

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 Member 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 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 filip 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.