition that you only build one housing unit on each block?

HON A J CANEPA:

I do not think that it has been a restriction that they can only build one. Even in Gardiner's Road, over the years, the Development and Planning Commission has allowed changes in the tender conditions whereby in fact people have been able to build more dwellings than was originally the condition of the Tender Notice.

HON P J ISOLA:

That is the thing that I think the Government has got to be very careful about because what happens is that people say they will tender for this, it says single units, or one villa, they tender, pay the price of one unit and then three years later they convince the Development and Planning Commission that there should be five units there so for the price of one they have developed five. This is the thing the Government must be constantly careful about.

HON A J CANEPA:

May I say, Mr Speaker, if the Hon Member will give way, that there is a constraint in any case being placed by the parking requirement and over the years we are now more stringent on that. The condition used to be that for every two flats one parking space had to be provided and now we are being much more difficult and we make it a requirement that it should be one for one so that will be a limitation in any case.

HON P J ISOLA:

I do not want to argue all these things but may I make a quick observation on that. I hope we are not getting to the stage where we are restricting house building because of parking spaces. I think I would rather have the cars literally piled up one on top of the other, and the housing units, that to say that you cannot have so many housing units so as not to have so many cars. But, anyway, Mr Speaker, I think that the general purpose of the motion is something that we should subscribe to and something that should be very much in the minds of the Development and Planning Commission when anything is let out for tender and for sale. The amount of units that go there should be the maximum, it should be advertised up to a maximum of rather than one and then find that people can wheedle their way and get three or four more out of it. I think the Government should be realistic and that puts everybody at the same advantage and it stops speculation, although inevitably in private development obviously there is speculation, there must be, but it stops the wrong kind of speculation and certainly we go along with this motion, Mr Speaker, very much so. With the housing shortage that we have in Gibraltar today we must ensure that land that comes available on the market, the use of it should be maximised for living accommodation. The other point made by the Minister with regard to what is happening in accommodation generally in Gibraltar, we are all aware of the problems that are arising but again these will have to be dealt with really not ad hoc, I think there is a need to review the whole scope of our legislation on landlord and tenant. It is a very difficult one and a very technical one and one has always got to bear in mind the need for economic development in Gibraltar. You cannot frustrate development by dealing with the matter very haphazardly and on a rule-of-thumb basis.

You have got to go into it deeply, see what is required, get an element of fairness and justice in but on the other hand do not get into a situation that all development ceases because whatever the prices have gone out development has produced more housing stock for Gibraltar, not as much as people would like but certainly it has also contributed to the overall position of Gibraltar.

HON MAJOR R J PELIZA:

Mr Speaker, I am very pleased to see above all that my Hon Friend Mr Bossano is taking a non-ideological view of this question of housing in Gibraltar. One should try and approach this in a practical sense and this is the way that it should be. To me it is obvious that there is a demand for housing in Gibraltar by people who can totally afford it or partially afford it. It seems to me that this is a very good start except that unfortunately in this particular plot of land which I happen to know fairly well, it was not sold as a plot for a particular development where the area would be very suitable for perhaps a block of flats where more than three families could have been accommodated. I do not know whether it is too late but if it is obviously it is too late and nothing can be done but if it is not, it is a great pity that this opportunity is being lost. Then, as was suggested here, it could be put out to tender stating the maximum number of houses, as my Hon Friend said, that could be built there and then based on that give it to the tenderer that would best fit the requirements as the Government see it. I believe that if this was done it would find quite a number of people who would be prepared to buy those flats from our local population who are the people that we want to house. Furthermore, I think that if this could be done in conjunction with a building society, which I believe do exist here, it would be possible as they do in England that a certain amount of priority is given to those people who are already saving in that society. If all those factors are put in that way the very likely people who would have a first choice without any need of discriminating would be the Gibraltarians. In that way we might be able to achieve maximum results for the people that we are trying to house. We said that the land that can be used for this purpose is limited. This could well be turned into the first project and I do not know whether the Minister would not like to give further consideration to this. Mr Speaker, I think that the House seems to be in favour of the general idea and therefore there is very little to add to the arguments already put forward and I fully support the motion.

HON J BOSSANO:

Mr Speaker, I welcome the support of Members. I would like to take up a number of points that have been made in the debate. On the question of zoning raised by the Minister for Labour, I think, really, if he analyses it carefully, one thing is in

conflict with the other. We cannot effectively say on the one hand that we must treat the whole of the land in Gibraltar as one unit and use all that land to the maximum optimum use to house the greatest number of people and on the other hand to say that you are going to zone certain areas which are the areas where presumably the proletariat lives one on top of the other and then other areas we are going to zone as a green belt where the well-to-do can live.

HON A J CANEPA:

If the Hon Member will give way. It happens to be a statutory requirement. It is law at the moment, on the basis of the City Plan which was a draft City Plan in 1976 and has now gone through the whole process of being accepted by the Governor, that is now the official statutory City Plan which must be taken into account by the Planning Commission and unless that is amended that is the position, that there are certain requirements regarding density in certain areas of Gibraltar, you cannot get away from it.

HON J BOSSANO:

I accept that this is the case if the Hon Minister tells me that it is the case, Mr Speaker. I would just ask him to point out to the people who have been most influential in formulating this City Plan and its zoning, to say whether they would like to change places with me so that I can move into the zone where they live and they can move into Varyl Begg because it seems to me that it is all very nice for Gibraltar to be zoned if you happen to be living in the right zone.

HON A J CANEPA:

The Hon Member will have a very good opportunity over the next year or so because there is a new City Plan due to be drafted in 1981 and that is where the process of public participation comes in and people can make their views most effectively felt in shaping town planning policy for the next five years.

HON J BOSSANO:

I think, Mr Speaker, the important thing in this context is of course that we want to try and achieve within the context of Gibraltar's development, a balance between open spaces and areas of recreation and built-up areas but within the context of the area that we have for development for housing, people must accept that if there is a limited amount of area within a City Plan available for housing then to the extent that any part of that area is developed for low density development that, of necessity, requires an even higher density for the

rest of the area that is allocated for housing and in which the bulk of the population will be living. It has to be understood that if one says we want a particular area to be an area used for parks or playgrounds, that is a legitimate zoning purpose, but of course we cannot have a park with a palace in the middle of the park for one person, that we cannot have because that is not zoning, that is taking an unfair advantage of using an area for residential purposes. We are very proud in Gibraltar of our ability to cut across class divisions in many respects. I do not think it is in anybody's interest to move in the opposite direction. I think we can have strong ideological convictions and strong ideological differences and still be able to come together when Gibraltar as a totality is threatened. Living next to each other forces us to think like that and I would not wish to see a Gibraltar where there is an area where a certain class of people live and another area where another class of people live. In fact, there are people who claim that this, to some extent, already happens with the way that the UK-based residents are stuck in one end of Gibraltar and I do not think we want divisions like that developing amongst Gibraltarians. There are strong political reasons why we should not want to move in that direction and there are strong practical and economic reasons where we must see the land that is available for housing as being a totality from which you cannot take one piece without, of necessity, reducing what is left for the rest. That is the essence of it, as far as I am concerned, which takes precedence over questions of parking spaces and questions of zoning. I think I would really want to make this point very strongly particularly to the Minister for Labour who, on so many occasions in this House, has come so close to my own thinking on other issues. I would ask him to think seriously about whether in terms of the priorities that he himself has in life, the question of zoning a particular area because one says we do not want to over-develop that area, when effectively not over-developing it means restricting it to a certain minority who can afford them to make use of it or saying that if there are not enough spaces for cars then we cannot develop that area, whether those restrictions which might make sense in abstract terms, in the reality of the limitation of space of Gibraltar do not carry with it a price of using up land to house less people than it might otherwise do. If that does not carry with it the price of having then to load even more the places that we are left with to house the rest and that is the essential criterion which I would put to Members of the House is the feeling they have on this motion.

Mr Speaker then put the question in the terms of the Hon J Bossano's motion which was resolved in the affirmative and the motion was accordingly passed.

The House recessed at 5.30 pm.

The House resumed at 6.10 pm.

HON CHIEF MINISTER:

The Private Member's motions having now been concluded, I now formally move that this House adjourn sine die.

MR SPEAKER:

I now propose the question which is that this House should adjourn sine die. Two Members have given notice that they wish to raise matters on the adjournment. The first notice is from the Hon and Learned Leader of the Opposition.

HON P J ISOIA:

Mr Speaker, I gave notice earlier on in these proceedings that I wanted to raise the question of the settlement that the Government has reached on the problems concerning the Varyl Begg Estate and the very acute disappointment and indeed anger, Mr Speaker, at the terms of the settlement as they have been related to us. Anger and acute disappointment because the leaking roofs in the Varyl Begg Estate, the first time that roofs were leaking, were noticed in October, 1974, and the first letter of complaint from the Government to the contractors or to the consultants was in January, 1975. We are talking of a settlement that has been reached six years after the leaking roofs were first noticed. During that time, Mr Speaker, there has been a great deal of human suffering in the Varyl Begg Estate by tenants affected by the leaking roofs and all the other problems in the Estate. On top of that Government has incurred a great loss of revenue, the amount we do not know, from flats that might have earned rent but did not because of the various pieces of advice that the Government received during this period of time. Mr Speaker, we do not think it was worth waiting six years to resolve the matter even if the contractors and the consultants had paid in full for putting the thing right and also paid compensation for the distress and loss that they have caused. We do not think it was worth waiting six years to achieve that. We think, as we have said in these Opposition benches for the last 3 or 4 years, if not longer, that Government should have gone in once the causes were identified, in 1978 we were told about it, should have gone in and done the work and sued in the courts or in arbitration, paid for the work and awaited to see what would have happened. In that way flats would have been fit for occupation, people would have led a normal life in Varyl Begg Estate whilst the litigation or the arbitration took its course. Instead, Mr Speaker, we have a situation that six years, almost to the day, after the leaking roofs were noticed, a settlement is announced that, as I said in the proceedings, amounts to a surrender to the contractors and the consultants and still another eighteen months will go by before the leaking roofs are finally obliterated, if I may put it that way. Another eighteen months and that will have made it 7½ years, that is not allowing for slippage. It is 7½ years since the

leaking roofs were first reported and I think the problems in this have arisen from the Government's stand from the beginning that until the question of liability was sorted out no remedial works would be carried. The result has been 7½ years. It is a long time, Mr Speaker, in the life of any person and of course what is worse still, to my mind, that at the end of 6 years of this problem a settlement has been made that is highly disadvantageous to the people of Gibraltar and very costly and throughout this period when we have talked and we have argued, the Government has always taken the stand that there is no reason why the people of Gibraltar should be made to pay for something that they themselves did not cause and I would like to refer to one of the numerous debates we had in the House on the Varyl Begg Estate and it took place in June, 1979. At page 24, the Minister for Public Works was referring to matters that had been raised in the debate and he said: "I come back to a letter to the Director of Public Works on 25 January, 1977, from the contractors, much in the same terms in which they comment that they were willing to rectify any workmanship which had been proven to be faulty and to bring up to specification any work which was not made in accordance with the specification". And they go on to say: "However, we are convinced that such preparatory work will not in fact prove satisfactory as in our considered opinion any such faults are only a small contributory factor in the failure of the roofs". Take Government's position at this stage, that was 1977, the roofs were obviously unsatisfactory, no absolute reason had been found, Sir Hugh Wilson was talking about such things as residual water, something which I will tell you at this point Government did not give much credence to, at that time Government were not very friendly with Sir Hugh Wilson, the position seems to have changed in the last six months, the contractors were admitting that they had not carried out work as well as it should have been done and that they were ready to do this repair but they were warning: "Even if we do this repair at considerable expense", a repair which in one estimate might have gone up to £150,000, they were saying; "even if we go to all this expense of repair, it will not solve the problem". The Government obviously had referred the whole question to its legal advisers and one of the points made very strongly by the Government's legal adviser was; "before you do anything to those roofs you must find out what is wrong because it is no good spending a lot of money simply to perpetuate the same fault, if Taylor Woodrow are correct in their contention that the design is at fault". Taylor Woodrow were also at the same time saying that they would put the roofs up to the correct specification after which they would take no further responsibility. At that time in 1977 the repairs of the roofs were estimated at £450,000. It is interesting to note that as at May, 1979, the repairs were estimated at £650,000 and it is also interesting to note that the final figure agreed with Taylor Woodrow is not the figure of May, 1979, of £650,000 but the figure of January, 1977, of £450,000. Then, Mr Speaker, in the same debate the Hon and Learned the Chief Minister spoke on the matter. That is at page 28: "I do not think that there is any doubt that given the fact that we have paid or we have engaged consultants and contractors of repute and that we will

pay finally good money for the work that has to be done that any Government, any employer, any developer who does that is entitled to receive flats that can be occupied without the difficulties that have emanated from these flats from the very beginning. The principal in the contract is entitled to expect that between the design drawings and the construction, the result will not be flats with leaky roofs. That is what we are entitled to get and that is what we have been fighting to get. Patching up for the purpose of eye washing and trying to pacify people more immediately would have been perhaps more popular in the short term but certainly of greater financial commitment and consequences in the long term. That is the last thing we have wanted to do". Then again at page 29 he said: "The Government is really concerned in seeking a decision which is reasonable and which does not burden either the taxpayers of Gibraltar or the ODM for expenditure for which neither the taxpayers of Gibraltar nor the ODM are responsible in that respect. That has been the main theme and the main approach that the Government has taken in this matter. In the eyes of the average person it may seem that it is taking too long. I am not defending here any particular system but matters of this calibre and of this nature, not in Gibraltar alone, one reads in papers of £20m or £30m schools in England which are uninhabitable and hospitals that are uninhabitable because of inherent defects in the structure and this is a problem that presents itself to people responsible for development. I do not want to take the view now as to whether it was the design, the people who were appointed, the contractors, the consultants, all of which was all done before we went back into office in 1972. I do not think that anything will be gained by that kind of recrimination or investigation. I think that the problem is the problem of everybody in Gibraltar and it is one that everybody should do his best constructively to find a solution that will be the least harmful to the taxpayer, that will not prejudice funds which could go to other projects and commit them to this when in fact the responsibility may well lie elsewhere. Certainly, whether it is one or the other or the two it is certainly not the Government's legal responsibility". These are sentiments with which we agree. Where we differed with the Government was that the Government had to wait until agreement had been reached before tackling the problem. This is where we differed fundamentally with the Government. We said: "Tackle the problem, get on with it and go to arbitration or to court, whichever you have to do, and then since we are not to blame let the court decide whether it is the consultants or the contractors and let them pay accordingly". This is the consistent attitude taken by us certainly in the last 3 or 4 years. It looked at one time, Mr Speaker, as if the Government was coming round to that view because the Government announced in January, 1980, two or three weeks before the elections, that they were going to go ahead with the construction of pitched roofs, that they had made up their minds to do this. What they did not tell the public then and which appears quite obvious from what has happened and the questions that have been put in the House and answered by the Government, and I will not go into the details, what

they did not tell the people was that they still expected to settle the question of liability between the contractors, the consultants and themselves before actually proceeding with the work. This, to my mind and to our way of thinking, is the real reason why work on the pitched roofs did not begin in the spring of 1980 as was promised and has not to this day begun, because of the need to settle the question of liability. Mr Speaker, I think all that is now past history but the net result is a very heavy bill for the Gibraltar taxpayers. Let us look at the settlement that has been reached. In May, 1979, which is now 1½ years ago, the figure for carrying out the repairs to the roofs was put at £650,000. I am sure in May, 1980, the figure would be higher still. The least one would have expected from the contractors is to pay the amount, and I am only talking in general political terms, was to pay at least the amount that it would have cost to put the roofs right even if they leaked afterwards but at least the money that they should spend to put right what they did wrong, and which they said in the letter of 1977 they were willing to do so their contribution should have been at least the amount to put right what they had apparently done wrong. I am talking in general terms. But we find that their contribution is to be £450,000 plus £40,000 of repairs they do not get paid for. What about the consultants? What about the consulting architects? They, if we are to believe the contractors, were responsible for not correctly designing the roofs. This is what we have been able to gather on the debate over the years. Their plans were wrong, and how do they come out? They, of course, come out extremely well, Mr Speaker. Their contribution has been estimated by the Government at £85,000. And that is fixed, the same way as the contribution of the contractors is fixed at £450,000, but what are the obligations of the Government, the innocent party, and I will deal with the betterment side in a moment? The obligations of the Government appear to be to pay for the balance of £1.25m which is the cost of the pitched roofs. That is something close on £600,000 but remember one thing, the price for this work, the statement of the Hon and Learned Attorney-General said, the price of this work is £1.02m as at May, 1980. There is no fixed price for the Government. This would be subject to fluctuation thereafter for labour and materials and if this work is going to take eighteen months, is it going to cost £1.025m? I would imagine that straightaway there must be an increase of 15% or 20% on May, 1980, prices, that is another £200,000 odd it could be the Gibraltar taxpayer has to pay or ODM. I doubt whether ODM is in the mood to pay but maybe they will, I hope they do, but that is about £800,000 that would have gone on something else, on another project, as the Chief Minister so rightly said, when defending the position of the Government about doing a quick deal. Everything had to take its time because the Gibraltar people were the innocent party and we find the innocent party have a bill of some £800,000, possibly, and then the electrical repair work will also be paid by the Gibraltar taxpayer or the British taxpayer and the estimated cost, not fixed, I must stress, is £100,000. Again that could be completely wrong because the Government

estimation figures as we were told in the earlier debate on housing, have been shown to be wrong by those who tender, in other words, one of the Ministers said that each unit in a particular place is going to cost £6,400 more per unit than they had thought. So the liability of the Government is opened. The only liability that is fixed is the liability of the two parties that would be held responsible. And what happens? Taylor Woodrow £450,000 and the other chaps £85,000 and then, Mr Speaker, it is a small point but I think it is significant. The Government engaged Andrews, Kent and Stone as the honest brokers and they carried out an investigation to the roofs and they made three reports to the Government. The last report was in 1979, I believe. Who is paying for those costs? According to an answer by the Minister for Public Works given in this House on 26 June, 1978, in answer to a supplementary from my Hon Friend Mr Restano, who asked who will bear the cost of this report, the Minister answered: "For the moment the Government will bear it and, ultimately, if there is any legal action etc, it will be borne by whoever blame is apportioned against". I would like to know because I cannot believe that the total bill of Andrews, Kent and Stone is £5,500. If that is so then fine, that is going to be paid by the consultants but I cannot think, judging from the amounts of money that we pay in the House

HON ATTORNEY-GENERAL:

If the Hon and Learned Member will give way, perhaps, I can clarify a point. If he is referring to the £5,500 in my statement to the House, that does not refer to Andrews, Kent and Stone, that refers to engineering work in connection with the new pitched roofs. It relates to the pitched roofs and to the electric, that is not Andrews, Kent and Stone at all.

HON P J ISOLA:

Is the Bill not referred to here at all, then?

HON ATTORNEY-GENERAL:

I will come to that.

HON P J ISOLA:

It appears, Mr Speaker, then that the costs of Andrews, Kent and Stone are not provided for and unless I am wrong it means that the Government are going to pay, that is all I can think, that is a detail that has not come to light. I certainly would like to know what those costs were, Mr Speaker, but I would have thought that consultants that were engaged in 1978 and gave their final report in 1979 and investigated the roofs and had to take some roofs off etc, I would have thought that their

bill would be quite substantial. I would like to know who is going to pay that and what is the amount involved. Mr Speaker, the total bill that the Gibraltar taxpayer is going to have to meet is going to be, it seems to me, close on £1m. I know it is said that there was a betterment value in the pitched roofs and I know there is a betterment value in the pitched roofs but, Mr Speaker, one cannot accept for one minute that if the cost of repair of the roofs in May, 1980, was £650,000, that the contractors, if they are to blame, should not have paid the whole lot and if there have been design faults as obviously there must have been, that the contribution by the consulting architects whose designs were the cause of the problem, what they are bearing is peanuts, they are not bearing anything, they are just giving their service free to do something right which they did wrong in the first place. The amounts that they are paying are insignificant when you are talking of an exercise of well over £1m. Mr Speaker, one is driven, unfortunately, to the conclusion that the Government have had to accept this settlement because of the course they have taken over the last five years that liability had to be resolved before the work was done and they either accepted a bad settlement or they had to tell the people at the Varyl Begg Estate that negotiations were still going on and that they had to be a little more patient. They saw that they were getting into an impossible position as far as the public was concerned in Gibraltar and they said: "We better make a bad settlement and get the roofs done than go on fighting". If the Government had taken the course that we have advocated and gone on to do the work in 1978 or in 1977, in the first place the cost would have been much lower and in the second place the tenants at Varyl Begg, their roofs would have been alright and the arbitration and so forth could then have carried on. They did not do this because the Government saw no reason why they should disburse the money. Now the Government has landed the people of Gibraltar in a massive bill which Government Ministers have constantly said that we should not have to pay. The amount is so great, Mr Speaker, that this is a matter of urgent importance as far as the people of Gibraltar are concerned and I would certainly like to welcome a Government statement in reply as to the reasons why a settlement of this nature was agreed to by the Gibraltar Government.

HON J BOSSANO:

Mr Speaker, the Hon and Learned Leader of the Opposition has, in fact, pointed out the crucial element that has dominated the debates on the solution to the Varyl Begg problem in all the years that the Opposition has been urging on the Government that action should be taken. The essential point, and I think the one where it seems incomprehensible today that we should be facing the situation that we are facing, has been the Government's recognition of the fact that the problem was not being resolved immediately to the detriment of the people involved and to the detriment of the Government's own housing programme. The Government itself recognised, on more than one

occasion in debate in this House, that the unavailability of houses from Varyl Begg that were intended to become available at a certain point in time was having a domino effect on the whole question of modernisation and decanting which was intended to slow in at a particular point in time and they used that argument to explain why the rest of the housing programme was falling behind and then they said they could do nothing about that because to do so carried with it the price of putting a liability on the Government of Gibraltar which the Government of Gibraltar should not accept. It was the argument that the Opposition found difficult to press the Government on in the last 4 or 5 years when this has been raised in the House. We used to listen to the Government saying: "Yes, but if we go in ourselves and put the works right and then go to arbitration or sue, by virtue of moving", in fact, they had houses empty for two years and said they could not be allocated because by allocating those houses they would prejudice . . .

MR SPEAKER:

Mr Bossano, there are 12½ minutes left. I am saying this because if the Government is going to give the information which has been sought, we must give them an opportunity. I am not stopping you because you are entitled to go on.

HON J BOSSANO:

They said they could not allocate houses for two years because that would prejudice their legal position and then somehow they were given different advice and they were able to allocate houses. Then subsequently we were told that they could not go in and build without prejudicing their legal position. At the end of that process and long wait, with the repercussions it has had on the Government's own Development Programme, one would have expected a result which would clearly vindicate the policy that has been adopted and I think the House and Gibraltar are perfectly entitled to demand an explanation that is better than what has been given.

HON ATTORNEY-GENERAL:

Mr Speaker, I shall speak very briefly. May I say at the outset that I do not believe I said when I made my statement last week that I was giving an explanation. I took some care to say I was stating a course of action that had been taken and the result that had been arrived at. I said to the House then, and I repeat now, so far as the role of the lawyers in the matter is concerned this is as the Hon Leader of the Opposition has pointed out a very major matter and at the appropriate time it is a matter which obviously must be looked at and the weight of that advice must be evaluated. I simply want in this intervention, Mr Speaker, to cover one or two points that have been made by the Hon and Learned Leader of the Opposition. A small

point but one which I do want to mention is that I would not like the impression to be left that the figure of £650,000 mentioned in 1979 was an estimate but it was a figure mentioned by the consultant engineers we had engaged. The second point I would like to make is that I do not think it is correct that in saying that Government was going to erect pitched roofs the impression was given that we were necessarily not going to pursue a settlement. It is a matter which I would like to revert to at a later date. The Hon Leader of the Opposition made the point that it may have been inferred from the fact that pitched roofs were being erected that it followed that there would not be a settlement. I do not think that that was positively stated or, indeed, necessarily intended to be conveyed. It is a point to which I would like to return because I think as he will appreciate there was a question of tactics involved in it. It follows from what I have said that I have myself a view as to the respective liability of the contractor and the consultant and that is a matter I would like to come back to in due course. Finally, Mr Speaker, just to clarify a point. In negotiating the settlement Government took into account various heads of damage and one of the items that was taken into account was Andrews, Kent and Stone's fees which come under a general head which also include other expenses. It was in fact taken into account, I do not say it follows from that that we have recovered in full, obviously we did not. Thank you, Mr Speaker.

HON CHIEF MINISTER:

Mr Speaker, as it has been mentioned before this has been a matter which has been going on for a long time and which has given the Government a considerable number of headaches not only in respect of debates and motions but in dealing with the problem itself. It has had, like all big matters or problems of this nature, a difficult history. But as has been rightly pointed out we finally identified the problem in May, 1979, by Messrs Andrews, Kent and Stone and may I say, in passing, that that liability for their work is ours and I should not want anybody to think that I am shirking answering that question and that the estimate of their work is between £12,000 and £15,000. At least it was able to identify the matters and able to put us in a better position to pursue the matter as we had not been able to do before, precisely because of the conflict between the consultants and the contractors. The Hon Leader of the Opposition did mention that he accepted that there was a betterment value but he just dismissed that very quickly. When the Attorney-General was pressed the other day as he has attempted, naturally, to stick to his brief as advisor to the Government and not responsible for policies for which we are responsible, when he was pressed the other day, he hit the nail on the head when he said that in his view, and that was his view and it was as a result of pressure from the other side, a great contributory problem to the difficulties was the design of flat roofs, not the particular design but the fact that the Estate had flat roofs and that that had brought inherent problems and this is

something for which of course this Government is not responsible. The design of the Varyl Begz Estate is the full responsibility of the IWB? Government. That is very clear. The decision to have flat roofs where people could go and hang their laundry which has been one of the problems which has created even more difficulties because of the stresses and strains that have been put to that by virtue of having drying areas and that was the idea of the former Minister, Mr Caruana, who boasted about it in this House. Precisely in the context of that we have to look at the betterment value which has not been quantified but which is a very important factor in these circumstances, the betterment value. Even if we had accepted the repairs of the roofs we are advised that even if the design was right, even if the work was right, that that would give it an age of about ten years and then we would have continuous problems. The pitched roofs are likely to last sixty years as they are going to be properly designed and done in a way that is likely to bring about less problems than we have now. That is really of very great importance. In the eyes of the problem what is the Government, the lay client, what has he got to do, we are the lay client in this matter. The contractors were blaming the consultants and the consultants were blaming the contractors. Should we go to litigation or start work? There are two great difficulties there. First of all, the length and time of the litigation, secondly, if we start on our own the kind of litigation that we would get into ourselves if later on it was proved by one or the other that the other one was to blame and that, in fact, they were not happy with the kind of work that we had done whilst the litigation was on. Thirdly, the fact that this kind of litigation would have been, as all construction litigation is, of long and tedious character, a long and difficult one in which officers of the Government would have been busy for years and years before a litigation of this nature comes to an end. It could take up to 3 or 4 years before a final decision was taken on this matter. We thought, and we still think, that we are entitled to have had the roofs repairs properly either as a result of liability of one or the other, but it came to a stage where a decision could not be left any longer and we had to try and see whether we could come to a settlement. A good settlement or a settlement, if it can be obtained, is much better than uncertain litigation not because we would not have been right in deciding but of course there was the element of time because the time that it has taken to reach this stage for a number of reasons has increased the value of the repairs and, finally, I would like to state that accepting full responsibility for it, the decision of arriving at a settlement was taken on the best advice possible and in that respect and without in any way trying to throw back that this is the result of the advice that we have received, you will see at page 4 of the Attorney-General's statement, after following up saying that the last chance would be given for a further round before a settlement was reached said: "As a result of this further round of talks, officials were able to put to the Government and to support a further proposal made by the contractor. The architects concurred in the proposal. I was also able to recommend to the

Government after consultation with officials a basis for settlement with the architect himself. Both of these proposals were referred to and approved by Council of Ministers and agreement was then reached with the contractor and the architect accordingly". It is not a decision in order to finish up and patch up the whole question. I would agree that we have taken a little longer than we should have taken but it is because we have followed a cautious view that otherwise would have cost more. On the question of the betterment there is a rather good and fringe benefit that we are having in the fact that putting up the pitched roofs is going to be financed by the Economic Export Guarantee Department and that of course means that payment will be made in very, very favourable terms at rates of 8%. We will quantify that when we give a full account of the details for the settlement and it will be seen that that is a very great advantage. The other problem is that from the very beginning our own Quantity Surveyors calculated that the cost of the roofs as at May, 1980, was in the region of £960,000 whereas the contractors said it was £1,025m. They said it was higher and they came to an agreed one which of course allows for an element of profit because they are not going to build that without an element of profit, but it is a fixed contract on terms unlike the difficulties we had which have been the subject of comment about the fact that you put out a tender for something which you think is going to cost you £3m and to come out with a tender of £5m. This is a negotiated contract with the contractors and our Quantity Surveyors on the proper basis and that is where we have the great advantage. Having put out the work for tender and going on with litigation would have landed us in considerably more expense. The point is quite settled, this is not a question of speculation. The contract provides for the usual clauses that have been mentioned by the Financial and Development Secretary in respect of other contracts, that it allows for escalation but this is the norm and it was fixed at the time and we are giving the time and the time that the escalation will follow any kind of contract whether it was made now or is made in the future. I would be quite happy when we have all the details to give the House, and Gibraltar, a full account and satisfy the people, as we hope we will, that it is in the best interests of the people having regard to the affair and having regard to the disastrous decision of having flat roofs this is the best that we can do for Gibraltar.

HON A T LODDO:

Mr Speaker, on Friday of last week I brought before this House a motion asking the House to welcome the advent of the Gibraltar Sports Council as being truly representative of the different Sporting Associations in Gibraltar and further sought the Government's support and encouragement for this body. My motion was, as we all recall, amended by the Hon Minister for Sport to such an extent that it completely altered the meaning and the intention of the motion. The intention of my motion, I will reassure the House

MR SPEAKER:

May I say that when I gave permission for you to raise this matter on the adjournment, I did it to a large extent tongue in cheek for the simple reason that once a decision has been taken by the House of Assembly, that decision cannot be questioned even by the House. I have allowed you to raise the matter on the adjournment because the raising of matters on the adjournment is very liberal but we must not do or say anything during the course of this debate which will put in doubt or in question the decision that was taken by the House. I did warn the Leader of the Opposition of this. One is entitled to comment but not to ridicule or to put in question any decision which this House has already taken.

HON A T LODDO:

Mr Speaker, thank you for correcting me. I recall that the Chief Minister, when I expressed my surprise at the complete change of my motion, he pointed out that the Government would continue to amend all motions presented by the Opposition to suit Government policy and not those of the Opposition.

HON CHIEF MINISTER:

If the Hon Member will give way. I did not say that in those terms. I said that for as long as motions of the Opposition reflected matters which were not accepted as Government policy, we would have to alter them. That is the right of the Government.

HON A T LODDO:

And this, of-course, Mr Speaker, begs the question. Even if his policies are unrealistic, even if his policies are illusionary, in fact, even if his policies turn out to be a myth. In raising this matter on the adjournment, Mr Speaker, I want to make it as complaint, as a protest. If the Minister for Sport had had any inkling that the Sports Committee was on the point of resigning, if he had had any knowledge of the disintegration of his Sports Committee, in amending my motion and asking the House to welcome the Sports Committee instead of the Council, in my opinion he made himself and the Government look foolish. In fact, the Hon Minister bowled us a no ball and we should have treated it with the contempt a no ball deserves, we should have hit it for six. Mr Speaker, the Government could merely have defeated the motion instead of which it amended it and passed it with a Government majority only for the Minister subsequently to find himself in a position where he had no Committee to encourage, support and foster. After this I am surprised that when the Minister for Sport suggested his mini-Olympics he did not include the Scilly Isles, he could have called it the "Scilly mini-Olympics".

I shall be charitable because, as I recall, the Minister said that the Committee was fully behind him and yet the Committee resigned hours after hearing this in the House. I will assume that when the Minister for Sport said this he in fact did not have the prior knowledge, in fact, he was showing a complete lack of knowledge of the real situation vis-a-vis his Sports Committee, the depth of feeling of this Committee and the honest concern the members of this Committee had for their role in the Sports Committee and for sport in Gibraltar. If we were speaking in boating terms, Mr Speaker, whether it be rowing or sailing, two of the sports the Minister did not have represented on the Committee, we would be entitled to say that the Minister had missed the boat. I think, in fact, that is an understatement, he missed the boat and the House and I must emphasise that in my opinion, in defeating my motion by means of a hollow amendment, the Minister for Sport was most unfair to myself and to the House.

MR SPEAKER:

I always give that warning in fairness to the Minister, so that he can be given an opportunity to reply. If there are any other contributors they should speak now because we are limited in time.

HON H J ZAMMITT:

Mr Speaker, Sir, quite honestly I must say that I was shocked and surprised when you yourself, Sir, informed me that there was a motion on the adjournment on this particular issue. I can assure the House that I am informed that there was a television broadcast on Friday which I missed and I am informed that members of the Gibraltar Sports Committee had resigned. I have today been ringing up the Victoria Stadium, the Sports Manager, who is here in the Ante-Room and I have as yet, and I give my sincere word, I was told that the Chairman of the Sports Council said that the resignation of the Sports Committee was in the post and I give my word that were it not for the Chronicle that said that Mr Ramagge said this, I as Minister for Sport have not yet received official confirmation of this. Mr Speaker, it does not surprise me that the Members opposite are aware that they have resigned. They heard it on television and at Sandpits Lawn Tennis Club but the Minister has not been informed yet, Sir.

HON P J ISOLA:

I would like the Minister to take back what he said that he was not surprised the Opposition knew. If we knew that the Sports Committee was resigning and we do not have access to the information, we would have said it in the debate. We would have tried to save the amendment, we would have tried to save the

House making itself look foolish by telling the Minister: "Don't you know your Sports Committee is already resigning?" I would like the Minister to reconsider that remark that he has made that he is not surprised that the Opposition knew. I knew it myself when I watched the television question and answer.

HON H J ZAMMITT:

Mr Speaker, on Friday when the Hon Mr Loddo moved the motion I said, with no knowledge that the Sports Committee members had resigned, I said that the members were four square behind me and I remember the Hon Mr Loddo looking at the Hon Mr Scott and saying: "No, no, they have resigned". This was during the motion and if they are honest, Mr Speaker, they will accept this. If they would like to reconsider the gesticulation that was going on on the Opposition benches I think they will find it to be absolutely as I am saying now. Secondly, Mr Speaker, when I say the Opposition knew of it, I think I can substantiate this because I myself saw the Hon Mr Loddo having a rather lengthy chat with Mr Ramagge and then I am aware that on Sunday, after the motion, there was a meeting at Sandpits where the Hon Mr Restano, the Hon Major Peliza and the whole DPBG were taking up playing tennis at Sandpits Lawn Tennis Club, Mr Speaker.

HON W J SCOTT:

Is the Hon Minister for Sport, Mr Speaker, suggesting that we are precluded from meeting anybody, any committee, anywhere that we wish?

HON A J CANEPA:

On a point of order. I have been a Member of this House now for 8½ years and the fact is that it is becoming a very frequent practice now for Members on both sides of the House, having sat down and really finished their intervention, pretending that they have not done so. This is a feature of the present House of Assembly, it has been happening since February. I cannot say that I am enamoured of the practice. I personally do not like it because we are in danger of reducing the proceedings of the House to the realm of farce and I would ask you whether you might consider this point in consultation with the Chief Minister and the Leader of the Opposition so that at future meetings this practice is not resorted to as often as it is. It is one thing for a Member to give way to another Member of the House on the other side and give him an opportunity to intervene but what is now happening is that having sat down and finished we pretend that we have not and I do not think this is conducive to conducting our affairs in the best traditions of parliamentary practice.

MR SPEAKER:

I can give you a straight answer to what you have said. This has exercised my mind through the last meeting, as a matter of fact, and I have made comments both to the Chief Minister and to the Leader of the Opposition on it. I can do no better than read the relevant Standing Order. It is Standing Order 46 (ii) which reads as follows:-

"No Member shall interrupt another Member except:

- (i) by rising to a point of order, when the Member speaking shall resume his seat and the Member interrupting shall simply direct attention to the point which he desires to bring to notice and submit it to the President or Chairman for decision; or
- (ii) to elucidate some matter raised by another Member in the course of his speech, provided that the Member speaking is willing to give way"

and that is where Members are going wrong. If Hon Members do not give way then the Speaker would have no option but not to allow the Member to speak. The Rules goes on: "Provided the Member speaking is willing to give way and resumes his seat and that the Member wishing to interrupt is called by the President or Chairman". I have, as I said before, called the attention both to the Chief Minister and Leader of the Opposition on this matter. I have been rather concerned at the number of interruptions we have had in this meeting and I will most certainly bear it in mind for future meetings.

HON A J CANEPA:

With respect, Sir, that is not quite the point that I am making. The point is that a Member sits down having concluded his intervention, and then pretends that he has not in order to give an opportunity to another Member to intervene and then he does not even resume his speech because he has nothing further to say.

MR SPEAKER:

This is the way that we can deal with this matter and that is one of the matters which we must most certainly bear in mind for future meetings.

HON CHIEF MINISTER:

Mr Speaker, perhaps I can remind you of your own remarks on many occasions that a point of order is not a point of clarification.

MR SPEAKER:

That is so. A point of order is a point where it is alleged that a Member has breached the Standing Orders and that is why the Speaker is required to find out what is the point of order before anything else is done.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 7.05 pm on Monday the 10th November, 1980.

GIBRALTAR

HOUSE OF ASSEMBLY



HANSARD

17 DECEMBER 1980

REPORT OF THE PROCEEDINGS OF THE HOUSE OF ASSEMBLY

The Fifth Meeting of the First Session of the Fourth House of Assembly held in the Assembly Chamber on Wednesday the 17th December 1980, at the hour of 10.30 o'clock in the forenoon.

PRESENT:

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

GOVERNMENT:

The Hon Sir Joshua Hassan CBE MVO QC JP - Chief Minister
The Hon A J Canepa - Minister for Economic Development,
Trade and Labour and Social Security
The Hon M K Featherstone - Minister for Public Works
The Hon I Abecasis - Minister for Tourism and Postal Services
The Hon H J Zammit - Minister for Housing and Sport
The Hon Major F J Dellipiani ED - Minister for Education
The Hon Dr R G Valarino - Minister for Municipal Services
The Hon J B Perez - Minister for Medical and Health Services
The Hon D Hull QC - Attorney-General
The Hon R J Wallace CMG OBE - Financial and Development
Secretary

OPPOSITION:

The Hon P J Isola OBE - Leader of the Opposition
The Hon G T Restano
The Hon W T Scott
The Hon A T Loddo
The Hon A J Haynes

The Hon J Bossano

ABSENT:

The Hon Major R J Feliza (who had notified his inability to attend due to indisposition)

IN ATTENDANCE:

P A Garbarino Esq MBE ED - Clerk of the House of Assembly

PRAYER

Mr Speaker recited the prayer.

CONFIRMATION OF MINUTES

The Minutes of the Meeting held on the 4th November 1980, having been previously circulated, were taken as read and confirmed.

DOCUMENTS LAID

HON CHIEF MINISTER:

Mr Speaker, I have the honour to lay on the table the Pring Report but instead of tabling a summary of correspondence as stated in the Order Paper I am tabling a Schedule to the Pring Report. The reasons will become apparent in my statement on the motion on the pay of Members, in fact, I am dealing at a wider range in my statement than would have been the case in the summary.

Ordered to lie.

The Hon the Minister for Economic Development, Trade and Labour and Social Security laid on the table the following documents:

- (1) The Employment Injuries Insurance (Amendment of Contributions and Benefits) Order, 1980.
- (2) The Employment Injuries Insurance (Benefit)(Amendment) Regulations, 1980.
- (3) The Employment Injuries Insurance (Claims and Payments) (Amendment) Regulations, 1980.
- (4) The Non-Contributory Social Insurance Benefit and Unemployment Insurance (Amendment of Benefits) Order, 1980.
- (5) The Social Insurance (Amendment of Contributions and Benefits) Order, 1980.
- (6) The Social Insurance (Benefits)(Amendment) Regulations, 1980.
- (7) The Social Insurance (Contributions)(Amendment) Regulations, 1980.

- (8) The Social Insurance (Overlapping Benefits)(Amendment) Regulations, 1980.
- (9) The John Mackintosh Home Accounts for the year ended 31st December, 1979.

Ordered to lie.

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

The Group Practice Medical Scheme (Amendment) Regulations, 1980.

Ordered to lie.

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

- (1) Supplementary Estimates Consolidated Fund (No 3 of 1980/81).
- (2) Supplementary Estimates Improvement and Development Fund (No 3 of 1980/81).
- (3) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 4 of 1980/81).
- (4) Statement of Consolidated Fund Re-Allocations approved by the Financial and Development Secretary (No 5 of 1980/81).
- (5) Statement of Improvement and Development Fund Re-Allocations approved by the Financial and Development Secretary (No 3 of 1980/81).
- (6) Treasury Minute on the First Report of the First Session (1980) of the Public Accounts Committee.

Ordered to lie.

MR SPEAKER:

I would like to bring to the notice of the House that the Hon and Gallant Major Peliza has sent me a written notice to the effect that he is withdrawing all the questions that were down for oral answer in this meeting and he has taken this opportunity to wish us all a very happy Christmas.

HON P J ISOIA:

Mr Speaker, may I say that the Hon and Gallant Member was in fact at Gatwick Airport when he suffered an accident to his back and therefore was not able to travel to Gibraltar with his luggage which I believe did come to Gibraltar and I am sure Hon Members will wish him a speedy recovery.

MR SPEAKER:

I know that we all wish him a speedy recovery.

ANSWERS TO QUESTIONS

The House recessed at 1.00pm

The House resumed at 3.20pm.

Answers to Questions continued

THE ORDER OF THE DAY

MR SPEAKER:

I will now call on the Hon the Minister for Medical and Health Services to make his statement.

HON J B PEREZ:

Mr Speaker, in reply to Question No 349/80 from the Hon G T Restano I informed the House that I would be making a statement on the question of a possible merger of St Bernard's Hospital and the Royal Naval Hospital.

As the House well knows, the possibility of such a merger taking place was mooted in 1975 when a team from the Ministry of Defence came to Gibraltar to discuss with us the rationalisation of the Civilian and Service Hospital services with a view to effecting economics. Much discussion took place then and subsequently between the parties involved but no concrete policy resulted from these discussions. It was, however, mutually agreed that, without shelving the concept of a merger taking place, we should proceed to expand our cooperation on the human and practical level in all possible ways. This was mentioned by my predecessor, Mr A P

Montegriffo, in his statement to the House in February 1978. This principle continues to be applied today.

To quote but a few examples on how this cooperation has been given practical effect I would like to inform the House that:

- a) the Surgeons of both hospitals work a three-in-one on-call roster and assist each other in specialised surgical work;
- b) there is an interchange of specialised equipment and medicines;
- c) weekly meetings to discuss Service and Civilian problems are held between the Director of Medical and Health Services and the Medical Officer in Charge of the Royal Naval Hospital;
- d) Staff Nurses are seconded to the Royal Naval Hospital for periods of familiarisation leading to State Registration;
- e) Maternity services are looked after in rotation by the Obstetricians at both hospitals;
- f) in the absence of a permanent Consultant at the Royal Naval Hospital our Consultant Ophthalmologist deals with all Service and UK Civilian emergencies. A Royal Navy Consultant visits periodically and gives full cover which allows our Consultant to take leave.

We continue to cooperate in the ways I have mentioned most satisfactorily. I have never missed an opportunity to discuss this with visiting senior members of the Royal Naval Medical Service, most recently with the Medical Director-General of the Royal Navy, and there have never been any suggestions that the present system should not continue to operate to the mutual benefit of the Civilian and Service communities. On the contrary, the feelings expressed have always been that our cooperation should be further strengthened.

The House will appreciate therefore from the foregoing that a feeling of complete trust and cooperation exists between St Bernard's Hospital and the Royal Naval Hospital to the mutual benefit of the entire community and it is Government's expressed hope that this will go from strength to strength into the future.

The question of a future merger is therefore not being pursued for the time being.

HON G T RESTANO:

Mr Speaker, I don't really see.....

MR SPEAKER:

May I say that this is a statement and you can ask questions for clarification only and nothing else.

HON G T RESTANO:

Taking the last point first, I would like to ask a question. The Minister said that in the circumstances, because there was very close human cooperation between the two hospitals, which of course one is very pleased to hear about, and I know this has been going on since 1975, but what I would like to know is why the conclusion is arrived at by the Minister that because there is human cooperation there should not be a structural merger, what is the reason for this?

MR SPEAKER:

That is not a point of clarification. There can be a debate as a result of the statement but not now. Clarification means that you want to ask a question on something in a statement which you may have misunderstood.

HON G T RESTANO:

The merger of the two hospitals, Mr Speaker, was first mooted in that famous City Plan which was produced a few weeks before the 1976 Elections and then in 1978 the then Minister talked about cooperation at a human level for the next three years or so before proceeding, if necessary, to a structural merger. There is nothing in this statement of the Minister today and that is why I would like to know, to say as he said in paragraph 5, which is merely a list of the good cooperation between the two hospitals, that because of that.....

HON J B PEREZ:

Mr Speaker, if you will allow me, I do not mind clarifying this particular point.

MR SPEAKER:

We must not debate the statement, that is what I am trying to stop.

HON G T RESTANO:

I refer to the last paragraph where it says that the question of the future merger is therefore not being pursued for the

time being. Why is it not being pursued for the time being?

HON J B PEREZ:

Mr Speaker, it is not a question that we are completely excluding the whole question of a structural merger either fully or partially. It is really because in view of the discussions that have been held, both sides have agreed to carry on with very close cooperation, increase the cooperation, strengthen the cooperation and we will see how it goes. It is not a question that we have excluded it altogether, it is just that both sides have agreed to tackle the problem on a cooperation level and that is the position today, in 1980. It may be that in 1981 the position may change.

HON G T RESTANO:

But doesn't that cooperation exist already, Mr Speaker? It exists now. I think we have had all the different areas where such good cooperation exists.

MR SPEAKER:

The Minister is saying that it is precisely because cooperation is working so well, I think that is what the Minister is saying; that they have shelved the question of a merger.

HON G T RESTANO:

May I ask, is it the Government that has shelved it or is it the Naval authorities?

HON J B PEREZ:

Both parties have agreed to carry on this particular line of closer cooperation and looking into areas in which we can even cooperate further but we are not excluding the possibility of a future merger, we are not excluding that possibility.

HON G T RESTANO:

So, therefore, in other words the Minister is saying that the City Plan where it referred to the structural merger of the two hospitals was really a very misleading statement.

HON J B PEREZ:

I cannot accept that.

HON J BOSSANO:

Mr Speaker, if one takes the opening paragraph in the statement where the original team was looking at seeing to what extent rationalisation of the two hospitals would produce economy, is this, in fact, that the economies for the Gibraltar Government would not be as much as it was originally thought?

HON J B PEREZ:

That is correct.

MOTIONS

HON CHIEF MINISTER:

Sir, I have the honour to move in terms of the motion standing in my name which is: "That this House approves the introduction with effect from 1 July, 1980, of the rates of remuneration for Mr Speaker and the Elected Members of the House as agreed with Mr David Pring and as set out in the Schedule attached to the Report by Mr Pring laid on the table at an earlier stage in the proceedings."

The Morgan Report on allowances for the Speaker and the Elected Members of the House of Assembly, which was approved in this House in June 1976, was prepared in response to terms of reference which called for advice on these allowances in the light of recent developments in Government pay policy. These terms of reference were, in effect, designed simply to up-date the level of allowances in the context of developments in pay for the public service as a whole and did not envisage any more fundamental review. It will be recalled that the outcome of the Morgan Review was to link the allowances to the pay of the SEO, Senior Executive Officer Grade, and that they should continue to be free of tax.

The matter now before the House has not been raised hastily or recently. Indeed, it was the 1975/76 Constitution Committee which agreed that once the Morgan Report was implemented, a further and, this time, an in-depth, study was required. The matter was left temporarily in abeyance until the negotiations on parity were concluded in 1978 when the parties agreed that the in-depth study should be initiated and that it should be conducted by someone who was both completely independent and at the same time well-versed in these matters. The office of the Clerk of the House of Commons was accordingly approached, in October 1978, and the Clerk kindly agreed to nominate Mr David Pring, a senior officer of the House of Commons, to carry out the review. Mr Pring's Report was submitted in August 1979.

The basic principles proposed by Mr Pring and set out in his Report are as follows:-

- (i) that the gap between the way members of the House are paid and the way other people in Gibraltar are paid should be narrowed;
- (ii) that the remuneration of members should in future be subject to income tax;
- (iii) that a member should be able, if he chose, to live on his Parliamentary salary alone, though he could not expect to do so in luxury; and
- (iv) that a pension scheme for members should be introduced.

I should also note, at this point, Mr Pring's estimate that the work-load on Ministers varied from requiring 50% of their time in some cases to 75% or more in others.

On the receipt of Mr Pring's Report, the views of my own Party were recorded and were communicated to the other two Parties represented in this House. My Party's view was that the principles set out by Mr Pring in his Report should be adopted. We differed, however, with Mr Pring on the application of the principles.

In the first place, we considered that, if the gap between the way in which Members are paid and the way other people are paid was to be narrowed, and because the way other people are paid is determined through an assessment of their responsibilities, an assessment should be made of the degree of responsibility of Members of the House. We suggested that this assessment could be made through a relatively simple comparison which would have the additional advantage of providing a link with a particular grade which would avoid, for so long as there was no radical change in present circumstances, the need for periodical reviews of this nature. We went on to suggest that the most appropriate comparison would be with Grade 2 of the Gibraltar Civil Service to which both the Attorney-General and the Financial and Development Secretary belong. First of all, by virtue of their capacity as ex officio members of the House of Assembly, these officials provide the closest 'analogue' to Ministers. They are themselves quasi-Ministers and are responsible to the House for legal and financial matters respectively and for the administration of their 'Departments', with certain obvious exceptions, particularly in the case of the Attorney-General. Ministers are equally answerable to the House for the administration of the Department or Departments in respect of which constitutional responsibility has been assigned to them. We went on to say that, apart from the parallel to be found between Ministers and the ex officio

members in regard to their answerability to the House and their similar status as members, a parallel existed also in matters of day-to-day administration and in their relationship to the Civil Service. We accordingly felt that the pay of Ministers should be related to the pay of Grade 2 Officers.

We then considered what proportion of the pay of Grade 2 officers should be payable to Ministers. We stated that we regarded as accurate Mr Pring's assessment that the workload on Ministers now in office varies from requiring 50% of their time in some cases to 75% or more in others. We thought, however, that it would be undesirable, and in practice obviously extremely difficult, to attempt to apply different rates according to the time actually devoted to their public duties by individual Ministers. We therefore concluded that there should be one flat rate and that it would be reasonable to suggest that the lowest factor in terms of time spent on public duties, ie 50% should be applied. The rate of pay for all Ministers should accordingly be one half of the pay of a Grade 2 Officer. We stated that an alternative approach might be to set the percentage, although perhaps somewhat artificially, at 45%. In either case, our reasoning was that Mr Pring's figures would not, in practice, go far enough to give practical effect to the principle he had recommended, and to which he attached very considerable importance, that a member should be able, if he so chose, to live on his Parliamentary salary alone.

Having stated our view on the pay that a Minister should receive, my Party went on to recommend that the relationship between this pay and that of back-benchers should continue to be in the ratio of 2 to 1 because, first, this had stood the test of general acceptability over a period of years; secondly, Mr Pring's own proposal approximately maintained that ratio; and thirdly, it appeared to be appropriate both in terms of hours worked and of the relative responsibility of back-benchers in so far as this could be roughly assessed.

We concurred with Mr Pring's recommendation that the pay of the Speaker and of the Leader of the Opposition should continue to be equated and that it should continue also to be fixed midway between that of a back-bencher and that of a Minister. Finally, we recommended that the pay of the Chief Minister should continue to be one and a half times the pay of a Minister, again because this had stood the test of time, because the ratio was approximately maintained by Mr Pring and because it correctly reflected the difference in the degree of responsibility.

My Party's views, as I have said, were then communicated to the Leader of the Opposition and to the Honourable J Bossano for their consideration and comment. The DPBG agreed with my

own Party's view that the rates of remuneration proposed by Mr Pring were not sufficient to achieve the practical fulfilment of the principles laid down in his Report. Their view was that any Minister or any Member of the House who had to give up his employment as a result of being elected, either at the time of election or subsequently during the life of the House, should receive a further sum of £1,000 a year in addition to the amount proposed by Mr Pring. Since, however, the GLP/AACR were recommending that the figures proposed by Mr Pring should be increased, the DPBG would be prepared to agree that the figure of £1,000 should be reduced by the amount of that increase.

The Hon J Bossano commented that while he would agree that the pay of Members of the House should be linked to an external rate of pay in order to provide for automatic increases, his own view was that these should reflect the general level of increases rather than that of a specific grade. He had suggested to Mr Pring in discussion that Members' salaries should be linked to average industrial earnings and should be subject to income tax, with the existing ratios being maintained as between Ministers, Members, the Speaker, the Chief Minister and the Leader of the Opposition. He went on to say that, in practice, the application of such a formula would appear to produce figures very close to those suggested by my own Party. Although he could see the logic of having a link with the salaries of ex officio members of the House if there was a degree of comparability in the work carried out, he felt he was not really competent to judge this point since he had not been in Government himself.

It was agreed with the Leader of the Opposition and the Hon J Bossano that the views expressed on behalf of the three Parties represented in the House should be communicated to Mr Pring. You will recall, Mr Speaker, that you did so on our behalf in December 1979 and that Mr Pring's reply was received shortly afterwards. Mr Pring's first comment was that he had been pleased to hear that the principles he had put forward in his Report were acceptable and that he regarded general agreement on principles to be by far the most important point to emerge, differences about the resulting levels of pay being secondary in comparison. Mr Pring stated that, in recommending figures, he had been very considerably influenced by the fact that the House, only in July 1976, had assessed the appropriate rate of pay for their job at a very low level and that if this was right at the time, or at least acceptable, the considerable increases which had been made in the short intervening period (by passing on, in accordance with the Morgan formula, the equivalent proportion of the pay award to the SEO grade) had not encouraged him to go very much further. He went on to say, however, that he would not dissent from the figures which had been suggested to him and that they were not greatly out of line with those which, on a

different computation, he had himself arrived at. Mr Pring said that, if he had set out to propose a link with Civil Service Grade 2, he would on balance have opted for a 50% linkage rather than the less simple figure of 45%.

Mr Pring said that he had abandoned his own attempt to find a suitable comparison between the work of Members and that of some external occupation because of the intrinsic difference that Elected Members have to answer to their electors for whatever they do. He nevertheless acknowledged that the argument put forward by my Party got nearer to a fair comparison than he had done. It led to a simplified structure of payment and he could see no reason why it should not be adopted. Finally, Mr Pring commented that he had himself considered the possibility of recommending a supplement for members who had no other employment. He had not in the end made such a recommendation because he thought members should generally be treated alike, because there was something invidious in Members making some form of official deposition about their personal circumstances, and because a supplement could be claimed not just by the less well off who had had to give up their private employment but also by the rich who might not have needed outside employment. He had accordingly thought it better to seek a minimum pay level which removed any possibility of actual hardship and apply that to all members irrespective of their private circumstances.

I then discussed the matter once more with the Leader of the Opposition and with the Honourable J Bossano. The Leader of the Opposition said that his Party would not press their suggestion for a supplement for unemployed Members if agreement could be reached on moving from the 45% linkage with Grade 2 of the Gibraltar Civil Service which had been proposed by the GLP/AACR to the 50% linkage which we had also proposed and which Mr Pring had indicated he would have preferred. Mr Bossano agreed to this and so did my own Party.

We are all also agreed that the most convenient time to introduce the new rates would be the 1st July 1980 to coincide with the income tax year. The actual rates proposed by Mr Pring are set out in paragraphs 57/59 of his Report. The rates proposed by the GLP/AACR and agreed by the DPBG, the Hon J Bossano and Mr Pring are contained in the Schedule to Mr Pring's Report which I laid on the table earlier. As in the case of the Morgan Report, both Mr Pring's proposals and those agreed between the parties first recommend the pay for a Minister and, from that basis, go on to suggest the pay for the Speaker, the Chief Minister, the Leader of the Opposition and other Members. I think, therefore, that the best and simplest way of illustrating the implications of the new rates proposed is to examine the pay of a Minister. If we were to continue applying the Morgan formula, that is to say, the link with the SEO grade, the pay for a Minister with effect from the 1st July this year would have been £5,250 free of tax.

Under the rates now proposed, a Minister who is a married man with one child and no income other than his pay as a Minister would receive a gross allowance of £9,750 which, after tax assessed on that basis, would become £6,825, ie an increase of 30%. Mr Pring's figure for a Minister, before tax, was £7,250 per annum which, after tax, again assuming a married man with one child and no other income, would have become £5,450.

Also relevant to this is, of course, the effect on a backbencher. We are all agreed there can be no question of a backbencher receiving more than 50% of the pay of a Minister. Under Mr Pring's proposals, a backbencher would receive no more than £3,025 per annum after tax, or £58 per week. This would hardly achieve the objective of enabling a member to live on his salary alone. If the Minister's pay is increased as now proposed, the backbencher's pay would rise to the more realistic figure of £3,956 per annum, or £76 per week, after tax assessed on the same basis. The percentage increase over the Morgan formula for a member in this category would be 50%.

Taking the other extreme, that is to say, a Minister who is a married man with one child, but paying 50% on the whole of his pay as a Minister, would, under the new rates proposed, receive, after tax, £4,875 instead of the £5,250 free of tax payable under the Morgan allowance, ie he would suffer an actual decrease of 7.1%. Similarly, a backbencher in similar circumstances would, under the Morgan allowance, have received £2,625 but, under the new rates proposed, would receive, after tax, £2,438, that is to say, also a decrease of 7.1%.

The same pattern is to be seen with the other rates of pay. Thus, a Chief Minister, being a married man with one child and no other income, would be paid £9,262 per annum instead of the £7,875 per annum which he would have been paid if the present Morgan formula had been continued, the increase being 17.6%, whereas a Chief Minister with a similar family composition, but paying tax at 50% on his allowance, would receive £7,313 per annum instead of £7,875 per annum under the Morgan formula, a decrease of 7.1%. The same percentage decrease will apply to a Speaker and a Leader of the Opposition if paying tax at 50% while the corresponding increase, if they have no other income, would be 39.4%.

The general effect of these proposals therefore would be not only to enable the candidate who is successful at an election to live on his salary alone, whether he becomes a Minister or a Member of the Opposition, but also to bring about a reduction, as a result of making the pay taxable, in the amount which would have been received under the present system of payment by those whose income is already such as to qualify for tax at 50%.

Sir, the Order Paper states that I would be laying on the table the report by Mr David Pring and a summary of the correspondence relating thereto. Since this intention was communicated to the Clerk I have thought it desirable to make a full statement of the correspondence which ensued on the receipt of Mr Pring's Report rather than to table a briefer summary.

As we have noted on previous occasions, it is always difficult and embarrassing for members of a Legislature to consider their own pay. I think that, on this occasion, the House has good cause to be grateful to Mr Pring for the manner in which he has established fundamental principles with a democratic end in view. Our own contribution has been to suggest a link with a Civil Service grade. This has been endorsed by Mr Pring and, unless circumstances were radically to alter, it will provide an automatic mechanism for future increases.

Whilst I have pointed out the difficulties and embarrassment for members of considering their own pay, I am comforted by the fact that, in cash terms, I personally shall be losing, after tax, 7.1% of what I would have received under the previous formula. It must be remembered, however, that there are others, both in Government and Opposition, who will be getting a deservedly fairer deal, having regard to all the circumstances, and, what is equally if not more important, that we are laying the foundations of a system of pay for members which will enable any individual in Gibraltar who wishes to stand for election to do so in the knowledge that this will not involve an unacceptable sacrifice.

I commend the Motion to the House.

Mr Speaker then proposed the question in the terms of the Hon the Chief Minister's Motion.

HON P J ISOLA:

Mr Speaker, we shall support this motion. I think the Hon and Learned Chief Minister has set out in quite a lot of detail what has happened, from the time Mr Pring came, between the different political parties and the agreement that we have reached. It is embarrassing, I suppose, to vote oneself an increase in salary but I think in the modern world more and more people find this less and less embarrassing to do. I think in the case of Members of the House it is important that the principle which I think is the best that has come from the recommendations of Mr Pring, that the principle that a person who stands for election should be able to live on his salary alone, that that principle has been established by the recommendations made by Mr Pring, or rather by the amended recommendations that Mr Pring has made after hearing representations of

the different political parties. I think his original recommendation of £3,500 a year for Members did not achieve that object and that is the reason why my Party suggested: "Alright, it may be too much to increase the salary to Members or Ministers or whatever, more than what he has suggested but let us have an allowance of £1,000 a year additional to the pay of Members to be paid to people who lose their employment as a result of standing for election or who are unable to get employment, let us put it that way, after they are elected". The idea, from our point of view, was to enable people who felt they had something to contribute to public life in Gibraltar, enable them to stand for election more easily. The fact, of course, that the new salaries are being paid is not, unfortunately, an end of the matter. As far as making open the eligibility of standing for election it is not an end to the matter, unfortunately, it is a very helpful step, I would say, towards making Gibraltar a much more democratic place where people from all walks of life can stand for election. It has been a great step forward. I think that to say that this will enable any individual in Gibraltar who wishes to stand for election to do so in the knowledge that this will not involve an unacceptable sacrifice, I do not think that is altogether correct with the present system that we have for eligibility under which a number of people cannot stand for election in the first place without first resigning their jobs and therefore they are put at risk before they receive any money. If they could be guaranteed that they would be elected, then, perhaps, it would not be an unacceptable sacrifice but if they have to stand for election, they have to resign their jobs before standing for election and then they do not get in, then they have made an unacceptable sacrifice because they will never receive the salary that we had intended that they should receive in order to enable them to live on their own. But, Mr Speaker, this is, I believe, an important step forward in making Gibraltar a more democratic place to live in. Listening to the Hon and Learned the Chief Minister, we have to be thankful to Mr Pring for bringing a much needed review of our salaries and I suspect we may have to be thankful to Mr Bossano for having them taxed. We agree, of course, that the system of a tax-free allowance at a time when they were very small and the idea was that there should be some form of extra allowance to members so that they could spend a little money entertaining people and so forth. It has changed dramatically over the years, obviously, and I think it is right that Members should pay tax on their allowances which will mean, of course, that for some it will be a larger increase in real terms than for others but that is only fair. We support the motion proposed by the Chief Minister as an important step forward in making the House of Assembly a truly representative body, that is, in encouraging people from all walks of life to feel that they can come forward, stand for election for their political party or whatever and then if elected not have to make the sort of un-

fair sacrifices for themselves and their family that they had to, unfortunately, under the system that we had before. We regard this as only part of the process, we would like to see the question of eligibility gone into much more, we would like to see a situation where people still have to make sacrifices if they stand for election but make those sacrifices more acceptable, make it possible for people who we are sure can contribute a lot to the public life of Gibraltar to come forward and stand for election without losing everything.

Mr Speaker, we support the motion.

HON J BOSSANO:

Mr Speaker, I support the motion myself and as the Honourable the Chief Minister has stated, there have been consultations on this subject in fact going back to prior to the election of this House of Assembly and the basis of the system which it was hopefully introduced for the 1st of July I think was laid down and was known before the last election so it is important that it should be seen that it is not that we have all waited to get the election behind us so that we could give ourselves a rise in pay. I think it is also important that the essential difference between the new system and the old one is, in fact, to give a benefit to Members of the House whose income from outside the House is least or none at all and I think that is how it should be because it treats the income obtained from membership of this House no differently from income from any other source of Gibraltar which is aggregated and taxed in its totality and therefore the highest taxpayers in the House and consequently the people with the highest income, will be worse off under the new system than they would have been under the old but I think this is quite right because if one looks at net income in the way one should, and people sometimes fail to appreciate that, then really what was happening previously was the converse and essentially if one looks at net income grossed up it was the Member of the House with the highest income who was effectively being paid the highest salary for his membership of this House so I have no hesitation in saying, Mr Speaker, that I think the system is an improvement on the method of payment that we had before and my only point with Mr Pring at the time was that I thought that in linking Members to an outside analogue, if we like, it would have been better to have got an average for the increases as a whole in Gibraltar rather than a specific grade because we could find that that specific grade from one year to the next could be getting either abnormally high or abnormally low increases compared to everybody else whereas if you have the average percentage increase applied to the allowances I thought that would be a more acceptable system but, as it happens, at present the result is not very different but that proportion could change over the time and I have no doubt that if we found that the

thing came dramatically out of line with wages generally, then there is no reason why the House could not take a second look at it.

HON A J CANEPA:

Mr Speaker, I would like to contribute at some length.

MR SPEAKER:

If you are going to contribute at some length perhaps we could now recess for tea.

THE HOUSE RECESSED AT 5.20pm.

THE HOUSE RESUMED AT 6.05pm.

HON A J CANEPA:

Mr Speaker, there are a number of interesting articles in the October 1980 edition of The Parliamentarian precisely on the subject of Members' of Parliament salaries and allowances in a number of territories including Westminster and in Canada and I would like to start off my contribution by quoting from the opening paragraph of the report on the increases in Canada. I quote: "There never has been and there never will be a good or appropriate time for elected officials to vote themselves an increase in pay. Few issues are of a greater concern to MPs, Senators and Canadians as a whole, than the salaries and allowances they receive. Any adjustment invariably generates banner headlines, indignant editorials and letters to the editors throughout the nation's press." I very much hope, Mr Speaker, this will not be the case here in Gibraltar and that the motion before the House will be seen by the public at large as being part of a package which has unfolded in the last twelve months embodying by the introduction of a pension scheme for elected members of the House, a reasonable increase in the level of remuneration and also the requirement that members should register their interests. A package which when all three things are taken together, I think puts the position of the elected members on a proper footing. Mr Speaker, when I was elected to the House in 1972 I remember that I was earning as a Minister £700 a year. I think it was roughly equivalent to the basic pay of a labourer and I am glad that I came in at a time when it was as low as £700 because I think no one can accuse me from a personal point of view of having come into public life in order to make money out of it. Over the years there were some increases, the most notable of which was the Morgan

Report of 1976 when I think a very significant step was taken in putting the remuneration of the elected members on a reasonable footing except that the allowances introduced by Mr Morgan were somewhat on the low side and nevertheless they remained tax free. Perhaps, at the time, that they should have been tax free was not likely to bring criticism upon the heads of honourable members but as the level of the allowances has continued to increase year after year and as members of the public at large have had to suffer a very high level of personal taxation, it was only right and proper that this question of tax free allowances should be seriously reconsidered. That there was a need at the time when Mr Pring came for an in-depth study into the level and the basis of remuneration for Members I do not think that anybody would doubt, and it was eminently desirable that he should have come when he did because there was also a general election in the offing. I think I should remind Honourable Members that in 1978 there were salary and wage increases in Gibraltar of well over 50% consequent on the introduction of parity. Then, in 1979, salaries and wages again went up generally by about 20% and more recently, in July this year, they have gone up by about 18% so there is no doubt that having regard to that, the level of remuneration that had been established by Mr James Morgan had also to be seen against the background of the parity settlement for other people in Gibraltar and I would not pretend for one moment that it should be with a view to parity, say, with Ministers or Members in the House of Commons in London. I think it is a very good thing, Mr Speaker, that the salaries of members should now be made taxable even if they have to be increased fairly considerably before tax can be applied to the new salaries and thereby bring them to a much more realistic level. The other thing that I think is good about the Pring Report is that as a result of the representations made subsequently, a useful analogue has been established for Ministers which I think establishes the all important principle of responsibility. The responsibility of the Minister is now broadly regarded as being equivalent to that of a senior head of department such as the Financial and Development Secretary and I think that over the years, even though the salary of Grade 2 officers is likely to fluctuate, I think over the years it will work out approximately correct and the mechanism is a useful one which should not therefore need the kind of frequent reviews that we have had with Morgan and Pring, I think Pring establishes a very good basis for many years to come. I think that the increases that we are voting ourselves must be seen against the background of what the tax free allowance would have been under the Morgan formula if the Pring Report had not been implemented.

Under the Morgan formula a Minister on the 1979 pay scales was getting and is getting now £4,450. Arising from the 1980 the July 1980, increases for a Senior Executive Officer

that would have been £5,250 tax free. Under the Pring formula that figure is going to be £9,750 but taxable and a number of Ministers get into the 50% income tax bracket as do many senior and not so senior persons in Gibraltar. If tax is applied at 50% the net figure is £4,675 which is the 7.1% referred to by the Chief Minister or £375 less than what it would have been tax free under the Morgan arrangement. I would say, Mr Speaker, that in fact as a result of the Pring formula, hardly any member of the House is going to be better off than what he was previously, perhaps, I would say only two or three members of the House are going to be better off. And if there hasn't been an actual drop in real income it is because the report is being implemented post-July, 1980, and there have been further increases from July 1979 to July 1980. Had the report been implemented pre-July 1980, then the salary of a Minister would in fact have been £4,250 after paying tax at 50% as against the £4,450 tax free which Ministers are currently getting. So it is the increase for July 1980 which has put the majority of members in the position that they are in fact getting about a 10% increase from July 1979 to July 1980, a 10% increase, broadly speaking, compared with the 18% increase which has been the norm in salaries and wages for public sector employees not to mention the 28% increase which rather more privileged workers in the Port recently got. I think the increases that we are voting ourselves, Mr Speaker, must also be seen and judged against the background of what is happening in the United Kingdom. In the United Kingdom the salary for an ordinary Member of Parliament is £12,000 a year but a Member of Parliament gets a secretarial and research allowance, again from last June, of £7,400. So already a Member of Parliament, an ordinary Member of Parliament in the United Kingdom, is getting close on £20,000, over £19,000 and the salary is already earmarked to go up in June, 1981, to £13,150 which together with the research allowance will mean that by the middle of next year Members of Parliament who are now getting nearly £20,000 in the United Kingdom will be getting rather more than £20,000. I would suggest, Mr Speaker, that the work and the responsibilities of a Minister of the Government of Gibraltar by any stretch of the imagination must compare very favourably, very reasonably, to a backbencher in the House of Commons, with what is expected of him, and yet the salary that we are going to pay ourselves is about half that of an MP. I think, Mr Speaker, that by and large we are putting things on a reasonable basis. We can never get a perfect set-up and I think a fair balance is being struck between the need to ensure that people can stand for election and not suffer hardship as a result of whatever job they may have to give up and yet that people in Gibraltar will not be attracted into public life because there is money to be made out of it. But whether the proposals are controversial or not I think,

Mr Speaker, may well depend ultimately on whether we can convince the public, the electorate, that we deserve the salaries that we are voting ourselves and that we are worth these salaries. I would like to quote in this connection from a letter in this morning's Chronicle from a person who signed himself "A Gibraltarian", I would like to read two paragraphs of this letter, Mr Speaker, with your leave: "Gibraltar is deeply dissatisfied with the present quality of its life and this is not related to the closed frontier. It is frustrated and confused because it knows well that it has resources in human ability and financial knowhow to create a little paradise in this place but it also knows that if it is to exploit its assets to the full there must be a coordination of effort which in turn will lead to a resurgence of self-assurance and pride in its destiny. The crying need therefore is for a change of outlook, the adoption of a positive approach and a certainty that problems can be licked. The administration could make a maximum contribution by stopping to waste its efforts in petty bickering and looking into past errors. Surely, these are obvious enough to everyone and rather concentrating on goals to be achieved and firing the enthusiasm of the population which is desperately looking for leadership". I do not believe that "Gibraltarian", when he talks about the administration he is just referring to the elected Government. I think he is referring to Members of the House because in the elected Government there is certainly no petty bickering. I think there may be petty bickering in this House but as far as we are concerned we do not bicker among ourselves. I think the writer of this letter is looking just beyond the administration. As I said, Mr Speaker, finally, what are we worth ourselves? I think, generally, our first duty is to strive and raise standards of debate in this House and so conduct ourselves that people will not tend to think that politics is a game and a dirty game at that. On the Government side if a Minister is analogued to the Financial and Development Secretary and in the round we accept that a minimum of 50% of the time that the Financial and Development Secretary requires to give to his work we would require to give to ours, I think we should ensure, all Ministers, that we do precisely that, that we do devote half a working week at least to our Ministerial duties. On the Opposition side, the Opposition has a role and a function to fulfil and it is not for me to tell them how to do their job but I remember the Hon William Scott telling me this summer that they sometimes get blamed for the sins of the Government because a lot of people in Gibraltar regard all Members of the House as being Ministers. Well, if they get the blame they could also get a share of praise if as a result of a constructive approach to politics, the Government performs rather better for the benefit of Gibraltar. If as a result of proposals that they may put, the Government goes about its business in a more efficient way than just as they get the blame for what

goes wrong they may get some of the credit for what goes right so I would commend that thought to them as well. I think, Mr Speaker, we have a unique opportunity in Gibraltar to prove that we can do better than others elsewhere and I would very much hope that the opportunity should be grasped that we in this House should set the right example so that people will look up to us with respect and not down on us with contempt. I trust, Mr Speaker, that we will not let ourselves down.

MR SPEAKER:

I will call on the Chief Minister to reply.

HON CHIEF MINISTER:

Mr Speaker, after that philosophical delivery which I heartily endorse, I would just like to deal with three matters that have arisen in the course of the addresses because there is really very little to answer because very little has been controversial. One is to emphasise the point which I made and which has been emphasised by the Hon Mr Bossano which is obvious also from the remarks of the Leader of the Opposition, that this is not something that has been thought of since February and that we have got together to try and better ourselves even though some of us are worsening our position, but something that has been going on as I say since 1978 and by the process of things it has only come here now and it could have come earlier since the elections but, of course, I was not prepared nor did anybody suggest to me that we should do that until all or the vast number of people had settled their 1980 claim as is the case. Except for a few of the senior grades of the Government everybody, virtually, except the odd case here and there and the Police and they could sign any day now but, anyhow, that is another matter. With regard to the point made by the Hon Mr Canepa about the fact that when he joined the Government in 1972 the allowance for a Minister was as low as £700, I am in the happy position to say that when I joined the House when it was first created in 1950, we did not get a penny. We were for seven years without an allowance at all, nor did anybody think of it except some wise guy whose name will not be mentioned, who thought that there should be some amount of money for entertainment and the figure then mentioned was £250 a year. I think we got something like eighteen months' retrospect because it had been argued for a long time. But, of course, income tax at that time was 10% so what was the use of putting tax on £250 and taking 10% off the allowance. That is the origin of the allowances being untaxed but, of course, as Mr Bossano has rightly pointed out,

the increase in the allowances due first of all to the first revision and then to the analogue, together with the increase in taxation, distorts the situation to such an extent that on untaxed allowances the people who benefit more are the people who have more and on taxed allowances the people who benefit more are the people who have less so in that respect alone we are making a very substantial contribution or, if I may use the expression, we are really getting the bull by the horns and putting the thing straight so that there can be no distortion in the future. There will no doubt be comment about what is being done but I think it is proved on the figures that those of us who might have wanted or suggested opting out of the new proposals, as I did think at one time in order to avoid myself the embarrassment of addressing the House on my own allowances, I thought perhaps I might opt out and stay behind until somebody told me that I was going to be better off if I stayed behind so there was no option then but to go forward. Mr Speaker, I commend the motion to the House.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

BILLS

FIRST AND SECOND READINGS

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) ORDINANCE, 1980

HON J B PEREZ:

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

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

HON J B PEREZ:

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

Mr Speaker, Sir, the main principles or the main clauses contained in this Bill are, I think, quite clear and quite apparent merely by referring to the Explanatory Memorandum

which is in the Bill itself. It says that this Bill will from the 5th of January 1981, increase by 10p the weekly contribution payable by employers, employees and self-employed persons and voluntary contributors under the Group Practice Medical Scheme Ordinance, 1971. It will also increase the annual fee payable under Section 5, subsection (3), of the Principal Ordinance to £31.72p from the 1st of January 1981. Mr Speaker, first of all let me explain to Members what this proposed increase will mean on a yearly basis. At present an ordinary employed person is paying 29p a week by way of contribution, which means he is paying a total of £15.8p per annum, similarly the employer. With the proposed increase of 10p, it would mean that an employed person will now be paying 39p a week which gives a total of £20.28p per annum, similarly that will apply to the employer. As far as the voluntary contributor is concerned and the self-employed person, the proposal is that his contribution should be increased from 51p to 61p per week and that in return will mean that instead of paying £26.52p per annum that person will now be paying £31.72p, a total increase in this particular case of £5.20p per annum. Mr Speaker, what are the reasons for this proposed increase in contributions? The first point that I must make is that the last time the contributions were in fact revised was way back in 1978 and the new contribution at the time came into force on the 1st of January 1979. If I remember correctly, Mr Speaker, the increase at that particular time was from 22p to 29p and that was 14p and then 7p for the voluntary contributor, bringing it up to 51p. Honourable Members will no doubt be aware and realise that over the last two years there have been tremendous increases in the cost of running the Group Practice Medical Scheme, tremendous increases not only in salaries but also in connection with the cost of drugs and in fact with the cost of actually running the service, items such as water, electricity and telephones and it is therefore basically for this reason, for the very high increase in costs that has been apparent throughout the last two years, that this Bill is now before the House for what I would say a small increase of 10p a week. I think, Mr Speaker, I ought to explain for the benefit of some of the Members of the House, why the Bill contains two different dates. The reason is quite simple. Section 3 of the Ordinance shall come into operation on the 5th day of January 1981. That is in fact the case for employed persons because employed persons pay as per an insurance year and the insurance year for 1981, in fact, the first Monday is a 5th so that section, section 3, comes into operation on the 5th of January, 1981. On the other hand, the Ordinance shall come into operation on the 1st day of January for the other persons, that is, the self-employed and voluntary contributors, for the simple reasons that they in fact pay on a calendar year basis and that is why there is a difference in dates. Mr Speaker, I think that I ought

to also mention the fact that there are two types or two categories of persons who are in fact exempted from having to make contributions to the GPMS and nevertheless are provided with the same service. First of all, it is people who are in receipt of supplementary benefits, they form part of the district scheme and they do not make any contribution. The second category of persons are those persons whose income from all sources does not exceed the equivalent of the old age pension. I would remind Members of the House that as from the 1st of January 1981, the old age pension is going up from £35 a week to £41 and I believe the single person is from £23 to £26. A married couple today, in 1980, whose income from all sources does not exceed, let us say, £35 or even slightly over £35.60p a week, then that person is exempted from paying any contribution. As from the 1st of January of 1981 it will be £41. So people whose sole income, or income from all sources is £41 or £41.50p, will not have to pay any contribution and this has been the practice since the scheme was instituted. Perhaps I ought to inform the House that our records show that we have over 1,500 persons in Gibraltar who come under this exemption. Mr Speaker, one last point I would like to make and that is that since I have mentioned that the reason for this Bill is due to the high increase in costs during the last two years, I think that the Government has several options open to it; one is either at budget time we forget departmental earnings and we get the revenue from the people either through indirect taxation or by direct taxation; the second alternative open to Government is that the whole GPMS scheme on a notional account basis should be completely paid by the contributor, and I think the third option which in the past the Government had adopted and I hope will meet with the approval of Members on the other side of the House, is that we have taken a middle-of-the-road course in which half of the tremendous increase in cost is partly offset by this proposed increase in contributions and the remaining deficit will obviously have to be met from general revenue.

Mr Speaker, I commend the Bill to the House.

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 G T RESTANO:

Mr Speaker, taking the Schedule first, the increases in the contributions by employers, employees and self-employed persons and voluntary contributors, I think that overheads,

generally speaking, cost and so on, have gone up quite considerably and of course these costs have to be met and therefore we would not be against this type of increase. However, where we have serious reservation is on the increase under section 5(3). The Minister has just explained which category of persons are excluded from contributing and he said those whose gross income did not exceed that of an old age pension which will be £41 a week for a married couple. I personally think that that £41 a week is much too low a figure to work from. £41 a week at today's rate of inflation, of course, is not all that much and it is difficult for people to get by on £41 a week for a couple. I would have thought that either that figure should be increased considerably or that the actual contribution should not be increased at all, and should remain as it is. With that reservation, Mr Speaker, I hope that the Government may reconsider their increases under section 5(3).

HON P J ISOLA:

Mr Speaker, I would like to support what my Hon Friend has said on the question of the annual contribution. The figure, perhaps the Minister will correct me if I am wrong, the figure that he is inserting as £31.72p is really the same as 61p which is a self-employed person multiplied by 52. Therefore, what is happening is that self-employed persons and voluntary contributors are people who are obviously earning money, as it were, that is before their retirement age will all be earning, one would assume, will all be earning the average wage, a minimum of whatever it is today. It seems to me wrong in principle that once they stop earning that average wage and have a drop in income to, say, £41 social insurance pension for a married couple, that they should pay the same as all the other people in employment or self-employed. In principle, it seems to be wrong. The people who reach retirement age, as we have said before on a number of occasions on this side of the House, should not be in the same position as the ordinary chaps who are working and paying contributions during their normal working life, they should not be in that position. The Government should not say: "Alright, everybody who is just on the breadline, £41 a week for two and no other income of any kind, he does not pay, but if somebody is on £50 a week total income he will pay an amount which is considered reasonable for a chap earning the average wage of £75 or £80 a week". It seems to me fair that anybody over 65 who has reached retirement age and whose total income is less than, say, the average wage should not be asked to contribute the £31.72p. I think he should be asked to contribute, if anything at all it should be considerably less. I think it must be hard on a lot of old people who are getting, say, a total of £41

it must be hard for them to have to pay 33 a quarter out of their small income. I hope the Minister, when replying, will give us assurances that the Government will reconsider this situation in relation to old age pensioners over the age of 65 because we cannot in Committee Stage agree to the increase of £31.72p, as my Friend has said, unless we have some sort of assurances that the ceiling will be raised from £41 to a rather higher figure, I would suggest, roughly, to the average wage.

HON A J CANEPA:

Mr Speaker, the matter is not as simple or as straightforward as that, of course, and we must not just consider merely retired people. There are also people in employment whose income even now is not vastly over £41. The minimum wage which is in effect the maximum, for a shop assistant, by law, for an adult shop assistant, is £52.50p a week and when you start deducting from that income tax and I would imagine that on a weekly wage of £52.50p for a married couple, the tax payable may be £5 or £6 a week plus the Social Insurance contribution of about £3 a week, then the net income, the take-home pay of that male shop assistant, is £43 or £44 and he has got to pay his contribution to the Group Practice Medical Scheme and is in full-time work. We cannot just look at the elderly in isolation because if we do there is a danger that you are establishing, once again, I use the words I used at the last meeting "an elite" in respect of whom, because they have reached the age of 65, regardless of their means, you are putting them on a pedestal and they have no obligation to contribute to any of the services that the Government provides for them. I think we have to be careful.

HON P J ISOLA:

If the Hon Member will give way. We are not saying that regardless of their means. We are not saying that.

HON A J CANEPA:

I realise the Hon Member is not saying that but what I am saying is that the principle is of much wider application and in establishing the level, the cut-off point, at which people contribute or they do not contribute, you must have regard to the basic wages of people because not every worker by any means get the average pay and average earnings in Gibraltar last year, the latest figure we have is the April 1980 Survey and average earnings there were £81 a week, and

it is probably higher than that now it may well be over £90, but let us not run away that that is the position for everybody. There are many people employed in the private sector as labourers or other unskilled persons who are only getting the basic wage because, generally speaking, gone are the days when people were getting 27 hours of paid overtime a week. So there are many people on the basic wage and the basic wage for a labourer is £65 a week and again when you start taking away tax and so on they are slightly better off than £41. I think we have to be careful and you just cannot do a snap amendment or a snap decision in Committee Stage to change this cut-off point. The matter is one that requires a great deal of care and a great deal of thought.

HON J BOSSANO:

Mr Speaker, let me first of all say that I have some sympathy for the point made by the Hon Mr Restano. I think it is quite right that a number of elderly people feel that they are being penalised by having to pay a lump sum of money when they may just be over the standard pension. In fact, I was going to take up the point made by the Hon Minister for Labour myself in that I think by looking at it from the point of view of the income rather than of the age of the person, then we should consider not just whether the people who are paying the annual sum should be asked to pay but whether anybody below a certain income should be asked to pay. Apart from the categories that he has mentioned there are of course many women who are widowed and who are in part-time employment and who are paying this contribution and they take up part-time employment because they may have never worked before and they need to supplement their income because of family commitments. I think there are also a number of categories where I am not sure what the situation is but I imagine that it may well be that if this is collected through the standard insurance stamp then we have a situation where if the husband and wife work they both contribute to the scheme whereas if a wife isn't working the husband pays for the whole family. So there are a number of anomalies and I myself, of course, would in a way, prefer to go along with a system that financed the whole of the medical scheme through taxation because that way the cost of the scheme would be directly related to income. However, the advantage that I see in this and the reason why I will support this rather than moving over to taxation is that in this case, for the overwhelming majority of the people in the scheme, the employer pays half whereas if one moved over to a scheme paid out of direct taxation clearly the contribution of the employer would be paid by the worker through his income tax so in the vast majority of the cases there is the advantage that there is in this system over paying it through direct

taxation but I feel that a very valid point has been made by the Hon Mr Restano although I think at the last House when I suggested looking at people's incomes I thought that they were not very favourable to the idea of looking at means tests. I think it is important to ensure that we use public funds in a way that helps those who have least and asks for most out of those who have got the greatest income. I think this principle which is a fundamental principle enshrined in income tax legislation, and this is why I support such legislation not because I like paying tax any more than anybody else does, is one that we should think of in connection with this and, perhaps, if we cannot do a snap decision at this stage, as the Hon Minister for Labour has said it does not stop us from taking a look at the system so that when we have to look at the rates again as no doubt we will have to do again because we face continuous escalation of costs in an inflationary situation, we can think seriously of introducing amendments along the lines mentioned by the Hon Mr Restano that will improve the scheme and give a better mix between those who are required to pay and those who are not.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I usually say things sometimes which do not make me popular but I say them because my name is Frank and I like to be frank and one of the things that struck me during this debate is that, with reservations, we have accepted that we have to pay towards the medical scheme run by the Government of Gibraltar. I have used the facilities of the hospital and I have been very well treated and I am very proud of our staff and the system we have but yet I cannot connect it with the reaction that we have had with sportsmen to pay a small contribution to be able to play football. People accept paying for a necessity like medicine and hospitalisation but yet they refuse to pay any kind of contribution towards sport and I cannot really reconcile the attitude some people take in Gibraltar. That is my contribution.

HON W SCOTT:

It was not my intention to make a contribution but I would like to take the point that the Hon Mr Canepa said earlier on. Of course, the point is recognised that not every worker earns the average wage, some earn below but by the same token not every pensioner receives a maximum pension or an average pension and what we cannot understand because of that is that the persons in employment albeit a shop assistant whose salary or wage might be £40 or £50 a week is being asked to contribute 39p per week from his salary and yet an old age

pensioner who is receiving less is being asked to contribute in excess of 50% more. We were not looking for a snap amendment, what the Hon the Leader of the Opposition asked the Government to do is to reconsider the matter.

MR SPEAKER:

I will now call on the Minister to reply.

HON J B PEREZ:

Mr Speaker, I think the first thing that I would like to say in winding up the debate is that of course the points that have been raised by the Hon Mr Restano and the last one that has been raised by the Hon Mr Scott is something that Government is prepared to look at but obviously this cannot be done at this particular stage in time. I take the points that have been made and as I say this can be looked at for the next time round. May I also say that even during my short experience as Minister for Health I have received quite a number of applications from individuals who wish to be exempted and I have found that very few complaints have been directed towards me in cases where there has been hardship. On the contrary, what I have normally found, because the applications for exemption come to me when it is slightly over, for example, if somebody is earning or his total income is around £41.50 or approaching £42 a week, the application for exemption comes to me and I have a discretionary power to decide whether that individual ought to be exempted. The guidelines that I have been following is really to stick to £41 and if it is 50p one way or the other I am allowing it but not more than that. But what I have noticed is that a lot of people when they make the declaration are in fact not really giving me the truth of what in fact the income they are receiving is and this I can say that I have found on many occasions when people are making declarations for exceptions that we have been able to find that they have incomes from other sources which they are not declaring but, as I say, in my short experience as Minister, I have not really received any complaints as to the fact that contributions are working unfairly on certain sectors of the community. May I just finish off by saying that we will be pleased to look into the points which have been raised by Honourable Members.

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

HON J B PEREZ:

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

This was agreed to.

THE SPECIFIED OFFICES (SALARIES AND ALLOWANCES) (AMENDMENT)
ORDINANCE 1980

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Specified Offices (Salaries and Allowances) Ordinance, 1979, (No 18 of 1979) be read a first time. Sir, in so moving may I declare an interest in the matter. I think it is the convention for the Attorney-General to move this Bill, I am of course in a position of being a public servant and being interested and I do not propose to vote on the Bill.

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

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that the Bill be now read a second time. Under section 68 of the Constitution any change in the salaries of servants in specified offices is to be prescribed by an Ordinance of the House of Assembly. The offices concerned are those of Governor, Chief Justice, Deputy Governor, Attorney-General, Financial and Development Secretary, Commissioner of Police and Principal Auditor. The Bill gives effect to changes that have been made appropriate by the 1980 Pay Settlement and the salaries proposed for all officers except that of Governor follow the principle of parity. The detailed increases are set out in the Schedule contained in clause 2 of the Bill. The second column of the Schedule sets out the new proposed salaries which will come into effect in all cases except the Governor, from the 1st of July 1980, in the case of the Governor from the 1st of October 1980 and in the third column it sets out the allowances that are payable in respect of the office of Governor and the office of Deputy Governor. These are not increased, the allowances themselves are not increased.

Sir, I move accordingly.

MR SPEAKER:

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

HON CHIEF MINISTER:

Mr Speaker, I would just like to mention one thing. It looks from the Schedule, of course, that the Governor is getting less salary than the Chief Justice and the Deputy Governor and the rest of the Grade 2 officers. I should explain that the salaries of course as in the case of all heads of Government are tax free, we cannot hope to make it taxable, but it is not arrived at capriciously, it is the custom that the Governor should earn a salary equivalent to a Permanent Under Secretary in one of the Ministries and then taxed down taking into account the fact that it is tax free so that in fact what was being done before for the Members will have to continue to be done in respect of Governors, and that there has been consultation with the Leader of the Opposition and Mr Bossano in this matter.

HON P J ISOLA:

We support the Bill in the spirit of constructive opposition. Does this Bill now in fact conclude all the salary reviews, in other words, have all the other heads of departments now had their salaries settled and so forth?

HON A J CANEPA:

Mr Speaker, the position is that the other heads of departments who are represented by the IPCS, the IPCS now has negotiating rights, they have not settled yet for July 1980 but the IPCS was consulted before this Bill was brought here in respect of the Principal Auditor and the Commissioner of Police who are equivalent to some of the grades for which the IPCS have negotiating rights. They agreed that this Bill could go forward without any prejudice to the on-going negotiations on the 1980 settlement. Other than that and generally for the civil service as a whole I think, as the Chief Minister has said, the only major area of Government employment where there hasn't yet been a settlement is the Gibraltar Police. They have not yet signed on the dotted line.

MR SPEAKER:

I will now call on the Attorney-General if he wishes to reply.

HON ATTORNEY-GENERAL:

Mr Speaker, I have nothing further to contribute, I think the tenor of the Bill is clear.

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

The Hon the Attorney-General and the Hon the Financial and Development Secretary abstained.

HON ATTORNEY-GENERAL:

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

This was agreed to.

THE LOANS EMPOWERING (1980/83) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to provide for the raising of loans by the Government of Gibraltar for development purposes and for matters relating thereto, be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

The original 1978/81 Development Programme envisaged expenditure of some £21m. £13m. was to be funded by Development Aid grants from Her Majesty's Government and £8m. was to be raised locally from internal borrowing from credit facilities within the United Kingdom and by borrowing on the London money market.

The revised cost of the development programme, including the first stage of a new generating station and the international subscriber dialling system for the telephone exchange is now some £31m. and the local cost element has risen to £18m. Of this amount, £2m. was raised on the London market in 1979/80 in the form of a loan from Barclays Bank Ltd and I think Hon Members will recall in 1979 an Ordinance to enable the Government to borrow that sum was passed by this House. £2.25m. is being raised locally within Gibraltar under the provisions of the Local Loans (No 6) Ordinance, 1978, by the issue of debentures. The balance of £14m. must be raised on credit and commercial loans and new legislation is required to empower the Government to raise this amount.

The attached Bill confers on the Government general powers to raise £14m. for development purposes in the form of loans from any person or persons on such terms and conditions as may be agreed. The proceeds of the loans must be credited to the Improvement and Development Fund and it may only be applied for the purposes of that fund. Sinking funds may be established as appropriate, for example, where there is a long grace period and the Financial and Development Secretary deems it prudent, financially, to have a sinking fund then there is provision for that. The Government are required at the first meeting of the House of Assembly after a loan has been negotiated to table the terms of the loan.

Sir, funds from the London market may well come from more than one lender and negotiations for loans are likely to continue until early in 1981. I am happy to say, Sir, that earlier this year we went out with our proposals for loans to a number of banks and we have been most encouraged by the responses that we have received. These responses provide for different conditions and terms all of which must be evaluated and we have yet to make our selection so that it is clearly not possible to specify in this Bill, as we did in the single loan from Barclays Bank of £2m., the terms and conditions of the loan within the Schedule and even that schedule in that Ordinance was unsatisfactory in that it tied the hands of the Government much too closely in terms of timing. We found, in fact, that although we have provision to borrow £2½m. we were only able to borrow £2m. because the first £1½m. under the Ordinance had to be taken up by the 30th of September 1979, and we did not require as much as that at that time and we were reluctant to borrow that amount because it was going to cost us 2% or 3%, ie the difference between what we were borrowing and what we should get on the London market by putting the money on a short term deposit. However, Sir, it is clearly important that the House should be informed of the terms and conditions of loans and it is for this reason that the Government, under the provisions of the Bill now before the House, is required to table the terms of any agreement for any loan at the first meeting of the House of

Assembly after the loan has been negotiated. Mr Speaker, Sir, I would like to point out to the House that it is important that this Bill should go through all its stages, if possible, at this meeting because the first tranche of the loan must be raised during the first two months of 1981.

Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISCLA:

Mr Speaker, we support this Bill. It is a sensible Bill, I think it is much better that there should be an empowering Bill to enable the full amount of loans that are expected to be required to be raised than having to come to the House for legislative approval every time money is required or a loan is required. We are satisfied with the safeguards that the terms of agreement will be laid or brought before the House at a subsequent meeting after the loan has been negotiated and, of course, the Opposition obviously will then be free to criticise the loan as it has been negotiated or not as it seems fit. I suspect I know the reason why the Bill must be passed through all its stages at this meeting of the House and, certainly, I think we are happy to go through with it to Committee Stage in this meeting. Mr Speaker, of course, we are obviously anxious to know why the money is wanted, we have heard why it is wanted, the particular sum I think we have an idea, but anyway, this limits Government borrowing to £14m. and we see the requirement for it so we support the Bill.

MR SPEAKER:

I will call on the mover if he wishes to reply.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I would merely like to thank the Leader of the Opposition for his support and I commend the Bill to the House.

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:

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

This was agreed to.

THE LICENSING AND FEES (AMENDMENT) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to amend the Licensing and Fees Ordinance (Chapter 19) be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

For some time the Government has been considering the licensing of amusement and gaming machines. The main purpose of such licensing would be to ensure adequate control over the operation of such machines and the premises in which they are installed. Secondly, but also of importance, is the need to charge a licence fee which would cover the administrative costs of licensing as well as bringing a measure of revenue to Government.

The Bill now before the House provides for a licensing fee of \$25 for each amusement machine operated in Gibraltar. It further provides that in granting a licence the licensing authority may attach such conditions to the licence as is thought fit. The type of condition that might be attached to a licence could include, for example, access to the premises where the amusement machines are situated or installed by minors or by school children during school hours. Honourable Members will be aware of the concern that was expressed earlier this year by various associations regarding access by school children to premises where amusement machines were installed and, in fact, the Hon and Learned Leader of the Opposition asked in a question whether

the Government was considering imposing conditions and I replied in the affirmative. In practice, since that time, the operators of machines have reacted responsibly to the criticisms then voiced and access to machines has been restricted in accordance with the general views expressed. In the circumstances it is not proposed that any conditions should be attached to licences for the present time. However, should the need arise the Government will have the power to attach such conditions as and when it considers necessary. I might add, Sir, that the Government intends to bring a further amendment to the House at a later meeting proposing licensing fees for amusement machines which pay out lottery tickets as prizes. I must, I think, point out that any amusement machine operator who pays out any prize, other than a replay, is converting this machine into a gambling machine and is acting in contravention of the Gaming Ordinance. Officers of the Customs Department will be responsible for the inspection of amusement machines licensed under this Bill.

Sir, I commend the Bill to the House.

MR SPEAKER:

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

HON P J ISOLA:

Mr Speaker, we support this Bill. However, I am a little surprised to hear that it is not proposed to put any conditions on licences. We certainly look at this Bill as a means, we would have hoped, of controlling and regulating the use of amusement machines and of course when I am speaking on this, Sir, I am not of course talking of the gaming machines which anyway are controlled by another Ordinance and with which we are not really concerned. I think what we are really concerned is with the new amusement machine boom which appears to exist in Gibraltar which has been the cause for great concern among a lot of people in Gibraltar. The fact that they pay a licence, well, that is good for revenue a licence fee of \$25 a year, that is good for revenue and it is not a bad thing that they should pay a licence but this is not the important factor. I do not think the licensing of amusement machines should be looked at as a means of raising additional revenue because I think that if the machines do good business people do not mind paying a licence fee but what I think we have to watch

is the effect this has on the community and especially on the young. We would like to see at first an advisory committee, not a statutory committee or anything like that, but certainly an advisory committee in which one would like to see the Youth Officer involved. We would like to see a typical mother or a typical father if that is possible, but nothing to do with the Parents' Association and, possibly, somebody from one of the religious bodies or the Board of Education, a small advisory committee to suggest to the Financial Secretary, the licensing authority, the sort of conditions that ought to be imposed. Even though the licensing authority are now conforming to a lot of the concern that was expressed, that may be so for a period of time because there is a certain amount of public concern at any given time but it would be better and I am sure my colleagues will agree with me, it would be better that every licence that is issued has some set conditions as, for example, the age of the persons that can go into the premises. I have seen this condition in London but then there are places where money comes out of the machines, some are just amusement, some give you money, but I have seen an age limit imposed there and one would like to see a general control of the premises. Simple conditions but some that one can say: "You are not observing them and therefore you are liable to lose your licence". I think people would be much happier if such conditions were imposed and if the owners of amusement machines are prepared to cooperate now is the time to make that cooperation absolute and genuine by agreeing to the imposition of these conditions as part of their licence. The other thing, Sir, I would like to ask, I should know but I am not sure, I presume that people who take premises to instal an amusement arcade would still also require a licence under the Trade Licensing Ordinance? The reason I ask this is that one of the criteria for granting a licence should be the needs of the community, rather like in the Trade Licensing Ordinance. I do not think anybody in Gibraltar would like to see more amusement arcades, possibly, than there are already, let us put it that way. I do not think one would like to find that provided an operator agrees to the conditions put by the Financial and Development Secretary that he should be free to open an amusement arcade in any premises he can find. The amusement arcades if they are doing good business of course would be able to pay high rents and therefore it should be possible for people who want to set up amusement arcades to find premises in Gibraltar rather more easily than, for example, somebody who wants to set up a business and I certainly think that the criteria of the needs of the community, if I may put it that way, of whether we have had enough or not, should be very much in the minds of the Financial and Development Secretary before licensing a machine. There is problem, I appreciate, because I suppose one could licence amusement machines in places where they already are like public houses or pubs and all that,

that is not too bad because, technically speaking, nobody under 18 should be served a drink, so presumably part of the condition of a licence of an amusement machine in a pub will be that nobody under 18 plays at that machine so that should sort that one out, but I think that amusement arcades, as such, I do not think we want to have too many of these. I know there are people who think that the two arcades we have now or three, I think it is, the three arcades we have now is plenty and I hope that one of the criteria to be used in deciding whether to go on the licence or not is whether there are or there are not sufficient arcades in Gibraltar and if that is not possible under the terms of the Ordinance then, certainly, we would welcome an amendment to the Bill that would make that possible. We think it is very important that Main Street or part of Main Street should not be turned into a whole string of amusement arcades. I would like the Government to consider these things, I think this is a very important Bill, it has affected life in Gibraltar, it has affected a lot of people and the Government is right in controlling it by licensing and we would like to see conditions put on and consideration to be given as to the number of machines we want to see in Gibraltar.

Thank you, Sir.

HON A J CANEPA:

Mr Speaker, although amusement arcades do not require a trade licence under the Trade Licensing Ordinance, apart from the element of control that can be exercised through licensing these machines and I think it will exercise in itself some element of control, apart from that there is another matter that should not be lost sight of and that is the town planning considerations. Invariably, the change of use is involved and there the Town Planning Authority, namely, the Development and Planning Commission can exercise some control. I think that having regard to what has happened, being human as we are, the attitude of members of the Commission will not be just a strictly town planning consideration, regard will also be had for the suitability of premises not being opened in certain areas, and also some regard will be had for the fact that the needs of the community would appear to be more than adequately met. What this Bill, I think, does, by and large, mainly, is to give Government enabling powers to impose such conditions as may become necessary. The Government is being rightly cautious in this, we want to convince ourselves that this is not just a passing phenomenon because it has been a passing phenomenon elsewhere. This summer I had occasion to visit in the United Kingdom two seaside resorts and there is no control exercised on amusement arcades other than licensing

in the sense of restrictions on young people entering the premises and betting on these machines and so on, no control whatsoever, yet, it does not appear to be a problem for the young children who are resident in these seaside resorts. The matter has not got out of hand at all no doubt because they have had the amusement arcades on the promenade for years and, therefore, it is no longer a novelty as far as they are concerned so the matter has reached a reasonable level. I think we would want to satisfy ourselves in the Government that that may not also happen in Gibraltar. It would be wrong of people, of parents, to in any way abnegate the responsibilities that they also have to exercise control over their children, to exercise control in every respect, to give guidance, to impose discipline and not expect the Government to fill the gap which, perhaps, is left by their sins of omission. I note, Mr Speaker, in the community in the last few months, a tendency to expect the Government to intervene in all sorts of areas of community life and to legislate and to impose conditions. I do not think that in itself that is necessarily a good thing. The Government has a duty to be absolutely satisfied that there is a need for Government interference and for legislation before it does so. I think such repressive instincts can, if unchecked, get out of hand and I think we have to be careful about the pressure coming from certain quarters and that the Government is not used because it is so easy in Gibraltar to make representations and to have access to Elected Members, generally, including Members of the Government, it is only too easy and we have to be careful that the matter does not really get out of hand. I did not have occasion to see the television programme last week but I heard about it and I think it is a matter for regret, I think it is reprehensible that young people should be spending £3, £4 or £5 a week on these amusement machines and if they spend two or three hours a day there. I think that that is bad and I certainly think that they should not be allowed in the amusement arcades during school hours and I think that the operators are doing something in that respect. Other allegations are being made about what goes on in these amusement arcades which I am sure would more properly be a matter for the police to investigate but I think we have to be careful. If we find over a period of time that in fact the matter continues at its present level and there is this abuse, if school children are as have been alleged stealing from their parents, if they are playing ruant from school, then the Government will have a need to impose conditions on the licence. But I think we should rather wait and see, see how events unfold, the enabling powers are there, it is a straightforward matter for the Government administratively to impose such conditions and I do not think that that requires to be spelt out in the body of the Ordinance.

MR SPEAKER:

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, Sir, I am grateful to the Honourable and Learned Leader of the Opposition for the comments he made on the Bill and I have taken note of the views he has expressed. particularly that for setting up an advisory committee should the Government consider it necessary to impose conditions on licences. I am advised that the Ordinance is sufficiently flexible to impose the type of condition which the Honourable Member had in mind, the general condition as opposed to the specific conditions for licensing.

Mr Speaker, Sir, I beg to move.

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:

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

This was agreed to.

The House recessed at 7.35pm.

THURSDAY THE 18TH DECEMBER, 1980

The House resumed at 10.35am.

MR SPEAKER:

I would remind the House that we are still on the First and Second Readings of Bills.

THE SUPPLEMENTARY APPROPRIATION (1978/79) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to apply further sums of money to the service of the year ending with the 31st day of March 1979, be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

The First Report of the First Session (1980) of the Public Accounts Committee was tabled and approved by this House on the 4th November this year. The report recommended, inter alia, that excess expenditure for the year 1978/79 under Heads 2, 8 and 20 amounting in total to £145,547 should be approved by supplementary appropriation. The Bill now before the House seeks to appropriate that sum out of the Consolidated Fund in accordance with Section 65(3) of the Constitution. The actual amounts under each of the above headings is detailed in the Schedule to the Bill.

Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

THE SUPPLEMENTARY APPROPRIATION (1980/81) (No 3) ORDINANCE, 1980

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Sir, I have the honour to move that a Bill for an Ordinance to appropriate further sums of money to the service of the year ending with the 31st day of March, 1981, be read a first time.

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

HON FINANCIAL AND DEVELOPMENT SECRETARY:

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

This Bill before the House seeks to appropriate, in accordance with Section 65(3) of the Constitution, a further sum of £386,504 out of the Consolidated Fund. The purposes for which this money is required are set out in Part I of the Schedule to the Bill and are given in more detail in the Schedule of the Consolidated Fund Supplementary Estimates No 3 which I tabled at the commencement of this meeting. The Bill also seeks to appropriate, in accordance with Section 57 of the Public Finance (Control and Audit) Ordinance, the sum of £800,000 from the Improvement and Development Fund for Head 101 - Housing. A detailed explanation of the make-up of this amount is included in the Schedule of Supplementary Estimates No 2 of 1980/81 for the Improvement and Development Fund which I also tabled at the beginning of this meeting. Mr Speaker, Sir, I commend the Bill to the House.

MR SPEAKER:

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

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

FINANCIAL AND DEVELOPMENT SECRETARY:

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

This was agreed to.

COMMITTEE STAGE

HON ATTORNEY-GENERAL:

Sir, I have the honour to move that this House should resolve itself into committee to consider the following Bills, clause by clause:-

The Estate Duties (Amendment) Bill, 1980;
The Group Practice Medical Scheme (Amendment) Bill, 1980;
The Loans Empowering (1980/83) Bill, 1980;
The Licensing and Fees (Amendment) Bill, 1980;
The Specified Offices (Salaries and Allowances)(Amendment) Bill, 1980;
The Supplementary Appropriation (1978/79) Bill, 1980; and
The Supplementary Appropriation (1980/81)(No 3) Bill, 1980.

THE ESTATE DUTIES (AMENDMENT) BILL, 1980

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

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

THE GROUP PRACTICE MEDICAL SCHEME (AMENDMENT) BILL, 1980

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

Clause 2

HON G T RESTANO:

We are not satisfied with the increases that have been imposed on those persons who can often ill-afford to pay these contributions and especially taking into account the fact that in the United Kingdom, of course, such a service for the over 65s is completely free. We feel that it should be the same here in Gibraltar and therefore we will be voting against this clause.

On a vote being taken on Clause 2 the following Hon Members voted in favour:-

The Hon I Abecasis
The Hon A J Canepa
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull QC
The Hon R J Wallace

The following Honourable Members voted against:-

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon G T Restano
The Hon W Scott

The following Honourable Members were absent from the Chamber:-

The Hon J Bossano
The Hon Major F J Dellipiani
The Hon Major R J Peliza

Clause 2 stood part of the Bill.

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

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

THE LOANS EMPOWERING (1980/83) BILL, 1980

Clauses 1 to 5 were agreed to and stood part of the Bill.

Clause 6

HON ATTORNEY-GENERAL:

Mr Chairman, I have given notice that I would like to move a small drafting amendment to clause 6. In clause 6 to omit the expression "subject to subsection (2)". It was a drafting error.

Mr Speaker then put the question in the terms of the Hon the Attorney-General's amendment which was resolved in the affirmative and Clause 6, as amended, was agreed to and stood part of the Bill.

Clauses 7 to 12 were agreed to and stood part of the Bill.

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

THE LICENSING AND FEES (AMENDMENT) BILL, 1980

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

Clause 2

HON ATTORNEY-GENERAL:

Mr Chairman, I move an amendment to clause 2, sub-clause (2). Where the figure "12" appears for the second time to substitute the figures "12A". This again was a drafting error.

Mr Speaker put the question in the terms of the Honourable the Attorney-General's amendment which was resolved in the affirmative and Clause 2 as amended, was agreed to and stood part of the Bill.

HON P J ISOLA:

Mr Chairman, on Clause 2, we want to express our disappointment with this piece of legislation if, as we have been told by the Minister for Economic Development and Trade, the Licensing Authority does not intend to attach any conditions to the granting of a licence.

MR SPEAKER:

I do not think the Minister said that, if anyone said anything it was the Financial and Development Secretary.

HON P J ISOLA:

And the Minister afterwards. The Minister explained that it had been represented to Government and that the owners of the arcades were cooperating and therefore the Government did not consider it necessary to attach any conditions. We have to express our disagreement and disappointment with that because we feel that having regard to the representations that have been made publicly, having regard to the Government commitment to tighten up on the conditions of amusement arcades, it is disappointing to have a Bill brought to the House which all it does is charge a licence fee and does nothing to regulate the conduct of amusement arcades. It is our view that the licensing authority should attach conditions to every licence that it grants and not wait for further complaints from the public about the arcades and so forth before attaching conditions and unless one gets

assurances on this sort of points then I think the public, or those who have asked for legislation to whom the Government has responded, are not being treated fairly when all the Government is going to do is grant a licence, take £25 for each machine and then await developments before putting conditions on. We think that licences for amusement machines of this nature should have basic conditions attached to it as, for example, the age of persons who can play on these machines and so forth, so that if amusement arcade owners are tempted to breach the conditions they can lose their licence and that is the most effective way, the most effective deterrent that there can be. I say it on this one because it seems to be the only clause in which I can make that statement on behalf of the Opposition.

HON CHIEF MINISTER:

Mr Speaker, I would like to say a word or two. Unfortunately, I was not able to be here when this Bill was taken last evening and I know that my Honourable Friend referred to it but I would like to say what the Government thinking on this is and this is not only for the purposes of obtaining licences but this is clearly in order to obtain the necessary powers to control the place if they are required and it would be I think to premature to go into regulations in the House as to the manner in which these places are going to be managed. We are very aware of the original furore and subsequent concern about this matter though it appears that the operators themselves are exercising an element of control and we do not want to have repressive legislation though we want to have protective legislation on this by regulations. That is the main purpose of the Ordinance, the other one is incidental but it is, of course, very much linked to it. I believe that there was some mention of a committee to help the Financial and Development Secretary and I think he will say something on the matter. It is not just to licence, it is in order to have enabling powers and I am quite sure that this kind of change in situation that can arise in matters of this nature are better dealt with by regulations which are then laid on the table in the House and then they can be debated if necessary. There has been a considerable improvement to some extent of the original objections and rather like we did with the licensing of X-films where we have empowering legislation but fortunately it has not been necessary to put it into force. Apart from the necessity of giving the people a chance, it is the policy of the Government not to be repressive in small matters if it can be done by consent for one thing because it requires inspection and there are sometimes difficulties in obtaining these unless they are necessary. For example, the question of the age of children who can go to X-films which

has been the subject of concern in the past, well, we are satisfied now that cinema operators in their own interest are exercising control properly. That is much better than having an occasional police or an enforcement officer to find out at any particular performance whether something is being done right or wrong. It is not just a Bill to put a fee on the licensing of these machines, it is in order to give us enabling legislation to carry out the control which we share in respect of certain aspects of the matter but on which others have been put right.

HON P J ISOLA:

When I said I am disappointed by this legislation we are not objecting the legislation as such, what we are disappointed is to hear that the legislation provides for the Financial and Development Secretary or the licensing authority, to put conditions on licences and what we are disappointed about is that no conditions are apparently going to be put on licences. I do not think it has anything to do with repressive legislation; you have got the Trade Licensing Ordinance under which people are allowed to sell only particular goods, that requires inspection for enforcement. I would have thought the same officer could do the same thing on amusement arcades. The important point of putting conditions is that then the amusement arcade owner knows on what basis he should be trading and if he is in breach of that basis he stands to lose his licence. At the moment all that will happen is that he will pay £25 and it will need more complaints and more public concern for the Financial and Development Secretary to put conditions and then I would ask another question at this stage. Having granted a licence without conditions, will the Financial and Development Secretary at a later stage be able to impose conditions? What we feel is that certain basic elementary conditions to protect the people that we wish to protect should be incorporated in the conditions for the licence otherwise all this legislation is a revenue-raising measure and a sort of sword of Damocles on the amusement arcade owners and I do not think that is a good way of legislating, Mr Speaker. I think that the public are entitled to be protected by legislation and a licence should have certain basic conditions attached to it and that is why we are disappointed. If that is not done then, of course, the public are not being protected until the Government is convinced that they require protection. But if the Government was not convinced that they required protection they would not have introduced this Bill. This Bill has been introduced in response to demands from various bodies in Gibraltar including, of course, my own question two meetings ago and if that is the response, merely and simply the sword of Damocles, well, that is not good enough, Mr Speaker. I am

sure it will not satisfy people if they really get to know that all this Bill does is to collect £25 for each machine and await developments before attaching simple basic conditions to the licence.

HON A J CANEPA:

Mr Speaker, the Honourable Member is incorrect in presuming that the Government has only taken action on this piece of legislation as a result of concern expressed by parents in Gibraltar. I can inform the Honourable Member that as a result of having to deal with two applications for change of use in the Development and Planning Commission and subsequent to what I saw in the United Kingdom where I spent three weeks on holiday at a seaside resort and I saw how the matter was operating there, I subsequently reported back to Council of Ministers in August and it was then, during the summer, sometimes it does not suit the Honourable Member, Mr Speaker, to hear another version of what he thinks that the Government is up to so I will repeat what I am saying. That in August I reported back to Council of Ministers and it was then that a decision was taken that amusement machines had to be licensed. It was well before the furore started. The Government does things quietly and on a logical basis and we do not have to over-react to what a minority of people might feel is the situation which is getting out of control.

HON P J ISOLA:

Mr Chairman, I am very surprised to hear the Honourable Member speaking like that because this is not legislation. If no conditions are attached to a licence, the only reaction the Government is doing is levying £25 per machine which my Honourable Colleague on my right has reminded me will encourage the arcade owners to get more people in to recover that fee and as for his holiday in August, I think it is a mistake to look at a particular part of the country, especially a holiday area, where there are lots of other facilities for young people and lots of other better things to do than go and play on these machines, it is a completely different situation. In Gibraltar there isn't, this is one of the problems, this is why they have all congregated round these arcades. This is why there is a necessity, if the Government was so quick to react and I accept everything the Honourable Member has said, but the quick reaction should be translated into deeds. It was not just the minority who were complaining, there was a lot of concern expressed by a lot of responsible people in the newspapers and everywhere else. Therefore, at least have basic conditions attached to the licences so that amusement arcade owners know what the position is and the public knows in what way the Government is protecting them.

HON A J CANEPA:

Mr Speaker, I have no doubt that in Gibraltar there are far more facilities and amenities for young people than in towns of a similar size in the United Kingdom. For one thing the weather is a great deal better and that enables our young people to spend many months of the year at the beaches. We have excellent sporting facilities which I did not see at the seaside resort where I spent the holiday. From that point of view I have no doubt that young people do not need to congregate at Casemates or outside the Cathedral in order to while away a few hours. There is a fundamental difference of approach, Mr Speaker, I can see, on this matter, between Honourable Members opposite and the Government. Our approach is a more liberal one. We believe in enacting legislation and holding that as a sword of Damocles over people so that if they do not toe the line then that legislation will come into force. It is an effective way I think of governing unless of course you believe that Government should interfere in every aspect of people's lives which I do not think is the case. That, I do not think we are prepared to do. I also take a rather peculiar view, if the Honourable Member wishes to put it that way about the responsibility of parents. I think parents have a duty not to abnegate those responsibilities. If mothers are spending too many hours away from home and the children are out of control then they should not be spending those hours and not expect the Government to be putting the situation right in the sense that they are failing in the basic duties that parents ought to have. I am not convinced, Mr Speaker, that the problem is as serious as is made out to be. I am not convinced for one moment because there are over 900 boys that go past Casemates every day on their way to the Comprehensive School and I do not think that anywhere near a majority of those children are not behaving. It is a minority problem which is getting out of hand with minorities as everything else and I do not think that the Government needs to over-react. Let the parents exercise the duties that they have got and the problem can be kept under control. If children steal from their parents, well, that is a shame that the children should be brought up in that manner and the Government should not be expected to make up for those deficiencies.

HON P J ISOLA:

Could I ask the Minister, he says that the amusement arcades owners know that they must toe the line. Has the Government told them what toeing the line means? Have they been given guidelines and, if so, could we have them?

HON A J CANEPA:

Of their own volition, Mr Speaker, they are not allowing school children to go in during school hours, of their own volition. What more does he want? At least it does not encourage the young people to play truant. If my son does not turn up at home at 5 o'clock I would jolly well want to know where he has been and he will not turn up at home at 6.30 because he has spent one hour and a half in the amusement arcade. There is another aspect, he has spoken of an age limit. Why an age limit? A 16 or 17-year old might be more irresponsible than a 14-year old. And what if we get a cruise ship arriving with school children who are on holiday, are they not to be allowed to spend 30p, 40p or 50p in an amusement arcade? What is wrong with that if it is done occasionally? The abuse of it is what is wrong.

HON ATTORNEY-GENERAL:

Mr Chairman, I wonder if I may just speak on one point which was raised and that is the question of whether or not after a licence has been issued is it possible to attach a condition. The position as I see it is, that one might attach conditions on the issuing of a licence. I do not think that it would be appropriate to attach a condition in any year in respect of a licence, a particular licence, that has already been issued but on the other hand it is possible to make rules during the year to cover all licences and it is equally possible at the end of a licensing year to attach conditions on the renewal of the licence.

HON P J ISOLA:

So that the people who have licences now and get them will have the run of the year uncontrolled because the conditions of the licence cannot be altered.

HON ATTORNEY-GENERAL:

The individual licences would not have further conditions attached for the year but if there was a matter of sufficient seriousness it would be possible to make rules attaching conditions for all licences.

HON P J ISOLA:

There is no provision in this Bill to make rules. I presume the Honourable and Learned Attorney-General is referring to the general powers to make rules in the main Ordinance.

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

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

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

THE SPECIFIED OFFICES (SALARIES AND ALLOWANCES) (AMENDMENT)
BILL 1980

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

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

THE SUPPLEMENTARY APPROPRIATION (1978/79) BILL, 1980

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

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

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

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

THE SUPPLEMENTARY APPROPRIATION (1980/81) (No 3) BILL, 1980

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

Schedule

Consolidated Fund - Schedule of Supplementary Estimates No 3
of 1980/81

Item 1 Head 4 - Electricity Undertaking

HON P J ISOLA:

The provision of £4,200 in respect of the overhaul of No 13 engine. What is this subsistence payments to two engineers, are they local engineers or coming from outside?

HON DR R G VALARINO:

These are two engineers from Mirlees and it covers a period of thirteen weeks, passages, overtime and service charges.

Item 1 Head 4 - Electricity Undertaking was agreed to.

Item 2 Head 8 - Housing

HON P J ISOLA:

There is a substantial amount being asked for, perhaps the Minister could give an explanation.

HON M K FEATHERSTONE

Yes, Sir, requisitions for minor repairs to housing are coming in at the rate of some 14,000 a year and the amount of money that we have put aside originally has been exhausted and more money is needed if we are to continue to do these requisitions from now until the end of the financial year. The position is that the list of requisitions has been very carefully looked into, they are requisitions which do devolve upon the Government to do, they are not the tenants' job and as far as we can possibly do it we are seeing that where the requisition is something which should be covered by the tenant under the tenancy agreement then the tenant will have to meet it. The ones we are covering are essential requisitions, mainly plumbing and electricity, which do devolve upon the Government.

Item 2 Head 8 - Housing was agreed to.

Item 3 Head 9 - Income Tax Office was agreed to.

Item 4 Head 11 - Labour and Social Security was agreed to.

Item 5 Head 13 - Law Offices was agreed to.

Item 6 Head 14 - Medical

HON G T RESTANO:

May I ask, Mr Chairman, for a fuller explanation on the £25,000 underestimated?

HON J B PEREZ:

I can give an explanation. I do not know how full the Honourable Mr Restano will consider it. Very briefly, Mr Speaker, we under-estimated at the beginning of the year due

to the price of drugs going up throughout the year and it has really been under-estimated when it came before the House originally. I do not think I can explain any further. The price of drugs is going up and as I said we under-estimated when we came to the House for the money originally.

HON G T RESTANO:

Is this totally due to the increase in price?

HON J B PEREZ:

Yes, increase in price and we thought it would be cheaper at this time of the year. We found that we need the extra £25,000 to continue to give the service that we do.

Item 6 Head 14 - Medical was agreed to.

Item 7 Head 18 - Prison

HON W T SCOTT:

Mr Speaker, I think we voted £400 at the last meeting and I am glad to see that Government has taken perhaps what was suggested from this side, that there was a need to purchase a new van for the Prison.

HON A J CANEPA:

Mr Chairman, if the Honourable Member checks from the Hansard he will see that I said that the matter is in hand and a decision had already been taken by Council of Ministers to purchase a new van.

HON W T SCOTT:

I have just said that we are glad to see that this has been effected.

Item 7 Head 18 - Prison was agreed to.

Item 8 Head 22 - Secretariat

HON P J ISOLA:

Mr Chairman, at question time we have had a certain amount of argument about the Committee of Inquiry. I think I ought to put the position of the Opposition on this matter, we do not want to go on arguing ad nauseam, it is our position, in fact, it was our Party policy that there should be an enquiry in depth into the Public Works Department and its role in the community and we were glad to see that the statement relating to the inquiry did follow fairly closely the phraseology that we had used so we welcomed it and we still welcome the inquiry. However, part of the inquiry into the role of a department surely must consist of a. investigation; b. discussion, and then report and public discussion on that report. It should not be something private to the Government of the day. We are not going to vote against this but on the other hand we are going to abstain on this if we do not get an assurance that the report, once it is made, will be made public. Unless we know that if the proper investigative process like a commission of inquiry and so forth where there is investigation and then there is a report to enable public discussion on it, unless we know that that is going to be followed through, then we do not think the public expenditure is necessarily justified. Therefore unless one hears in unequivocal terms that the Government thinks it is a useful exercise for the community and they will make it public, then we have to abstain on this, follow it up and as far as we are concerned take a stand on the matter as we see fit after we have considered the whole thing but at this stage we do not want to go on arguing ad infinitum on this but I want to make our position absolutely clear that unless we get some sort of unequivocal assurance that the situation which is being investigated and the report that will come, unless we get some statement that it will be made public, even the committee of inquiry told my Honourable Friend Mr Restano that they themselves saw no objection to the report being made public, they could see nothing wrong with it so unless one gets some sort of assurance from the Government that it will be made public we, as a sign of protest, will abstain on this vote.

HON CHIEF MINISTER:

Mr Speaker, I think we argue round matters unnecessarily. Our first intimation, and I said so in my reply yesterday, was that this will be made public. I cannot give an unequivocal undertaking now that it will be made public because there may be matters on which in the public interest

it may not be possible to do that but which nevertheless could well also in the public interest be brought to the notice of the Opposition. We certainly do not want to keep back any facts at all. The inquiry is being done in a way that will better the department and therefore I said that I was inclined to do so but I am sure that members can understand that one cannot give a completely unequivocal undertaking. I could go perhaps a little further than I went yesterday not because the Honourable Members opposite have threatened to abstain but because perhaps my meaning did not permeate to the extent that it should have done and that is that I certainly see no difficulty, the burden would be on me to convince the Leader of the Opposition that there is something that they should not see, I just put it as high as that but in so far as the public is concerned I would go further and would say: "This is the report, these are things which in our view cannot be published in the public interest" and perhaps we may take the Opposition with us on that but I do not want any animosity about this, the inquiry is being carried out thoroughly in a way with which we are very happy, it is a very big spending department and it is our policy to do that in other departments and therefore I hope that that will assuage the Members opposite. I do not mince my words, the burden would be on me to prove that there are things which are not in the public interest to be published and I am prepared to take that burden and I am prepared, should the matter arise, to consult the Leader of the Opposition as to the matters that I think ought not to be published and I hope that that will make the position clear.

HON P J ISOLA:

Mr Speaker, I accept to a certain extent what the Honourable and Learned the Chief Minister has said but it is not an undertaking I want, I want an assurance of publication of the report because it is all part of the process, in my view.

HON CHIEF MINISTER:

If the Honourable Member will give way, I may have been wrong in my expression. There may be part of the inquiry which may not be in the public interest to publish, I did not say that it may not be in the public interest not to publish the inquiry. I am sorry if I did not make myself clear.

MR SPEAKER:

The Leader of the Opposition now says that he does not want an undertaking but an assurance.

HON P J ISOLA:

If the Chief Minister can assure the House that the report will be published subject to the reservation that certain parts, after consultation with this side or the Leader of the Opposition, certain parts being excised in the public interest, that would be good enough for us.

HON CHIEF MINISTER:

I am prepared to do that but I must also again reserve the right to dissent with the Leader of the Opposition when the time comes as to whether something should be published or not.

HON G T RESTANO:

Could I have a breakdown of the £18,000?

HON CHIEF MINISTER:

Yes, the total amount of money to be spent is mainly in respect of the four persons who are carrying out the inquiry and the highest contribution goes towards those who have to come from abroad a. because their charges are based on their earnings and so on; and b. because of the expenses. The period has been estimated on the time that it would take and so on and the amount of money that would have to be paid on the present basis and I know from Sir Howard Davis that he was very concerned that the cost should not be very high, his fees would be something like £3,800, Mr Gareze about £2,000 and because of the relative short time that they are going to take, Mr Snell £1,700 and £2,800 for Mr Heatley but then there are payments to be made to the employers themselves and also travelling expenses and so on coming to a total of £17,500 and we have rounded it off in case it is necessary.

Item 8 Head 22 - Secretariat was agreed to.

Schedule of Supplementary Estimates Consolidated Fund (No 3 of 1980/81) was agreed to.

Improvement and Development Fund - Schedule of Supplementary Estimates (No 3 of 1980/81)

Item 1 Head 101 - Housing

HON P J ISOLA:

I would like some explanation, Mr Chairman, of the provision here having regard to the statement that was made by the Honourable and Learned the Attorney-General in the last meeting of the House when he said that the settlement of the contractors, for example, was £300,000 and I notice that we are giving the contractors here £378,191, then the ECGD 15% down-payment of UK materials of services. According to the statement this amount was around £1m. and 15%, the mathematics of this does not seem to work out. Could we have an explanation of the figure of £755,600 now required?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Chairman, first of all the payment to the contractor. As the Honourable and Learned Leader of the Opposition has mentioned, the Taylor Woodrow claim is £300,000 but in addition to that, certificates were issued by the architects but were withheld by Government and these amount to £78,191. The Export Credit element is 15% of £875,000 because although the projected cost is slightly over £1m., the UK element only comes to £875,000 and 15% of that is roughly £124,000. In addition we have projected expenditure on the local element, leaving aside the UK element of £300,000 over the last three months of the year. That may be a little high but it is a projection which we made and that comes to the £800,000, Sir. It was difficult to break that down between subhead 1 and subhead 2, we have done it mathematically, we have taken 17/18ths for Head 1 and 1/18th for Head 2.

HON P J ISOLA:

So really this will be offset by £450,000?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes.

Schedule of Supplementary Estimates Improvement and Development Fund (No 3 of 1980/81) was agreed to.

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

Clauses 2 to 4 were agreed to and stood part of the Bill.

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

THIRD READING

HON ATTORNEY-GENERAL:

Sir, I have the honour to report that the Estate Duties (Amendment) Bill 1980; The Group Practice Medical Scheme (Amendment) Bill, 1980; The Loans Empowering (1980/83) Bill, 1980; The Licensing and Fees (Amendment) Bill, 1980; The Specified Offices (Salaries and Allowances) (Amendment) Bill, 1980; The Supplementary Appropriation (1978/79) Bill, 1980 and the Supplementary Appropriation (1980/81)(No 3) Bill, 1980 have been considered in Committee and agreed to, in the case of the Loans Empowering (1980/83) Bill, 1980, and the Licensing and Fees (Amendment) Bill, 1980, with amendments and I now move that they may be read a third time and passed.

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

PRIVATE MEMBERS' MOTIONS

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that the staff employed at Mount Alvernia should be placed on parity of conditions of employment with Government employees and that there should be financial provision for this in the estimates of expenditure".

Mr Speaker, I think that the basic philosophy behind the motion is that in fact there is a responsibility on the community to look after its senior citizens properly and that we are fortunate in that the Mackintosh Trust was left with funds for this purpose but that nevertheless it is a political responsibility which the House of Assembly should take on and the Government of the day should take on on behalf of the people of Gibraltar and that in ensuring that there is adequate staff employed for the needs of the Home this should not be achieved by virtue of the people there being employed on inferior conditions and being in a situation where the normal recourse open to any employee working for any private sector employer or for any public sector employer where failure to achieve improvement in their conditions can always lead to industrial action, is something that is not open to the employees of Mount Alvernia for obvious reasons that they would be hurting the residents of the Home and not the employer and that is the last thing

they want to do. The staff employed at Mount Alvernia, and I am talking really of the domestic staff because the nuns are not Union members and I do not know what conditions of employment they have, but the staff are very dedicated to the elderly people living there and they have been very patient over the years when it has come to their pay reviews and so on, they have always been very conscious of the fact that they are not in the sort of situation where they can make threats of industrial action. The conditions have been gradually improved in annual negotiations and for the last two years they are analogued to the domestic grades employed in the Medical Department where there is a fairly similar job involved as far as basic pay is concerned. There are still a number of important differences. As far as pay is concerned the most important difference is, of course, that they do not have the £5 efficiency bonus, they never had the efficiency bonus, it was originally £2, it went up to £3.50p and it is now £5 and therefore the improvement on the efficiency bonus creates a differential in pay which means that they are getting paid less for doing very similar work. In addition to that, on conditions of service which is what the motion refers to and which is a most important area, they do not have the same annual sick leave entitlement or pension rights as Government employees have got. We have a situation, for example, in two other areas where the employees are in a similar sort of relationship to Government. One is GDC where the conditions are not identical to those of Government but are certainly comparable. The other one is in the John Mackintosh Hall where the employees are on Government conditions of employment and they enjoy a certain degree of autonomy in both areas. In the case of Mount Alvernia, the employer, the Board, is in fact sympathetic to this claim and has been for many years and we have tried to bring about an assimilation of their pay and conditions with that of Government on a gradual basis so as not to put too large a burden on the finances of the Home from one year to the next, but the point has been reached where it is clear that with the present income of the Home the commitment for things like pensions and sick leave entitlements which is an unknown quantity really because one does not know to what extent and it would be very difficult to carry on a funded basis, is one that the Board feels it cannot take and therefore I have felt that in direct negotiations with the employer there was little that the staff could hope to obtain and that there was a need for the House to give consideration to this problem and to consider that it is really a political responsibility to ensure that the care of our elderly citizens is not being achieved at the expense of employing people on conditions that are less than would be acceptable if the Government had complete responsibility for the Home.

I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON A J CANEPA:

Mr Speaker, having accepted the principle of parity of wages with the United Kingdom, I do not think that the Government can strictly quarrel with the first part of the motion, particularly as basic wages are already comparable to Government employment. Again as regards other conditions, notably sick leave, I do not see that there should be any undue problem. Where there might be a problem is in the introduction of a pension scheme in the sense that I do not know to what extent it would be possible for arrangements to be made so that persons who have already been employed there for many years be put on the same footing as Government employees in respect of all those years of past service. I know that the MOD has introduced a pension scheme which I think is retrospective to April 1972, but I do not know that in the case of the Home, even with some financial backing from the Government, I do not know to what extent it would be possible to introduce a pension scheme that would cover all the years of service for employees who may have been there right from the time when the Homes were first opened. I think there would be difficulties there of a financial and even of an actuarial nature. If a pension scheme is introduced from a current date, I think provision can be made accordingly by annual contributions on a forward looking basis but, anyhow, this is an area, I think that can be examined. With regard to the second part of the motion, the position is slightly different. I do not know to what extent, really, the Government can be expected to enter into a binding annual commitment which would require the Government to make provision in the Estimates of the Department of Labour and Social Security under which head the annual subvention is based to the Homes, that would commit the Government to the provision of funds unless the Government were also in a position to have a much bigger say that it now has in the running of these Homes. The position is that for the past five years the Government has been paying a subvention to the John Mackintosh Homes which is calculated on the number of residents and on the weekly amount of supplementary benefits payable to a non-householder. This is the formula which is used and therefore, say, from the beginning of January, the Government will be paying a subvention based on £10.50 per week per resident. The subvention has never been intended to cover any particular item of the Homes' expenditure, it is made over to the Board of Governors and they administer the money in the best manner which they consider fit and then of course arising from that it becomes a necessity, a requirement, that the annual accounts for the Homes have to be tabled in

the House which I believe they were earlier in these proceedings. The payments that we have made over the years, Mr Speaker, are as follows. In the financial year 1976/77 nearly £15,000. In 1977/78 £17,500. In 1978/79 £36,000 which was made up of £27,300 plus a special payment of £8,700 which in fact went towards the cost of the wage review. In 1979/80 £43,700 and in 1980/81 £45,800. In fact the provision in the current year's Estimates is £52,500 but the sum involved to be paid over is just under £46,000 presumably because at the beginning of the financial year or rather before the financial year when the Estimates were drafted and then approved in the House, it was thought that there would be more residents than has in fact been the case. I can also inform the House that for 1981/82 the provision which we are going to make in the draft Estimates is going to be about £62,000. As the House can see the annual payment to the Homes have trebled over the past four years. If the Government were to make financial provision specifically to ensure that the Board of Governors could afford to introduce conditions of employment for the employees there which would be completely comparable with Government employees, I think that that would be tantamount to the Government underwriting the financing of the Homes. We have encouraged the Board of Governors to invest the funds which were bequeathed to Gibraltar in the Trust of the late John Mackintosh, we have encouraged them to invest those funds wisely in order to ensure that the maximum interest accrued and would therefore redound to the better financing of the Homes. I understand that there are certain difficulties in the sense that more funds may not become available during the lifetime of Miss Mackintosh. The Chief Minister knows a great deal more about this matter than I do but from my meetings with the Board I understand that this is a difficulty. As I say, if the Government was being asked virtually to underwrite the financing of the Homes, we could at any time expect to have a direct say in the Homes' finances generally, in the manner in which the Homes are run, in its administration, how the money is being spent, in staffing levels, etc., in much the same way as if the Homes were a Government department or in much the same way as we do in the case of GBC and I am not sure, Mr Speaker, that that is an entirely desirable situation. It is doubtful also whether the Mackintosh Trustees or the board of Governors of the Homes would welcome such intrusion into their autonomy. I have no reason to think that they would welcome that but as happened in 1978/79, the Government is always prepared to consider requests for additional financial assistance, on that occasion it was on a one-off basis and we are always willing to consider such requests to meet special circumstances but in so far as what the motion seeks is concerned, I think that the position is slightly

different. It is not a one-off arrangement it is a permanent arrangement that the Hon Member is seeking, I do not know what the additional financial commitment to the Homes would be in respect of bringing all the conditions of service for the staff there into line with Government and therefore I do not know what shortfall there might be as between revenue and expenditure in any particular year, I think this is a matter that would have to be gone into very carefully. I think we are sympathetic to the principle that advantage should not be taken of the staff there because they are dealing with the elderly and that the Government, or should I say the taxpayer, should not expect that a considerable number of elderly citizens of Gibraltar should be looked after in these Homes on an entirely charitable basis because if the John Mackintosh Homes had not been provided under the terms of the Will of the late John Mackintosh the Government would have had to meet this requirement as it has to meet other requirements of a social nature but the set-up might not be what it is. I seem to recall, I think it was my colleague the Hon Aurelio Montegriffo, saying that Johnsons, the people that sell Mansion Polish, had sent an investigator to Gibraltar to find out why it was that the John Mackintosh Homes were using up larger quantities of Mansion Polish than in any other part of the world where they supply such polish. There is no doubt about it, I think it is something to be proud of in a way that the Homes are run on a very lavish scale, facilities are excellent and everything is really top rate but is this what the Government can be expected to provide generally in a community and throughout other areas of social needs? I am not sure. That, I think, is also a difficulty and if the Government had a bigger say it could well be that there would be no need for the Mansion Polish people to come out here and find out why so much of that or something else was being consumed.

HON P J ISOLA:

Mr Speaker, we have sympathy with this motion and with the thoughts behind it because obviously as Government employees are the people with the best conditions of service generally in Gibraltar, it is a laudable objective to put everybody in Gibraltar, if possible on the same conditions of service. Unfortunately that is not possible but it is, I think, a laudable objective to try and seek to do this with people who are working at Mount Alvernia and working to help the aged of Gibraltar. The only reservation we must have and we do have is, of course, the question of the commitment and the financial provision in Estimates for expenditure which the Government does not really have to control. This to me seems to be the main objection in principle. I think this

could be resolved if there was a joint look at the position between the Trustees of John Mackintosh and the Gibraltar Government that is now providing, from the taxpayers, substantial amounts of money to keep the Homes going. It might be possible without in any way departing from the objects of the Trust and the objects of the person who left this money for Gibraltar, to put forward some sort of scheme which gives the Home some control by the Government and makes it possible to achieve this because I do see problems in asking the taxpayers to finance, for example, a pension scheme for people who are not employed by the taxpayers and are employed by another institution. It is something that should be gone into because it seems to me from looking at the accounts that were laid at this meeting of the House of the John Mackintosh Home, it does seem to me that the demands on the Government are likely to go up all the time rather than down and I think that if the public are helping in this very laudable Mount Alvernia work, I think that if we were to achieve what the Honourable Member would like, I think there is a need for some talking to be done between the Trustees and the Government. We certainly sympathise with the sentiments expressed in the motion and certainly are happy to hear that the employees at Mount Alvernia do hold back taking action in support of wage demands, do hold back from taking action because of the nature of the work that they do. On the other hand, of course, we are equally anxious on this side of the House that the Government's subvention should not be limited necessarily solely to the question of the employees but the objective on Mount Alvernia must be the comfort and well-being of the inmates and that the Government's subvention may in the future have to extend beyond just subsidising wages.

HON CHIEF MINISTER:

Mr Speaker, again I sympathise with the feeling behind the motion. I think perhaps the motion may be if not premature, perhaps a little half-cooked, if I may say so with respect, and that is that we do not know what the commitment is and we do not want also to let the Governors get off with their responsibility to maintain and keep incentives to get money in order to support the Homes. Fortunately, the Homes were built in a rather lavish way but the erosion of inflation has created this difficulty that there is not enough money to support. The other thing is that we do not want to put ourselves in a position that the Governors may not in the future be able to call upon the Trustees to release some of the money that is likely to come in the future on the death of Miss Mackintosh on the basis that the Mount Alvernia

claims are covered and therefore the money could be directed to other purposes of the trust. I think the Governors have always maintained, and I think rightly, that the main Trust of the Mackintosh Trust was the setting up of the Homes, the other subsidiary trusts are equally worthy, education and the poor, but we must not prevent them from trying to find incentives and also not prevent others who are now helping because it is a charitable institution, such as the excellent work which is done by the Friends of Mount Alvernia to help. I think there is logic in the way the subvention is done because it is geared to the people for whom we would be responsible if they did not have the Home. That yardstick applies well and that is what we want to do. I know that the Governors do their best to see what they can get, I know that it is now proposed, it was published in the press, to lease the Anglican Home and the capital of that to be used in order to be available for the interests thereof to go into the general fund of the other two Homes, the Jewish Home and Mount Alvernia which has absorbed the Anglicans and that may also be a relief for them to be able to do so. I would suggest that perhaps a joint approach of the union of the Hon Member on behalf of the Union or as a Member of the House on behalf of the people who work there together with the Governors or the Secretary to the Governors to get an assessment of the amount of commitment that the House would have to take if they took on that liability for the future. I think to agree to the motion on the basis of unknown quantities really is a little difficult for us. I do not want the Honourable Member to think that we are just hiding away, we know that ultimately if there was no Home we would have to do the same though perhaps not in the lavish way it has been done but it has been done and in fact it is something to be proud of. We have in fact on one or two occasions, if I remember rightly, helped, just on the eve of industrial action, with money to prevent them from coming to industrial action. I know that words will not be enough for the people who are working there insofar as their daily wages are concerned but I think something could be worked out in respect of their future pension rights and so on and they could get some comfort from the approach that we are giving to this matter and that we would be prepared to give further when we know the extent of the bill that we are being asked to foot.

MR SPEAKER:

If there are no other contributions I will call on the Hon Mr Bossano to reply.

HON J BOSSANO:

Mr Speaker, I am not quite sure whether everybody is going to vote in favour or if everybody is going to vote against.

HON CHIEF MINISTER:

I would suggest the Honourable Member might withdraw the motion and not have a negative one and come back with a more mature one later. From what he has heard he might feel that it has been a useful exercise to start with under threat of another motion.

HON J BOSSANO:

I would have thought, Mr Speaker, that the well-tryed method of amending very word after "This House" could be employed. My only concern about withdrawing it is that I do not want to give the impression to the people there that it means that the matter is not being pursued, so I would have preferred, Mr Speaker, an amendment which would have taken out the specific commitment on the estimates and simply perhaps said that consideration should be given towards moving towards parity of conditions which would have met the direction in which we want to move without at this stage being such a clear-cut and specific commitment as to the finances being placed. To defeat the motion would be even worse, to my mind, but even to withdraw it would give the impression that it has been brought up to this stage but it is not going on futher.

HON CHIEF MINISTER:

May I suggest that the Honourable Member takes it away with him and we adjourn this debate and bring back a motion more on the lines of the way which we have been discussing. Perhaps there might be some consultation.

MR SPEAKER:

We are now in the difficult position that the Honourable Member has exercised his right to reply and therefore it is rather too late to suggest an amendment.

HON CHIEF MINISTER:

Cannot we move to suspend the Standing Orders. Alternately, we could adjourn the motion to another meeting.

MR SPEAKER:

Yes, most certainly.

HON CHIEF MINISTER:

He could seek to leave the final decision of the motion to another meeting and then bring in an amendment or a fresh motion.

MR SPEAKER:

The answer might be to withdraw the motion at a later stage when you are in a position to proceed with another motion.

HON J BOSSANO:

I am not quite sure what I am supposed to do next, Mr Speaker.

MR SPEAKER:

I think with the leave of the House it can be said that the continuation of this debate will be deferred to another meeting. I think that is the right procedure.

HON J BOSSANO:

Mr Speaker, I beg the leave of the House to adjourn the decision on the motion before the House to another meeting.

This was agreed to.

HON J BOSSANO:

Mr Speaker, if the Honourable Members would agree I would prefer that the other motion standing in my name should be taken later on because I have an urgent engagement at the moment.

MR SPEAKER:

May I sound a word of warning. You have got to have the leave of both Mr Scott and Mr Isola because the next two motions other than yours are in their name.

HON P J ISOLA:

My Honourable Colleague, Mr Scott, is happy to proceed with his motion. The trouble with my proceeding with my motion in the absence of Mr Bossano is that the main purpose of that motion was to get unanimity in the House and I would like to move with the Honourable Member present.

HON CHIEF MINISTER:

Mr Speaker, in view of the fact that we have done some swift business today, we might proceed with Mr Scott's motion now and then recess until the afternoon.

MR SPEAKER:

We shall do that.

HON W T SCOTT:

Mr Speaker, I have the honour to move the motion standing in my name which is: "This House deplores that there is a considerable shortfall in the quantity of sand being recovered from the Sand Reclamation Project on the East Side with respect to the targets originally envisaged and calls on the Government to take appropriate action against those responsible for this state of affairs and to discontinue injecting public monies on this project until such time as the Government is assured that the recovery of sand from this project can be made economically viable."

This motion, Mr Speaker, is divided into three parts. The first one deals with the shortfall of the sand that there has been; the second one calls on the Government to take the appropriate action through the issue of a writ, perhaps, against those responsible for this sorry state of affairs; and the third leads from the second, to discontinue injecting further sums of public money until such time as the Government is itself assured that the recovery of sand can be made economically viable. Mr Speaker, before I start on each point in turn, I think it is only fair that I should give a brief history from the outset of this project. This project first came to public light about 2 to 2½ years' ago. The manner in which the contract was awarded was unusual, unusual in the sense that the consultants appointed by Government to design the work had agreed also to verify, to ascertain, what contractors in Gibraltar were capable enough to undertake this kind of work. I remember at the time, I was not a member of this House obviously, but I did write

to the Minister for Public Works on this and in fact he replied to me saying that Robertson Research, who were the consultants appointed by Government had, in fact, carried out an investigation of I think it was five firms in Gibraltar and that in their estimation there was only one contractor capable of undertaking this work and on that basis and on the verification, so I understand, of a number of Public Works professionals which verified this, the Government then proceeded to negotiate the contract with the eventual contractor. So from those early days, Mr Speaker, there was a fear as far as the Opposition was concerned, that something was not altogether right. In fact, later developments were to prove that those fears were justified. If I might now go back to my first point on the motion, that there is a considerable shortfall in the quantity of sand being recovered from the sand reclamation project on the East Side with respect to the target originally envisaged. This I think has been verified by Government, in fact, as late as Question 290 of 1980 in November of this year when in answer to a question the Honourable Minister for Public Works - and I quote - said: "The sand winning project funded from ODA grant aid has so far failed to operate in the manner envisaged by the consultants." So I think there is an open admission by Government that there is a considerable shortfall. As to the second point: "Calls on the Government to take appropriate action against those responsible for this state of affairs". In principle, the Government have not only considered that because they said this before in this House, that they are considering taking legal action against the consultants and in fact they have gone even further than that because also in answer to Question 290 the Government said: "The consultants are being asked to put matters right at their own expense & this is being done". And yet, last month, we were asked to vote under the Improvement and Development Fund Schedule of Supplementary Estimates Head 2, subhead 2, a total extra sum of £77,275 which Government said were increased costs and additional works and that there was a possibility that part of this amount may be recovered in due course as claims may be laid on other parties. Before that they had said that Government was looking to the consultants to put matters right at their own expense and this was being done and it obviously wasn't being done. Mr Speaker, as to the third point: "To discontinue injecting public monies on this project until such time as the Government assured that the recovery of sand from this project can be made economically viable", surely follows from my second, the £77,275. A consultant is appointed to hand over to Government a going concern. The concern was not a viable project and Government recognised this when it took it over. The consultants have a redesign on this thing and instead of paying it themselves the public is asked to pay £77,275 extra. What guarantee does Government have that after having spent this extra amount of

money the project will be viable? After having spent something like almost £5m. on the project already. Mr Speaker, I cannot really see how Government can disagree - and I am sure they will - on the three points because they certainly admitted the first, they intimated in fact, although there is an ambiguity on the second "calls on the Government to take appropriate action against those responsible for this state of affairs" and I think it is their responsibility to adopt the third if this has not been done so already. I will be very interested indeed to hear the specific comments of the Honourable Minister for Public Works and, indeed, the general attitude that Government will adopt on this motion.

Mr Speaker, I beg to move.

Mr Speaker proposed the question in the terms of the Hon W T Scott's motion.

HON M K FEATHERSTONE:

Mr Speaker, as the Honourable Mr Scott has said and has done, he has divided his motion into three parts. I will try and answer those parts much in the same way as he has dealt with them. The first part talks about a shortfall in the quantity of sand which is being recovered. It is admitted by Government that the sand is not being obtained from where it was primarily envisaged it would be obtained and that was from the top of the catchment. There was, however, a secondary area where sand could be obtained and should be obtained and should have been obtained, which was the area at the bottom which had to be cleared of sand so that work could be done properly even when it was coming down from the top and this has been worked and I would comment that up to date nobody who has applied for sand has been sent away without their demands being satisfied. In fact, the total amount of sand supplied in the first year of operation was some 11,000 tons which is not too bad an amount. I would comment that the sand project has had one side effect which I think is quite interesting. The import of sand prior to the commencement of the sand project operation, as such, was being charged at £7.35p and since the advent of the sand quarry, the importer has somehow managed to reduce the price not by £1, not even by £2 but by more than £3 from £7.35 to £4.25 so it does look that the advent of the sand quarry has stopped the contractors trade in Gibraltar being what I would say taken for a ride prior to the advent of the sand quarry so that even if the sand quarry had not produced 11,000 tons but only 5,000 tons or even 2,000 tons I think the side effect has had a very good benefit to Gibraltar

as such and it might be very interesting to enquire how this very great reduction was able to come about. There is one thing that the Honourable Mr Scott has commented and he said that Government appointed a certain firm, Messrs Robertsons Research, as Consultants. I suppose technically that is accurate but in actual fact the consultants were chosen and Government was told to accept them by the ODA and there was not very much that the Government could do in this respect since there is nobody in the technical side of Government Public Works that knows anything about sand quarrying to any extent. This was a commitment which we had to accept from ODA as such. I am not going to labour the point of who were eventually given the job of the erection of the works but I do not think that it is altogether right to say that there was a fear that something was not right and to blame the non-working, as perhaps it should work, of the project, on the contractor. The contractor has done everything that he was asked to do and I think as far as his work is concerned there is no blame to attach to him in the slightest.

HON W T SCOTT:

If the Honourable Member will be kind enough to give way. In fact I did not say that, Mr Speaker. I purposely restricted myself to saying that historically, at least from those early days, there was something that did not appear to be altogether correct happening, that was all. I certainly did not mention any non-performance by the contractor.

HON M K FEATHERSTONE:

I accept that but there was an innuendo made and it could be interpreted in that way in fact I interpreted it in that way, perhaps, I am putting the wrong aspirations on what the Honourable Mr Scott had to say. We have dealt to some extent with the question of the secondary production of sand and of course it is fully admitted that the primary source of sand has not worked, sand has not come from top to bottom as the scheme obviously was intended to do. The position, basically, is that the Public Works Department who are the section of Government involved with this, expected from the consultants to be handed over a going concern and they have not yet fully accepted from the consultants the project because it is not yet a going concern and they are still looking to the consultants to see that it can be made into a going concern. Some little while ago, in August, a number

of meetings were held with Messrs Robertsons Research, including their technical adviser and their director in charge of the project and specific questions were asked. The questions asked: "Can the project ever be made to work?". "Can it be made to work and how long will it take to do so?". "How much is it going to cost?". These questions were put several times and the reply that came from Robertsons Research was that they were confident that the project would work. In fact, they guaranteed it would work. In the discussions, a number of points were brought up and obviously the strongest point was: "Fair enough, the sand is not coming from top to bottom now, how do you intend to make it do so?". And Robertsons Research came forward with a number of suggestions which they said should be put into effect and for which initially they were willing to pay. Robertsons Research were told at the time that Government felt that the non-working of the project devolved entirely upon them - them being Robertsons Research - and the Government expected that all that had to be done to make it work properly should be paid for by Robertsons Research. They did not accept this fully but they said they were willing to do the payments and the discussion could come later as to exactly who should foot the bill. In the meantime, of course, Government and also the quarry company, as a separate entity, had been taking legal advice as far as they could go against possible action against Robertsons Research on the part of Government for not having had so far handed over to them a going concern, and on the part of the quarry company for incidental expenses which they had had to incur which had never been envisaged and which basically might be put against the consultants for not having given to the Public Works Department a viable concern to be handed over to the quarry company. However, I would mention the question of the £77,000 odd which were voted in the last meeting of the House. This was not extra money to be poured in after the quarry company had started operating. It was basically money that had been spent because the project itself had cost considerably more than was originally envisaged and the total amount that has been spent on the quarry company so far is £525,112 of which ODA has paid £151,996 and Government has paid £373,116. Certain modifications to the chute, and this is where the whole trouble lies, is the actual chute, certain modifications to the chute have been made by Messrs Robertsons Research, assisted I may say by the Gibraltar Quarry Company, and the position at the moment is that sand still is not coming from top to bottom but the main modification that was put into effect was that in certain areas where the sand was sticking, the rubber-lined chute was changed from a rubber-lined chute to a stainless steel chute, and the effect has been very marked that where there is stainless steel the sand flows very

satisfactorily indeed. The position has been that for at least eight months the management of the quarry company has been telling the consultants that the answer to the whole chute problem is to reline it from top to bottom with stainless steel. The consultants have been resisting this to some extent and saying that it is not necessary to do it the whole length but only in those parts where it is flowing slowly. At the latest meeting with the technical adviser of the consultants with the quarry company's management which took place about ten days ago, once again the quarry company insisted that the answer was stainless steel from top to bottom and it appears, I say it appears, that the consultants are coming round to this viewpoint. The management of the quarry company suggested to the consultants that they should order the stainless steel at their expense to do the whole job and that the quarry company on its part might be willing to do the erection of the stainless steel, the cost to be ascertained sooner or later who was to bear it. I accept that the position at the moment is not as satisfactory as one would like but one can see, I would say, light at the end of what has been, perhaps, a rather dark tunnel. It is obvious, now, to the consultants that stainless steel is the answer to the chute. The whole of the problem has been this chute which has been designed in such a way that although the sand slides down in certain parts it sticks in others. It has been laid at the consultants' door that perhaps they did not do sufficient investigation beforehand, they have denied this but they did bring out an expert in the movement of sand and he tends to agree to some extent with the viewpoint of the quarry company that the stainless steel chutes are the answer. The consultants at the moment are waiting for a Board meeting of their company to decide whether they will go ahead and pay straight away for the stainless steel chutes that are required. But even if they did not I would think that it would be a wise move by Government, if it came to that situation, to pay for the stainless steel chutes themselves, they would cost approximately some £9,000, with a viewpoint of making the scheme viable which it obviously will be as any body who goes to see the effect of the sand moving on the stainless steel can appreciate and it would seem to me not a bad business to spend an extra £9,000 or even £10,000 after having spent £525,000 and saying: "With these extra £10,000 we now have a going concern without this we have absolutely nothing whatsoever but a lot of steel which will eventually rust away and be useless". This does not preclude, of course, that it is open to Government to take whatever legal action the Government's legal department advise could and should be taken against the consultants and I would comment that the consultants who, I understand, are a very big and very wide reaching firm and who do a very great deal of work for the ODA, the consultants have been to some extent put on their mettle because they are rather worried that they would make

a rather poor showing with ODA if they could not get this project working satisfactorily. I think they are taking a lot more interest in the matter than perhaps they were taking some little time ago. But be that as it may, if it comes to the situation that their Board meeting feel that they should not at this juncture pay for the stainless steel, I would advocate that Government should do it, get the concern working, and then take whatever legal action the Law Department feels is satisfactory. We have here a project which can be viable, on which a great deal of money has been spent already and it would be rather futile to spoil the ship for a halfpenny worth of tar and, I think, following all these explanations, it might be the wisest course by the Hon Mr Scott to withdraw his motion which, basically, I think, now obviously has been proved as unnecessary.

MR SPEAKER:

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

HON W T SCOTT:

Mr Speaker, let me start off by what the Honourable Minister finished up with. I have no intention of withdrawing my motion because I think it is necessary. I will be very brief, mentioning two points that the Minister brought up.

At the beginning he said that the project was divided into two stages, the upper and the lower, and that although the upper section had not been working at all, in fact, that the lower section had been working, so well that there was no prospective buyer of sand that had to wait and that nobody was left short of sand. That is a remarkable statement to make, Mr Speaker, because if that is true why build the upper one if you have sufficient sand at the bottom.

HON M K FEATHERSTONE:

Because the amount at the bottom is limited. The upper one is still limited but is viable for 50 years at least.

HON W T SCOTT:

The second point, Mr Speaker, is that the Minister gave us the figure that had been spent to date on that project of £525,112 out of which ODA had contributed £451,996 but I see from the approved Estimates of Expenditure that the

total estimated cost of the project was precisely £451,996. In other words, we were looking to an on-going project, a viable project, met completely from ODA funds. Now we find that the Gibraltar Government, the people of Gibraltar, have had to pay £73,116 which they did not envisage having to pay for in the first instance as a result of the consultants not doing what they should have done.

HON M K FEATHERSTONE:

If the Hon Member will give way. Not exactly, Sir, some of the amount was due to the actual cost of the project being underestimated at the beginning but with inflation, etc, it cost more.

HON W T SCOTT:

In fact, the original cost was £362,188 in 1979/80, which was brought up to date in 1980/81 to £451,996 and there was a balance remaining at £6,000 to be spent this year. I accept, perhaps, this betterment value or underestimation, that there might have been a small amount still to have been spent on top of the £6,000 but, surely, there is a remarkable difference between the £6,000 and the £73,000 the majority of which is going to be met by the people of Gibraltar from public money whereas we could have been looking forward to a project totally funded from ODA, even with an ODA consultant. Mr Speaker, that is all really I have to say in winding up and I commend the motion to the House.

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

The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon G T Restano
The Hon W T Scott

The following Honourable Members voted against:-

The Hon I Abecasis
The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valarino
The Hon H J Zammit
The Hon D Hull
The Hon R J Wallace

The following Honourable Members were absent from the Chamber:-

The Hon J Bossano
The Hon Major R J Peliza

The motion was accordingly defeated.

The House recessed at 12.30pm

The House resumed at 3.25pm.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that tenders should be invited for the development of the Woodford Cottage site so that before a final decision is made, it is ensured that the site will be developed in a way that will have the maximum impact on Gibraltar's housing problem in accordance with the policy adopted by this House at its last meeting".

Mr Speaker, the motion that I bring before the House is not intended to effectively impede the Government from proceeding along the lines of the scheme that has been made public in respect of the development at Woodford Cottage. However, what I am asking Government to do is to give the opportunity to other prospective developers of that site to submit proposals which may make greater use of the site than the proposals contained in the scheme made public by Government for this cooperative development. I think in trying to resolve Gibraltar's housing problem which we are all conscious of in this House is one which needs to be given priority over other things because it is the most pressing problem facing Gibraltar as a community, we have to admit somehow to achieve a balance between public and private ownership. The work that has already been done over the years through the housing surveys and the analysis in the City Plan show that the legislation controlling private sector housing, the Landlord and Tenant Ordinance, effectively, while seeking to protect the tenant has had the effect of virtually drying up completely the supply of unfurnished accommodation for rental purposes. Therefore, we have a situation today in Gibraltar where we have got, probably in the Landlord and Tenant Ordinance, the most protective legislation that one can find anywhere in Western Europe in terms of protecting tied tenancies. On the other hand, the protection bears no relation at all to the economic circumstances of the tenants where there is a situation today

in Gibraltar where we can have a landlord that is poorer than his tenant and where the tenant has got more ample means than the landlord and is paying effectively a rent that does not even cover the painting of the property in which he lives. We have situations where a property owner occupies Government subsidised accommodation, has private property which is not rent-controlled for which he is exacting very high rents and on top of that his tenant is subsidising the landlord through income tax and the subsidy on the public sector rent. Those are anomalies which we are all conscious of, which are difficult problems to resolve economically and politically but which some time, either this House of Assembly or some other House of Assembly will have to grasp that nettle and put right. Otherwise Gibraltar's housing problem will never be put right. There is a need to construct more Government housing but there is also a need to develop alternatives to public housing. We cannot have a situation where 90% of the population is housed in subsidised Government housing and the subsidies are financed by 10%, that defies all the laws of economic logic. I think that in the scheme that the Government has put forward on the Woodford Cottage site they are attempting to develop an alternative to Government housing and therefore although I myself have got serious reservations about the success with which this scheme is going to meet because I find it difficult to envisage how somebody already in occupation of a Government flat, paying a rental that as we know fails to cover the maintenance cost of the flat, is going to be prepared to give up the flat and spend £50,000 or £60,000 on alternative accommodation which he is going to own but which has got certain amount of restrictions attached to it and which involves a loss of income in the sense that the capital expenditure involved in the purchase of that flat can be invested elsewhere, I do not see how one can expect many people to go for an option when it seems to have so many disadvantages but what I do accept is that the Government is making an attempt in the development of this area to provide people in Gibraltar with an alternative to simply going in the housing list and waiting to be allocated a Government flat and this is something that is required and we have to be conscious that in doing it we must not seem to be using land to accommodate a privileged few in luxury whilst the bulk of the population is restricted to a much smaller area and to much less space within which they can live. The philosophy that land should be used to maximise the development that can be put on it consistent with the requirements of building regulations is the philosophy of the motion brought to this House in the last meeting which I am pleased to say found full support amongst members of this House and therefore what I would say to the Government and what I am saying in this motion, is no more and no less than before they finally

decide to go ahead with a scheme for 14 semi-detached houses as a cooperative on this particular plot of land, they should, as well as inviting proposals for that, allow other people to put up other proposals. If somebody comes along and produces a scheme on the same basis, with similar criteria, but with 20 units, then I think the Government should seriously think about the benefits of accommodating 20 as opposed to 14 families. I am not saying that they should give up what they have already spent time and resources on, I am saying that they should allow that to compete with what someone else might be able to propose as a development of the site having more benefits in terms of its impact on Gibraltar's housing shortage. Let me say, Mr Speaker, that it is not that I know that there is anybody either willing or able or interested in doing this, all I am saying is that I am recommending to the Government the adoption of such a policy in what I consider to be something consistent with their own philosophy to the extent that I consider their attempt to develop this site as a cooperative housing association rather than as a number of four or five luxury flats, to the extent that I consider that to be a sign of the recognition on the part of Government that this is one of the things we need to do if we want to break the back of Gibraltar's housing problem. Therefore, the motion as far as I am concerned is not inconsistent with Government policy but an attempt to allow Government to test the validity of their own preferred use for this site against what other people might be able to suggest to them.

I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON A J CANEPA:

Mr Speaker, in my contribution I am going to concentrate on the background and on the considerations that have led the Government to propose the Woodford Cottage scheme and I think that this information will be valuable to members on both sides of the House, really, in recalling also to the Government members the historical background I think that can be put into its proper perspective. I hope that this information, as I say, will be valuable to members on both sides of the House in arriving at a constructive approach to the motion before the House. I also think that it is important that I should do this in my capacity as Chairman of the Development and Planning Commission which has been very intimately involved with the scheme over the last two years.

Sir, when Woodford Cottage fell vacant in 1978 on the departure of the then Attorney-General, it became apparent that the property required extensive and expensive rehabilitation before it could be re-occupied. It was thought, however, that the high cost of doing so and at the time it was of the order of £45,000 to £50,000, was not justified having regard to the age of the building and to the size of the house which was too big by today's standards. The alternative uses to which the land could be put compatible with the low density residential zoning of the area were then considered by the Development and Planning Commission and these were, firstly, parcellation into individual plots for subsequent redevelopment on the lines of the Gardiner's Road houses, secondly, redevelopment by one or more commercial developers and, thirdly, Government housing development. Objections were received at the time to all these choices in the light of planning constraints and the need to ensure that the optimum use was made of the land. I shall come back in more detail in a moment to the reasons and to the considerations behind these objections. The Commission finally came to the conclusion that the occasion called for what could be described perhaps as a more innovative approach, namely, a housing association scheme as an extension of the Government's home ownership proposals. This, it was felt, would meet a demand for accommodation by those members of the community who were unable to improve or secure adequate accommodation in any other way and who were able to pay what it would cost. Such a scheme would also allow those persons who are prepared to resolve their housing problems through a self-help society with a minimum of financial or other form of aid from public resources. I think the House is aware that this form of co-ownership is common to most European countries and I think that they attest to the social advantages and the efficacy behind these schemes in instilling in participants a sense of social responsibility with the added advantage of relieving public funds of a considerable burden for the benefit of those who are less well to do. By eliminating the profit element, the housing association scheme reduces the overall cost price per dwelling bringing it to a level which is more within the reach of those who aspire to own their homes but who cannot afford the higher prices of houses built under normal commercial conditions. These proposals were subsequently approved by the Government with the important rider that a significant factor in considering allocations was that the prospective tenant would be surrendering to the Government for inclusion in the general housing pool, his own flat be it a Government flat or a private sector flat. The decision was also taken in the knowledge that the Government would not be in a position in the foreseeable future to finance the development of the site itself and indeed in fact the Government would not

require this site for housing in the next development programme as plenty of other sites were available to meet the target set by the Government and that remains the position two years later, when I indicated to the House yesterday that the Government had proposals for a five-year development programme and the Woodford Cottage site has not had to be included in the sites that are available because there are other sites and, in some cases, bigger sites that are available or will become readily available. I said, Mr Sepaker, that I would enlarge in rather more detail on the planning constraints, on the objections which had been received to the three choices that appear to be available to the Development and Planning Commission. The main reasons, Sir, which are considered to militate against, first, the development on commercial lines are, firstly the cost to the purchaser would be higher because of the element of profit. Secondly, normally a purchaser has little say on the planning of the accommodation which is provided and which is put on sale. Thirdly, the restricted market and the strong demand from non-residents tend to tip the balance in favour of the developer. Fourthly, whilst in practice more units might be built by a commercial development, the extent of recoupment by the Government is likely to be nil. The reasons which militate against development by individual house owners are considered to be, firstly, there would be a tendency to even lower densities. Secondly, there would be the danger of uneven and erratic standards of architectural design such as has happened in the case of Gardiner's Road. The reasons which were and which are considered to militate against development by Government of public housing are, firstly, that the finance may not be available for a long time, secondly, other sites as I have mentioned are available with priority ratings thirdly, there is a need to provide an essential element of variety in respect of the housing stock in Gibraltar and, fourthly, there are also constraints imposed by the overriding importance of providing the parking spaces required to avoid a large number of cars in Europa Road which is a major highway. I will refer the House to the traffic problems that are already evident in the stretch of road adjoining the Casino. Sir, against the background of what I would call a semi-social concept behind the Woodford Cottage scheme, the Government is therefore prepared to make the land available reasonably cheap. A basic scheme has already been designed by the Public Works Department, again in keeping with the social basis of the concept, and this should be of some assistance to interested applicants in enabling the scheme to get off the ground on as cheap a basis as possible. I think, Mr Speaker, it would not be right for the Government to abandon this scheme at this stage and I am glad to see that the Honourable Member of the motion was not contemplating this. I should inform the House that we were in fact about to go out to tender at the time when the Government accepted the motion at the previous

meeting of the House. The scheme that is envisaged goes some way towards meeting the spirit of that motion in the sense that the scheme already provides for this desirable factor that the Government should be able to recoup some housing for subsequent re-allocation. The scheme certainly does not provide for a block of flats but I think it would not have been right to change the scheme because of the motion that we had previously accepted about making the greatest possible impact on the housing problem, that could be done obviously with a large block of flats. The Government has seen the motion at the last meeting as a forward looking motion, something for future policy which the Development and Planning Commission will keep very much in mind in considering and in planning for other schemes. I am glad to see, therefore, that the Government is not expected to abandon the scheme and if there isn't sufficient response I suppose the alternative will have to be to think again and perhaps to put it out to commercial private development bearing in mind the motion that was accepted at the last meeting in order to try and see whether we can get a scheme off the ground that will have the maximum possible impact on the housing problem that we face in Gibraltar. Thank you, Mr Speaker.

HON P J ISOLA:

It has been interesting to listen to the Government's reasons for embarking on this particular scheme. I think our attitude to this motion must be the same attitude that we displayed when Government sought to sell Rosia Dale to tenants and did not make the test of means really as to who should have a house, at a time when Gibraltar has a great housing shortage and there is a great demand for housing. We do not agree that the planning efforts of the Government should be directed at providing housing for people other than those on the Government housing list. We have heard already today, or yesterday, in the House that there is a certain amount of slippage in the Government housing programme. We do not consider it right that the technical staff available to the Government in the Public Works Department and in the Surveying and Planning Office should be used for schemes such as this. We think that their time and their technical skills and know-how should be employed in producing and accelerating Government housing development schemes. That is the principle from which we embark on that. The Government's efforts should be as providing and increasing the housing stock of Gibraltar. The question of people giving up housing accommodation or giving up flats of private landlords to get a place in the Woodford Cottage scheme, that idea was tried in respect of Rosia Dale and failed. I do not think that private landlords are going to accept the position,

unless they are particularly friendly to their tenants, under which they take a Government tenant in the place of the tenant who leaves them. I believe that landlords, some of them as the Honourable Member has said, do very well, others do not do so well and I cannot see a landlord who has a tenant in rent-restricted accommodation cheerfully sacrificing the real value of that flat to him for the sake of the tenant. It just does not happen. I do not think it will happen and the only way it can happen is by some sort of deal by the Government tenant who is going to come in, perhaps, he is going to leave Gibraltar, it lays the way open to things that should not occur. That is as far as private landlords are concerned. As far as Government tenants are concerned you have what I think the Member said, why should a chap in a Government flat leave the security of that flat, perhaps where he is comfortable, and pay £62,000 for a new flat. Again, one suspects that the sort of people who are going to do that are probably the sort of people who probably encourage this sort of scheme as a means of getting better accommodation. We do not like it, Mr Speaker, we do not like the Woodford Cottage scheme, we think it is impractical. Only a short while ago in this House the Minister for Economic Development was talking about prices in Gibraltar and he himself commented that whenever the Government put anything out to tender with contractors the tender price seemed to be double.

HON A J CANEPA:

If the Honourable Member will give way. I do not like to interrupt in the House but the attitude that I am adopting is, if whoever is speaking allows me to, naturally, when I ask for leave, is that I certainly am not going to allow other speakers to misquote me, to put words which I have not said into my mouth. I have never said, and I saw the Honourable Member on television saying, double. The Hon the Leader of the Opposition is given to exaggeration rather easily. When it suits him he doubles things, on other occasions he halves them. I have never said that the tender prices that are submitted for Government housing are double what they ought to be. I do not think I ever gave the figure. I can tell the Honourable Member now what I think that the figure is and I think that the Government is being charged about one-third more than what private developers would be and that is why the Woodford Cottage Scheme, some of the prices that are being quoted to people who have taken the trouble to make enquiries from the construction industry, the figure that is being quoted is £49,000 of £50,000. I would be grateful if the Honourable Member is careful about allegations of that nature because they are not conducive to anything. About one-third, I

think, is what I am prepared to say now but I have never said, Mr Speaker, and I do not think he will find any evidence anywhere that I have said double. I think we have to be careful because the wrong impression can be obtained by members of the building industry.

HON P J ISOLA:

Obviously, the Honourable Member will recall what he said probably better than I do. Certainly my impression was what I have said. I am not given to misquoting Members on the other side of the House. Alright, we take the first figure he now gives. I remember him saying very clearly in recent times, and, perhaps, when we get the Hansard we will see it. Certainly if the Member's recollection is what he say I accept that undoubtedly but still we are talking of a third more than in private development. If that is the case, and I do not know whether it is the case, I was only quoting him as saying that, then it would seem to me, frankly, if the Government is interested in a project of this nature, it would seem to me they might as well give it to a private developer and as it would cost a third less in the hands of a private developer as far as the purchaser or the eventual purchaser was concerned he would be paying probably the same price whether the Government does it at a third of the price more or a private developer does it and charges him a third in profit so at the end of the day there is no difference to the purchaser and therefore what is Government doing wasting its time in respect of projects and its technical skills in projects that could be done by a private developer. We are not convinced by arguments that have been used about low density zones and the problem of parking in Europa Road because when you are talking of seventeen units, Mr Speaker, and you have 34 cars in Europa Road that is nothing compared to the number of cars you see outside the Casino every night at Europa Road and outside the Shorthorn Estate and everywhere else so the thought of having cars parking on that section of the road would not worry me unduly at least no more than it worries me everywhere else in town where they are all parked as sardines. I certainly would not agree to the argument that you do not have it for normal people on the housing list because of the parking problems outside. It just does not seem to me to be right. As far as we are concerned on this side of the House, our policy is very simple and that is that Government efforts in housing should be directed at increasing the housing stock and allocating such housing that comes into the Government's hands to people in the housing priority list and it really surprises me to hear the Minister say that there is no money for this project or the Minister to say there are plenty of sites for Government housing projects. All I can say, Mr Speaker, is that if that is the case and we are very glad to hear that that is the case, then Government

objectives in housing should be elevated, Government should try and improve on the houses it is going to build in the five-year programme. If it has got the sites it should direct its efforts at that, Mr Speaker. For once, I am going to tell the Honourable Mr Bossano that we do not think that it goes far enough. Following his previous one, we think that his motion should have been that this should be a Government housing scheme of 17 flats or more, because we are not impressed by the low density argument. Why should a particular area of Gibraltar be low density when we have a housing problem, when we have shortage of space. If there is a low density zone, well, we could quietly increase the density in places. I do not know how many flats could go there, we do not know this at all, but we think that Government is here again flogging a dead horse. The amount of time that the Government spent on its home ownership scheme and it came to nothing. The amount of time it spent in Rosia Dale and it came to nothing and now again we have the same thing and we are told that there has been interest, 31 people, I think, had collected forms. Unless they are very wealthy people they will have to go to the bank to finance and the bank limit I think is 80% for long-term housing finance which is about £48,000 so they would have to find £12,000 in cash. Mr Speaker, we do not think it is a practical project. We think that if the Government cannot or have not got the means or the money to do this then it can put all the strict conditions it likes and put it to a private developer to do and let the people arrange their own finance, let the developer arrange his own finance and let us not waste all this valuable time of Government architects and Government surveyors who, we have been told here time and time again, of the demands of the Public Works Department and here they go off again and do a nice scheme, a pretty scheme, nice little flats, the amount of time this must have taken everybody, when it does nothing really, in real practical terms, it does little to solve or help to solve the serious housing problem for the great majority of people on the housing waiting list. We think it should be done within the normal housing development scheme of the Government. That is our view, it is a simple one. There is not much point I suppose in amending the motion but certainly we think that the motion should go further and the motion should have stated that this particular project of 17 flats which has got to the stage that it has done, apparently, all the planning ready and everything ready, should get off the ground, build it and allocate it to people on the housing waiting list.

HON J BOSSANO:

If the Honourable Member will give way. It is to the Hon and Learned Member's advantage because he can answer me and if I

use my right of reply he will not be able to. The point is, in fact, Mr Speaker, that I am not asking the Government to give up its scheme, I am asking the Government to consider

alternatives to its scheme so that in taking a decision they can chose that which is best, judging their own ideas on the development for this site against the ideas of other people. The reason why I have not asked the Government to finance themselves and allocate the 14 houses they propose to build on this site is because we have to understand that we are talking about houses being built for £70,000. Then we are talking about Government borrowing money and financing a project where they would have to presumably repay that cost at the rate of, say, £150 a week and presumably tax the rest of the community £120 a week so as to finance the deficit between what might be considered a high rent of £20 a week and the real cost of the project. I do not know whether the Honourable and Learned Member thinks that this is another way to go about it, to borrow £1m. to develop this site for Government housing, to pay £150 a week in interest charges and capital repayment, to charge the people who will get allocated the houses £20 and to charge the taxpayer £150 a week. If that is the alternative I think that that alternative does not make economic sense. There is a need to build more Government houses but there is also a need to concentrate subsidies for those who need the subsidies. If it was a question of having to chose between depriving public housing of this land but the Honourable Member, who is the Chairman of the Development and Planning Commission, has said and in fact the Government housing projects for the next five years are planned taking into account the supply of land without needing to use this. Let me say quite clearly that if the issue before the House was that there was a piece of land which could only be used for private development or owner occupation by depriving public housing of that land, then I would squarely and categorically come in support of that land being used for public housing. As I understand it this is not the issue and therefore I think we are not having to decide that.

HON P J ISOLA:

Well, I do not know what is the issue, Mr Speaker. The central issue that is facing us in Gibraltar is the need to improve the housing stock. I know a lot of money that is spent on housing does not make economic sense, this is a fact and this would be just another example because the Government is building housing for the public and not charging the economic rent. If we are talking in economic terms, no Government housing development makes economic sense but never-

theless it is a very essential thing and it has to be done. I am not so sure that the Government has sufficient housing sites in Gibraltar to house another 1,800 families that we have got on the housing waiting list and I would like to see a much bigger housing development project really biting into the housing waiting list than the Government spending time in areas such as this for private housing. My Honourable Colleague on my left has just told me that one of the things one could do is re-design that and instead of 17 have 30. Having regard to what it costs the Government to build the average flat which I am told is about £45,000 a unit, this at £62,000 is not that much more. I do not think it is a scheme that the Government cannot afford. Mr Speaker, I was really answering and now I sit down again.

HON CHIEF MINISTER:

Mr Speaker, whilst I appreciate the motives of the Mover on the motion I cannot follow really the policy of the Leader of the Opposition, or his colleagues, or his attitude. In fact, the idea of bringing into the market other forces, other monies, of people who can afford it really means less people in the waiting list. There are many people who have settled their problems by building themselves a flat or a house or buying a flat from somebody who has built two or three and these people, most of them, initially deliver back the flat to the Housing Department, others try to put in relatives to see whether they can perpetuate a tenancy which does not belong to them and we are always mindful of that because it is very easy to say: "I bought myself a house, my son is living with me, I am going to that luxury house and I am leaving my son in the flat to which he is not entitled to because the tenant is the father". This is happening all the time. Why I say I cannot understand the philosophy behind the Leader of the Opposition is because in the time of the ISEP Government the most atrocious thing was done and that is to give the whole of the development of Gardiner's Road, the whole of it, to one developer who was not able to build one house for himself, who had to go giving licences to people to build themselves houses at considerable profit to the developer who did not develop because he did not have the means to develop.

HON P J ISOLA:

If the Honourable the Chief Minister will give way. As I understand that position what happened to the developer who got it, what he did was totally in breach of the conditions of the tender, totally in breach. He sold licences to

people which he was not entitled to do as I understand the position and all this was allowed. If he was not unable to develop then the Government, whoever it was, I do not know who was in power at the time, were to blame. I do not mean the Government who put the thing out to tender, development did not begin until after 1972 and it was then that the Government then in power allowed the goings on but went on.

HON CHIEF MINISTER:

Yes, because it was a monstrosity, they had allowed one developer without any guarantee that he could develop, to do something which he was not able to do, physically he could not do it, but the allocation was given in one whole and look at the number of people who have developed flats there in Gardiner's Road, look at the number of people who have had to put money into that development. A considerable number of people are living there quite comfortably but on their own effort and this is what this project is about, people putting their own effort and not a developers' efforts into the matter. It is to be proved, I agree, and in fact to that extent I would say that whilst not agreeing with the terms of the motion I am prepared to look at the whole matter having regard to the response that there is finally when the dates are fixed for the termination. If it is a flop, it is a flop. We have a project, we have an idea, we have a commitment on this question of selling of houses and we will do our best to carry it out as we feel that we ought to and we are committed to do so under the terms of our manifesto. One of the things that rather surprised me to hear from the Leader of the Opposition is that they do not believe in the density argument. First of all, it may or may not be agreed or it may not be too egalitarian, zoning is part of the law of Gibraltar in that City Plan which is now the law of Gibraltar does have zones which are high density and zones which are low density and this is a low density zone and unless there is a resolution of this House, as I understand it, and the next City Plan changes the zoning, the zoning is there it is part of the law of the land so that there is no question of trying to put up a huge block of flats in the middle of Woodford Cottage, another tenement building, because it just does not fit in the area.

HON A J CANEPA:

We could take over The Mount.

HON CHIEF MINISTER:

Yes, for that matter we could take over The Mount and build there, this is really nonsense. There is an argument which was mentioned by the Hon Mr Bossano which supports the scheme and that is the question, as he says, that there are many people who are living in rent-controlled flats who are wealthier than the landlord who has to maintain the property. It is those people who have enough money and who, given the opportunity, would like to have a little semi-detached flat or house, who would be prepared to do this and then, presumably, on increased rent or an agreement or whatever it is, surrender in addition to that a flat for somebody in the Housing Waiting List. These are the people and it is not any more the landed wealthy that now occupy the flats in Gardiner's Road. They are the entrepreneurs of the last generation or even of this generation who, good luck to them, have done very well and have come to realise that there is a considerable amount of justification in devoting a lot of your sacrifice as a result of your efforts into a proper house not to live in a subsidised house very wealthily and depriving somebody else of it. This has come about in the last ten or fifteen years in Gibraltar and in fact it is also permeating into the private and pre-war sector in that houses are being refurbished by the owners and as they become vacant flats are being sold all over the place which is not a bad thing for the lawyers, incidentally. Flats are being sold all over the place, houses are being divided into flats and they are being sold all over the place. People do not want any more to become tenants, they accept the responsibility of becoming the landlord of their own flat. This is the philosophy behind the proposal that the Government had in selling Government flats. I know that there are difficulties about flats, I know that there are difficulties in big tenement buildings where people may not want to perpetuate themselves as tenants of certain people with whom they do not get on well. I know there are difficulties but there are very great possibilities in that which have not yet been explored as the Honourable Member well knows. It is not only a question of devoting the time of the people in doing this, this is I think a worthwhile exercise. In any case the planning has been done and not to the detriment of any housing estate. The idea that more and more houses should be built as sites become available without planning, what the capital expenditure is without looking forward as to how much you can redeem and how much interest you are going to pay on the loans, we have already passed in this session a Bill which will burden future budgets to the extent of having to pay for these loans and redemption and sinking funds. We cannot have a debt and in any case we might get to a stage where people would not lend us money if our economy is not sound. There is a limitation, a natural, economic limitation as to the amount

apart from the big basic requirements and in that context the best that we can do to bring out money from outside which is not Government money for people who are going to live in their own houses and are not going to be a burden on the Government, I think that that is a relief to the Housing List and also a benefit to the people who live there and good luck to them if they can afford it. I do not think that there is any question of people not being able, if they can afford it, to live in a decent house.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I sympathise with the motion that the Honourable Mr Bossano has brought forward but the Honourable the Chief Minister has more or less given us a guarantee that he wants to see the scheme work and if it does not work he is prepared to listen to his motion. I think the rest of the Opposition have missed the point completely. The Government of Gibraltar is the biggest landlord and part of the housing problem of Gibraltar is the maintenance problem and the subsidy is something like £1m. or nearly £2m. That is the problem. You increase the Government housing stock of Gibraltar and you are increasing for the future the maintenance. If we can get people interested enough to build their own houses, we are doing two things. We are preventing more people going into the housing list, we are saving on the loans that we need for future development and at the same time we might be releasing Government flats back to the housing stock for the people in the housing list. Gibraltar's housing problem is not going to be solved by the Gibraltar Government alone, it is going to be solved in two ways, by the Gibraltar Government and by the private developers and by private ownership and that is the only way that we are going to succeed otherwise we are going to be in an economic mess. Thank you, Mr Speaker.

HON A. J. HAYNES:

Mr Speaker, in the motion the Hon Mr Bossano asks Government to think again and try and fit in more units in the Woodford Cottage scheme. He does not really go on to say how other than suggest that perhaps the Government architects look at the project again and he seems to be prepared to accept just a 15% increase or thereabouts to a figure round about 20 units. I agree with my Colleague the Leader of the Opposition that this is not good enough. We believe that three more units would hardly solve anything.

HON J BOSSANO:

If the Hon Member will give way. What I have said is that the Government should without necessarily giving up their own ideas on this, invite other proposals which could be, as far as I am concerned, 20 units, 30 units or 300 units.

HON A J HAYNES:

Mr Speaker, as I remember it the Honourable Member did say that perhaps 20 units might be brought about. Though I accept Mr Bossano's principle that there is something wrong with the Woodford Cottage Scheme I believe that it does not go far enough in this Motion as expressed by my Colleague. We believe that the whole approach to housing as symbolised or brought out in the idea of the Government on the Woodford Cottage Scheme is wrong and I say this in full awareness of what the Hon Mover said that we have an acute housing problem and it would seem to advocate a rejection of a possible 17 more houses but the reason why we reject it is that 17 more units will not make any impact on the housing problem we have today and even if it was 20 or 30 it would still not in any way affect the housing problem. One could even double that figure because one imagines that if 17 units were built Government could get another 17 houses for re-allocation but again those 40 odd houses brought about by this scheme would not make any difference by the fact that in about a month you would probably have more applicants than people you have catered for. We have brought this point up time and again, we do not think that Government is moving or engineering projects on a large enough scale. But if they are going to envisage developments of this kind the key factor is success. Though I agree with the spirit of what Mr Bossano gets at, ie that there is something wrong, he suggests that we need more units, I suggest that we need a guarantee of success and you want success on a large scale. With this kind of development with the approach of a small isolated units of housing, you do not want just one project you want as many as you can possibly foster and embark on. These projects, ideally, if they are to be projects which involve home ownership must be catering for different budgets so that even those with modest incomes or minimum capital can aspire to eventually own their own home and if that is one of the criteria which has driven Government to devise this scheme I think it will not succeed at all. We are talking about an approximate figure of \$70,000 per unit. Even if people can afford \$70,000 surely they will question the wisdom of investing \$70,000 in after all what is a rather small house when for that same price one could buy elsewhere much larger tracts of land and houses. I do not believe that this kind of small project can be effectively brought about by Government. I think this type of scheme is

to be done by private developers because private developers have the realisation that if they do not succeed nor does the project. As I have said before we want success in these kind of projects and success has three factors:-

- a. an attractive scheme, ie attractive and pleasant housing;
- b. an attractive price; and
- c. conditions.

On the first, as to the aesthetic attraction of the scheme, I think there would be no doubt that this one, Woodford Cottage Scheme, would be desirable by any standards. It is in a pleasant part of the Rock, the houses appear to be neat and tidy and rather sweet but when one comes to price, as I have said before at \$70,000 I do not believe that Government will have any buyers and so this motion may well be mis-conceived inasmuch as we are not talking about a scheme that is going to go anywhere but we are talking about the principle behind it and that is why I feel it is important to make a contribution. As to the conditions, the Leader of the Opposition did point out that one of the conditions was that the successful applicant would require his landlord to sign over perhaps a rent-controlled flat for a nominee appointed by Government and that would be most unfair on the landlord who has been trying to get rid of the tenant and now finds himself with another one. I do not see why the landlord should be involved in this at all. This brings me to another aspect of the Mover's speech which was concerned with the Landlord and Tenant Ordinance and he did sound a warning to the House that it is an Ordinance which does have pitfalls, it can be in certain circumstances very harsh, it can also be extremely rigid neither of which are policies which any Member of this House would support and perhaps we are moving in a direction of putting a spotlight on this. I take the point which the Mover made which I accept wholly, that the housing problem is not something that can be resolved simply by building one million new houses because one could never get the finance to do it and one cannot have a vast proportional number of Government properties and houses being subsidised by a small minority, that, economically, would just not hold, it does not matter whether ideologically one accepts or one would want that, it would never last. As I say, we do have an acute housing problem, we have heard the Mover say that he would be looking in terms of a wider scope, a different approach to the Landlord and Tenant Ordinance. Perhaps, he is thinking in genuine terms which might possibly eliminate this problem but by no stretch of the imagination can one even suggest that the Woodford Cottage Scheme is going to do the slightest

thing to alleviate those on the housing waiting list, it is almost a joke. We have an acute housing problem and here we have Government dabbling in a small but very pretty scheme for seventeen units and they get up in arms about this, that and the other. We have come to this House from all the parties of the Opposition pressing Government to provide us with a more dynamic project and this seems to be the only thing that they can come up with. We believe that the Government should be involving itself in major projects. Government should not even be considering Woodford Cottage type schemes at the moment. I am not saying that a Government should not ever try a Woodford Cottage Scheme, it should once there are major projects under hand, projects of the size and calibre of Varyl Begg or Glacis or Laguna. Those kind of projects really hit the housing waiting list, those make a maximum impact, those are the kind of projects we are looking for and once Government has got a project of that size under way and once Government has made a genuine effort to tackle the housing problem which they would do by having something of that nature, a large project, a harsh look at the Landlord and Tenants Ordinance, an economic project on the potential imbalance of subsidised housing and an economic and political system which would encourage private developers to make as many of these kind of projects as possible. In those kind of circumstances I would commend any Government which, to make sure that the projects were being properly handled, would try making a project of its own on an experimental basis to keep tabs on private developers who are already doing a dozen type of these projects, in those circumstances I would accept a scheme of this nature. But for a Government which has committed itself to giving housing main priority, which has repeatedly said in the manifesto that this is what they are going to do, to come up with this, it is absurd. I know the Chief Minister does not like my using that word but I am afraid I have to be harsh. I think, Mr Speaker, that is all I want to say.

HON M K FEATHERSTONE:

Mr Speaker, it appears from the last speaker that the whole of the Government housing policy hinges on seventeen flats at Woodford Cottage. Either the Hon Member has not read our manifesto properly, has not understood it, or does not know what he is talking about. Of course there is a housing problem in Gibraltar, nobody is going to deny it. There is also another problem in Gibraltar and that is the problem of finding the money to build all the houses we would like to build. How easy it is to say: "Build another Varyl Begg Estate, 700 houses, that will solve your problem." Very easy, £28m., where are we going to find it? And, of course,

we would need the land to put it on, well, that is easy we can reclaim the Montagu, that is another £5m. or £6m. So if you can draw out of a hat £30m. or £40m. just like that, of course you can solve your housing problem. We have a finance problem, a problem that is going to become much more acute in the next 2/3 years. We are mortgaging ourselves up to the hilt governmentwise. And yet Gibraltar is a rich city, there is plenty of money in Gibraltar, witness the constant spate of adverts that you get in the Gibraltar Chronicle and elsewhere from foreign firms who come and take the money out of Gibraltar and have it invested in the UK and in Jersey and in various other places. Here is an opportunity for the Gibraltarian to invest in his own city but this of course is something that apparently investing in your own city is anathema to the Opposition, not counting the Honourable Mr Bossano.

HON P J ISOLA:

If the Honourable Member will give way. Perhaps he can indicate a single instance when the Opposition has discouraged people from investing in Gibraltar and while he is about it perhaps he could indicate where in his Party manifesto is there a reference to home ownership.

HON M K FEATHERSTONE:

If he will read the manifesto of 1972 and 1976 we mentioned home ownership.

HON P J ISOLA:

We are fulfilling the promises of 1976, are we?

HON M K FEATHERSTONE:

We continue to fulfil all the ones that we have made in the past. I am surprised that the Leader of the Opposition, who is so dedicated to the British way of life, does not want the Gibraltarian wherever possible to own his own home but prefers that all property should be in the hands of Government. Well, perhaps, that might not be a bad idea that all properties should be in the hands of Government and when any long Government leases come up instead of letting them go back into private hands perhaps they should revert to the Government and allow Government to control everything and then put the subsidies up more and more and more and put the onus on

the taxpayers more and more so that the taxpayer has a repair bill that is crippling him, it is already crippling, but that cripples him absolutely completely, and then, perhaps, the Hon Leader of the Opposition will be satisfied. In the Woodford Cottage Scheme you have one of the three prongs that Government can foresee for housing. Of course, there must be Government housing as such, there should also, we hope, be private housing as such but here is an opportunity in which Government can cooperate with the general public who have the money and who are interested in investing in their own property and it is not so difficult to say where can they find 10 or 12 or £15,000 put down because you can only get 80% from the bank. How many people do you get when they retire, for example, from their post in the civil service and perhaps elsewhere, get a gratuity in the tens and thousands of pounds so that they could easily put down £12,000 or £15,000 or £20,000 for a home which would be available for their children. One of the things that the Honourable Mr Haynes suggested was that the Woodford Cottage site should go out to private development. Is he willing to allow the private development to pay an economic price for that land, because part of the Government effort in helping the co-operative in taking over the Woodford Cottage area is to put a very reasonable figure on the value of the land, land which by itself would command a very high price if it were to go to the private contractor. And if this scheme, as I hope it will, does get off the ground, what will its total cost be, somewhere between £800,000 and £1.2m. Look at the good that it is going to do to the building trade, look how that is going to help a trade which at the moment is running into difficulties, and yet the Opposition want to do nothing towards it. And what do they say? Seventeen houses is going to make no impact. Of course seventeen houses is going to make a small impact but seventeen here and seventeen there and seventeen somewhere else, added together make a considerable impact and this is the policy that Government is pursuing. What we want is to see people with means investing in their own houses. Firstly, that they have something tangible of their own, secondly, that they have invested in Gibraltar, thirdly, they have removed a commitment on Government to subsidise them when it is unnecessary. What do we want, a type of person in Gibraltar who lives on the Government subsidy and has a Rolls Royce or a large Mercedes standing outside the door? Is that the sort of attitude we want? I should think not. I accept Mr Bossano's suggestion that if a somewhat improved scheme could be considered it should be looked at, and as the Hon the Chief Minister has said, we will look at this. But the scheme as it has been done, has been done with the best will in the world, with the whole intention that the Government has had to foment home ownership. With Rosia Dale we were not successful but, perhaps, like Robert the Bruce, we believe in trying and trying again until we are successful. Rosia Dale had various constraints which were not all that

satisfactory, the rooms were rather small and it was difficult therefore to immediately envisage that we were going to get people to purchase but with the scheme at Woodford Cottage there are three types of houses, people know what they are going in for, they know the commitment that they are investing in and they are getting the type of house that they themselves would like to choose so I think that the scheme is something which has everything to commend it and I hope and I am sure it will get off the ground and be a great success.

HON H J ZAMMITT:

Mr Speaker, Sir, the Government has been accused in this House all too often of agreeing with the Honourable Mr Bossano, particularly by the Members of the DPBG, and I will try and speak very slowly because I was misquoted in the last meeting when I said that the trouble is that Mr Bossano invariably is so logical that it makes it quite difficult for Government to have to reply to him whereas I only wish that if he could convince his right wing members on that side of the House to put some of the logic that he comes over with and at least try and make half the sense that the Lover does in his contributions in the House. I think if there is one message that is coming out of this motion it is the lack of knowledge that the members of the DPBG that have so far spoken have shown.

MR SPEAKER:

With due respect to you, we are not going to use this debate to move a vote of censure on the Opposition.

HON H J ZAMMITT:

I have come to the conclusion, Mr Speaker, that the Honourable and Learned Leader of the Opposition and the Hon Mr Haynes have not got a clue of what they are talking about as regards this particular motion. The last speaker, Mr Featherstone, summed it when he said that all the argument that apparently the Opposition is putting is that it should go to a private developer. I think that before I go into that other historical facts should come to light to remind the Opposition of certain facts concerning the home ownership scheme. The sale of houses attempted by Government failed not as a result of the money Government was asking people to pay but because of other constraints and I can assure the House and members opposite that there were quite a number of people interested in purchasing their flat provided that they could move from

where they were or some other tenant in that block could be moved. In other words, they were prepared to buy but there were social constraints within the environment of that particular building which was difficult for the Housing Department as such to be able to alleviate. We are all aware that the present housing scheme allocates points irrespective of people's status and I think we must be very honest about this, that the housing stock of Gibraltar, the Government housing problem in Gibraltar, is occupied within the estates by a variety of people with different employment, different incomes and different positions. There are some people who have the money and who are prepared to move out and I think Gardiner's Road is an example where people have paid £70,000. There are some people that have paid £70,000 for plots of land and building their houses in other parts of Gibraltar to try and keep away from an estate irrespective of how nice that estate may be or may not be. One sees that people still wish to buy a house. It was a question that people said: "I would buy if I can be moved from here or if some other tenant could be moved or if part of my family composition could be moved out." Therefore, there is a desire and there is a will on the part of some people in Gibraltar to own a flat. In the particular circumstances of Woodford Cottage they are not flats, they are virtually semi-detached houses which are much more in demand obviously than having tenants above and below and to either side of you. I cannot agree that there will be no response in fact it was in the press the other day that there were already over 30 people who had shown an interest in this venture. But the interest to be shown, and Government has given this much more consideration than the Opposition seem to feel, is two-fold. We have tried to get people interested in buying their houses and in the construction of the house. People who would vacate either Government or private accommodation that Government could make use of. What really is astounding is to say that seventeen houses has no impact. I would remind the Hon Mr Haynes that that little list of five he has of problems could well be solved by these seventeen. In housing, never mind seventeen, two is good and let us not forget equally that there are cases where people in being able to acquire accommodation larger than what they occupy sometimes are able to take their in-laws in with them or their parents who would vacate other accommodation. So there are occasions where one sometimes bring back two but I will not go on to that because we know very well that the idea possibly is that we may get 34 out of the total seventeen. I do not think, Mr Speaker, that the Hon Mr Haynes was right in saying that it was a rejection of seventeen because we have made it very, very clear that the people who can apply for the Woodford Cottage Scheme are people who would be entitled to be on the housing waiting list and therefore I will go no further than that but I think everybody knows what we mean and that is to say that

we would like Gibraltarians or people who have permanent residence in Gibraltar to obtain housing but if it was to go to a private developer we could then find that when we originally tried to sell a block of flats in Varyl Begg the immense majority of people who were ready to put their money where their mouth was were non-Gibraltarians and that does not benefit Gibraltar's housing list at all. You could not impose a condition on a developer but he could not sell to anybody other than those on the housing list because the person is there to make money out of it but this scheme would make sure and would endeavour to see that in alleviating those seventeen people who would be able to afford it, they would be vacating accommodation which people on the waiting list could take up. Mr Speaker, the Hon Mr Isola spoke of Rosia Dale having failed. We could have sold Rosia Dale, let me assure the Hon Mr Isola, we could have sold it but not to people on the waiting list which is exactly what we are trying to avoid. We had applications galore from people who were prepared to pay £25,000/£26,000 but they certainly were not the people that I am interested in trying to find houses for as Minister for Housing. That is why I cannot see the sense and the argument of the Opposition in saying that this should go to a private developer. Here is an occasion where Government is trying in a selected piece of Gibraltar to try and construct something which people can buy and therefore alleviate the present housing situation and I repeat there are many people interested in this scheme and that is a way that we could probably solve 17 or 34 cases of people in the housing waiting list. Mr Speaker, this would also alleviate not only people on the waiting list as I have said but I can assure the House that it would alleviate those 17 families, as the Hon Mover mentioned, who cannot afford to buy themselves out of having to live in areas which Government provide and I do not want to labour on that issue very much but many problems are created by the different way of life of people who have to live together in some of the estates which they do not find as pleasant as they would like it to be. Mr Speaker, I must say in ending that I really cannot understand the attitude of the Opposition in this particular case because there is no logic at all and it goes to show that they really have no idea at all of the problems of Gibraltar's housing.

HON G T RESTANO:

Mr Speaker, I was not really intending to speak at all but I have heard so much rubbish and so much contradiction from Government benches this afternoon on this subject that I have not been able to resist saying a few words. First of all, the Chief Minister in his outburst criticised the

Leader of the Opposition and said the low density zones were imperative because they had been included in the City Plan of 1976. I do not know what he is talking about. What about the City Plan, what about merger of the two hospitals, what happened to them? That was in the City Plan, so what is convenient for the Chief Minister to raise about the City Plan on one thing is good but what isn't convenient he forgets. I will give way if the Chief Minister asks me to give way.

HON CHIEF MINISTER:

Please do. It is just to tell you that you are wrong.

HON G T RESTANO:

I have got the City Plan and I know what the City Plan says and it said a merger. The merger, I was told yesterday, was not on now so in that sense the City Plan or what was in the City Plan can be discarded but certainly not the low density zone which I think really to a certain extent is one of the main aspects in the Mover's motion about the maximum impact on Gibraltar's housing problem. If more houses are required and perhaps the zone may well have to be made more dense than so be it because our big problem is, of course, the housing problem, the same argument as I used about the Catalan Bay development where only twelve units are going to be built whereas in fact if a different type of block had been built there we would have had many more units in a particular area. Earlier, we had the Minister for Economic Development saying that this sort of development would make it more easily available to those who aspire to home ownership. At £70,000 I think, quite frankly, that that home ownership will be available only to very few people because there are very few people who could envisage going into a commitment of this nature. He also said that there was no requirement, no need to build more units in this particular area at Woodford Cottage because of course he had sites, he had sites for large housing estates or for large housing development which is of course quite contradictory to what the Hon Minister for Public Works said and he said that they did not have any money and they did not have any sites. This is the sort of contradiction which we get.

HON M K FEATHERSTONE:

If the Hon Member will give way. I do not think I said that we did not have any money or that we did not have any sites. What I did say is that to build 700 houses in one fell swoop would take a lot more money than we do have at the moment and would take a new site which we do not have at the moment.

HON G T RESTANO:

Mr Speaker, he said the problem is money and sites. The obvious conclusion is that the money is not available and the sites are not available because if he says that the problem is sites it means that the sites are not available which is in direct contradiction to what the Minister for Economic Development said. Another point which the Minister for Public Works brought out was the manifestos of 1972 and 1976 on home ownership. Well, how is it that there was nothing in the 1980 AACR manifesto on home ownership? Perhaps they had discarded it then or they thought they could never make it work. One point that he did raise was that the Woodford Cottage Scheme would be an injection to the building industry. I think the Mover in fact is really searching to have more units built and if we have more units built on that site there would even be a greater injection into the building industry because there would be a requirement for more work, more materials and more staff. The last member of the Government to speak, the Minister for Housing, said that the Rosia Dale plan to sell flats to tenants had been unsuccessful, that there had been certain constraints but that on the other hand he took Gardiner's Road as an example of people wishing to purchase their own flats outside housing estates and I agree, yes, there are a number of people who would like to have the luxury of living in very nice areas but that is not the problem, the problem in Gibraltar is that we have 1,800 on the waiting list or perhaps through natural wastage it has come down to 1,650, but there is a problem of 1,800 persons on the waiting list and what we are talking about is a paltry seventeen units which are being constructed in this Woodford Cottage Scheme. Of course, it will make an impact on a few people but not a general impact. What the Government should be coming up with is saying: "We are going to go into a housing estate". When that sort of policy comes from the Government and after all there has been no major, other than perhaps Rosia Dale, no major housing development since 1972, Varyl Begg Estate, nearly eleven years ago now because it started in 1969. There have been no major developments since 1969 when the Varyl Begg Estate was conceived and I think that this is an indictment on this Government when they come up and say: "Look at what we are doing, we are having 17 units at Woodford Cottage". It is an indictment, too, on the Minister for Economic Development that he should come up with this sort of project.

HON J BOSSANO:

Mr Speaker, I know I shall probably earn the rebuke of the Hon and Learned Member, Mr Haynes, because of the manner in

which I will exercise my right of reply. No doubt he will accuse me once again of acting as Deputy Speaker. Let me say that I do not consider it to be a rebuke but an accolade because I think after yourself, Mr Speaker, I am the best behaved member of the House.

I think the importance of the motion, and let me say that I find it very disturbing because on both sides of the House Members sort of oscillate between the text of the motion and the introduction that I made of it and the opportunity that it gives them to hit each other at both the failures on respective sides to meet their respective manifestos going back to the year dot. I know that every time I bring a motion to the House of Assembly I risk having to sit and listen for a very long time to what Members tell each other about their past failures and I would prefer that on my motions, at least, they concentrate on what I have to say and what I am bringing to the House and then, if they want, they can bring other motions where they indulge in hitting each other about their respective failures and I do not have to sit down and listen to it.

MR SPEAKER:

May I say that your risk is self-motivated, mine is not.

HON J BOSSANO:

At least I am responsible for bringing it about. I accept that you have to put up with it without any fault on your part.

Let me make an example of the last contribution by the Hon Mr Bossano. I think he quite accurately identified the essence of the motion as being one about density because it relates to the motion in the previous House talking about the best use of land. Therefore, if we are talking about density we are not talking about ownership. We are not talking about the type of development and we are not talking about the efficiency of solving the housing problem. Having said that he recognised that density was the main aspect he then went on to say that it was an indictment on the Government and the Minister for not making a general impact on the waiting list. It would only be an indictment if density was not the main aspect. Having recognised that density was the main aspect it cannot be an indictment of anything about anybody other than density. If we were saying that because we have such a shortage of land in Gibraltar, to use that land for seventeen houses is effectively to make it impossible to rehouse the 1,700 people on the waiting list then, yes,

density and the use of that land for low density development would be an indictment, would be a criminal waste of land in terms of resolving Gibraltar's housing problem. I am told by Government that this is not the case. I am told by Government that they have got a five-year programme for public housing which enables them to build what they think is required without having to make use of this site. Because I do not have facts in my possession which enables me to show Government that they are wrong, I am reserving my judgement on this point. However, I said quite clearly, Mr Speaker, when the Hon and Learned the Leader of the Opposition was kind enough to give way and allow me to interrupt him, that in fact if we had a choice between using this place for home ownership and using it for public housing and if home ownership was only going to be developed at the expense of public housing and by depriving people on the Waiting List who do not have the economic means of owning their own homes, then I would be completely against home ownership. Let us be quite clear about that. But if the situation is that we already have been developing a policy, a programme of housing over the last decade in Gibraltar which I think has been substantial but not thought out in terms of its long-term impact on the economy of Gibraltar, which has produced a ratio of 75% public ownership of houses, are we saying then that if tomorrow there was a different Government in office that new Government would wish to increase that proportion to 80 or 90 or 99 or 100%. We are not saying that because in fact the Hon Mr Haynes also said, amongst other things which seem to be less relevant to the motion than that point, also said that he welcomed my recognition that you cannot have a situation where 10% subsidised 90%. If we are talking about that situation then we cannot have a situation where we are talking about building extra houses at public expense to be subsidised by people who may well be less well off than those that they are subsidising. We cannot have a situation, Mr Speaker, where we develop public housing without regard to means. Either we consider that the provision of housing is a social service like education and medical services or we consider that, generally speaking, people should provide for their own accommodation out of their own means like they provide a car and a suit and food for themselves, and to the extent that they are unable to do so then the State steps in and provides it for them. We have to analyse things in fundamental terms and then try and apply the logic of that analysis to the resolution of Gibraltar's problems regardless of who is in Government. I find myself being told that I do not go far enough in my motion. I do not pretend to be a good Tory, Mr Speaker. The Hon and Learned Member has accused me on other occasions of being too much like Michael Foot, I do not know if Michael Foot is a good Tory now. I

believe I am a socialist, I believe in socialism but I believe that I live in a real world and I do not believe in promising people things I cannot deliver. I do not believe in saying to people that they can have something for nothing or that there is a cornucopia of wealth out of which everybody can draw without anybody putting in. I believe in a society that organises itself in order to produce the maximum possible level of wealth and then that that wealth is distributed as fairly as possible. I would prefer, Mr Speaker, a system where people were prepared to take a share of the wealth consistent with their needs. I know, regrettably, that this is not the case that for as long as human beings continue to behave as they do today one will have to provide people with incentives to make them do things they would otherwise not do. Consequently, one must try and find a balance in political and economic terms between what one would wish to be the ideal state and it is in the ideal that one is aiming for that one distinguishes the Tories from the Socialists and I know where my ideal is and how one gets to that ideal and I know that I get to that ideal not by having everything I bring to the House defeated but by hopefully getting half of the things I bring to the House accepted. I have no doubt that my Hon Colleagues in the Opposition would be less critical of my approach if they were on the other side of the House than the way they are, sitting on the same side as I do. I think that if they were in Government and they had me sitting here trying to persuade them to do things rather than trying to hit them over the head at every conceivable opportunity, they would perhaps see things in a different light. But I know that human beings are like that, Mr Speaker. I know that perspective is conditioned by the position that one occupies at any one point in time and consequently this is true of members of the House as it is of members in every other walk of life. The motion that I brought to the House, Mr Speaker, is not an indictment of the Government's failure or successes in resolving housing problems. If one wishes to discuss that it would have to be in a different motion, not in this one. I myself have got serious reservations about the prospects of success that the Government scheme has got. I think the Hon and Learned Mr Isola and the Hon and Learned Mr Maynes also said that they thought that the motion really was about something that would not happen anyway. I myself think that on the terms upon which the project is being made available to people I do not think it is likely to be considered attractive enough because people who are really interested in buying a house are people who have not got a house. Of those, it is people who cannot afford a house who are most interested in a house. Generally speaking, however great the disadvantages and the complaints there may be from Government tenants, generally speaking, if it is put to the test they know that they are sufficiently

well off not to want to move out of a Government house. That is the reality of the situation. The proof of the pudding is in the eating, and the test is put every time they are offered the opportunity of moving out and buying and then being responsible for everything. In terms of the burden that there is, it is quite obvious. We know that in any service that is provided it becomes incredibly expensive to have the slightest thing done by someone else compared to the cost of doing it oneself because it is obvious. If I have to do something on a Sunday in my house, I do not insist on my wife paying me double time for it, but I insist in respect of any Union member that works for the Public Works Department. This realism about the economics of the situation is what involves public housing in a maintenance bill of a £1m. as we have seen in the latest Supplementary Estimates. I think that while I have reservations about the probabilities of success of this scheme, the intention behind the scheme is an attempt to find a solution to the problems of public finance created by a housing situation where 75% is publicly-owned and running a very large deficit. All that I am asking the Government to do in this motion is that in tandem with their own scheme they should allow something else to be put forward by other people who might wish to develop it a different way. Let me say that I have been very confused by this statement made by a number of the speakers on the Opposition which has not been in fact refuted by the Government that the Government is developing this and that it should be developed by the private sector because as I understand it it is not being developed by the Government, it is being developed privately but with restrictions put on it. It is not that the Government is actually building the thing and then selling it to owner/occupiers. What the Government is saying is: "We are allowing this land to be developed with limitations on it and because of the limitations then the price may be less than it might otherwise be". Let me say that as far as I am concerned the motion that I brought before the House in November precisely said to the Government that in allowing land to be developed other than for public housing, in my view then if they have to choose between a single luxury house for one individual and getting a better price for that land and more modest housing for perhaps professional and middle income groups which provides an increase in the housing stock but which, in order to make it economically feasible, means selling the land for a lower price then I think it is in the long-term economic interest, forget anything else, it is in the long-term economic interest of the Government to let that happen because it then houses three families, two of whom would otherwise have no choice other than to join the housing list. I think that basic philosophy in the use of land is part of what I am asking the Government to consider and I think that, in part, is reflected in their proposals. I do not know whether the area can be developed more intensively or not but I would say that the Government should

consider that possibility by allowing those who might think that they could to put forward their ideas and then weigh up somebody else's ideas against their own proposals of the area and if they find that the other can produce a co-operative housing scheme with thirty houses, then by all means because I do not agree with what the Hon and Learned Mr Haynes said that 17 more units would not make any impact. I would agree with what the Hon Mr Restano said that it would make a very small impact, the impact it would make would be 17. In fact, if it was 18 then the impact would be 18 and for every one more there would be one more impact and one more house, that is the impact, and it happens to do with a peculiar science discovered by the Greeks a very long time ago called arithmetic. I think we have to look at it in two respects. One is that there is what one would call in economic terms a macro-economic supply and demand situation, that is, that there are a number of human beings living in these 2 square miles and a number of houses. We should attempt to bring these two into overall balance without worrying too much about the actual composition. We have to ensure that if there is population growth then the growth in the housing stock at least keeps up with the population growth. Over the last ten years, Mr Speaker, we have had a situation where the Gibraltarians have grown by an average of 62 a year and the houses have grown by an average of 120 a year but the non-Gibraltarians have grown by an average of 180 a year. One thing we cannot do, and I think we have to have a policy on residential permits and so on consistent with housing policy, one thing we cannot do is keep on building houses and drawing in people from outside. There isn't the place for that in Gibraltar so we have to have an overall policy on housing within which public sector housing plays a part, within which home ownership plays a part and I think within which, to a very much smaller extent, private development plays a part because in fact the economics of private development do not make sense. It is very difficult to envisage today private houses being built to rent for profit because you can make more money simply by putting the money on deposit in a bank and therefore from a commercial point of view it is difficult to envisage the possibility of encouraging private sector rented accommodation.

MR SPEAKER:

I am being very liberal with you but you are exercising your right of reply and you must not bring in new matters.

HON J BOSSANO:

I am about to finish, Mr Speaker, I am grateful for your liberality. Within this philosophy, Mr Speaker, really the main contribution of Government; the prime role that Government has got to play is that because private ownership of land is insignificant in Gibraltar, Government really owns

the most important asset which is the land on which the houses are built and consequently whether we are talking about home ownership, whether we are talking about private development or whether we are talking about public housing, Government must ensure that rather than zoning or areas of low or high density, because I imagine that all the people who are dealing with low density are the people who are living in the low density areas and if I was not living in Varyl Begg Estate and I was living in the vicinity of Woodford Cottage I might well prefer to have 17 neighbours rather than 34 neighbours. Mr Speaker, I think that primarily we have to look on Gibraltar's land as the most precious commodity that we have and ensure that it is used in a way that provides the maximum benefit to the maximum number of people and it is this philosophy that I am trying to get the House to accept rather than acrimonious debate about whether anybody's Manifesto of 1972 or 1969 or any other date has now been complied with.

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

The Hon J Bossano
The Hon A J Haynes
The Hon P J Isola
The Hon A T Loddo
The Hon G T Restano
The Hon W T Scott

The following Hon Members voted against:

The Hon A J Canepa
The Hon Major F J Dellipiani
The Hon M K Featherstone
The Hon Sir Joshua Hassan
The Hon J B Perez
The Hon Dr R G Valerino
The Hon E J Zammitt
The Hon D Hull
The Hon R J Wallace

The following Hon Members were absent from the Chamber:

The Hon I Abecasis
The Hon Major R J Peliza

The motion was accordingly defeated.

The House recessed at 5.15 pm.

The House resumed at 5.50 pm.

HON J BOSSANO:

Mr Speaker, I beg to move that: "This House considers that Spanish nationals cannot be granted the same rights as the EEC nationals in Gibraltar prior to Spain attaining full membership of the EEC". Mr Speaker, earlier on this year I brought a motion to the House which was passed in an amended form and as a result of which there has already been a number of meetings between the three parties represented in the House of Assembly concerning the way in which the enlargement of the EEC could affect the economy of Gibraltar to ensure that we provide adequate protection for Gibraltar in such an event just in fact as other existing members of the EEC are doing when they are considering the possibility of entry of new members. Therefore, there are two aspects to the motion. One is, of course, that when we are talking about EEC rights, the rights enjoyed by EEC nationals, we have to do so in the knowledge that the House is already taking a critical look at what those rights should be. I remember in 1973 when we changed, for example, our laws in Gibraltar to liberalise them in terms of removing the Trade Restrictions Ordinance and in terms of removing the limitations on the Control of Employment Ordinance, that we were conscious of the fact that we were giving a theoretical right to 300 million Europeans in the knowledge that a minute proportion of those 300 million would ever wish to exercise those rights. In the case of a situation where we face the possibility of having a next door neighbour with those rights, the rights cease to be theoretical and acquire an immediate importance. We now find that the Spanish Government considers that its nationals would be discriminated against if they were treated in Gibraltar as non-EEC nationals notwithstanding the fact that they would be treated as such in the rest of the European community. And we must ask ourselves why this should be so and if we ask ourselves that question then I put it to Members that they will see the necessity for supporting that motion because the reason why Spain believes it is entitled to privileged treatment in Gibraltar over other non-EEC nationalities and on a par with EEC nationals is precisely because of the whole of the EEC the only part that they lay claim to is Gibraltar because they feel that a Spanish national has got a right by birth to certain treatment in Gibraltar which they would not claim he has a right to in France or in Italy or Germany or the United Kingdom. If we were prepared to concede this point we would effectively be conceding the essence of the Spanish approach to Gibraltar and its future and then we would have been wasting our time in passing the previous motion where we committed ourselves to examine the possible impact on our economy of Spanish entry and we would be wasting our time in the study we are conducting at the moment in assessing this impact in terms of its effect on labour, on trade and on the economy as a whole. The Spanish position may or may not have been put officially to Her Majesty's Government but I believe that in the critical period in Gibraltar's history that we find ourselves at the moment we cannot make a mistake by being over cautious, we can only

make a mistake in the other direction. I believe that we have got an obligation to our people, to the people that elected us to this House of Assembly in an election where quite clearly the question of Gibraltar's relationship with Spain played an important part and was decisively reflected in the vote, I don't think after the last election there can be any doubt about how the people of Gibraltar feel on this particular issue however else they may feel as regards the domestic policies or the ability of each different political group in Gibraltar on this issue. I think the answer was absolutely clearcut in the 1980 election and therefore we have got an obligation to the people who put us here to make sure that we do not by default put Gibraltar in a dangerous position because we have not pre-empted a possibility before it arrives. I think, therefore, that whether the Spanish Government makes or has made or intends to make the easing of the restrictions conditional on an acceptance of a claim that they should be treated as EEC nationals in Gibraltar which to all intents and purposes is the same as being treated as Gibraltarians to the extent that some of our laws have already been amended to include the definition of EEC nationals as that of a Gibraltarian, to that extent we must make our position crystal clear so that they are left in absolutely no doubt that this is a non-starter and that this must be consistent with the stand that I think the people of Gibraltar want its elected representatives to take on the removal of the restrictions which is that it is a matter for the Spanish Government to put right in recognition of the mistake that they have made in the past and not as a result of obtaining any privileges in Gibraltar to which they are not entitled. I commend the motion to the House.

Mr Speaker proposed the question in the terms of the Hon J Bossano's motion.

HON CHIEF MINISTER:

Mr Speaker, the Government takes the terms of the Honourable Member's motion to be a statement of the factual position and will accordingly vote in favour of the motion. I do not want to go much further than the general comment because I see little merit and some danger in discussing in this House at this stage the question of the rights Spanish nationals should or should not enjoy in Gibraltar. As we noted in the debate on full equality of rights on another motion by the Honourable Mr Bossano in July to which he was referring and as I have said elsewhere, the question of rights of Spanish nationals is a matter for discussion when the negotiations envisaged in the Lisbon Agreement actually take place, that is to say, when the Spanish restrictions are removed. I am fully aware of the growing local feeling against the re-opening of the frontier but I am aware also of the reason for this. It is not that the Gibraltarians wish to be cut off and isolated for ever but that they are embittered and totally

disillusioned by the manner in which they have been treated over a period of 16 years and most significantly most recently by the Spanish Government failure to honour the Lisbon Agreement. We must not be drawn into argument now, I think, on any matter that properly belongs in accordance with the Agreement, signed formally on behalf of the two Governments, to the negotiations then envisaged. If this House were to state that Spanish nationals should not enjoy such and such a right but may enjoy such and such other rights, it would be entering into a debate which should never be allowed to start until the Lisbon Agreement, not to mention the Helsinki final Act, has been honoured. Finally, Sir, I wonder if it was really necessary to bring this motion before the House. I am sure the Honourable Member does not believe that anyone in this House does not hold the views expressed in the motion. If, therefore, the object of the motion is an attempt to tie us down by a resolution of this House, I think the Leader of the Opposition and myself, as those who are consulted on foreign affairs and who will participate on the British Government side in any future negotiations, then I would say that any such attempt is quite unnecessary. Nor would the motion be any more necessary if its objects were to make known formally to the British Government the views of this House on the matter. The British Government is kept fully informed by the Leader of the Opposition and myself of the views of our own parties and Mr Bossano knows only too well that he is free to communicate those also to the British Government.

HON P J ISOLA:

Mr Speaker, I don't intend to speak very long on the motion. I think it is a self evident fact that Spanish nationals cannot be granted the same rights as EEC nationals in Gibraltar prior to Spain attaining full membership of the EEC and we of course propose to support the motion. As the Honourable Member is aware, the British Government has committed us with our consent and agreement to the terms of the Lisbon Agreement and there can be no question in my mind and I am sure also in the mind of the Honourable and Learned the Chief Minister, of any arrangements that are given publicity in the Spanish press or other world press substituting what was agreed at Lisbon and that was that the Spanish Government had to lift all restrictions or suspend them or whatever one would like to call it and thereupon we would all get round the table and start talking about our mutual problems. I have no doubt that one of our mutual problems would probably be like there are in any mutual problems, the rights of the different communities in each other's countries. Certainly, I see no good reason why anything different should happen than what is said in the motion, let me put it that way. As the Honourable Mover is aware, we were concerned in this House about the effects on Gibraltar on Spain's entry into the EEC and in that respect there is in existence a sort of informal sub-committee of the House in which the Honourable Mover sits on which we are assessing the difficulties and

problems that will come as a result of opening and lifting the restrictions and reopening the frontier for us, in the event of Spain joining the EEC. This does bring mighty big problems for Gibraltar and I think the forum that we have chosen to discuss these problems, in this sub-committee, is probably a more appropriate place for discussion and examination than this House because if Spain is going to join the EEC this event will occur in the course of the next three years probably so we are really talking now in this motion of an interim period during that time and we are, of course, much more concerned with the long-term aspects of Spanish entry and I would not like anybody to get the feeling, just because Spanish nationals are not given the rights of EEC nationals prior to Spain's entry, that the situation is going to be made anything better by Spain actually joining the EEC of which we form part. Therefore, Mr Speaker, we say yes to this motion as a self-evident fact but we cannot forget the wider concern when Spain actually becomes a member of the EEC and something which we are looking into. As far as the Lisbon Agreement is concerned there is growing disillusionment among the people of Gibraltar with the failure on the part of the Spanish Government, there is no question in my mind that the failure has come from the Spanish side, to honour the Lisbon Agreement. For those people who thought it was a terribly bad deal, let us put it that way, they must be having second thoughts because they must realise that obviously the other side also thought, or must have thought, it was an extremely bad deal for them when they are even now not keeping to its terms. I think the academic question that we are asked to consider today is one that may well stay academic for some time. But, anyway, Mr Speaker, the Hon Member has our support on this motion.

HON J BOSSANO:

I will say very little, Mr Speaker. I welcome the support of both the Hon and Learned the Chief Minister and the Hon and Learned Leader of the Opposition. I take entirely the point made by the Hon and Learned Leader of the Opposition. In fact, I referred to the existence of a committee that is examining precisely what those rights should be at a future date. I accept entirely that when one says that the rights that are enjoyed today by EEC nationals in Gibraltar cannot be enjoyed today by Spanish nationals because they do not belong to the EEC, does not necessarily mean that we shall not be seeking any amendment to those rights at some future date. Of course, it is, I imagine, for some people a matter of disillusion and regret that the Lisbon Agreement appears to be unfulfilled. Mr Speaker, I cannot say that I am shedding any crocodile tears on that particular subject. I commend the motion to the House.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly carried.

HON P J ISOLA:

Sir, I have the honour to move a motion standing in my name which is that: "This House regrets the proposals in the British Government White Paper on British Nationality insofar as they affect Gibraltar and requests Her Majesty's Government in the United Kingdom to reconsider the position of Gibraltarians so as to categorise them as British Citizens in accordance with the terms of a Memorandum submitted to the Foreign Secretary and signed by the Elected Members of the House and representative bodies". Mr Speaker, I am sure that this motion will command support in the House. I think it is an important step in bringing forward to the attention of the United Kingdom Government the feelings of the people of Gibraltar as expressed in this House through their Elected representatives. The other day we heard the answer given by the Prime Minister to a question by Mr Michael Latham, a Conservative MP who came to Gibraltar with the United Kingdom Delegation, who has, I am sure Hon Members will agree, been doing sterling work on our behalf on this all-important issue for the people of Gibraltar. I detected in the answer from the Prime Minister a note of saying that the people of Gibraltar were not really all that concerned. I got that feeling in the answer. She referred to the memorandum signed by the leaders of political parties and other bodies but I got the impression that perhaps she did not quite realise that it was in fact a memorandum signed by all the elected Members of the House and representative bodies. I think it is important that this House, in one of its meetings, should record formally its disappointment at the provisions of the British White Paper on Nationality and make a formal request which should be communicated through the usual channels to Her Majesty's Government on this subject. Mr Speaker, for us the question of British Nationality as in the Government White Paper, for us it is more a question of status rather than a question of immigration. For others it is very much a question of immigration and I say this because the people of Gibraltar already have all the assurances that they really require to enable them to travel to England, to work in England or to set up in England through assurances given by successive British Ministers and they also have their UK nationality through the EEC the rights accorded to EEC Citizens in the United Kingdom. So we do in fact have the right of entry into the UK, the right of establishment, and so forth. It is not so much for us a matter of immigration but a matter of status and this is what I feel is felt strongly by the people of Gibraltar and this is what we are asking the British Government to reconsider their position on. We recognise the problems for the recognition of our position because we are not the only Dependent Territory. But we are, on the other hand, Mr Speaker, unique insofar as we are the only British Dependent Territory that is in Europe with the United Kingdom. We are in fact defined as UK nationals in the EEC Treaty, the only Dependent Territory that is, because as Hon Members are aware even the Isle of Man and the Channel Islands are not in the Treaty of Rome as Dependent Territories, they have just special arrangements with the Community. We are also not the

only British Dependent Territory but except for another one, we are the only Dependent Territory really apart from a bit of Hong Kong that cannot aspire to independence, that is precluded by the British Government's treaty obligations from aspiring to independence and we are a territory that has historical and close relationship with the United Kingdom. I think these facts are recognised by many friends of Gibraltar, by the British Government, by Members of Parliament and in fact one of the problems that we have, as a people, of getting the status that we would like for ourselves, British Citizenship, is precisely the great warmth of feeling there is for the people of Gibraltar and you get MP's and Ministers telling you that it is unthinkable that we should be anything else but British and their sympathy to Gibraltar and their desire to help us on all questions of immigration etc, in fact, when it comes to British nationality can prove to be our worst enemy because they can say: "You have got everything you want, it should not worry you what we call you". But it does worry us, it is a matter of status and I think that Hon Members will agree that it is a matter on which there is a great depth of feeling in Gibraltar and it is right and proper that this should be communicated to the British Government. Mr Speaker, as Hon Members will have heard, there have been a number of letters written to MPs, only in recent times we have heard of the re-activation of the Anglo-Gibraltar Group in the House of Commons. I am told by Mr Michael Latham, who is quite in the van of the campaign to get British Citizenship for us, that there is a tremendous amount of interest and sympathy in Parliament for the people of Gibraltar. However, I think there are huge problems obviously in the way of getting British Citizenship. I would say that as long as we press our case and I would hope that we press it as I am sure we will, in the House of Commons itself, Members of this House I hope will go to press the case on British MPs, I think there is a chance, a possibility, provided we do things properly, responsibly and with the dignity that the situation demands, there is a chance that we will prevail on the British Government to recognise the very unique position of the people of Gibraltar. I have read some letters, some letters I have seen in the press, that have been written to MP's and I have read replies which show great sympathy to the Gibraltar position and I think it is our obligation, the obligation of all the Elected Members of the House and of our respective Parties to try and bring to the attention of as many Members of Parliament as possible the undoubted strong case that we have in this respect. We, of our Party, have done and continue to do what we can to bring this matter to the attention of MPs and as Hon Members are aware we have had our premises open on particular days of the week in case anybody needs any assistance in sending letters to MP's because it is there that the whole issue will be decided, there is no question about it. There are, of course, in the new Bill that will come out, there are all sorts of connotations and problems because the main problem in England with this Bill seems to be really one of immigration rather than one of nationality. Our problem is a

comparatively small one within the context of the whole Bill but for us it is terribly important and there is a tremendous amount of interest in the Bill in England and we think there is a desperate need for as many people as possible who have feelings on this subject, to express them to Members of Parliament. I think, of course, the most important step that we can take in our campaign will be by a personal visit of the Chief Minister and myself and other Members of the House. I will, of course, have discussions with the Hon and Learned the Chief Minister on this to make a personal appeal to MP's. Members of Parliament in England have so much legislation, there is so much controversy ranging round their lives that unless one puts the problem to them personally, writes to them and tells them about it, it is likely to go by default or they will say: "Don't worry, these chaps have nothing to worry in Gibraltar, our commitments to Gibraltar are supreme, which they are, are as firm and as solid as the Rock of Gibraltar", as was said in the very recent reply to Mr Latham when he raised the matter on the adjournment of the House. That is one of the problems that we have, Mr Speaker, there is a lot of sympathy for us but that has got to be translated into action and the sort of action that we have if we want it to be translated into is, of course, that the people of Gibraltar are given the status in the new Nationality Bill that they have earned over the years and to which, in my view, they are undoubtedly entitled to. I am sure that all Hon Members will wish to echo the feelings that I have expressed, the feelings of the people of Gibraltar, so that the resolution of the House can go to the United Kingdom Government so that they know in a very formal way how we all feel in Gibraltar.

Mr Speaker proposed the question in the terms of the Hon P J Isola's motion.

HON CHIEF MINISTER:

Mr Speaker, looking through my office file on this matter since the Green Paper was published in 1967 and the invitations issued at the time and subsequently the promptness with which all representative bodies responded to an invitation, indeed, we had one or two bodies who asked to be included and we gladly did so. The Gibraltar Unions of Students were one that recently wrote again that they wanted to associate themselves and though we have not had any meetings subsequent to the sending of the memorandum I have readily said that of course as long as they are a recognised body of opinion within the community that that is exactly what we want and reflects the views of the people of Gibraltar. There is no question about the fact that the motion would carry the support of everybody. I am glad that the Hon and Learned Leader of the Opposition has mentioned the fact that there are difficulties. I think the matter is being tackled in the right way. I think we have friends in

both Houses of Parliament who will support us but of course I do not think we should minimise the fact that there may be difficulties, not on the actual merits, and this is reflected by the way in which we have been reassured about our rights, but of the difficulties that they may have to try and explain it to others who may be knocking at the same door at the same time. This happened in June 1972 when, as a result of the pound being floated and the then Sterling Area shrinking, we were left outside and we battled through to get in and fortunately we were the only people and we are the only people outside the British Isles and Southern Ireland that are in the Sterling Area now and the only ones that got back after having been left out. We made a case then and the date chosen for that was 1 January 1973 which was when we joined with Britain as Members of the Common Market. The response to our position has been consistent and not only recently, in November of last year the Home Secretary made a statement about new immigration rules, about dependents not being allowed etc, and in the course of my functions and because I knew that this was something that everybody wanted, I wrote to the Governor on 20 November 1979 in these terms: "In his statement in the House of Commons on 14 November the Home Secretary described the ways in which firmer controls of immigration into Britain is to be exercised. I should be grateful if the Foreign and Commonwealth Office could be asked to confirm that the present administrative facility under which no restriction is placed on the number of Gibraltarians allowed to enter the United Kingdom for employment or to settle will not be affected by the new arrangements which have been introduced. As Your Excellency is aware, the present facility which was introduced in 1968 and which has created no difficulties for the Home Office, is a matter of great political significance to the people of Gibraltar and I should like, if asked, to be in a position to confirm as I believe and trust will be the case, that no change in the existing arrangements is intended". On 14 December, I got a letter from the Governor saying: "You wrote to me on 20 November asking me to seek confirmation from the Foreign and Commonwealth Office that the Home Secretary's recent announcement in Parliament of proposals for revising United Kingdom immigration rules would not affect the right of entry and settlement which Gibraltarians currently enjoy under administrative arrangements dating from 1968. I am happy to inform you that the Foreign and Commonwealth Office have given me that confirmation". This is, of course, an arrangement which we have subsequently been assured and I am only mentioning it because I think it is consistent with the regard that they have about the people of Gibraltar that they answered promptly and they gave us that answer. That did not need publication because it was something that was required. I think this is a good opportunity of making it public in order to build up the case we want to build up to prepare ourselves for the situation. Again, the memorandum of 1967 and now the answer of course is that the memorandum is being studied and I am sure that that is the case but that, of course, does not exempt us from the responsibility of pursuing the matter to

the very end as far as we can, properly, constitutionally and in every way possible and therefore a motion of this House confirming in fact what we have already asserted in the memorandum supported by leaders of all associations is, I think, appropriate as the matter gathers momentum and our efforts are intensified in anticipation of the difficulty. I said at the beginning that I was glad the Hon Leader of the Opposition mentioned that there may be difficulties which we have to surmount and it is not easy because we all want it but that is no reason why we should not all do our very best and it is proposed to visit on a Commonwealth Parliamentary Association basis Members of both Houses of Parliament and of all parties because this is not a Party issue. The assurances were given by both Labour and Conservative consistently. The arrangements which have been confirmed by the Conservative Government was given by Mr George Thomson, as he then was, in the City Hall in 1968 so there is no difference between the parties. The Green Paper which envisaged some changes, more fundamental, was produced by the Labour Government. The White Paper was introduced by the Conservative Government and even though there is no, across the Parliament, one view on this in respect of the question of immigration generally, the approach to the Gibraltar question is common. What we have to do is try to translate the assurances and the arrangements into the legislation. That is not easy, as we knew in 1971 when we made representations, but it is a battle worth fighting for and a battle which, given the necessary support that we hope to get, we could well win.

HON J ROSSANO:

Mr Speaker, I welcome the motion before the House. I, of course, support it completely and I will be voting in favour otherwise my Party would not have supported the memorandum which is referred to in the motion. I would therefore just like to say a few things in relation to the contributions that have been made by the Hon and Learned the Chief Minister and the Hon and Learned Leader of the Opposition. I think, first of all, that we do enjoy a great deal of sympathy in the United Kingdom as compared to any other Dependent Territory. I think that the understanding of the views expressed in Gibraltar about our relationship with the United Kingdom tends to be greater within the Conservative Party than it is within the Labour Party. Particularly on the left of the Labour Party there is a traditional outlook that there was something wrong in Britain ever having had an Empire and that the obligation of every conscientious socialist should be to get rid of the Empire and get rid of the Colonies and I think there is a very long tradition within the Labour movement and it is difficult for people on the left to understand how we want to do anything other than take the sort of stand that has been taken by other Colonies. I do not think that this is a serious problem in the sense that I do not really see the obstacle so much as an obstacle within the ideologies of either of the two major political parties or,

indeed, in the Liberal Party. I see the obstacle as being one essentially where it would appear that foreign policy in the United Kingdom is determined more by the full-time officials in the Foreign Office than by the Government in power at any given time. One can see that, in fact, in the consistency that there is in foreign policy regardless of who is in the leadership of a particular party or which is the party that is in office. We have seen this precisely in the case of the Nationality Law where the differences between the White Paper produced by the Conservatives and the Green Paper produced by the Labour Government are minimal. I think it is important to be able to try and persuade those who are not convinced and we have got an extremely difficult task ahead of us to get an exception made for Gibraltar. Clearly, it is what the people want us to do and we have got an obligation to them to do it and to do it united and I support the motion.

HON A J CANEPA:

Mr Speaker, there is a point that is also worth underlining and that is that if we are not successful in our efforts to obtain first class British Citizenship, the undiluted British Nationality which the people of Gibraltar as a whole aspire to, nevertheless the exercise which we are undertaking in making our strongly felt views known to a very wide cross-section of Members of Parliament, the exercise which we may also undertake in going to Westminster and in having contact and addressing the newly-reactivated British-Gibraltar Parliamentary Group, I think will stand us in good stead for other battles which we are fighting, notably on the EEC/Spain front and in also bringing across to what may perhaps be a new generation of Members of Parliament who have not had the same contact with Gibraltar that other well-known stalwarts like the late Norman Dodds and the late George Jeger had, there is a new generation and that is why I think it was a very worthwhile exercise to get relatively young MP's here recently and it is a very good thing to make contact with them, to put across our views, to acquaint them fully and at first-hand with the Gibraltar problem and that is credit which we have there, as it were, to draw upon on any future occasion when other problems of a similar nature may arise. I do not think that we ought to be entirely daunted by the difficulties or disheartened if at the end of the day we do not get what we want. I feel that up to a point our membership of the EEC is a source of strength and yet a source of weakness. Perhaps if we were not members of the EEC we might be more successful in fighting the nationality issue but the fact that we have got the right of abode in the United Kingdom under the EEC means that the attitude perhaps of the British Government, which have difficulties with regard to the rest of the Commonwealth, the attitude is that at least they can satisfy the Gibraltarians up to a point but otherwise I think that our chances in some respects would be a great deal better.

I think that the message that is coming out of the House is that there are problems, that people, in spite of the great efforts that are being made, that people should know that it is not going to be an easy passage but that nevertheless in sum total it is an extremely worthwhile exercise for the future if nothing else.

HON A T LODDO:

Mr Speaker, it is well-known that human nature being what it is, one tends to appreciate what one had once it is lost and really give value to things and people once they are no longer with us. Fortunately, on the question of citizenship in Gibraltar this is the exception that proves the rule. The people of Gibraltar have been very conscious of their citizenship for many years. This is something which we already have as of right and which now we are in danger of losing. But as I said we have been conscious of this right for a long time and we have given proof of our depth of feeling on this matter on a number of occasions, not least of which were the two World Wars. Below this Chamber in which we are now debating, there is a plaque to commemorate heroes who fell in the two World Wars. The biggest proof of our depth of feeling was the Referendum. We threw in our lot with Britain at that time without any thought of the inner man. It was not a question of "I'm alright with Britain, Jack", it was a question of "I want to be British and nothing else and I would rather be British than Spanish or anything else". This Britishness which we all feel has been inborn in us for generations. We are British in our upbringing, in our education, in our laws and in our history. We always like to think of Drake singeing the King of Spain's beard as some feat of swashbuckling daring. The Spaniards, on the other hand, think of it as some dastardly and piratical deed. During the last war, and I am old enough to remember that, a number of us were evacuated to the United Kingdom where we shared with the people of Great Britain the terror of the bombings and the privations. Of course, the question of the evacuation was something that was imposed on us, we had no say, and I dare say that given the same situation today we would again have no say but again we would share the fate willingly. I am happy to have been able to speak to visiting MPs on the question of British nationality for Gibraltarians and the depth of feeling of the people of Gibraltar and I am sure that we have all, in our own way, contributed to impressing the visiting MPs with our feelings. When the frontier closed some eleven odd years ago, the British Government promised to sustain and support us, something which they have done and without this sustain and support policy Gibraltar would have gone under. But now, Mr Speaker, Britain can give us yet further proof of their sustain and support by supporting us not only financially but also morally by giving us what is morally ours. Fortunately, Gibraltar has always been an emotive word in British politics. From the time of the Whigs and the Tories to the Liberals,

Conservative and Labour, Gibraltar has been something very dear to British hearts. I believe, Mr Speaker, that Gibraltarians have a good case for their British Nationality but I also believe that we need in any good case good advocates to present our case and I am pleased to say that we have very good advocates. The Hon and Learned Chief Minister and the Hon and Learned Mr Isola have given proof of this on more than one occasion. I think that when the time comes and these two Hon and Learned Members go to England to speak on our behalf they will present the very best possible case and I hope all our good wishes go with them. Thank you, Mr Speaker.

HON MAJOR F J DELLIPIANI:

Mr Speaker, I have always been under the impression, maybe wrongly, that it is the prerogative of the USSR to take away citizenship from dissidents. I hope that Britain is not going to treat us as dissidents and take away our citizenship.

HON G T RESTANO:

Mr Speaker, when the CPA delegation came to Gibraltar, when they left, one of the things they said was how impressed they had been by the firmness, unanimity and strength of feeling of everybody that they had met on the question of citizenship. Most of them, of course, had ideas about our feelings on the White Paper but none of them ever really realised until they came to Gibraltar and met the people and met the ordinary man-in-the-street as well as Associations and Members of this House, how strong that feeling was. The result, of course, has been that the MPs who were out here have been in the van of the support for Gibraltar on this issue. This really shows how important it is for MPs, generally speaking, who may themselves not have a very good idea of what is happening and of the strength of feeling, to be told and to get to know what the feelings of Gibraltarians really are on this issue. For that reason I think it is extremely important as we build up the campaign, that Members of this House should give as much assistance as possible to all those people who require assistance in putting their own views forward to MPs so that they are generally made aware of the situation. The last point I would like to make, Mr Speaker, is that we should show a certain amount of appreciation for those MPs who have now been taking the matter of Gibraltar up so actively like Mr Michael Latham and Mr Albert McQuarrie, I think they have been helping the Gibraltar case a lot and they deserve our appreciation.

HON A J HAYNES:

Mr Speaker, I would remind the House that the motion regrets the proposals in the British Government's White Paper on British Nationality. We do not want to be second class citizens and if we want to preserve our present status then

we must be prepared to resist those proposals. I believe we can win and we have heard from the Chief Minister that in the past Gibraltar has been successful in representations to Her Majesty's Government, more specifically in the Sterling Area dispute. Again we must never forget we are dealing with our Mother Country, we are dealing with Her Majesty's Government. We will be given a fair hearing, similarly we have good friends in Westminster and I associate myself with my colleague's desire to commend them for their efforts. I believe that the Anglo-Gibraltar Parliamentary Group will be able to exert some considerable pressure in Westminster and they are determined to help us but if we are going to resist these proposals which, as the motion says, we regret, and if we do want England to hear us and I believe that the Hon Mr Canepa was quite right when he said that part of the problem is that the United Kingdom believes that we already have enough safeguards, if we are going to convince them that it is not safeguards that we are worried about as much as we are worried about status, if we are going to succeed we must give the Anglo-Gibraltar Parliamentary Group the mandate they require. They have already let it be known that what they want is the kind of support and the kind of strength of feeling they saw when they came here, they want that transferred and made abundantly clear in Westminster. I believe if we can generate that strength of feeling in Gibraltar, if we give impetus to the motion, that we will succeed and it will be a considerable fillip to us to preserve our status. I commend the motion.

HON W T SCOTT:

Mr Speaker, a very short intervention. The magnitude of the task that we face must not daunt us and weaken our efforts. The Hon Mr Haynes has made, to my way of thinking, a very valid point. If we can convey that feeling to the people of Gibraltar by making them influence MPs in the United Kingdom as in fact the three MPs and one Member of the House of Lords who visited Gibraltar were influenced, then our task will be made substantially easier. That is basically all I wanted to say, Mr Speaker, other than to repeat myself on the question of this letter writing soliciting the sympathy of the MPs in the United Kingdom.

HON P J ISOLA:

Mr Speaker, I do not think I have very much to say in summing up. The only thing is that I would like to take up very much what has been said by the last two speakers on this side, my Hon and Learned Friend Mr Haynes and my Hon Friend Mr Scott and that is the need to provide the back-up for those who are anxious to help us and want to see the situation in Westminster that they saw here in Gibraltar. In other words they want to see that translated into Westminster. My Hon and Learned Colleague Mr Haynes put it very well indeed. There is no doubt that we impressed the recent visiting United

Kingdom Delegation with our case and they are taking it up. They are spending a lot of time in taking the case up and lobbying. I know personally one who has been in quite lengthy correspondence with the British Home Secretary, Mr William Whitelaw. They need that the feeling of the people of Gibraltar should be known to MPs and that is the importance in my mind, of all political parties and not just political parties, there is a need for the ordinary man in the street in Gibraltar to pick up a pen and write to a Member of Parliament expressing his feelings. That is the only way they get the feel of how people in Gibraltar feel on this subject. That is why we opened our premises because not everybody knows the names of MPs and we can provide names but we do think there is a need for pressure to mount from Gibraltar. As I said before, the biggest pressure of course will be the personal visit to the House of Commons because then people see the problem alive but it is also important, we feel, that people in Gibraltar should write. I was very happy to see, for example, the ex-Servicemen writing to MPs, to the Foreign Secretary. Other categories of people, I know, are writing and it is not a bad thing that MPs when they go to their offices in the morning after the Christmas recess, that they should have letters from ordinary people in Gibraltar expressing how they feel on British nationality and on the British citizenship which as Hon Members on both sides of the House have said we undoubtedly are entitled to and deserve. I commend the motion to the House.

Mr Speaker then put the question which was resolved in the affirmative and the motion was accordingly passed.

PRIVATE MEMBERS' BILLS

HON P J ISOLA:

In view of the unanimity that exists in the House at this moment of time I was going to ask the leave of the House to defer moving the Private Members' Bill standing in my name until the next meeting of the House. There are a number of reasons for this, one of them of course is that I know my Hon and Gallant Friend Major Peliza would certainly like to contribute in the discussion of this Bill but has been prevented by illness from attending this meeting and in view of the fact also of the proximity of Christmas, I think I should defer the moving of this Bill to the next meeting of the House if Hon Members agree.

MR SPEAKER:

There is no need for the leave of the House. All you have to give is notice of the fact that you do not intend to proceed now and that you will be doing so at the next meeting.

HON P J ISOLA:

Then that is what I will do, Mr Speaker.

HON CHIEF MINISTER:

In that same spirit of unanimity I move the adjournment of the House sine die and in doing so I know I am expressing the feelings of all Members in wishing you a very Happy Christmas and at the same time I extend them to all my colleagues on both sides of the House.

HON P J ISOLA:

I reciprocate those feelings to both sides of the House and of course to you, Mr Speaker.

MR SPEAKER:

I would like to thank you all for your good wishes and I in turn would like to wish all Members as well as the Clerk of the House, members of the staff, members of the Hansard recording staff and also the Press and Television a very Happy Christmas and all good wishes for the coming year.

Mr Speaker then put the question which was resolved in the affirmative and the House adjourned sine die.

The adjournment of the House sine die was taken at 7.00 pm on Thursday the 18th December, 1980.